Congress and the amending Public Law 1018 enacted by the 84th Congress.

In addition to the work getting underway through the Watershed Protection and Flood Prevention Act, conservation land treatment and structural work is well advanced in 58 pilot small-watershed projects for which Congress first appropriated money in 1953. Also, similar flood-prevention work has been in progress since 1947 on subwatersheds of 11 major authorized watersheds as authorized by the 1944 Flood Control Act. These are Buffalo Creek, N. Y.; Middle Colorado, Tex.; Coosa River, Ga. and Tenn.; Little Sioux, Iowa; Little Tallahatchie, Miss.; Los Angeles, Calif.; Potomac, Md.; Pennsylvania, Virginia, and West Virginia; Santa Inez, Calif.; Trinity, Tex.; Washita, Okla.; Yazoo, Miss.

As of the 1st of April 1957, more than 650 applications for watershed planning help under Public Law 566 had been received in Washington from 46 States and Hawaii, after being initiated by soil conservation districts, watershed associations, or other local sponsoring community interests and having received State approval. Approximately 250 of these had been approved for planning assistance, and 36 had been approved for operations, in 24 States. Work plans on many more are in some stage of preparation. Construction work will get underway progressively as the plans are completed and approved for Federal assistance, by the Department of Agriculture through the Soil Conservation Service or by Congress, depending upon the size or cost of structures involved.

Work done in the 58 pilot projects to January 1, 1957, included nearly 200 floodwater-retarding structures, more than 1,400 stabilization and sediment-control structures, 165 silt and debris basins, and about 125 miles of stream channel and stabilization improvement. Work has been contracted and is underway on comparable additional works of improvement. More than 55 percent of the total area in the pilot projects is covered by soil conservation district agreements, with basic conservation plans developed on about 37 percent of the area and 42 percent of the operating units; and soil surveys have been made on more than 63 percent of the pilot-projects area.

Meanwhile, 278 work plans covering 15⅓ million acres had been prepared in the 11 authorized watersheds by January 1, in which more than half the total land area was covered by district agreements, and basic plans had been developed on about 40 percent of the area and 42 percent of the operating units. Sixty-four percent of the authorized projects area was covered by soil surveys. Structural work completed includes some 430 floodwater-retarding structures, nearly 6,000 stabilization and sediment-control structures, and 975 miles of stream-channel improvement and stabilization work.

THE GREAT PLAINS CONSERVATION PROGRAM

A more stabilized agriculture in the 10 periodically drought affected Plains States is the longtime objective of the Great Plains conservation program now being developed through concerted local and Federal efforts.

The program represents renewed efforts by local and State people in that area, the United States Department of Agriculture, and Congress, to minimize future drought effects. This through conservation farm and ranch planning and treatment that helps to stop wind erosion and bring about safe land use in dry years and wet. Implementing legislation for Federal participation, Public Law 1021 of the 84th Congress, supplements but does not replace soil conservation district, watershed, agricultural conservation program or other programs.

Farmers and ranchers who wish to take part present plans acceptable to the Secretary of Agriculture for needed conservation measures and land-use changes. The Department of Agriculture will then offer them long-term contracts providing for sharing the cost of establishing the combination of conservation practices provided for in the plans. Such contracts may run for up to 10 years or whatever shorter time is required, but not later than December 31, 1971. Total Federal expenditures may not exceed $25 million in any 1 year or $150 million all together, in counties designated by the Secretary based on recommendations of program committees made up of State and Federal agencies in the States.

No new agencies are being set up to help local people carry out this program, assigned to be worked out by an interagency group of representatives from 10 Department of Agriculture agencies under administrative leadership of the Soil Conservation Service. The Great Plains council, land-grant colleges, farm organizations, and others are continuing to assist in the program. Soil and water conservation technicians of the Department will help landowners and operators make the plans, as part of the total Great Plains program designed to help bring about all the agricultural and economic adjustments needed to protect, stabilize, and improve the productive capacity of the important Great Plains agricultural region.

Although July 1, 1957, was fixed as the date for formal start of the Great Plains conservation program as money should be made available by Congress, technical, educational, cost-sharing, research and other related activities began to be speeded up after the Department of Agriculture proposed a Great Plains program to the President in 1955. Thus ACP cost sharing for certain water conservation and other practices has been broadened.

The Soil Conservation Service, meanwhile, accelerated soil surveys in 166 designated counties in the critical wind erosion areas of Texas, New Mexico, Oklahoma, Colorado, Kansas, Nebraska, and Wyoming. Soil surveys were made on more than 15 million acres in the 10 States in 1956, compared to 12¾ million acres in 1955 and not quite 11¾ million acres in 1954.

The Service also has provided for a general expansion of surveys and for increased assistance in planning and establishing conservation practices throughout these States, North and South Dakota and Montana as part of its regular operations. As of July 1, 1956, nearly 99 percent of the farms and 91 percent of the land in farms in the 10 Great Plains States were in 871 farmer-organized and farmer-managed soil-conservation districts.

Mr. Speaker, I commend Secretary Benson, the Department of Agriculture, and the Soil Conservation Service for an outstanding job of accomplishment.

SENATE

THURSDAY, AUGUST 15, 1957

The Senate met, in executive session, at 12 o'clock meridian.

Rev. A. Donald Upton, Congregational minister, Arlington, Va., offered the following prayer:

O God, our Heavenly Father, as Thy goodness surpasses our thinking, so let Thy hearing transcend our asking, that, day by day, we may grow rich in grace of mind, in firmness of faith, in purity of character, in sweetness of charity.

Grant us, O God, a more vivid healing sympathy for one another, a finer art of insight for those who are baffled or dismayed by the vicissitudes of life, and a nobler skill in doing good for all.

Give us grace, we beseech Thee, to fill the vacant places in our lives with jewels of truth and wisdom, and a growing understanding of divine purposes. Thou dost make even the odd corners of nature beautiful. "Teach us Thy way, O Lord," that we may plant flowers of goodness and truth in empty places, that the very corners of our lives may be centers of moral and spiritual loveliness.

Deliver us from slothfulness in the business of this great Nation, where the lines have fallen unto us in pleasant places, and make us fervent in spirit to serve the Lord, that we may show forth our love to Thee by our love for our fellow men.

We ask all these blessings through Him who made of human life a sacrament, of thorns a crown, and of a cross a throne, even through Jesus Christ, our Lord and Saviour. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the Journal of the proceedings of Wednesday, August 14, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 13, 1957:

S. 334. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended (30 U. S. C. 184), in order to promote the development of phosphate on the public domain;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

S. 943. An act to amend section 218 (a) of the Interstate Commerce Act, as amended, to require contract carriers by motor vehicle to file with the Interstate Commerce Commission their actual rates or charges for transportation services;

S. 1063. An act vesting in the American Battle Monuments Commission the care and maintenance of the Surrender Tree site in Santiago, Cuba; and

S. 1314. An act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

On August 14, 1957:

S. 236. An act to amend section 6 of the act of June 20, 1918, as amended, relating to the retirement pay of certain members of the former Lighthouse Service;

S. 294. An act for the relief of Mrs. Marion Huggins;

S. 469. An act to authorize the United States to defray the cost of assisting the Klamath Tribe of Indians to prepare for termination of Federal supervision, to defer sales of tribal property, and for other purposes;

S. 525. An act for the relief of Rhoda Elizabeth Graubart;

S. 591. An act for the relief of Seol Bong Ryu;

S. 650. An act for the relief of Isabella Abrahams;

S. 651. An act for the relief of Sister Clementine (Ilona Molnar);

S. 669. An act for the relief of Mrs. Antonietta Giorgio and her children, Antonio Giorgio and Menotti Giorgio;

S. 701. An act for the relief of Karl Eigil Engedal Hansen;

S. 811. An act for the relief of Fannie Alexander Gast;

S. 827. An act for the relief of Guillermo B. Rigonan;

S. 833. An act for the relief of Vida Letitia Baker;

S. 874. An act for the relief of Cornelis Vander Hoek;

S. 876. An act for the relief of Katharina Theresia Beuving Keyzer;

S. 988. An act for the relief of Satoe Yamakage Langley;

S. 1053. An act for the relief of Poppy Catherine Hayakawa Merritt;

S. 1071. An act for the relief of David Mark Sterling;

S. 1102. An act for the relief of Adolfo Camillo Scopone;

S. 1112. An act for the relief of Matsue Harada;

S. 1171. An act for the relief of Harry Siegbert Schmidt;

S. 1240. An act for the relief of Panagiotis Tulios;

S. 1251. An act for the relief of Florinda Mellone Garcia;

S. 1309. An act for the relief of Susanne Burka;

S. 1311. An act for the relief of Maria Gradi;

S. 1353. An act for the relief of Ayako Yoshida;

S. 1363. An act for the relief of Vassilios Kostikos;

S. 1397. An act for the relief of Angeline Mastro Mone (Angelina Mastroianni);

S. 1452. An act for the relief of Francesca Maria Arria;

S. 1472. An act for the relief of Triantafilia Antul;

S. 1489. An act to amend title 14, United States Code, entitled "Coast Guard" with respect to warrant officers' rank on retirement, and for other purposes;

S. 1492. An act increasing penalties for violation of certain safety and other statutes administered by the Interstate Commerce Commission;

S. 1502. An act for the relief of Erika Otto;

S. 1508. An act for the relief of Salvatore LaTerra;

S. 1509. An act for the relief of Fumiko Bigelow;

S. 1773. An act to validate a certain conveyance heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to the State of Nevada, involving certain portions of right-of-way in the city of Reno, county of Washoe, State of Nevada, acquired by the Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

S. 1774. An act for the relief of Yee Suey Nong;

S. 1856. An act to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes;

S. 1884. An act to amend section 505 of the Classification Act of 1949, as amended;

S. 1941. An act to authorize the payment by the Bureau of Public Roads of transportation and subsistence costs to temporary employees on direct Federal highway projects;

S. 2027. An act for the relief of Vendelin Kalenda;

S. 2130. An act to amend further the Mutual Security Act of 1954, as amended, and for other purposes; and

S. 2217. An act to authorize the Secretary of the Army to sell certain lands at the McNary lock and dam project, Oregon and Washington, to the port of Walla Walla, Wash.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Richard Jackson, of Massachusetts, to be an Assistant Secretary of the Navy, vice Albert Pratt, resigned, which was referred to the Committee on Armed Services.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1383. An act amending section 410 of the Interstate Commerce Act, to change the requirements for obtaining a freight forwarder permit; and

S. 1384. An act to revise the definition of contract carrier by motor vehicle as set forth in section 203 (a) (15) of the Interstate Commerce Act, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 469. An act to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes;

H. R. 5822. An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment;

H. R. 9023. An act to amend the act of October 31, 1949, to extend until June 30, 1960, the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; and

H. R. 9188. An act to amend the act to authorize the Secretary of the Navy to transfer to the Commonwealth of Massachusetts certain lands and improvements comprising the Castle Island terminal facility at South Boston in exchange for certain other lands.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 469. An act to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes; and

H. R. 5822. An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; to the Committee on Interstate and Foreign Commerce.

H. R. 9023. An act to amend the act of October 31, 1949, to extend until June 30, 1960, the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; to the Committee on Labor and Public Welfare.

H. R. 9188. An act to amend the act to authorize the Secretary of the Navy to transfer to the Commonwealth of Massachusetts certain lands and improvements comprising the Castle Island terminal facility at South Boston in exchange for certain other lands; to the Committee on Armed Services.

NOTICE REGARDING CALL OF THE CALENDAR ON MONDAY OR TUESDAY

Mr. MANSFIELD. Mr. President, first, as in legislative session, let me say that, with the concurrence of the minority leader, I should like to put the Senate on notice that on Monday or Tuesday there may be a call of the calendar of bills and other measures to which there is no objection.

COMMITTEE MEETING DURING SENATE SESSION

Mr. KNOWLAND. Mr. President, I have consulted with the distinguished acting majority leader [Mr. MANSFIELD]; and, as in legislative session, I ask unanimous consent that the Committee on the Judiciary be permitted to meet while the Senate is in session today, up to the hour of 1 p. m.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN NOMINATIONS

Mr. MANSFIELD. Mr. President, the Senate is now in executive session, and I move that it proceed to consider the nominations on the Executive Calendar, beginning with the nominations of members of the Atomic Energy Commission.

The PRESIDENT pro tempore. Without objection, it is so ordered; and the nominations will be stated.

ATOMIC ENERGY COMMISSION

The Chief Clerk read the nomination of John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission for the term expiring June 30, 1959.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John Forrest Floberg, of Illinois, to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1962.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Edwin R. Hicklin, of Iowa, to be United States district judge for the southern district of Iowa.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The Chief Clerk proceeded to read sundry nominations of United States attorneys.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of United States attorneys be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations likewise be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Coast and Geodetic Survey will be considered en bloc; and, without objection, they are confirmed.

Without objection, the President will be notified forthwith of the nominations confirmed today.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, under the order entered yesterday there will be, as in legislative session, a morning hour, for the introduction of bills and the transaction of other routine business. In accordance with the unanimous-consent order, statements made in that connection are to be limited to 3 minutes.

The PRESIDENT pro tempore. That is correct.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, PAYMENT OF CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS (S. DOC. NO. 60)

A communication from the President of the United States, transmitting, for the consideration of the Congress, a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of $753,860, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS, LEGISLATIVE BRANCH (S. DOC. NO. 61)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1958 in the amount of $1,850,000, for the legislative branch (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AMENDMENT OF TITLE XV OF SOCIAL SECURITY ACT, RELATING TO UNEMPLOYMENT INSURANCE FOR EX-SERVICEMEN

A letter from the Assistant Secretary of Labor, transmitting a draft of proposed legislation to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen and for other purposes (with accompanying papers); to the Committee on Finance.

RELIEF OF CERTAIN MEMBERS AND FORMER MEMBERS OF ARMY AND AIR FORCE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to provide for the relief of certain members and former members of the Army and the Air Force and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Nikitas Kouyios from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1957; to the Committee on the Judiciary.

RESOLUTION OF DISABLED AMERICAN VETERANS, DEPARTMENT OF OHIO

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Disabled American Veterans, Department of Ohio, relating to claims of wartime disabled veterans.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Ohio Department of the Disabled American Veterans charges the Administrator of Veterans' Affairs at Washington with failure to follow legislation approved by the Congress of the United States in connection with the payment of compensation to veterans disabled as a direct result of war service, the Administrator admitting he has already terminated or decreased the benefits of more than 40,000 of these veterans, claiming that the original grant was in error; and

Whereas this is the result of a continuing review of compensation claims of the wars' disabled originally granted under the provisions of Public Law No. 144, approved by the Congress of the United States; and

Whereas, if a field office of the Veterans' Administration fails to remove or reduce the compensation of a sufficient number of wartime disabled veterans through error, the efficiency rating of that office is considered unsatisfactory and that office is ordered to conduct a second review; and

Whereas less than 40 percent of these cases of wartime disabled veterans have been checked to date and at the current rate those removed from the rolls will exceed 100,000; and

Whereas printed instructions, explaining this policy change of the Veterans' Administration have not been issued, this new policy being disguised by the use of the term, "medical principles"; and

Whereas survey teams are sent from the Washington office of the Veterans' Administrator to the many field offices to impart verbal instructions; individual claims files are called to Washington and the adverse decision rendered there affects the benefits of many other wartime disabled veterans; and

Whereas the Washington office of the Veterans' Administration has called all regional office adjudication officers to Washington for a period of instruction—and has admitted that the review of claims of wartime disabled veterans is in compliance with Recommendation No. 69 of the Report of the Bradley Commission; and

Whereas the rating boards at the regional offices of the Veterans' Administration are now hesitant to approve the claim of any veteran on war-incurred disabilities, the new theory of medical principles providing a tool for arbitrary denial; and

Whereas, if the Veterans' Administration was sincere in its program of correcting alleged errors, it would also review the claims of wartime disabled veterans previously denied; and

Whereas the Veterans' Administration at Washington proposes a complete revision of the rating table to evaluate disability, 132 pages of material having already been issued with recommended changes; and

Whereas the drastic reductions being proposed are shocking and would materially reduce or discontinue payment of benefits to the wars' combat veterans; and

Whereas the ratings for muscle damage from gunshot wounds and other causes are to be slashed, along with most other disabilities—and to qualify for total disability the service connected condition must be so serious that the veteran be housebound, with similar reductions and eliminations of compensation across the board; and

Whereas the considered changes are said to be based on medical advances, but actually are the result of pressure from medical associations, the Bureau of the Budget, and the report of the Bradley Commission—with military pressure; and

Whereas, if the present recommendations are carried to a conclusion, the number of wartime disabled veterans receiving benefits will be reduced to a mere token, and the beginning of the end of this Nation of ours meeting its obligation to the wars' wounded and disabled among the enlisted personnel; and

Whereas no effort has been launched to interfere with the high rate of retirement to the disabled career officers, it appearing that the laws enacted by the Congress of the United States no longer apply to the Veterans' Administration: Now, therefore, be it

Resolved, That the Disabled American Veterans, Department of Ohio, assembled in the city of Toledo, July 26, 27, 28, 1957, at its 36th annual convention, charge the Administrator of Veterans' Affairs with violating his oath of office in scrapping Public Law No. 144 of the Congress of the United States and replacing the law with recommendations of the Bureau of the Budget, medical groups, and military pressure in the conduct of reviewing claims of wartime disabled veterans; and be it further

Resolved, That we charge the Administrator with a violation of the moral code of decency in his proposal to destroy the present rating schedule and to replace it with evaluations that are grossly inhumane; and be it further

Resolved, That the DAV appeal to the Members of the Congress to cause an investigation to determine the Administrator's fitness for office; and be it further

Resolved, That we request the Members of Congress to enact legislation that will freeze the present or 1945 rating schedule and prohibit any change in the evaluation of disabilities of wartime disabled veterans, without the approval of the Congress.

KENNETH M. ROBEY,
Commander, the DAV, Department of Ohio.

Adopted by the convention, July 26, 1957, by a unanimous vote.

RESOLUTION OF THE VOICE OF GREEK ORTHODOXY IN AMERICA

Mr. LANGER. Mr. President, last week there was laid on the Vice President's desk and submitted to the Senate, a petition by the Voice of Greek Orthodoxy in America asking for appropriate legislative action to guarantee equal recognition and privileges to the Eastern Greek Orthodox faith as a major faith as guaranteed by article I of the Constitution of the United States.

As a member of the Judiciary Committee to which this petition was referred, I was interested in reading said petition and I ask unanimous consent that this petition be inserted in the CONGRESSIONAL RECORD at this point in full for the information of the Members of the United States Congress.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Petition to the United States Senate:

By virtue of article I of the Constitution of the United States, the Voice of Greek Orthodoxy in America petitions the United States Senate as follows:

"Whereas the Constitution of the United States guarantees freedom of religion and the free exercise thereof; and

"Whereas the Eastern (Greek) Orthodox faith is the established religious faith of over 250 million persons throughout the world, approximately 7 million of whom are residents of the United States; and

"Whereas the Eastern Greek Orthodox faith is the religious faith of Americans who have migrated from such countries as Greece, Turkey, Syria, Lebanon, Egypt, Albania, Armenia, Bulgaria, Russia, Esthonia, Rumania, Yugoslavia, Ukraine, and the American-born of said migrants; and

"Whereas during World War II, servicemen of the Eastern Greek Orthodox faith were not permitted to be so designated in their armed services records or in their identification tags; and

"Whereas no member of the Eastern Orthodox clergy, by armed services regulations, were permitted to become chaplains in the Armed Forces of the United States until the year of 1952 when the first Greek Orthodox chaplain was appointed; and

"Whereas although the numerous attempts made to change existing Army regulations were fruitless, it was the introduction of S. 106 in the 84th Congress that precipitated the Defense Department to change its existing regulations and permitted Orthodox Christians to be identified as such; and

"Whereas the major radio and television networks who are licensed through the Federal Communications Commission grant free time to Catholic, Protestant, and Jewish churches, but do not grant the same privileges to Greek Orthodox churches; and

"Whereas all Federal and State officials do not yet include the Eastern Greek Orthodox faith when referering to the major religious faiths in the country; and

"Whereas the failure to do so, coupled with the facts related to Orthodox identification in the armed services and failure to appoint Orthodox chaplains, constitutes a violation of the spirit of article I of the Constitution of the United States pertaining to the freedom of religion; and

"Whereas over 50 percent of States of the United States have enacted laws or resolutions recognizing the Eastern (Greek) Orthodox faith and have required that all official documents and acts should so comply; and

"Whereas the President of the United States at his recent inauguration, has set the example for the first time in history in having a Catholic, a Protestant, a Greek Orthodox, and a Jew, render the prayers at the inaugural ceremonies: Now, therefore

"The Voice of Greek Orthodoxy in America, a laymen's organization, petitions the United States Senate that appropriate legislative action be taken to require all agencies and branches of the Federal Government give due recognition to the Eastern Greek Orthodox faith as a major faith, and that whenever there is the usual reference to the three major faiths of Catholic, Protestant, and Jew, it be amended to refer to the four major faiths, Catholic, Protestant, Jew, and Greek Orthodox."

THE VOICE OF GREEK ORTHODOXY IN AMERICA,
By LAJOY CHUMBRIS.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

Neil Hosler McElroy, of Ohio, to be Secretary of Defense.

NOMINATION OF ELWOOD R. QUESADA TO BE CHAIRMAN OF THE AIRWAYS MODERNIZATION BOARD

Mr. BRICKER. Mr. President, I ask unanimous consent to report, from the Committee on Interstate and Foreign Commerce, the nomination of Elwood R. Quesada, of California, late a lieutenant general of the United States Armed Forces, to be Chairman of the Airways Modernization Board. The nomination is unanimously recommended by the committee.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement by me, together with a biographical sketch of General Quesada, who has had a long and distinguished career in Government service.

There being no objection, the statement and biographical sketch were ordered to be printed in the RECORD, as follows:

The Airways Modernization Board is being created pursuant to the Airways Modernization Act of 1957. This legislation, which was sponsored by the chairman of this committee, the Senator from Kansas [Mr. SCHOEPPEL] and me, was signed by the President a day or two ago. Briefly, it provides for the creation of the Board of three members consisting of the Chairman, to be nominated by the President, the Secretary of Defense, and the Secretary of Commerce. The Board's duties will be to develop, modify, test, and evaluate systems, procedures, facilities, and devices, as well as define the performance characteristics thereof, to meet the needs for safe and efficient navigation and traffic control of all civil and military aviation except for those needs of military agencies which are peculiar to air warfare and primarily of military concern, and select such systems, procedures, facilities, and devices as will best serve such needs and will promote maximum coordination of air traffic control and air defense systems.

Ordinarily the Committee on Interstate and Foreign Commerce would hold a public hearing on a major nomination such as this. However, because the adjournment of the Congress seems imminent, and because of the pressing need for development and modernization of our national system of navigation and traffic control facilities, we felt no time should be lost in getting the Board established. General Quesada's nomination has the committee's unanimous approval and there is no known opposition to it.

ELWOOD R. QUESADA

Elwood R. Quesada was born in Washington, D. C., April 13, 1904. He attended Technical High School there, the University of Maryland, and Georgetown University.

Mr. Quesada enlisted in the Army in 1924 and shortly thereafter entered the Air Service Primary Flying School. He was commissioned a second lieutenant in the Regular Army in 1927, and retired as a lieutenant general in the Air Force in 1951.

He served as one of the pilots of the airplane *Question Mark* which, by midair refueling, remained aloft the entire first week of January 1929.

When the Army was assigned the job of flying the mail in 1933–34, he was chief pilot on the New York-Cleveland route, personally flying the round trip every other night.

Prior to World War II, he was loaned to the Argentine Air Force as a technical adviser.

During World War II he served as the commanding general of the 12th Fighter Command and deputy commander of the Northwest African Coastal Air Force. As commanding general of the 9th Fighter Command, he directed the American air effort prior to and during the invasion of Normandy, establishing his headquarters on the beachhead on D-day plus one, and directed a tactical air operation in conjunction with the Army during the Allied sweep across Europe. He participated in more than 90 combat missions.

In 1946 Mr. Quesada served as the first commander of the Tactical Air Command.

From 1949 to 1951 he served as commander, Joint Task Force Three (Army, Navy, Air Force, Atomic Energy Commission) which organized and managed Operation Greenhouse—which conducted a series of nuclear tests including the first hydrogen device ever to be detonated. This task force was responsible for turning an overgrown jungle, strewn with war waste, into a vast outdoor laboratory—the now well-known Eniwetok.

Upon retiring from the Air Force, Mr. Quesada entered private industry, where he served as a director and officer of Olin Industries and the Lockheed Aircraft Corp.

He has been awarded the Distinguished Service Medal with 1 oak-leaf cluster, Distinguished Flying Cross, Legion of Merit, Air Medal with 2 silver oak-leaf clusters, Purple Heart, American Defense Ribbon, European-African-Mediterranean Theater ribbons with 17 battle-participation stars. His foreign decorations include the British Order of the Bath, the Commander of the British Empire, the French Legion of Honor, the French Croix de Guerre with palm, Luxembourg Croix de Guerre, Order of Adolph of Nassau, the Polish Pilot's Badge,

and the Belgium Order of the Couronne in the grade of commander with aviation palm, and Croix de Guerre with aviation palm.

Mr. and Mrs. Quesada, the former Miss Kate Davis Pulitzer, have 2 daughters and 2 sons. Their residence is in Los Angeles, Calif.

Mr. BRICKER. Mr. President, this is an important nomination. It is imperative that it be reported at this time, and acted upon at as early a date as possible.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MANSFIELD. I assure the Senator that, after proper consultation with the majority leader and minority leader, action will be taken as soon as possible.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAGNUSON. I join in what the Senator from Ohio has said. I asked him to report this nomination.

We are now considering nominations on the Executive Calendar. This nomination is unanimously reported from the committee. I ask the acting majority leader whether it would be in order to ask unanimous consent to place the nomination on the Executive Calendar tonight and act upon it.

Mr. MANSFIELD. Mr. President, I would have to object. I must first consult with the majority leader and minority leader.

I see no reason why the nomination should not be placed on the Executive Calendar tonight and be considered tomorrow or Monday, at the first opportunity after I am able to consult with the majority leader and the minority leader. I do not think it would be proper to consider the nomination at this time, especially in view of the fact that the minority leader is absent from the Chamber. However, it will be acted upon at the very first opportunity.

Mr. MAGNUSON. The reason I ask the question is that the general has already been put to work by the Appropriations Committee on the important matter of the Burke Airport, and the problem of air safety. I was desirous of having the nomination confirmed as soon as possible, so that the general might formally take over the job which the Senate Appropriations Committee handed to him only a few hours ago.

Mr. MANSFIELD. I do not think there is anything to worry about in that regard.

The PRESIDENT pro tempore. Without objection, the nomination will be placed on the Executive Calendar.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 993. An act to provide for the conveyance of certain land by the United States to the Cape Flattery School District in the State of Washington (Rept. No. 966);

H. R. 1259. An act to clear the title to certain Indian land (Rept. No. 967); and

H. R. 6521. An act to modify section 3 of the act of June 30, 1945 (59 Stat. 265) (Rept. No. 968).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1091. A bill to stimulate industrial development near Indian reservations (Rept. No. 969).

By Mr. RUSSELL, from the Committee on Armed Services, with amendments:

H. R. 5807. An act to amend further and make permanent the Missing Persons Act, as amended (Rept. No. 970).

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

H. R. 7697. An act to provide additional facilities for the administration and training of units of the Reserve components of the Armed Forces of the United States (Rept. No. 979).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 324. A bill to provide for the appointment of an additional district judge for the southern district of Florida (Rept. No. 972);

S. 472. A bill to provide for the appointment of two additional district judges for the district of Connecticut (Rept. No. 973);

S. 1060. A bill to provide for the appointment of a district judge for the district of Colorado (Rept. No. 974);

S. 2714. A bill to provide for the appointment of a district judge for the district of Nevada (Rept. No. 975); and

S. 2747. A bill to provide for the appointment of two additional district judges for the eastern district of Pennsylvania (Rept. No. 976).

By Mr. JOHNSTON of South Carolina, from the Committee on the Judiciary, without amendment:

S. 2773. A bill to provide for the appointment of a district judge for the eastern and western districts of South Carolina (Rept. No. 977).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. R. 9131. An act making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 980).

TEMPORARY CIRCUIT JUDGESHIP FOR EIGHTH CIRCUIT AND APPOINTMENT OF DISTRICT JUDGE FOR NORTHERN AND SOUTHERN DISTRICTS OF IOWA

Mr. McCLELLAN, from the Committee on the Judiciary, reported an original bill (S. 2799) to provide for a temporary circuit judgeship for the eighth circuit, and for the appointment of a district judge for the northern and southern districts of Iowa, and submitted a report (No. 978) thereon; which bill was read twice by its title, and placed on the calendar.

REPORT ENTITLED "TIMBER SALES, QUINAIELT INDIAN RESERVATION, WASH." (S. REPT. NO. 971)

Mr. NEUBERGER. Mr. President, I submit a report on Timber Sales, Quinaielt Indian Reservation, adopted by the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs, and approved for printing by the full committee on August 13, 1957.

One member of the Indian Affairs Subcommittee, the distinguished Senator from Utah [Mr. WATKINS] has requested that he be afforded an opportunity to submit a minority report by August 24. Therefore, I ask unanimous consent that the report be printed with the understanding that the views of the Senator from Utah will be included, and that the actual printing will not be made until August 24.

The PRESIDENT pro tempore. The report, together with the minority views of the Senator from Utah [Mr. WATKINS], will be received and printed, as requested by the Senator from Oregon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER (for himself and Mr. LONG):

S. 2793. A bill to provide for the conveyance of a pumping station and related facilities of the Intracoastal Waterway System at Algiers, La., to the Jefferson-Plaquemines Drainage District, Louisiana; to the Committee on Public Works.

By Mr. KENNEDY:

S. 2794. A bill for the relief of Letteria Morganti; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (by request):

S. 2795. A bill to further amend the first sentence of the act of January 20, 1888 (25 Stat. 1), as amended, by repealing the restrictive provisions relating to the form of publishers' bills, receipts and orders for subscriptions enclosed in publications mailed at second-class rates of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LAUSCHE (by request):

S. 2796. A bill to amend certain provisions of the Investment Company Act of 1940, as amended; to the Committee on Banking and Currency.

By Mr. MORSE:

S. 2797. A bill for the relief of Clyde Bruce Aitchison, Jr.; to the Committee on the Judiciary.

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

By Mr. CASE of New Jersey:

S. 2798. A bill to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society; to the Committee on the District of Columbia.

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

By Mr. McCLELLAN:

S. 2799. A bill to provide for a temporary circuit judgeship for the eigth circuit, and for the appointment of a district judge for the northern and southern districts of Iowa; placed on the Calendar.

(See statement relating to above bill when reported by Mr. McCLELLAN from the Committee on the Judiciary, which appears under the heading "Reports of Committees.")

By Mr. EASTLAND:

S. 2800. A bill to provide an alternative acreage adjustment and price support program for the 1958 crop of upland cotton, and for other purposes; to the Committee on Agriculture and Forestry.

S. 2801. A bill to provide for the conveyance of certain lands in the State of Mississippi; to the Committee on Interior and Insular Affairs.

By Mr. HILL:

S. 2802. A bill to establish a national committee for the training and development of selective placement personnel; to the Committee on Labor and Public Welfare.

By Mr. JOHNSTON of South Carolina (by request):

S. 2803. A bill to amend the Classification Act of 1949, as amended, to facilitate proper classification of positions in grades GS-16,

GS-17 and GS-18, and for other purposes; to the Committee on Post Office and Civil Service.

CLYDE BRUCE AITCHISON, JR.

Mr. MORSE. Mr. President, I introduce, for appropriate reference, a bill for the relief of Clyde Bruce Aitchison, Jr. I ask unanimous consent that the bill be printed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2797) for the relief of Clyde Bruce Aitchison, Jr., introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Administrator of General Services shall compensate Clyde Bruce Aitchison, Jr., for all tungsten trioxide concentrates received on or before December 31, 1955, by the General Services Administration from the said Clyde Bruce Aitchison, Jr., under General Services Administration Certificate of Authorization 9-2256. Such compensation shall be at prices and in accordance with standards in effect at the time of receipt of such concentrates, and shall be made out of funds available for such purpose.

Mr. MORSE. Mr. President, the bill I am introducing is designed to afford a committee of the Senate an opportunity to consider an alleged inequitable course of conduct on the part of the Federal Government in its dealings with a citizen. If a committee of the Senate should agree with the facts as they are related by the claimant, I have no doubt that a recommendation of corrective action will come from the committee.

Briefly, the facts which have been called to my attention are these: During 1951 the United States, in order to encourage domestic production cf tungsten, initiated a procurement program at a price of $63 per short-ton unit.

In 1953, Mr. Aitchison received a certificate of authorization from General Services Administration to make shipments under the domestic program. He supplied the Government from his own mines, and in addition served as broker for certain tungsten producers who were unable to operate under the delayed payment program commonly followed by the Government in these cases. In December 1955, Mr. Aitchison suspected that one of the persons supplying tungsten to him under a brokerage arrangement might be violating the law by purchasing foreign tungsten at approximately $30 per short-ton unit instead of supplying domestic tungsten.

However, Mr. Aitchison did not have clear proof in that respect. He then did what any responsible citizen should do—he informed the appropriate Government agency, which in this instance was the General Services Administration's regional office.

After being advised of the suspicious circumstances, GSA officials cooperated with Mr. Aitchison in his investigation as to the actual source of the tungsten. Ultimately, he found it to be of improper origin.

Mr. Aitchison subsequently discovered that another supplier from whom he and several other brokers had purchased some tungsten, had smuggled a part of the materials from Mexico. Mr. Aitchison obtained a confession from the supplier, and delivered him and the confession to the United States attorney for prosecution.

When Mr. Aitchinson called GSA to inform that agency of the results of his investigations, he learned to his astonishment that the matter had been turned over to the FBI and that an order had been issued prohibiting him from making further shipments under the tungsten program. At about the same time, tungsten already delivered to the Government by the claimant, worth $39,758.17, was retained in the Government's possession; and to this day the claimant has not been paid. In addition, the government demands that he repay $20,318 in exchange for tungsten previously delivered, now listed as GSA as "ineligible."

In the meantime a criminal prosecution of the suppliers who had violated the law resulted in convictions. Mr. Aitchison was the Government's principal witness.

Mr. Aitchison has paid the United States Customs Service $6,343.60, in lieu of duty upon the materials purchased from the suspected suppliers.

Mr. Aitchison, on March 14, 1957, in attempting compromise, offered to exchange with the GSA for the tungsten of doubtful origin, tungsten lawfully produced from his own mine in the United States during the tungsten program. Although several months have elapsed since this offer was made, GSA has neither accepted nor declined it, and meanwhile continues to retain possession of $39,758.17 of Mr. Aitchison's tungsten, neither paying for it nor offering to return it, and still asserts the claim against Mr. Aitchison for $20,318, embracing materials bought by the Government.

Mr. President, if the facts I have stated can be established to the satisfaction of the Senate committee, it is obvious that they indicate a serious miscarriage of justice which is particularly alarming, in that it involves wrongful action of the Federal Government against one of its own citizens—one who sought to assist the Government against the perpetration of a fraud.

Under the circumstances it seems only fair that a committee of the United States Senate should give thorough consideration to the charge made by Mr. Aitchison. If it finds itself in agreement with him, I know that the committee will take prompt action to correct what is now a glaring prima facie case of a grievous wrong.

USE OF CERTAIN PROPERTY AS NATIONAL HEADQUARTERS BY NATIONAL SOCIETY, SONS OF THE AMERICAN REVOLUTION

Mr. CASE of New Jersey. Mr. President, I introduce, for appropriate reference, a bill to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society. I ask unanimous consent that a statement prepared by me relating to the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2798) to authorize the National Society of the Sons of the American Revolution to use certain real estate in the District of Columbia as the national headquarters of such society, introduced by Mr. CASE of New Jersey, was received, read twice by its title, and referred to the Committee on the District of Columbia.

The statement presented by Mr. CASE of New Jersey is as follows:

STATEMENT BY SENATOR CASE OF NEW JERSEY

The purpose of this bill is to authorize the use of premises 2412 Massachusetts Avenue NW., Washington, D. C., as the national headquarters of the National Society of the Sons of the American Revolution.

This society was granted a charter by the 59th Congress on June 9, 1906, which provided for establishment of its national headquarters in the District of Columbia.

Section 2 of the act of incorporation provides:

"That the purposes and objects of said corporation are declared to be patriotic, historical, and educational, and shall include those intended or designed to perpetuate the memory of the men who, by their services or sacrifices during the War of the American Revolution, achieved the independence of the American people; * * * to inspire * * * the community at large with a more profound reverence for the principles of the Government founded by our forefathers; to encourage historical research in relation to the American Revolution; * * * to foster true patriotism; to maintain and extend the institutions of American freedom, and to carry out the purposes expressed in the preamble to the Constitution."

This is a purposeful society which has a distinguished heritage and which has for its principal objective the greater understanding of the values of the American way of life—in particular, the Constitution, the Bill of Rights, and all of the other institutions which are part and parcel of the American system. The Sons of the American Revolution conducts annual celebrations commemorating the anniversary of the birth of Washington, Franklin, Jefferson, and other patriotic events and sponsors essay and oratorical contests on American history and Government. These activities make a substantial contribution to the preservation of this American heritage, as established under our Constitution, for all of the citizens of this country.

For the past year, the National Society of Sons of the American Revolution has made extensive search throughout the city to find a suitable location for its national home. To date, this is the only suitable building which has been found which presents the desired dignified exterior and useful interior. There will be no change made in the exterior appearance of the building. The building will house a small headquarters staff of five people.

This area is dignified in character. Within the block and the adjoining blocks there are many Embassies and office uses of foreign governments. To some extent, these uses are complimentary in character and in keeping with the national headquarters of this organization.

The national home of this organization is presently located in a residential district at 1227 16th Street NW., and has been regarded

as a fine stabilizing influence upon the character of this portion of 16th Street. The headquarters of the National Society of Sons of the American Revolution is conducted in a quiet and dignified manner, free from noise and objectionable conditions, completely in character with the neighborhood.

PERMANENT AUTHORITY FOR POSTMASTER GENERAL TO ESTABLISH POSTAL STATIONS AT CAMPS, ETC., OF THE ARMED FORCES—RECOMMITTAL OF BILLS

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that Calendar No. 111, S. 913, a bill to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, be recommitted to the Senate Post Office and Civil Service Committee for further clarification.

I have discussed this subject with the minority leader, and also the ranking member of the Post Office and Civil Service Committee.

I also request that the companion bill, Calendar No. 130, H. R. 4815, a bill to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes, be referred to the Post Office and Civil Service Committee in connection with this study.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KNOWLAND. I had a discussion with the Senator from South Carolina on this subject. I certainly have no objection to Calendar No. 111, Senate bill 913, being recommitted.

I understood there was an amendment which the Senator from Mississippi and the Senator from New Hampshire discussed on the floor the last time the bill was before the Senate. I have just received some additional information. I have been informed that the House bill does not contain the same amendment, which was controversial. Does the Senator not think it might be just as well to leave the House bill on the calendar, inasmuch as it does not contain the amendment in question, and recommit the Senate bill, which was the one in controversy?

Mr. JOHNSTON of South Carolina. What the Senator says is correct, but I have received letters from many Senators asking that hearings be held on certain features of the bill with respect to which there was considerable correspondence. Those features of the bill do not relate to the amendment in question.

Mr. KNOWLAND. I shall raise no objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION—AMENDMENTS

Mr. HICKENLOOPER (for himself, Mr. BRICKER, and Mr. KNOWLAND) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 2674) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

AUTHORIZATION FOR SELECT COMMITTEE ON SMALL BUSINESS TO SUBMIT A REPORT SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. MORSE. Mr. President, I ask unanimous consent that I be permitted to submit, following the sine die adjournment, a report from the Select Committee on Small Business on the subject of extended hours of operation for daytime radio stations. I am hopeful that it will be possible to submit the report prior to adjournment; but since the possibility exists that it will not be ready by that time, I believe it wise to provide for that contingency.

I was chairman of the subcommittee which conducted the public hearings on this matter. They were rather lengthy hearings, and very able and thorough work is being done by the staff of the subcommittee. In fairness to the staff of my subcommittee, I think it only proper that I request this permission to file the report after the Senate adjourns, if we do not have it ready prior to the adjournment.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears none, and it is so ordered.

RETIREMENT OF ADM. ARTHUR W. RADFORD

Mr. MANSFIELD. Mr. President, today marks the retirement of Adm. Arthur W. Radford as Chairman for the past 4 years of the Joint Chiefs of Staff, and a veteran of many years in the Navy. In this branch of the service he served with distinction both on the sea and in the air. He has been an individual of resolute character and well-defined views. He has never been a compromiser, but at the same time he was never unreasonable. The position he has occupied has been an extremely difficult one over the past 4 years; but he has performed his job with honesty, with decency, and at all times with the interests of the United States first and foremost in his mind. Admiral Radford has earned a niche in our history because of the many contributions he has made to the welfare of the Nation.

I have not always been in agreement with the views expressed by Admiral Radford, but I have always honored him for what he is and for what he has done. On the day of his retirement, I wish to commend Admiral Radford and to extend to him my sincere congratulations for a good job well done under extremely difficult circumstances. The United States owes a debt of gratitude to this man, whose characteristics were his deep convictions, his sincere honesty, and his outstanding patriotism in behalf of our country. We shall miss him, but we wish for him in the days ahead some relief from the unceasing problems which have been his lot over the past 4 years.

WAGE INCREASE FOR POSTAL EMPLOYEES

Mr. NEUBERGER. Mr. President, so that my colleagues may be aware of the suport in public opinion which exists in the Pacific Northwest for an immediate increase in pay for postal employees, I ask unanimous consent to have printed in the body of the RECORD a cogent editorial on this subject from the Oregon Daily Journal of August 10, 1957. The title of the editorial is "Wage Increase Justified." It points out clearly that the salaries of postal employees have lagged disastrously behind the cost of living all over the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WAGE INCREASE JUSTIFIED

Congress and the administration will be doing an injustice to a large group of Government employees if a pay adjustment for postal workers is not provided at the current session.

The House passed a pay increase measure by a vote of 379 to 38 and the measure now rests in a Senate committee. This bill provides a $546 across-the-board increase. With this increase a Portland clerk or carrier who has put in 7 years and worked himself to the top civil service grade for his position still would be making less than $5,000 a year gross income.

The postal service is a big operation. In all, some 518,000 workers across the country would be affected by this bill and the total annual cost would be in the neighborhood of $318,000,000.

The administration has opposed these measures on two grounds—first, that such an outlay would be inflationary, and, second, that Congress should consider legislation to provide prevailing pay scales for Government workers in different localities or that an allowance system, such as the one used in the Army and Diplomatic Service, be provided.

The first argument is valid only in the sense that any new expenditure is inflationary. But from an overall standpoint postal workers have been the victims, not the cause of inflation.

Their last wage increase was in 1951. The inflation which has occurred in the interim cannot be blamed on them. In his budget message President Eisenhower said that any wage increases—private or Government—must be reasonably related to improvements in productivity.

On the basis of pieces of mail handled, postal clerks show a 43.6-percent increase in productivity between 1945 and 1957. The second reason is valid only if some reasonable effort is made to implement one or the other of the suggestions.

To date no such effort has been made and postal workers should not be asked to continue at substandard wages while Congress decides whether some alternative might work.

Considerable has been said about wages in relation to the Post Office deficit. It is true that postal rates should more nearly meet costs, but again this problem is not directly related to wages.

The workers are entitled to a living wage and it is up to Congress to decide whether these services should be paid for by the taxpayer or by the user of postal services.

THE CIVIL-RIGHTS BILL

Mr. SMITH of New Jersey. Mr. President, in the continuing controversy which prevails concerning the civil-rights bill, the distinguished columnist, Walter Lippmann, has this morning once again focused attention upon the fundamental issues involved.

In assessing the merits of the bill as it passed the Senate, Mr. Lippmann measures it against the appropriate standard, when he states:

The true measure of a bill's strength is, not how much it promises, but how much it can be expected to deliver.

Against this standard, the Senate version of the bill by far surpasses the civil rights bill as passed by the House. As Mr. Lippmann concludes:

It is the first bill for civil rights which contains strong powers of enforcement and is not being resisted irreconcilably by the political leaders of the South.

I commend this article to my colleagues in this body and to the Members of the House of Representatives; and I ask unanimous consent that the full text of the article, from this morning's New York Herald Tribune, be printed at this point in the body of the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LITTLE LEFT TO QUARREL ABOUT

(By Walter Lippmann)

The issue on the Senate civil-rights bill is now very narrow, except for the southern politicians who do not want any bill and for the northern politicians who want to play politics with the bill. Speaker RAYBURN, who will be followed by the Democrats in the House, is offering an amendment to cure what such a champion of civil rights as Senator JAVITS, of New York, calls the primary legal defect in the Senate bill—namely, "its failure to limit the jury-trial amendment to civil-rights cases only."

After this, on what principle can northern Republican politicians argue that it would be better to let the bill die than to pass an amended version of the Senate bill? A civil-rights bill which can command the support of Mr. RAYBURN, of Texas, and of the National Association for the Advancement of Colored People is almost too good to be true and it will be hard to condone a maneuver to make it fail.

As a matter of fact, the Senate bill, even with the provision for jury trials in criminal-contempt cases, is a very big measure. It inaugurates a new national policy that the Federal Government has the duty to take the initiative in securing and protecting the constitutional rights of Negroes to vote. It vests in the Executive legal powers to intervene in southern elections, to go into the Federal courts for civil injunctions which, without jury trial, mean that imprisonment or fines can be imposed on those who violate the injunction. Why this should be called a weak bill is more than I can understand. For the procedure under civil contempt, which does not require a jury trial, is a very great power.

Would it be a stronger bill if it promised more, if in addition to a promise to protect and secure the vote, the bill proposed to integrate the public schools? Supposing that a wide bill, such as the one which came from the House, could be passed, it would be almost impossible to enforce it. For it would unite the resistance of the Southern States, and it would place upon the Department of Justice a more impossible task than did the old and thoroughly discredited prohibition amendment.

The true measure of a bill's strength is not how much it promises but how much it can be expected to deliver. What we ought to be worrying about is how the Eisenhower administration and its successors are to meet the huge responsibility put upon them by the Senate bill, and how they are to exercise the large legal powers with which the bill invests them. I say we ought to be worrying about these questions of policy because not a hint has as yet been given by the administration leaders that they realize what big and difficult decisions will confront them when the bill is passed. They talk and act as if any civil-rights measure that is passed will then automatically be realized in practice.

Yet the crux of the matter is the enforcibility of any bill that is enacted, and the difference between a politician and a statesman is that the politician is interested in the promises and the statesman is interested in enforcibility. Does not the history of the problem of civil inequality in this country prove conclusively that declarations of rights can be nothing but empty sounds if the resistance is strong enough?

That is why the Senate bill is so extraordinary. It is the first bill for civil rights which contains strong powers of enforcement and is not being resisted irreconcilably by the political leaders of the South.

MUTUAL SECURITY APPROPRIATIONS

Mr. SMITH of New Jersey. Mr. President, with the end of this session of the Congress approaching, the mutual security appropriation bill remains the most important piece of proposed legislation which must be passed before we adjourn. After considerable delay, the President was finally presented on yesterday with the authorization bill, and he promptly signed it, although it represented a serious reduction in his original requests.

We who participated in the conference committee on the mutual security authorization bill were compelled to reduce the President's figure of $3.8 billion to $3.3 billion. Now we are faced with the appropriation bill. The House has taken preliminary action in a subcommittee proceeding, and I am profoundly shocked at the incredible reductions which the House subcommittee recommended in the case of the authorized amounts. The House has proceeded to slash an additional $842 million from the program, in its proposed appropriations.

Mr. President, in my opinion, this action is economy gone mad. The mutual security program, which allies us with other free nations of the world in protecting the security of all of us from the Soviet menace, calls for the relatively small amount of $3.3 billion, as compared with the total of approximately $34 billion, which the Congress has felt it necessary to provide for our Nation's separate security. These mutual security expenditures constitute the cheapest investment we make for the safety of freedom in the world. In light of present world conditions, it is difficult to understand how Members of the Congress can be swayed by the threats of persons who demand "meat ax" economy. No one who has any awareness and appreciation of the security of our country and the security of the Free World can justify the making of such additional "meat ax" cuts.

I trust that this grevious error will be corrected in the full Appropriations Committee of the House, and that the full amount of the authorizations will be appropriated by the Congress. We can do no less for the security of our country. The President is absolutely justified in his warning. I wish to make it clear that I am supporting his leadership and the leadership of the National Security Council 100 percent, and I hope my colleagues will do likewise in connection with this vital matter, which affects the lives and future of all of us.

Mr. SMITH of New Jersey subsequently said: Mr. President, there has just been handed to me a press release from the White House which relates to the subject of the remarks I made this morning, the action of the House Committee on Appropriations as to appropriations for mutual security. I ask unanimous consent that this release may be printed in the RECORD and included with my remarks of this morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE, *August 15, 1957.*

The President said yesterday that the cuts already made in the authorization bill were of such a nature as to hamper programs designed for the best interests of the United States and the Free World.

Here is how the President views the additional cuts made by the subcommittee of the House Appropriations Committee:

1. The cut in military assistance is very deep and seems unjustified in extent. It will seriously delay modernization of the Free World's forces in the face of progressively improved Communist forces.

2. The cut in defense support will compel, almost certainly, dangerous reductions in the size and effectiveness of the forces now being maintained by free nations bordering on Communist lands. Additionally it will lead to serious difficulty in the economies of those nations supporting such forces.

3. The cut in the development loan fund, a 40-percent cut, makes impossible the realization of the important purpose for which this fund was established by the Congress.

4. The cut in technical assistance will make it difficult to assist our friends, particularly those newly independent nations who have turned to the United States for help in helping themselves.

5. The cut in the special assistance fund will not only seriously affect the funds for such programs as the worldwide effort to eradicate malaria, and to aid Hungarian refugees, but it will also seriously reduce the reserve funds hitherto provided to the President to meet emergencies which inevitably develop in the world we live in today.

The President is gravely concerned over these cuts. In the conviction that the national interests of this country are deeply involved, he sincerely hopes that final Congressional action will restore the amounts to those authorized by the Congress yesterday.

SIGNBOARDS ALONG INTERSTATE HIGHWAY SYSTEM

Mr. NEUBERGER. Mr. President, I ask unanimous consent to include in the body of the CONGRESSIONAL RECORD an editorial from the Medford Mail Tribune, of August 5, 1957, entitled "S. O. S.", and an editorial from the Washington Post and Times Herald of August 13, 1957, entitled "Memo to the Senate."

These two effective editorials emphasize the urgent need for haste in protecting our great new 41,000-mile interstate highway system from the blight of ugly and defacing signboards.

I urge the distinguished Chairman of the Senate Commitee on Public Works to do his utmost to call a meeting of our committee before adjournment, to report S. 963 so that the Senate at least can act on this vital question prior to going home for the recess.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Medford (Oreg.) Mail-Tribune of August 5, 1957]

S. O. S.

The "battle of the billboards" is being lost, it grieves us to report.

The Oregon Legislature adjourned without accomplishing anything constructive in the way of protecting existing—or even future—highways from the encroachment of unrestricted billboards, which are the forerunners of blight in case after case.

And now, despite Senator DICK NEUBERGER'S best efforts in behalf of his own billboard bill, it has been watered down in Congressional committee action until it is hardly a shadow of its former self.

Even in its mild form, it is meeting formidable opposition from the billboard lobby, which has been described as one of the most potent and effective in Washington.

No one has much of anything against billboards themselves—provided they are kept in their proper place. They serve as needed stimulants to certain roadside businesses, and provide the traveler with information.

But that is not to say that the long reaches of countryside should be allowed to sprout them indiscriminately, and it is reasonable regulation of this type which is being sought.

The Oregon Roadside Council has appealed to those who value Oregon's scenery more than they do billboards unlimited to write Senator DENNIS CHAVEZ, chairman of the Senate Public Works Committee, to let him know that the great bulk of American people, while unorganized for a fight, do believe that the highways for which they are paying should not be turned into taxpayer-subsidized picture galleries for the peddling of beer, bread, or bubblegum.

The appeal is headed "S. O. S.—Save Oregon's Scenery."

Amen.

E. A.

[From the Washington Post of August 13, 1957]

MEMO TO THE SENATE

It has been 82 long days since a Senate subcommittee reported out a bill which would discourage the pestilent growth of billboards on the new 41,000-mile Federal interstate highway system. The bill, at best, was a watered-down compromise. It now lies buried in the parent Senate Public Works Committee. The leadership of the Senate seems painfully indifferent; opponents of billboards are frankly dismayed; the billboard lobby is quietly gloating. Not coincidentally, the billboard industry is the only major group which favors plastering the new roadway with signboards.

Senator CHAVEZ, chairman of the committee, pledged on the Senate floor last Friday that he would call a meeting of the full committee "as soon as I possibly can." No meeting has been scheduled. Further stalling will invite the conclusion that the Senate—and its leadership—cares more about the welfare of the billboard industry than the millions of motorists who will use Federal highways. The House has been even more sluggish; it has not begun hearings on billboard controls. Does the 85th Congress wish as its monument a scrofulous ribbon—41,000 miles long—on which voters will be continually reminded of an outrageous giveaway to a single vested interest?

COOL, COMFORTABLE MONTANA

Mr. MANSFIELD. Mr. President, the President pro tempore, the distinguished senior Senator from Arizona [Mr. HAYDEN], and my colleague, the senior Senator from Montana [Mr. MURRAY], will be interested in an editorial which was published in the Montana Standard on Sunday, August 4, 1957. I have an idea also that the people of the South, the East, and other parts of the North and West, outside the State of Montana, will likewise be interested.

The editorial is entitled "Greatest Air-Conditioning System in the World"; and it reads as follows:

GREATEST AIR CONDITIONING SYSTEM IN THE WORLD

You may have noticed a day or so ago that Butte's high temperature for the day was 82; in Phoenix, Ariz., the lowest temperature for the day was 86.

So it was 4° cooler in Butte at the warmest part of the day than it was in Phoenix at the coolest part of the day.

This isn't unusual. It goes on all the time in many parts of the country.

The reason? Montana's gigantic air conditioning system. It's working all the time. It's the biggest in the world. It's the best in the world.

Occasionally, it gets a little overly energetic during the summer, and sometimes during the winter. Then it cools things off as far away as New Orleans.

The people down thataway are mighty thankful for the respite, too. You do something in the way of cooling off a customer who has lived for 90 days in better than 90 degree temperatures and you got a friend for life.

That's the way it goes. That's why Montana is having so many visitors this summer, visitors who are pleasant and comfortable.

They come here to participate in the joys of our gigantic outdoor air conditioning system. They also come here to inspect the machinery of this unique system.

The machinery is fairly simple.

It consists largely of mountain peaks and valleys, fields, streams, lakes, patches of snow hidden in high crevices, pine trees and vagrant currents of air ebbing and flowing night and day.

You take one of those air currents and follow it on its course through the air conditioning system and you see what happens.

It brushes up against a snowdrift hidden from the summer sun. Then it scampers down a little valley along side a trout stream. It might take off through some pine trees, or it might gambol across a meadow. Somewhere during its adventures it is sure to cool the fevered brow of a visitor from Kansas, Missouri, or Texas.

It might kick up a little late afternoon shower.

Long about midnight it is also almost certain to gently ripple the curtains of a bedroom, passing on through the window to force a tired human lost in deep slumber to reach for a blanket.

We confidently expect as more and more middle western and southern people flock to the Treasure State for a good night's sleep in the summer they will discover the secret of our gigantic air conditioning system which can cool off all creation.

Mountains. Sure. They'll be coming here from Kansas and Missouri and Iowa and trying to buy our mountains.

And will we sell? Not for a mortgage for all time to come on all the Iowa corn, Kansas wheat, or Texas bigness.

A nice, cool, comfortable night's sleep is worth more than all that.

Mr. President, the editorial was written by George McVey, who is enjoying something of a reputation—and a well-deserved reputation—for writing now and then on the many fine attractions of the State which the senior Senator from Montana [Mr. MURRAY] and I have the honor to represent.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORTON. Will the distinguished acting majority leader give us any idea as to when we may have an adjournment, so we may go to and spend 2 weeks in the great State of Montana?

Mr. MANSFIELD. If I had my way, we would adjourn today for that reason.

SALARIES, BENEFITS, ALLOWANCES, AND PERQUISITES RECEIVED FROM THE GOVERNMENT BY GEN. DOUGLAS MACARTHUR, FOE OF HIGH FEDERAL TAXES

Mr. NEUBERGER. Mr. President, on July 30 General of the Army Douglas MacArthur, chairman of the board of Sperry Rand Corp., delivered a major speech against taxes and Government spending. Of course, this was a speech against the governmental fiscal policies followed by this administration under the leadership of General MacArthur's former subordinate in the Army, Dwight D. Eisenhower.

I have asked the Department of the Army to furnish me with a list of governmental perquisites, pay, benefits, emoluments, and other allowances received by General MacArthur.

The following benefits have been described in a letter received from the Department of the Army, as follows:

General MacArthur holds the grade of General of the Army and is entitled by law to receive pay and allowances in the amount of $15,543.36 per year. His monthly pay is broken down as follows: $1,076.40 is basic pay, $171 is quarters allowances, and $47.88 is subsistence allowance, making a total of $1,295.28. In addition, the general is entitled by law to receive a personal money allowance of $5,000 per annum.

It is customary to provide suitable office space in a Government building to officers in the grade of General of the Army. General MacArthur, therefore, is furnished an office at 90 Church Street in New York City, which building is operated by the General Services Administration.

Two personal assistants are now assigned to General MacArthur. They hold the grade

of chief warrant officer (W-3) and master sergeant (E-7), with yearly pay and allowances in the approximate amounts of $6,298.56 and $5,220, respectively.

I have been advised that the quarters allowance of $171 per month and the subsistence allowance of $47.88 per month and the $5,000 annual personal money allowance are tax exempt.

Let me quote from a few of the things said by General MacArthur in his celebrated speech on governmental fiscal policy and governmental spending:

The present tax structure is even now probably adequate eventually to socialize the United States. Our tax take is already greater than that of the admitted national socialistic countries, whether on this or the other side of the Iron Curtain. The effects may not yet be fully evident to the superficial eye, but the erosion of incentive, ingenuity, and integrity that results will be as deadly as the hidden cancer is to life. It can in time change the basic character of this great Nation as it has every other nation where it has become indelibly affixed.

Mr. President, the New York Times article reported that 40 percent of all sales of the Sperry Rand Corp. which General MacArthur heads went to the Government for military purposes.

I add no further comments of my own. I have nothing further to say about this matter. No further comments are needed.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the letter which I have received from Lt. Col. J. S. Timothy, Chief of Legislative Liaison, Department of the Army.

I also ask unanimous consent to include the New York Times dispatch of July 1, 1957, describing the speech by General MacArthur.

There being no objection, the letter and news article were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., August 12, 1957.

Hon. RICHARD NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: This letter is in reply to your inquiry concerning the benefits received from the Government by General of the Army Douglas MacArthur.

Officers appointed in the grade of General of the Army are, even when without assignment, technically on the active list of the Army and available to the Government for consultation on matters pertaining to national security. The officers in question necessarily have a continuing responsibility for study, correspondence, and counsel, and require reasonable assistance. Consequently, they are provided such facilities and personal assistants as are deemed proper, but never more than three personal assistants except when on special assignment. I understand such officers are not entitled to a transportation allowance unless they are on official military business.

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I trust the information furnished will be of assistance to you.

Sincerely yours,

J. S. TIMOTHY,
Lieutenant Colonel, GS, Office, Chief of Legislative Liaison.

[From the New York Times of July 31, 1957]

MACARTHUR HITS UNITED STATES PRODIGALITY AS DIMMING PROMISE OF FUTURE

Gen. Douglas MacArthur yesterday surveyed the economy and came up with a twofold report: a warning against creeping inflation and a prediction of a new age of plenty through the advances of nuclear energy and electronics. The General, who is chairman of the Sperry Rand Corp. spoke for 2 hours at the annual meeting of stockholders in the Statler Hotel here.

General MacArthur's sharpest remarks were directed at excessive spending by the Federal Government, the national debt, and burdensome taxes.

"The tax burden now is so oppressive as to be almost confiscatory of venture capital," he said. "Taxes for 1956 came to a staggering total of more than $100 billion. The Federal Treasury, he explained, received $70 billion, and State and local governments $30 billion.

"This means that the cost of government consumes almost one-third of the national product, which is the sum of [the values of] all goods [produced] and services [rendered] by the entire population of the United States," the General said.

DRIFT TO SOCIALISM ALLEGED

"The present tax structure is even now probably adequate eventually to socialize the United States. Our tax take is already greater than that of the admitted national socialistic countries, whether on this or the other side of the Iron Curtain. The effects may not yet be fully evident to the superficial eye, but the erosion of incentive, ingenuity, and integrity that results will be as deadly as the hidden cancer is to life. It can in time change the basic character of this great Nation as it has every other nation where it has become indelibly affixed."

General MacArthur declared that in the last two decades "our tax system has resulted in a creeping inflation which has devitalized the American dollar to 40 percent of its previous purchasing power." He warned that if the present trend continued the dollar "may well sink to half of its present value within another decade."

He said inflation had already brought hardships to a large segment of the population, especially to those who have to live on pensions and fixed incomes. He said inflation was not a question of partisan politics. "It [inflation] can be controlled only if both political parties really wish to stop it; only if both parties are determined to limit rising costs and higher working capital requirements."

Turning to the brighter side, General MacArthur told the shareholders that the world was entering an age of evolution greater than it had ever known. He referred to the great strides being made in developing automatic machines and devices, defined loosely as automation.

The executive said there would be changes in jobs to which the labor force would have to adapt itself, but nothing to cause severe unemployment.

Actually, the productivity of the national economy can be expected to grow 3 to 4 percent a year while the number of new workers, due to growth of population, will be only about 1.5 percent, the stockholders were told.

"Some of you may well live to see the day when we will be drawing energy not only from the sun but from the tides and the winds; will be creating unheard of synthetic materials; will be purifying sea water; will be mining ocean floors for basic materials; will be celebrating a life span of a hundred and more years; will be launching space ships to reach the moon; will see poverty for the first time faced with possible extinction," the General predicted. "Living standards will be the highest, scientific advances will be the most revolutionary; world affairs will be the most exciting in all history," he continued.

The relative prosperity of Sperry Rand, like other companies, is closely integrated with the prosperity of business as a whole; the rise or fall of the business barometer is not local but universal, General MacArthur declared. Like most businesses today we are faced with the problems of competitive pressures coupled with rising costs and higher working capital requirements.

If defense spending must go up, he declared, other spending, whether for housing, roads, schools, farm aid, or social benefits, must be curtailed accordingly, he asserted. The chairman noted that while tax receipts had doubled during the postwar era, public spending continued to exceed revenues.

Discussing the company's operations, General MacArthur said the largest single contributor to company sales during the past year was the instrumentation and controls division. The largest part of its output went to the military. It accounted for about 40 percent of all sales and its volume rose 33 percent during the year to a new record. Business machines, equipment, and supplies were next largest, accounting for 31 percent. There was a 47-percent increase in sales of Univac electronic computers and tabulating equipments and a 50-percent gain in domestic sales of typewriters.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORTON in the chair). Without objection, it is so ordered.

ANNOUNCEMENT RELATING TO SATURDAY SESSION

Mr. MANSFIELD. Mr. President, I should like to announce to the Senate that, barring unforeseen happenings, the Senate will adjourn from Friday to Monday; in other words, there will be no session on Saturday of this week.

NOMINATION OF JEROME K. KUYKENDALL

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

The Senate is in executive session, and the question is, Will the Senate advise and consent to the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission?

Mr. MURRAY. Mr. President, we are considering today the reappointment of Jerome K. Kuykendall to a full 5-year term as a member of the Federal Power Commission of which he has been acting as chairman. The Commission is intended to serve two main purposes—the protection of consumers from excessive utility rates, and the conservation and full development of our power resources.

WHEN THE WOLVES GUARD THE SHEEP

Mr. President, in all the 23 years since I became a Member of the Senate, I have never seen proposed for reappointment a man whose entire official conduct in office has so consistently proven his incapacity or unwillingness to carry out the purposes of the act he is supposed to administer.

The effectiveness of the Federal Power Act in achieving its purposes depends upon the regulation in the public interest of the great public utility corporations which daily exercise more and more control over the economic life of this country. Yet for 4 years, in every instance where there has been a clear conflict between the utility interests and the requirements of the public welfare, the Federal Power Commission under the leadership of Jerome Kuykendall has placed the wishes of the regulated corporations first. In major decisions running from the Amere Gas case to the equally unsupportable Hells Canyon license, which permits the underdevelopment of a great natural resource, the basic purposes of the act to protect the consumer interest and conserve our natural resources have been subordinated to the designs of the utility interests. This is the old problem of the wolves guarding the sheep, Mr. President, and it is the system which invariably proves hard on the sheep.

The entire record of Jerome Kuykendall in office offers nothing which would give the public any hope of protection if his reappointment were to be approved by this body. As a protector of the public interest, Mr. Kuykendall has been totally ineffective.

In the Amere Gas case, Mr. Kuykendall and his associates have stripped consumers of the assurance that their utility rates will be set on the basis of expenses actually incurred and taxes actually paid.

The Federal Power Commission under Mr. Kuykendall now allows the utilities to set their rates to consumers on a straight-line depreciation basis and pay taxes on a greatly liberalized basis which reduces the taxes actually paid, thus allowing the utility to pocket the savings.

Such a procedure is contrary to any principle of regulation ever propounded. The utility is entitled to recover from the ratepayers only the taxes it pays, not additional phantom taxes which it does not pay, and which, under the normal operation of this decision, it will never actually pay.

Commissioner Connole said in his dissent in the Amere case:

> Nowhere in the language of the section, nor in its legislative history, appears any Congressional intent to authorize, require, or justify utility enterprises setting up permanent customer-contributed reserves. * * * In point of fact I find a directly opposite intention contained in the Federal Power Act, the Natural Gas Act, the Federal Constitution, and recognized common-law principles of regulatory law.

The Amere Gas decision shows Mr. Kuykendall's inability to regulate utilities in the interest of consumers.

THE HELLS CANYON LICENSE

The Hells Canyon decision reveals his failure in the second field of Commission responsibility, assuring the best development of natural resources.

In the Hells Canyon case, Mr. Kuykendall and the Commission admitted that power resources would be wasted, that flood-control potential would be wasted, and that a single, high Federal dam would be best, but they licensed three low dams.

The Senate Interior and Insular Affairs Committee said, in a report commenting on those licenses:

> It is clear to the committee that the Commission has lost sight of the fundmental fact concerning our national water resources—that the total amount of them is limited and that they will some day all be needed. Any loss of a part of the total potential of any river basin is an irreparable loss to the Nation and can never be made up at some other site. The view of the Commission that this basic principle can be ignored at its whim is so unbelievably shortsighted as to constitute a total abdication by that agency of its responsibility to the Nation.

Mr. President, we have a case here of a man who has been entrusted with a tremendous responsibility—the conservation of the hydroelectric resources of the United States. He has completely defaulted in that responsibility. Should the Senate of the United States now give its stamp of approval to this man's performance of duty by approving him for 5 more years in this same position of trust?

There are other actions similar to the Amere and Hells Canyon cases which pile up proof that Mr. Kuykendall is not suited to the post for which he has been nominated. His nomination should be rejected by the Senate.

Mr. NEUBERGER. Mr. President, I should like to express my fundamental agreement with the views expressed on the nomination of Mr. Jerome Kuykendall so recently on the floor of the Senate by the distinguished senior Senator from Montana [Mr. MURRAY].

The Senator from Montana is particularly qualified to discuss this nomination from the standpoint of knowledge and of familiarity with the topic at hand.

The senior Senator from Montana has, in part represented his great Pacific Northwest State in the Senate for approximately 20 years. He is chairman of the Senate Committee on Interior and Insular Affairs, which is charged to a greater degree than any other committee of the Senate with custodianship over the natural resources of our country.

The caliber of the custodianship exercised by Mr. Jerome Kuykendall is directly at issue in the consideration of the nomination now before the Senate.

I am pleased that the Senator from Montana, with his great knowledge and wisdom on this subject, has led off the discussion of the Kuykendall nomination today. In the very brief time I expect to take, I wish to elaborate on some of the points which have been so ably voiced by the senior Senator from Montana.

Furthermore, I think it is well to emphasize that the two Senators from Mr. Kuykendall's own State have spoken in opposition to the confirmation of his nomination.

It is not easy for a Senator to oppose an appointment by the President of a person from his own State. There is always the question of local pride in an honor which has come to a resident of a particular State, especially when the appointment is such high honor as membership on the Federal Power Commission. I believe that other Members of the Senate should take notice of the fact that the senior Senator from Washington [Mr. MAGNUSON] and the junior Senator from Washington [Mr. JACKSON], who are among the most able and outstanding of our colleagues, have taken the lead in opposing confirmation of the nomination of Mr. Kuykendall.

Furthermore, I do not think the Senate can disregard the fact that the senior Senator from Washington is chairman of the Senate Committee on Interstate and Foreign Commerce, which had under consideration the Kuykendall nomination. I commend my two colleagues from the State of Washington for their devotion to the public interest, and for their fundamental belief in the wise use of our water resources, which have impelled them to take the floor in opposition to confirmation of the nomination of a person who comes from their own State.

I am not voting against the confirmation of Mr. Jerome Kuykendall's nomination for personal reasons, because I know nothing against him personally. I am opposing confirmation of his nomination by the Senate because of six basic questions of public policy on which I believe Mr. Kuykendall to be fundamentally wrong.

First is his surrender, for private, piecemeal exploitation, of great hydroelectric power sites which should have been retained for full development in the public interest.

Second is his skillful and successful use of his great influence at the White House to bring about the cancellation of the plans even of Secretary of the Interior Seaton to study the most feasible utilization of remaining sites in the Snake River Basin.

Third is his total disregard of the long-range programs worked out by the Corps of United States Army Engineers for comprehensive use and protection of the Nation's remaining water resources.

Fourth is his unwillingness to repudiate an unfortunate FPC staff report which threatens to bring about the blockading of the most valuable fishery migrations in the United States—the spring Chinook runs of the Salmon River system, which are part of the vast Columbia watershed.

Fifth is his constant tendency to place the special interests of natural-gas producers and transmitters above the welfare of millions of families who consume this product for their household fuel.

Sixth is his devious administrative practices, such as withholding publication of crucial and controversial decisions of vast importance by the FPC until immediately after an adjournment of Congress, so that the people's representatives could not review these rulings in the open forum of the Senate and House.

Mr. President, the great naturalist, John Muir, once said:

Only God can grow a tree, but only Uncle Sam can save a tree.

This applies to other God-given natural resources, too—resources of water, for example, which rush down from the great mountains through deep gorges to the sea. But what happens to these resources and to the future of America, if Uncle Sam gets into the wrong hands?

I am convinced that when the authority of Uncle Sam over the waterpower heritage of the United States is vested in Jerome Kuykendall, it is very emphatically in the wrong hands. His record on the Federal Power Commission proves this beyond peradventure of a doubt.

As item 2 in justifying my opposition to the confirmation of the nomination of Mr. Kuykendall, I have cited the fact that he went to the White House and used his influence with the President and the President's advisers to bring about a cancellation of the plans of the Secretary of the Interior to study the best method of using the remaining storage sites on the great Snake River where it flows through a mile-deep canyon on the way down to the Columbia.

This charge, Mr. President, does not originate with me. It has been voiced by two competent journalists of national reputation in the field of the preservation of national resources. These journalists are Mr. A. Robert Smith, of the Portland Oregonian, and Mr. Robert Hansen, of the staff of the Denver Post.

I should like to emphasize the fact that both of these newspapers are publications which enthusiastically supported President Eisenhower for election in 1952 and reelection in 1956. Therefore I believe it follows very obviously that they are not newspapers which are biased in any way against the present administration. Indeed, if they have any bias, it is in favor of the present national administration. I should like to read a few excerpts from one of the articles which Mr. A. Robert Smith published in the Portland Oregonian. I now read from one of Mr. Smith's articles:

A relatively unknown Olympia attorney 4 years ago, Jerome K. Kuykendall, has now emerged as a formidable figure in the Eisenhower administration as chairman of the Federal Power Commission. He has demonstrated his political muscle by successfully mousetrapping a member of the President's Cabinet on what was probably the most significant decision for the Pacific Northwest since the administration backed away from a high Hells Canyon Dam.

In a test of strength with Secretary of the Interior Fred A. Seaton over a proposal for a high Pleasant Valley Dam, Kuykendall has won hands down by getting the White House to take his side. There will be no high Pleasant Valley Dam, it now appears certain.

When Seaton shot off a strong letter to Kuykendall many weeks ago asking for a delay in FPC action on the application of Pacific Northwest Power Co., Kuykendall took his protest straight to Sherman Adams, President Eisenhower's chief of staff.

So when Kuykendall showed up with Seaton's strong letter in behalf of the high dam, the White House heavily blue penciled it, deleting the heart of his proposal. To avoid any public reversal of a Cabinet member, he was permitted to send a letter which could easily be ignored.

And that is just what Kuykendall, with the full support of the Commission and the White House, has now done with the meaningless Seaton letter. As the quiet spoken Dutchman from Olympia tells the visitor, the Commission doesn't like Cabinet members butting into what the FPC regards as its own affair.

It's a rare day in the Washington power struggle that the head of what is supposedly an independent commission takes on a high member of the President's official family. It's rarer when he wins so significantly.

Mr. President, I have quoted these excerpts from the column in the Portland Oregonian written by Mr. A. Robert Smith, for one fundamental purpose. I have read them to demonstrate that Mr. Jerome Kuykendall, whose nomination is now before the Senate, is so biased on the whole question of power development that he is willing to force his views as against those of a member of the Cabinet of the President of the United States, when that Cabinet member shows some slight inkling that he might possibly favor a hydroelectric development in the public interest.

The Secretary of the Interior, Mr. Seaton—and I commend Mr. Seaton for this—was apparently willing to have an objective study made of the best use of the remaining sites on the Snake River, which is the principal tributary of the Columbia River in the United States.

Mr. Seaton was favorable to support of a high dam at the Pleasant Valley site if the engineering study by the United States Bureau of Reclamation would have justified such a project. That is my feeling. Yet Mr. Kuykendall went to the White House and used his influence with the President's advisers to have a member of the President's Cabinet, Mr. Seaton, overruled on this vital and fundamental issue.

Mr. President, one of the tragedies in the Pacific Northwest is the fact that its great resources have to some extent been surrendered for exploitation by residents of the Pacific Northwest. I was born in the Northwest. I was born in the State of Oregon. It is a source of both regret and shame to me that the leadership in the present effort to wreck the program for a comprehensive development of the Columbia River has come from men like Jerome K. Kuykendall, of the State of Washington; like Douglas McKay, of the State of Washington; like Len Jordan, of the State of Idaho.

By contrast, let us consider some of the men who have fought for the full public development of the great resources of the Columbia River system, in which lurks 42 percent of all the potential hydroelectricity remaining in the United States. Full development in the public interest of the Columbia River system has been favored by such men as Franklin Delano Roosevelt, of the State of New York, Harold L. Ickes, of the State of Illinois, George W. Norris, of the State of Nebraska, Gifford Pinchot, of the State of Pennsylvania, Theodore Roosevelt, of the State of New York, Lister Hill and John Sparkman, of the State of Alabama, Hubert Humphrey, of the State of Minnesota, and others too numerous to mention, who have come from afar to try to protect the great natural resources of the Pacific Northwest which belong to all the people of the United States of America.

Mr. President, we of the Northwest certainly take no pride in the fact that some of the men from our own region have been foremost in wanting to relinquish this great water resource of the Columbia River system for private piecemeal underdevelopment. Mr. Jerome Kuykendall is a symbol of the piecemeal waste of the greatest hydroelectric heritage which still ought to be in the possession of all of the people of the country.

Some years ago the Corps of Army Engineers drafted a notable report for the comprehensive use of the Columbia River system. The report is referred to colloquially in the Northwest as the so-called 308 report. It has called for maximum use of the great storage sites on the main stem of the Columbia and its tributaries, such as the Snake, the Clark Fork, the Willamette, and other sources which contribute to the Columbia's massive volume.

The Federal Power Commission under Mr. Kuykendall led in gutting and undermining and in wrecking that report. The decision of the Federal Power Commission with respect to Hells Canyon was a fatal blow to much of the beneficial aspects of the 308 report. The great storage available at Hells Canyon was necessary to firm up power production of all the dams downstream. Some of those dams are Bonneville, the Dalles, McNary, and the great John Day project which is soon to be commenced.

Mr. President, it is necessary to understand something of the nature of the Columbia River to realize why upstream storage is so important to its full development. No river on the North American Continent is so much the creature of glaciers and snowfields as is the Columbia River. For example—and it may be hard for novices to believe—the flow of the Columbia River at floodtime, at the border, where it originates in Canada, is 10 times the minimum flow of the same river. This means that when the sub-Arctic winter has shut down on the melting process of snow and ice, the Columbia slackens off to a comparative trickle. Yet at its maximum flow the Columbia River actually contains five-sixths the volume of Old Man River himself, the unparalleled and unequaled Mississippi River.

This indicates and demonstrates that the best way to obtain the maximum use of the Columbia River is to store in the great canyons at the rivers various origins the year-around flow, so that the unequal flow can be evened out. This would firm up the power production at all the power projects, and make possible an even output of hydroelectricity for 365 days a year. That is why great storage dams are needed on the Canadian

stretch of the river at Mica Creek and Arrow Lakes. That is why a high Hells Canyon Dam is needed on the Snake River. The Snake, as I have said before is the principal tributary of the Columbia. But, alas, it now seems dubious that we shall get the great Hells Canyon storage site, with its 3,800,000-acre feet of storage in the reservoir which would be created behind the high dam.

Mr. Jerome K. Kuykendall, whose nomination is before the Senate today, has made imminent the surrender—for private, piecemeal exploitation—of the great hydroelectric site at Hells Canyon, which may be accurately described as perhaps the greatest such site remaining in the United States.

Before I conclude, I express my warm appreciation to Members of the Senate from other sections of the country who are joining with us of the Pacific Northwest in opposing this unwise and inadvisable nomination. We in the Northwest realize that we cannot bring about sound use of the great water resources in our area unless we have the unselfish, loyal, and devoted collaboration of other Senators. In this struggle we are grateful for the faithful allies we have from many other parts of the United States.

We are grateful, for example, to the distinguished junior Senator from Rhode Island [Mr. PASTORE] who joined with the chairman of the Committee on Interstate and Foreign Commerce in reporting unfavorably, in their minority views, on the nomination. I say to the junior Senator from Rhode Island that we of the Pacific Northwest shall never cease to be grateful to him, and we shall try to show our appreciation by an understanding of the problems which pertain to his own State—problems which concern such matters as maritime commerce, an adequate system of storm signals and hurricane warnings, and an appreciation of the need for continually maintaining and expanding the great harbors of the New England seaboard, in which Rhode Island so greatly shares.

As we sit in the Senate today, our potential foe in any struggle of ideologies—the Soviet Union—is developing to the full the great rivers of Russia. Although Russia lags far behind the United States today in the production of electricity, it is my understanding that there is more potential waterpower within the boundaries of the Soviet Union than there is in the United States and Canada combined.

I have recently talked with the junior Senator from Washington [Mr. JACKSON], who is one of our allies in the struggle to reject the Kuykendall nomination. He has returned only last year from a quite comprehensive tour of the Soviet Union. The junior Senator from Washington told me of three vast hydroelectric projects which are under construction or are planned in the Soviet Union, each of which will be greater in power production than Grand Coulee. Grand Coulee, on the Upper Columbia River, now is the largest single source of hydroelectric power generation anywhere on the face of the earth.

But there is one thing which no one can change, and that is geography. Geography was placed on this planet by the Creator of heaven and earth and of the universe. We cannot change or alter the fact that within the boundaries of Russia are such vast rivers as the Volga, the Yenisei, the Ob, and many others. They are among the greatest rivers of the earth, both as to length and volume of water.

The junior Senator from Washington reported to the members of the Committee on Interior and Insular Affairs that the Soviet Union is developing to the utmost the power sites which are within the borders of that vast nation.

I recently read an article in the New York Times which stated that the industrial race of the future may be decided by energy reserves. The rulers of the Soviet Union are grim, calculating men. They know that a great river, like the Yenisei in Russia or the Columbia in the United States, is an eternal source of energy. Once a barrier of steel and concrete has been thrown across a river, an endless source of energy is made available, without the necessity of using an ounce of oil or a shovelful of coal, or the burning of natural gas, or the using of precious pitchblend or uranium to create atomic fuel.

I have quoted before the famous statement of former Secretary of the Interior, Oscar L. Chapman, when he saw Bonneville Dam. He said:

> You are looking at an oil well that will never run dry; at a coal mine which will never thin out.

Yet while our potential foe—and we certainly know the Soviet Union is our foe so far as ideologies are concerned—develops to the maximum and the utmost the great rivers of Russia, we in the United States are surrendering the comparatively few remaining waterpower sites which are within our own borders. We are surrendering them for less than their full development. This is a shocking waste.

The man whose nomination is before the Senate today, Mr. Jerome K. Kuykendall, is to a substantial degree responsible for this very inimical policy, a policy which is against the public interest of the United States, with respect to both domestic and international affairs.

Mr. President, when the yea-and-nay vote comes in the Senate, I shall oppose the nomination. I urge my colleagues to share with me the opposition to the nomination of Mr. Kuykendall.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am glad to yield.

Mr. HUMPHREY. I commend the Senator from Oregon for his very fine address and his penetrating analysis of the serious problems which face us in the development of energy, and in particular hydroelectric energy. The Senator's arguments are persuasive and cogent. I shall not take the time of the Senate to state my views at length; I shall simply say that I have studied the record of Mr. Kuykendall and have carefully reviewed his official statements and actions. While undoubtedly he is a fine man in his personal and private life, his philosophy relating to the development of the great power resources of this country and his philosophy relating to the economics of power development are such that I could not concur in his nomination.

I shall join with the Senator from Oregon, the Senator from Montana [Mr. MURRAY], the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON], and I trust many other Senators, who will vote not to confirm the nomination of Mr. Kuykendall.

A vote to confirm the nomination, I regret to say, will be interpreted as a vote of approval of the misguided policies of this administration in the development of the great energy resources of the Nation. Mr. Kuykendall represents a philosophy which has been commonly and rightly called a 50–50 philosophy—one horse to one rabbit. The horse goes to the private utilities, and the rabbit to the people; or, stated in another way, the horse goes to the private interests, and the rabbit to the public interests. I regret to say that that kind of 50–50 philosophy is not equitable; neither does it serve the public interest.

I thank the Senator from Oregon. I associate myself with his remarks, if he will permit me to do so.

Mr. NEUBERGER. I am grateful for the support we are receiving from the junior Senator from Minnesota. Of course, we knew we could rely on the junior Senator from Minnesota. In his career in the Senate, and in his career prior to coming to the Senate, as a teacher and as a public official of his city, the Senator from Minnesota has always been devoted to the careful and vigilant custodianship of our natural resources. He is well known for that. And he would be inconsistent with that longstanding philosophy of his, were he to support confirmation of the nomination of Mr. Kuykendall. Therefore he is opposing confirmation of the nomination, because he realizes that our policy with respect to natural resources may determine the entire future welfare and destiny of the United States.

Mr. President, in concluding my remarks to the Senator from Minnesota, I should like to say that the decision with which the name of Mr. Kuykendall is perhaps most intimately and closely associated is the one to relinquish the great site at Hells Canyon in favor of the construction of two, or perhaps three, pygmy dams which will not make full use of that great natural resource.

Mr. President, I know it is dangerous to predict; I think it has been said somewhere that only the seventh son of a seventh son can prophesy, and certainly I do not fit that description. But I shall venture this prophecy: Ultimately—many decades from now, perhaps long after every present Member of the Senate, even so young a Member as the junior Senator from Idaho [Mr. CHURCH], has departed—the people of the United States, when this country has a population of 300 million or 400 million, will travel to the Snake River, to the deepest gorge in this country; and if they find there pygmy dams which fail to make maximum use of this great resource of falling water, they will destroy the dams; they will either blow them up with explosives or chop them away with jackhammers; and ultimately

they will construct the great high dam recommended in the 308 report of the Corps of Army Engineers. They will make maximum use of this never-ending resource of falling water, this liquid fuel which goes on forever, or, as our Indian friends in the Northwest used to say, "for as long as the grass shall grow on the hills and the sun shall set in the skies."

Mr. President, again I wish to thank the Senator from Minnesota [Mr. HUMPHREY] for associating himself with those of us who come from the Pacific Northwest and who are in opposition to confirmation of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission.

I yield the floor.

Mr. CLARK. Mr. President, I should like to state briefly, for the RECORD, the reasons why I shall vote against confirmation of the nomination of Jerome K. Kuykendall for reappointment as a member of the Federal Power Commission.

The Constitution provides that the President "shall nominate and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law." The members of the Federal Power Commission fall in that category. Of course that agency is not expressly named in the Constitution, but its members come within the category of the officers of the United States to whose appointment the advice and consent of the Senate must be given.

Mr. President, it is difficult to determine when a Senator should give his consent and when he should withhold his consent to such an appointment by the President. I think there should be a presumption that within relatively broad areas the President should have the benefit of the doubt, even at a time when the Congress has been organized by the opposing political party, for if the President does not have the right to name persons in whom he has confidence to carry out the executive functions of the Government, there will come a time when his hand will be so tied that he will well be able to charge the Congress with neglect and with failure to make it possible for him to perform his constitutional duties.

Accordingly, I submit that the test in the case of opposing a Presidential nomination to membership in an executive agency must be more rigorous than the test in the case of opposing a Presidential nomination to membership in a body which is primarily legislative in character. Such a body is the Federal Power Commission. It carries out the policies and the aims of the Congress, even though its members are appointed by the Executive. It is not a part of the executive arm of the Government.

Therefore, Mr. President, I submit that the Senate should look with a more jaundiced eye at nominations to fill vacancies on commissions which are, in reality, arms of the Congress, than it should when considering nominations to fill vacancies in agencies which are purely executive in character and which are a part of the executive arm itself.

I raise no question as to the integrity or, indeed, the ability of Mr. Kuykendall. I assume that he is a man of integrity and of considerable ability. But when we determine whether the Senate should give its advice and consent to his renomination, I submit that each Senator has the duty of determining for himself whether, in his opinion, Mr. Kuykendall will carry out and will effectuate, within the framework of the agency to which he seeks renomination, national policies which are in accord with what the particular Senator feels to be the national interest.

It is because I feel deeply that the political philosophy evidenced by Mr. Kuykendall during his previous service as a member of the Federal Power Commission, is not in the national interest, that I shall vote against confirmation of his nomination.

Mr. President, I listened with interest to the vigorous address delivered a few minutes ago by the junior Senator from Oregon [Mr. NEUBERGER]. I find myself in complete agreement with the arguments he made regarding Mr. Kuykendall's views on the subject of the appropriate development of waterpower.

It so happens that the citizens of my State are not so much interested in Federal waterpower development as are the citizens of the State of Oregon. Personally, I regret that lack of interest on the part of the citizens of Pennsylvania, because the result has been that Pennsylvania has some of the highest power rates in the entire Nation; and it also has resulted in the domination of the electric-power industry in Pennsylvania by private utilities, whose philosophy is to charge high rates and to be satisfied with a low volume of sales, rather than to charge low rates in order to stimulate the utilization of electric power by greater and greater numbers of persons.

A few evenings ago I had occasion in the Senate to refer to that point, at the time when the Senate had under consideration the Niagara bill. Needless to say, I regret the failure of a majority of the Members of the Senate to agree with the Senator from Ohio [Mr. LAUSCHE], the Senator from Oregon [Mr. NEUBERGER], and myself that there should be more public power in Pennsylvania and in Oregon, in order to provide a yardstick by means of which the present extremely high rates of the private utility companies might be cut, through competition with the REA's and with the public municipal power companies. So I share the views of the Senator from Oregon in that regard.

Mr. President, my principal reason for opposing confirmation of the nomination of Mr. Kuykendall stems from a matter in which the citizens of my State are deeply interested; namely, the price of natural gas.

Pennsylvania is a consumer State. Natural gas comes to Pennsylvania from the Southwest through pipelines traversing thousands of miles. The gas is picked up at the pipeline head, is transmitted into Pennsylvania, and is distributed by local private utilities. In the case of my own city of Philadelphia, the gas is distributed by a city-owned distributing company, although, to be sure, the company is leased to a private utility. Then the gas is sold to consumers who have committed themselves, by the investment of $1,000 or more, to the use of gas in heating and cooking equipment, and that investment is one which it is difficult for them to discard. So in all respects they are the captives of the pipelines and of the distributing companies.

In my judgment, the present effort to free from the implications of the Phillips Petroleum case the producers of natural gas is definitely against the public interest, and is unnecessary in order to provide an ample incentive for the further exploration of gas sources. The facts establish that beyond the possibility of a doubt. Its sole purpose, as I see it, is to further enrich speculators and large oil companies who are already making sufficient money to give them the greatest possible incentive to carry on explorations and to find, if it can be done, still further natural gas.

Under the Phillips Petroleum case, it is the obligation of the Chairman of the Federal Power Commission to enforce the law and regulate the producers of natural gas. Yet Mr. Kuykendall has told the public time after time that he disapproved of the Phillips Petroleum decision and that he thinks it should be changed. He has even sought, at the request of the administration—and I do not mean to infer any impropriety on his part—to prepare a legislative proposal which would free speculators and oil companies from present restrictions which require them to furnish gas at a fair price to the pipeline.

It is for those reasons that I am convinced the renomination of Mr. Kuykendall to be a member of the Federal Power Commission, and in all likelihood its Chairman, is not in the public interest. His appointment will in a sense, further the inflationary movement which will inevitably result, through his efforts, if they are successful, in increasing the price of gas to every consumer in the United States of America. His appointment will further a public philosophy which is adverse to the interests of consumers and favors the interests of elements in our population whose acquisitive instincts I firmly believe have already been adequately baited and adequately rewarded by returns they are able to make from explorations of sources of natural gas in our country.

So I shall vote against the nomination in the conviction that it is not in the interest of the people of my State, and it is not in the interest of the people of the United States, and will inveitably have its effect, through the personality and philosophy of the nominee, in still further pushing upward the inflationary spiral which the administration tells us in words it is so anxious to curtail, but which it actually curtails in deeds only when the result of so acting does not minimize to any extent the efforts of large corporations, speculators, indeed, the plutocracy of America, to make still more money. In my judgment, the efforts to curb inflation by this administration are all confined to preventing

low-income and moderate-income Americans from obtaining the housing and the shelter to which they are entitled, and to preventing our hard-pressed school districts, municipalities, and State governments from getting on the market the credit they need for the making of public improvements essential to the health, welfare, and safety of the people of their communities.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Oregon.

Mr. NEUBERGER. I express my complete agreement with the statement made by the Senator from Pennsylvania in opposition to the nomination of Mr. Kuykendall.

Is it not true that it is typical of this administration that it wants to control inflation by forcing its letter carriers to continue at a salary which does not maintain a respectable standard of living, but it has no desire to control inflation by holding down the rates which will be paid by the users of natural gas?

Mr. CLARK. I agree.

Mr. NEUBERGER. I further want to say to the Senator from Pennsylvania that it seems to me his attitude on Mr. Kuykendall's nomination, particularly that expressed in the earlier part of the Senator's remarks concerning hydroelectric power, is in line with the attitude of one of the greatest sons from the Commonwealth of Pennsylvania, and one of my heroes, Gifford Pinchot, who I believe was, for several terms, Governor of the Commonwealth of Pennsylvania. I recently have reread Governor Pinchot's great autobiography, Breaking New Ground. To me it is one of the finest tracts and treatises ever written about our country. In that book Governor Pinchot describes the great fight which he waged, under President Theodore Roosevelt, to set aside our national forests. One of the main purposes of Gifford Pinchot and Theodore Roosevelt in setting aside national forests was not only to protect the timber in those forests, but to protect great hydroelectric resources. Most of the great rivers of the West rise in national forests today. There is an entire chapter, if not several chapters, in the book Breaking New Ground, on how Gifford Pinchot and Theodore Roosevelt regarded protection of natural resources as of primary importance to that goal. Where it flows through Hells Canyon, the Snake River is guarded by the Nez Perce and Clearwater National Forests on the Idaho shore of the chasm and by the Wallowa and Whitman National Forests on the Oregon side. It was that stretch of the Snake River—flanked by national forests set aside by Gifford Pinchot—which Mr. Jerome Kuykendall helped surrender to Idaho Power Co. for piecemeal private exploitation. Mr. President, this is a rather long way of saying to the able junior Senator from Pennsylvania that he is certainly trying to protect the heritage which Gifford Pinchot thought should be protected, when he votes today against the confirmation of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission.

Mr. CLARK. I thank my friend from Oregon, and share his admiration for the great Pennsylvanian Gifford Pinchot. I sometimes wish our friends on the other side of the aisle would look back into the history of two great Republicans, Theodore Roosevelt and Gifford Pinchot, and profit from the philosophy which they represented in their distinguished careers. I think we would get a little more cooperation from the other side of the aisle on some of these measures which the distinguished Senator from Oregon and I—and I see present on the floor also the distinguished Senator from Rhode Island and the distinguished Senator from Minnesota—have unsuccessfully been urging on our colleagues across the aisle. If they took a good look at what some great Republicans have done, I think they would be more interested.

Mr. NEUBERGER. I am interested in that observation, because very often our friends across the aisle honor great men like Theodore Roosevelt and Gifford Pinchot in words, but not in deeds. I think it was a British statesman who said, "Reactionaries are those who worship dead radicals." Our friends across the aisle can exhalt in name men like Gifford Pinchot, but when it comes to supporting the policies and deeds of Gifford Pinchot, they cannot be found with a Lick telescope. I think most of our friends across the aisle intend to vote to support the nomination. By so doing they will be voting to imperil and eliminate what apparently little this administration has permitted to survive of the natural resource policies of Theodore Roosevelt, of New York, and of Gifford Pinchot, of the Commonwealth of Pennsylvania.

Mr. CLARK. I thank the Senator.

Mr. PASTORE. Mr. President, I shall vote against the confirmation of the nomination of Mr. Jerome K. Kuykendall to become a member of the Federal Power Commission. In the committee report I have expressed individual views on the nomination, which are an explanation of my action in this matter. I ask unanimous consent that my individual views, contained in the committee report, be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. GORE in the chair). Is there objection to the request of the Senator from Rhode Island?

There being no objection, Mr. PASTORE's individual views were ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR JOHN O. PASTORE

While I join with my colleague in the minority views herein expressed, I wish to elaborate briefly on a subject which I think is of great importance to the common welfare of the United States. This is the administration of the Natural Gas Act of 1938 entrusted to the Federal Power Commission.

I think it is clear beyond question that the fundamental purpose of that act is the protection of natural-gas consumers in all areas of the United States. Such is evidenced by section 1 (a) of the Natural Gas Act itself, which states in pertinent part:

"As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (70th Cong., 1st sess.) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest" (52 Stat. 821 (1938); 15 U. S. C. 717 (a)).

The Supreme Court of the United States in several important cases has clearly reiterated this primary purpose. In *Phillips Petroleum Co.* v. *Wisconsin* (347 U. S. 672 at p. 685) the Supreme Court stated:

"Protection of consumers against exploitation at the hands of natural-gas companies was the primary aim of the Natural Gas Act" (citing *Federal Power Commission* v. *Hope Natural Gas Co.*, (320 U. S. 591 at p. 610)).

This language of the Supreme Court was forcefully reiterated more recently in the case of the *City of Detroit* v. *The Federal Power Commission et al.*, (230 F. 2d 810), wherein that court stated:

"Although the Commission cannot be compelled to fix rates at the lowest rate of reasonableness, nevertheless it remains true that the primary aim of the act, in the words of the Supreme Court, is 'to protect consumers against exploitation at the hands of the natural gas companies.' "

And again when that Court of Appeals stated the following:

"While as we have indicated the Commission may be empowered to consider some of these factors, it must also and always relate its action to the primary aim of the act to guard the consumer against excessive rates."

I believe that Mr. Kuykendall, in his views and in his official acts, as a member of the Federal Power Commission, has contradicted the policy of the Natural Gas Act. His unequivocal support of the Harris-Fulbright bill of 1955 and his endorsement of the proposed Harris-O'Hara bill, now pending in the House, is definitely detrimental to the consumers of the United States. The vetoed Harris-Fulbright bill which was opposed by representatives of more than 32 million consumers residing in all areas of the United States, in no instance even mentioned concern for the consumer. I believe in lending unqualified support to it and, again, repeating this anticonsumer conduct in connection with the new producer-decontrol bill, he has acted beyond the call of duty of his office. These bills contain no sentence or phrase regarding protection for those millions of Americans who are captive consumers of this industry.

In the administration of the act, since the Phillips decision in 1954, Mr. Kuykendall has apparently been more concerned for the welfare of the regulated companies than for the public, whose interest he is required to zealously guard.

His personal philosophy of natural-gas regulation which was evidenced in his testimony both before this committee and the House Committee on Interstate and Foreign Commerce with reference to the Olin Co.—which is a pipeline producer—leaves me with a substantial doubt as to his full consciousness and awareness of his primary duty to protect natural-gas consumers as required by law. The 100 percent price increase granted to the company in that case was based on the testimony of a corporate vice president without anything else in the record to corroborate it, as admitted by Mr. Kuykendall. His explanation of the matter left the definite impression that the grant or denial of such rate increases depends, in his judgment, on the vigor or strength of consumer opposition. But this ignores the very reason for the creation of the Federal Power Commission which is to act as the consumer's protector.

Natural gas, as we know, is chiefly produced by large, well organized and profitable oil companies and consumers are at a definite disadvantage in coping with them in the absence of strong enthusiastic support by the Federal Power Commission itself. The latter has been absent in the record of Mr. Kuykendall's administration.

I believe, therefore that Mr. Kuykendall lacks the necessary qualifications for a position on this important regulatory agency. This view, I might point out, is shared by many other Members of the Senate and House who testified before our committee or submitted their views in writing for incorporation in the record. A due regard for the public interest compels me to recommend his rejection.

In so expressing my views, I do not wish to reflect upon the personal honesty or integrity of Mr. Kuykendall.

JOHN O. PASTORE.

EXPERIMENTAL USE OF AUTOMOBILE SAFETY BELTS

Mr. HUMPHREY. Mr. President, during the past several years it has become increasingly plain that something very definite must be done to halt the slaughter on our highways. Many studies have been initiated to this end, and one of the results of these studies has been of course the development of a nationwide highway program for the construction of safer highways.

However, it has become evident that there must be changes within the American automobile itself.

One of the most promising developments in this area has been the experimental use of automobile safety belts. The State of Minnesota, for example, and the city of Minneapolis have been experimenting with the use of these belts for the past 2 years, with completely satisfactory results. I understand that Representative KENNETH ROBERTS, from the State of Alabama, as chairman of the Special Subcommittee on Traffic Safety of the Committee on Interstate and Foreign Commerce of the House of Representatives, has under study at the moment this same question.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an exchange of correspondence between Representative ROBERTS and Dr. Robert N. Barr, the secretary and executive officer of the Minnesota Department of Health, together with two memorandums from the commissioner of administration and the Governor of Minnesota documenting the tremendous value of the use of automobile safety belts.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF HEALTH,
Minneapolis, July 31, 1957.

The Honorable KENNETH A. ROBERTS,
Chairman, Special Subcommittee on Traffic Safety of the Committee on Interstate and Foreign Commerce, House Office Building, Congress of the United States, Washington, D. C.

MY DEAR MR. ROBERTS: In reply to your letter of July 20, 1957, regarding automobile safety belts I am very glad to have the opportunity to make a statement.

Since August 1, 1956, the Minnesota Highway Patrol and the Minnesota Department of Health in cooperation with the Minnesota State Medical Association and the Minnesota Hospital Association have participated in the Cornell automotive crash-injury research. Previously, the Minneapolis Health Department had participated in a citywide study with the Cornell group. Serving as medical coordinator, we have had the opportunity of reviewing the highway patrol's reports of accidents and their photographs of the damaged cars as well as the medical reports of injuries submitted by attending physicians. We have been impressed with severity of the injuries or fatal outcome of the occupants who were thrown out of the automobile in contrast to the less serious injuries of those who remained in the car involved in an accident.

Because of these findings, the Minnesota Department of Health and the Minnesota Highway Department have installed safety belts in their State-owned vehicles. A copy of the memorandum to the State department of administration clearly indicates our attitude as to the desirability of safety belts.

In recent months there have been a number of occasions when officers, unavoidably, were involved in situations where their patrol cars were rolled over. They all report that the proper use of safety belts in their cars saved them from serious injury. As a result, Governor Freeman, who has been very active in the field of accident prevention, has recommended that all State department heads see to it that all units under their control be equipped with approved safety belts and that operators be instructed to use them whenever driving a State unit. A copy of the Governor's memorandum is also enclosed.

Our impressions as to the value of safety belts gained from the Minnesota crash-injury study have been amply confirmed by the analyses of matched accidents of automobiles with and without such belts by the Cornell automotive crash-injury research. We are convinced safety belts should be used in cars as a means of reducing serious injuries and fatalities and that such utilization will demonstrate their value in the field of safety.

Respectfully,

R. N. BARR, M. D.,
Secretary and Executive Officer.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 20, 1957.

DIRECTOR,
State Health Department,
St. Paul, Minn.

DEAR SIR: The Special Subcommittee on Traffic Safety of the House Interstate and Foreign Commerce Committee is studying the crashworthiness of automobile safety belts.

It is my understanding that your department has installed seat belts in its State-owned vehicles. I would greatly appreciate it if you wish to cooperate with the subcommittee and send a statement regarding your use of seat belts, setting forth whether or not you have found them satisfactory and if you expect to keep them. Any additional information on seat belts which you may wish to forward will be appreciated.

In its study of seat belts, the subcommittee expects to hold hearings on this matter in August, and with your permission would like to incorporate your report as part of the official record in the subcommittee's report on seat belts. I would like to receive your report by August 5 if possible.

When these hearings are printed, I shall be pleased to send you a copy for your perusal and files.

Appreciating any assistance you may wish to offer the Subcommittee on Traffic Safety in its desire to encourage greater safety for all the citizens using the Nation's highways, I am

Sincerely yours,

KENNETH A. ROBERTS,
Chairman, Special Subcommittee on Traffic.

STATE OF MINNESOTA,
St. Paul, July 23, 1957.

To All Department Heads:

Our State departments had an outstanding reduction in accident frequency rates in 1956, which were 31.6 percent lower than those of 1955. In 1956, we had only 9.3 lost-time accidents per million man-hours, whereas in 1955 our rate was 13.6. This was accomplished through the united efforts of our employees who are becoming more safety conscious and are following safe practices in their work.

However, there is one field in which our State employees should always take the lead, and that is in the field of traffic safety. We have had employees injured and killed on the job in collisions which, unfortunately, do happen. Officers of the Minnesota Highway Patrol form one group which is exposed to possible accident while on duty. In recent months, there have been a number of occasions when officers, unavoidably, were involved in situations where their patrol cars were rolled over. They all report that the one thing that saved them from serious injury was the fact that their cars were equipped with safety belts; and, further, these belts were used properly. Other large fleet operators report the same results—that safety belts are lowering the number of injuries resulting from traffic accidents, lowering the number of lost man-hours, saving the employers money in addition to preventing tragedy from ruining the homes of their employees.

Therefore, based on our experience with some of the State units and following the advice of expert safety researchers, I am recommending that all State units be made as safe as possible for their operators. It will be your responsibility, as the head of your department, to see that all units under your control will be equipped with approved-type safety belts, and that the operators be instructed to use them whenever driving a State unit.

Sincerely,

ORVILLE L. FREEMAN,
Governor.

SAFETY EQUIPMENT ON STATE MOTOR VEHICLES

MINNESOTA DEPARTMENT OF HEALTH,
December 6, 1956.

The State of Minnesota is cooperating with the Cornell automotive crash injury research in determining what are the safety features relative to construction of motor vehicles that will reduce injuries and deaths of the occupants of such vehicles. As you know, the highway department collects information on the accidents and the health department collects information on the injuries to the occupants of such vehicles, combining the two together and forwarding the data to the Cornell automotive crash injury research.

Minneapolis, the first city in the country to enter in this study, has completed its information for the first 18 months. The State will be in such a study for the next 2 years, or longer, and some 11 other States are cooperating in the same manner.

On Monday, December 3, 1956, Dr. John O. Moore, director of the study, along with Mr. Robert M. Tracy, his associate, reported on the material they have collected to date, which included the various safety features now incorporated in a considerable portion of the motor vehicles being produced. These reports indicated a marked reduction in the severity of injuries, deaths, and number of injuries of occupants in cars equipped

with these safety devices which included: Safety locks on the doors; safety belts; recessed steering posts, and protective safety padding on the dash and on the sun visor.

It would appear that the State should take some leadership in providing cars for the use of its personnel with all of these safety devices and it is, therefore, suggested that such devices should be included in the specifications for all cars to be purchased by the State.

The highway department and the health department have incorporated safety belts on all automobiles owned and operated by these departments. It is very possible that other departments have done the same, but it would appear that if not some way of securing their cooperation for the inclusion and use of safety belts should be developed at the State level.

As you know, Governor Freeman is very interested in this study and this safety program and has given it his wholehearted support.

ARTHUR NAFTALIN,
Commissioner of Administration.
Dr. R. N. BARR,
Secretary and Executive Officer.

APPOINTMENT OF AMERICAN AMBASSADORS

Mr. HUMPHREY. Mr. President, I wish to address myself today to the subject of the appointment of American ambassadors. The unfortunate nomination of Mr. Maxwell Gluck as Ambassador to Ceylon has once again highlighted the sorry record of this administration's diplomatic appointments. Probably there has been no single session of Congres where more unqualified nominees have been presented for Senate confirmation to important posts abroad.

As Joseph Alsop said in a column earlier this year, on March 21:

The Eisenhower administration's traffic in diplomatic appointments has now reached a state which calls for public comment. This year most of the diplomatic posts in Europe have been crudely placed on the auction block and sold for cash on the barrelhead. * * * There is no use continuing the sorry tale. Its point is all too simple. We are not living any longer in the 19th century, when the traffic in ambassadorships did no great harm. America now has incalculably great interests abroad, and America's ambassadors are the necessary guardians of those interests. It does not matter whether they are rich or poor, Foreign Service officers or outside recruits. What matters is whether they are well qualified.

The situation had reached such a pass last April that the distinguished chairman of the Foreign Relations Committee wrote to the Secretary of State about his deep concern about ambassadorial appointments. The Senator from Rhode Island [Mr. GREEN] stated in his letter of April 3:

It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment-making.

The Secretary of State replied to the letter from the Senator from Rhode Island on April 25, 1957, and admitted that it was now essential that we have "first-rate chiefs of mission in our diplomatic posts abroad."

Secretary Dulles added:

This requirement has been consistently borne in mind in selecting from Government service or from private life persons to serve as chiefs of our diplomatic mission. * * * It is my understanding that at the present time approximately 68 percent of our ambassadors and ministers are career Foreign Service officers. This proportion is higher than at any time in the past.

Unfortunately, Mr. President, it is now clear that the requirement for "first-rate chiefs" has not been borne in mind. The public reaction to the Gluck nomination both at home and abroad has already severely handicapped Mr. Gluck's prospective career in Ceylon.

Since I myself have been deeply concerned about the problem of ambassadorial qualifications for many years, I noted with interest that the Secretary of State claimed that the present proportion of career ambassadors and ministers was higher than at any time in the past. Because it was my initial impression that this statement was not strictly accurate, I asked my office to contact the State Department to check its 1952 statistics to discover what the proportion of career ambassadors and ministers was then.

I ask unanimous consent that a letter from my office to the Department of State requesting this information on May 10, 1957 be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 10, 1957.

The Honorable JOHN FOSTER DULLES,
Secretary of State, Department of State, Washington, D. C.

DEAR MR. SECRETARY: In his absence from Washington, Senator HUMPHREY has asked me to pass on to the Department of State an inquiry we have received from a constituent. Our constituent refers to two sentences contained in your letter to Senator GREEN, dated April 17, 1957, concerning ambassadorial appointments. Your letter is quoted as having said:

"It is my understanding that at the present time approximately 68 percent of our ambassadors and ministers are career Foreign Service officers. This proportion is higher than at any time in the past."

According to Senator HUMPHREY's correspondent, 71 percent of our ambassadorial and ministerial posts abroad in 1952 were filled by career Foreign Service officers (52 of 73 posts). Hence, the accuracy of your statement quoted from the letter was challenged.

I know that Senator HUMPHREY would appreciate your confirmation or correction of the figures supplied to us for 1952. It would be appreciated if we could have this material within the next 10 days.

Sincerely yours,

THOMAS L. HUGHES,
Legislative Counsel to Senator Hubert H. Humphrey.

Mr. HUMPHREY. Mr. President, on May 23, the Deputy Under Secretary of State for the administration replied, and among other things said:

A very careful study has been made of the statistics for the year 1952 and separate calculations have been made so as to reflect the situation as it existed on the first day of each quarter of that year. On none of these dates did the percentage of career chiefs of mission exceed 67 percent of the total number of chief of mission posts. In fact, the figures varied between 64 percent and 67 percent.

I ask unanimous consent that the full text of Mr. Henderson's letter be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPUTY UNDER SECRETARY OF STATE
FOR ADMINISTRATION,
Washington, May 23, 1957.

Mr. THOMAS L. HUGHES,
Legislative Counsel to Senator Hubert H. Humphrey, United States Senate.

DEAR MR. HUGHES: Secretary Dulles has asked me to reply to your letter of May 10, 1957, regarding ambassadorial appointments.

I appreciate very much Senator HUMPHREY's interest in this matter and his desire to check very carefully the questions raised by his constituent. In response to your request, I have had the historical statistics reexamined. You can appreciate that it is a complicated kind of calculation to make, since the situation is constantly changing as a result of new appointments, resignations, and transfers.

In reviewing the current statistics as well as the historical record, we have followed the procedure of stating the proportion of career chiefs of mission as a percentage of the total number of ambassadorial and ministerial posts at any given time. It is believed that this method of calculation yields a sounder and more conservative result than could be obtained by discounting those posts which happen, at a particular time, to be vacant. The 68 percent figure given in Secretary Dulles' letter was based on this kind of a calculation.

A very careful study has been made of the statistics for the year 1952 and separate calculations have been made so as to reflect the situation as it existed on the first day of each quarter of that year. On none of these dates did the percentage of career chiefs of mission exceed 67 percent of the total number of chief of mission posts. In fact, the figures varied between 64 percent and 67 percent.

It is, of course, impossible for us to analyze exactly the 71 percent figure given by Senator HUMPHREY's correspondent, since we have no information regarding the basis upon which it was calculated. In the first place, it would be necessary to know the specific date to which his figures applied. Secondly, his figure appears to be based on the assumption that the United States had, at that time, 73 chief of mission posts, whereas, in fact, there were 75 posts in the early part of 1952 and 76 posts at the end of the year. If Senator HUMPHREY's constituent would care to provide full information regarding his calculations, I should be very happy to have a detailed analysis made.

I hope that this will provide Senator HUMPHREY with the information he desires and at the same time will enable you to respond to the Senator's constituent.

Sincerely yours,

LOY W. HENDERSON.

Mr. HUMPHREY. Mr. President, on June 3, 1957, I wrote again to Mr. Henderson seeking additional information, and I ask unanimous consent that the text of this letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 3, 1957.

Mr. LOY W. HENDERSON,
Deputy Under Secretary of State, Department of State, Washington, D. C.

DEAR MR. HENDERSON: When I returned from the Middle East, my legislative

counsel, Mr. Hughes, showed me your correspondence with him concerning ambassadorial appointments. Referring to your letter of May 23, 1957, addressed to Mr. Hughes, I wonder if you would give me the following additional information:

1. A list of the 75 posts you refer to in the early part of 1952, and the additional 1 which made the 76 you refer to at the end of that year.

2. The names of the appointees holding these posts in the beginning of each quarter in 1952.

As long as we have gone this far in the matter, I would be interested in completing my own files so that they will contain the official listing for 1952. Such a list would probably also disclose where the discrepancy may lie between the two sets of figures involved.

Best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, on July 9, 1957, Mr. Henderson again replied and accompanying his letter was a detailed tabulation concerning the career and noncareer heads of diplomatic missions beginning at each quarter in 1952. I ask unanimous consent that his letter and the accompanying tabulation be printed in the RECORD at this point in my remarks.

There being no objection, the letter and tabulation were ordered to be printed in the RECORD, as follows:

DEPUTY UNDER SECRETARY OF STATE FOR ADMINISTRATION,
Washington, July 9, 1957.

The Honorable HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: As you requested in your letter of June 3, 1957, I am sending you a chart which lists our foreign embassies and legations along with their chiefs by name, as of the beginning of each quarter of 1952. You may be interested to note that the post which was added during 1952 was Japan, where the office of the United States political adviser to SCAP was converted on April 28, 1952, to an embassy. The addition of this embassy raised the total from 75 to 76.

I find that in preparing this chart, our Historical Division adopted criteria under which it counted as career chiefs of mission certain ambassadors who had had long previous careers in the Foreign Service, but who had resigned or retired sometime prior to being appointed as ambassador. Consequently, when these men were appointed by the President, they were not technically chosen from the career Foreign Service. Among the chiefs of mission falling into this category were Ambassadors Woodward (Canada) and Scotten (New Zealand) whose names appear on the enclosed chart for 1952. If their names are transferred to the noncareer column, the percentages indicated would have to be revised downward. In applying the same criteria to the current roster of chiefs of mission, similar account must be taken of the cases of Francis White in Sweden and Jefferson Patterson in Uruguay, both of whom were appointed to their present posts some time after having left the career Foreign Service.

The chart presents two separate calculations of the proportion of career chiefs of mission. The higher figure results from excluding vacancies and the lower from including them. Beyond this, I believe that the notes accompanying the chart will be helpful in explaining the way in which it was constructed. I hope this information will make it possible for you to reply to your constituent.

Sincerely yours,

LOY W. HENDERSON.

CAREER AND NONCAREER HEADS OF AMERICAN DIPLOMATIC MISSIONS, 1952

The career and noncareer heads of American diplomatic missions on four dates in 1952 are listed below on the basis of the four 1952 issues of the quarterly Foreign Service list. Last names only are given here for identification. The tabulation also includes various totals and percentages. The bases for the inclusion of countries in the tabulation, and for the designation of individuals as career and noncareer, are set forth at the end.

The tabulation was prepared in the Historical Division, Department of State, at the request of the Office of the Deputy Under Secretary for Administration.

	Embassy or legation	Jan. 1		Apr. 1		July 1		Oct. 1	
		Career	Noncareer	Career	Noncareer	Career	Noncareer	Career	Noncareer
1. Afghanistan	Embassy	Merrell		Merrell		Ward		Ward	
2. Argentina	do		Bunker	Vacancy	Vacancy	Nufer		Nufer	
3. Australia	do		Jarman		Jarman		Jarman		Jarman.
4. Austria	do	Donnelly		Donnelly		Donnelly		Thompson	
5. Belgium	do	Murphy		Murphy			Cowen		Cowen.
6. Bolivia	do	Sparks		Sparks		Sparks		Sparks	
7. Brazil	do	Johnson		Johnson		Johnson		Johnson	
8. Burma	do	Key		Key		Sebald		Sebald	
9. Cambodia	Legation	Heath		Heath		Heath		Heath	
10. Canada	Embassy	Woodward		Woodward		Woodward		Woodward	
11. Ceylon	do	Satterthwaite		Satterthwaite		Satterthwaite		Satterthwaite	
12. Chile	do		Bowers		Bowers		Bowers		Bowers.
13. China	do	Rankin		Rankin		Rankin		Rankin	
14. Colombia	do		Waynick		Waynick		Waynick		Waynick.
15. Costa Rica	do		Fleming		Fleming		Fleming		Fleming.
16. Cuba	do	Beaulac		Beaulac		Beaulac		Beaulac	
17. Czechoslovakia	do	Briggs		Briggs		Briggs		Vacancy	Vacancy.
18. Denmark	do		Anderson		Anderson		Anderson		Anderson.
19. Dominican Republic	do	Ackerman		Ackerman			Phelps		Phelps.
20. Ecuador	do	Daniels		Daniels		Daniels		Daniels	
21. Egypt	do	Caffery		Caffery		Caffery		Caffery	
22. El Salvador	do	Shaw		Shaw			Duke		Duke.
23. Ethiopia	do	Childs		Childs		Childs		Childs	
24. Finland	Legation	Cabot		Cabot		Cabot		McFall	
25. France	Embassy		Bruce	Dunn		Dunn		Dunn	
26. Great Britain	do		Gifford		Gifford		Gifford		Gifford.
27. Greece	do	Peurifoy		Peurifoy		Peurifoy		Peurifoy	
28. Guatemala	do	Schoenfeld		Schoenfeld		Schoenfeld		Schoenfeld	
29. Haiti	do	Travers		Travers		Travers		Travers	
30. Honduras	do		Erwin		Erwin		Erwin		Erwin.
31. Hungary	Legation	Ravndal		Ravndal		Ravndal		Ravndal	
32. Iceland	do	Lawson		Lawson		Lawson		Lawson	
33. India	Embassy		Bowles		Bowles		Bowles		Bowles.
34. Indonesia	do	Cochran		Cochran		Cochran		Cochran	
35. Iran	do	Henderson		Henderson		Henderson		Henderson	
36. Iraq	do	Crocker		Crocker		Berry		Berry	
37. Ireland	do		Matthews		Matthews		Matthews		Matthews.
38. Israel	do	Davis		Davis		Davis		Davis	
39. Italy	do	Dunn			Bunker		Bunker		Bunker.
40. Japan	do					Murphy		Murphy	
41. Jordan	Legation	Drew		Vacancy	Vacancy		Green		Green.
42. Korea	Embassy	Muccio		Muccio		Muccio		Briggs	
43. Laos	Legation	Heath		Heath		Heath		Heath	
44. Lebanon	do	Minor		Minor		Minor		Minor	
45. Liberia	Embassy		Dudley		Dudley		Dudley		Dudley.
46. Libya	Legation	Vacancy	Vacancy	Villard		Villard		Villard	
47. Luxembourg	do		Mesta		Mesta		Mesta		Mesta.
48. Mexico	Embassy		O'Dwyer		O'Dwyer		O'Dwyer		O'Dwyer.
49. Morocco	Legation	Vincent		Vincent		Vincent		Vincent	
50. Nepal	do		Bowles		Bowles		Bowles		Bowles.
51. Netherlands	Embassy	Chapin		Chapin		Chapin		Chapin	
52. New Zealand	do	Scotten		Scotten		Scotten		Scotten	
53. Nicaragua	do		Whelan		Whelan		Whelan		Whelan.
54. Norway	do		Bay		Bay		Bay		Bay.
55. Pakistan	do	Warren		Warren		Warren		Warren	
56. Panama	do	Wiley		Wiley		Wiley		Wiley	
57. Paraguay	do	Tewksbury		Tewksbury		Shaw		Shaw	
58. Peru	do	Tittmann		Tittmann		Tittmann		Tittmann	
59. Philippines	do	Vacancy	Vacancy		Spruance		Spruance		Spruance.

	Embassy or legation	Jan. 1		Apr. 1		July 1		Oct. 1	
		Career	Noncareer	Career	Noncareer	Career	Noncareer	Career	Noncareer
60. Poland	Embassy	Flack		Flack		Flack		Flack	
61. Portugal	do		MacVeagh	Cannon		Cannon		Cannon	
62. Rumania	Legation	Vacancy	Vacancy	Vacancy	Vacancy	Vacancy	Vacancy	Shantz	
63. Saudi Arabia	Embassy	Hare		Hare		Hare		Hare	
64. Spain	do		Griffis		MacVeagh		MacVeagh		MacVeagh.
65. Sweden	do	Butterworth		Butterworth		Butterworth		Butterworth	
66. Switzerland	Legation		Patterson		Patterson		Patterson		Patterson.
67. Syria	do	Cannon		Vacancy	Vacancy	Moose		Moose	
68. Thailand	Embassy	Stanton		Stanton		Stanton		Stanton	
69. Turkey	do		McGhee		McGhee		McGhee		McGhee.
70. Union of South Africa		Gallman		Gallman		Gallman		Gallman	
71. U. S. S. R.	Embassy		Kirk	Kennan		Kennan		Kennan	
72. Uruguay	do		Roddan		Roddan		Roddan		Roddan.
73. Venezuela	do	Warren		Warren		Warren		Warren	
74. Vietnam	Legation	Heath		Heath		Heath		Heath	
75. Yemen	do	Hare		Hare		Hare		Hare	
76. Yugoslavia	Embassy	Allen		Allen		Allen		Allen	

RECAPITULATION

	Jan. 1	Apr. 1	July 1	Oct. 1
Number of career heads of mission	49	50	50	50
Number of noncareer heads of mission	23	21	25	25
Total number of heads of mission	72	71	75	75
Number of vacancies	3	4	1	1
Total number of posts	75	75	76	76

	Jan. 1	Apr. 1	July 1	Oct. 1
	Percent	*Percent*	*Percent*	*Percent*
Proportion of career heads of mission compared to the total number of heads of mission	68.1	70.4	66.6	66.6
Proportion of career heads of mission compared to the total number of posts	65.3	66.7	65.8	65.8

NOTES

In general, this tabulation covers those countries in which the United States maintained embassies or legations in 1952, and a career officer is taken to be one who was a Foreign Service officer. Certain refinements or interpretations of these general criteria are set forth in the notes which follow.

Cambodia, Laos, and Vietnam: The same officer was accredited as head of the mission to each of these countries. He is counted separately for each country in the present tabulation.

Canada: Woodward had resigned from the career Foreign Service in 1934; had been appointed to the Department of State as Assistant Chief of the Division of Protocol in 1937; and was serving as chief of protocol when, in 1950, he was appointed as Ambassador to Canada. He is counted here as a career head of mission.

China: Ordinarily when the position of chief of mission is vacant, it is so indicated in the Foreign Service list, on the top line under the name of the country, and the arrangement of names implies that the top career officer at the post is chargé d'affaires. In the case of China, however, although the position of chief of mission was vacant in 1952, the Foreign Service list contained Rankin's name on the top line, under "China," and he was described explicitly as "chargé d'affaires ad interim; minister; consul general." He is therefore counted here as a head of mission.

Estonia, Latvia, and Lithuania: The posts in these countries were closed throughout 1952. The 3 countries are not included in the present tabulation.

Germany: The mission maintained by the United States in Germany in 1952 was shown in the Foreign Service list as neither an embassy nor a legation, but as the Office of the U. S. High Commissioner for Germany (HICOG). John J. McCloy, who was the topman at the post on Jan. 1, Apr. 1, and July 1, was shown in the Foreign Service list as "U. S. commr.; chief of mission"; Walter J. Donnelly, who was the topman on Oct. 1, was shown as "U. S. high commr." (without the words "chief of mission"). Germany is not included in the present tabulation.

India and Nepal: The same officer was accredited as head of the mission to each of these countries. He is counted separately for each country in the present tabulation.

Iraq, Jordan, Korea, Paraguay, Portugal, Rumania, Syria, Turkey, and the U. S. S. R.: On 1 or more of the 4 dates in 1952, the individual shown on the top line under the name of each of these countries in the Foreign Service list was designated as "app. A. E. and P." or "app. E. E. and M. P.", i. e., as being the "appointed" ambassador or minister, who had not yet presented his credentials to the head of the government to which he was accredited. The individuals so indicated are included as heads of mission in the present tabulation.

Japan: The mission maintained by the United States in Japan on Jan. 1 and Mar. 1, 1952, was shown in the Foreign Service list as the "Office of the United States Political Adviser to Supreme Commander for Allied Powers." It was an embassy on July 1 and Oct. 1. The post is therefore shown in the present tabulation with a complete blank, without the word "Vacancy", in the columns for Jan. 1 and Apr. 1.

Jordan, Lebanon, and Syria: The posts in these countries were legations on Jan. 1, 1952, and are so described in a column near the left-hand margin of the present tabulation. They became embassies in August 1952.

Morocco: The post in Morocco was shown in the Foreign Service list in 1952 as a legation, and the individual at the head of the mission was shown as "diplo. agt. with rank of minister; cons." He is included in the present tabulation as a head of mission.

New Zealand: Scotten had retired from the career Foreign Service on July 31, 1947; had been appointed as Minister to New Zealand on Dec. 18, 1957; and had been appointed as Ambassador to New Zealand on Nov. 1, 1948. He is counted here as a career head of mission.

Saudi Arabia and Yemen: The same officer was accredited as head of the mission to each of these countries. He is counted separately for each country in the present tabulation.

Mr. HUMPHREY. Mr. President, I note for the RECORD that in the beginning of at least one quarter in 1952—on April 1, 1952—the proportion of career heads of missions compared to the total number of heads of missions was 70.4 percent This figure seems to cast some doubt on the accuracy of Secretary Dulles' statement in his letter to the Senator from Rhode Island [Mr. GREEN] on April 15, 1957.

Mr. President, I have no intention of engaging in a partisan squabble on this or any other question related to the problem of ambassadorial appointments because I feel that the main point is whether appointments today meet the requirements of the critical international situation. I agree completely with President Eisenhower when he said on April 10 1957:

Now I happen to believe that in this day we cannot limit ourselves to the governmental processes that were applicable in 1890.

My criticism is that, the President in his appointments is not even doing credit to the standards of 1890. He has demonstrated again and again that he has forgotten his campaign pledge of 1952. At that time he was saying "We will call to the high offices of Government the best men and women the ablest and most reliable in the land." Unfortunately, what the President means by the "best of the land" continues to have a significant relevance to campaign contributions.

I ask unanimous consent that an article which appeared in the New York Times of August 7, 1957, entitled "Nineteen Envoys Gave $218,740 to GOP" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of August 7, 1957]

NINETEEN ENVOYS GAVE $218,740 TO GOP—CAMPAIGN CONTRIBUTIONS NOT AN IMPORTANT FACTOR IN APPOINTMENTS, DULLES HOLDS

(By E. W. Kenworthy)

WASHINGTON, August 6.—Campaign contributions may not be an important factor in ambassadorial appointments, as Secretary Dulles insisted today, but contributions of ambassadors and ambassadors-to-be are an important factor in party finances.

According to data compiled by the Senate Subcommittee on Privileges and Elections, 19 men who had been or were to be appointed as ambassadors by President Eisenhower donated a total of $218,740 to the 1956 Republican campaign.

Of the 13 noncareer men named as envoys since last January 1, 6 contributed $91,800. They are:

John Hay Whitney, Ambassador to Britain, $37,500.

Maxwell H. Gluck, Ambassador to Ceylon, $21,500.

John C. Folger, Ambassador to Belgium, $11,500.

Joseph S. Farland, Ambassador to the Dominican Republic, $9,000.

Amory Houghton, Ambassador to France, $8,500.

Earl E. T. Smith, Ambassador to Cuba, $3,800.

Seven men who were appointed in the President's first term and still hold ambassadorships contributed a total of $64,400. They are:

Jefferson Patterson, Uruguay, $21,000.

L. Corrin Strong, Norway, $20,500.

James D. Zellerbach, Italy, $8,500.

Robert H. Thayer, Rumania, $6,000.

Robert D. Coe, Denmark, $4,940.

Whitney Willauer, Honduras, $2,500.

Wiley D. Buchanan, Luxembourg, $1,000.

Six former Ambassadors gave a total of $62,500. They are:

C. Douglas Dillon, formerly in France and now Deputy Under Secretary for Economic Affairs, $27,500.

Clare Boothe Luce, formerly in Italy, who with her husband Henry Luce, magazine publisher, gave $25,000.

Arthur Gardner, Cuba, $5,500.

Winthrop Aldrich, Britain, $2,000.

Fred M. Alger, Belgium, $1,500.

Horace D. Hildreth, Pakistan, $1,000.

Mr. Dulles said, "We have appointed more than one ambassador who has made a substantial contribution to the Democratic campaign fund during the last year."

When asked to name them, the Secretary said, "I think I know who they are but I prefer not to name them here."

The records of the Senate subcommittee show only one present envoy who contributed more than $500 to the Democratic campaign. He is David K. Bruce, Ambassador to Germany. He gave $1,000.

Mr. HUMPHREY. I note in passing, Mr. President, that the figures in the article I just mentioned are only figures of their contributions to the 1956 national Republican campaign. Many of the same individuals have contributed to the party for years, and at least some of their contributions have been publicly disclosed in articles in such authoritative magazines as the Congressional Quarterly.

Under Secretary of State Herter's ex post facto appearance to explain the Gluck appointment before the Senate Foreign Relations Committee on August 1, which hearings have now been printed, indicated once more the serious interest of many members of the Foreign Relations Committee in the deteriorating quality of our ambassadorial nominees.

As is often the case, Mr. James Reston of the New York Times has summarized our current predicament in a succinct and forthright manner. In the Times of August 6, 1957, he contributed an article entitled "The Envoy and His Gifts." I ask unanimous consent that the text of his article be printed at this point in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of August 6, 1957]

THE ENVOY AND HIS GIFTS—A VIEW THAT ADMINISTRATION'S PRACTICE DOESN'T FOLLOW ITS PRINCIPLES OF SELECTION

(By James Reston)

WASHINGTON, August 5.—Secretary of State Dulles rushed to the defense of Maxwell H. Gluck, the new United States Ambassador to Ceylon, today; but the controversy over the administration's ambassadorial appointments continues.

The reason for this is that the question has been allowed to get away from the principle of executive appointment laid down by General Eisenhower himself in the 1952 campaign.

In that campaign, one of General Eisenhower's most effective arguments was that he stood for merit in Government jobs, regardless of partisan considerations.

It is a new world, he asserted, in which old habits of political reward are no longer justified. He seemed then, indeed, to stand above party, and this appealed wherever he went to the independent "plague on both your houses" attitude of the electorate.

"We will call to the high offices of the Government," he said all over the country, "the best men and women, the ablest and most reliable in the land."

This was his principle, and the general feeling here in a period of lively diplomatic activity is that it is the correct principle to apply in the Gluck case.

HAVE THEY OBSERVED PRINCIPLE?

The issue is not whether the Eisenhower administration is being more political in its ambassadorial appointments than the Democrats, or whether these jobs should be given to the top careermen in the Foreign Service, but whether the appointments have met the President's principle of appointing the best man available, regardless of party, wealth, or Foreign Service record.

Mr. Dulles made the points today that Mr. Gluck was a man of integrity, that a man's campaign contributions were "by no means a determining or important factor in our appointments," and that some Democrats had been appointed to important posts.

Nobody has questioned Mr. Gluck's integrity. As a matter of fact, in this whole controversy he has come nearer to the truth, the whole truth, and nothing but the truth, even when the truth hurts, than anybody else. He admitted he didn't know the name of the Prime Minister of Ceylon, or the name of the United States Ambassador to India, or how to pronounce Nehru. Nobody has been that frank in Washington since Harry S. Truman wrote to Paul Hume, the music critic of the Washington Post.

DON'T SPEAK THE LANGUAGE

The question remains, however, whether the appointments, including the Gluck appointment, have met the President's own test. Among the factors in this are the following:

In the non-English-speaking North Atlantic Treaty Organization countries, the Eisenhower appointees do not speak the language of the country in France, Germany, Belgium, the Netherlands, Norway, and Turkey.

In the whole of the Arab-speaking world, where the prestige and interests of the United States are now deeply involved, only three United States ambassadors speak Arabic. They are Raymond Hare in Egypt, George Wadsworth in Saudi Arabia, and James S. Moose in Syria—all Foreign Service officers.

Llewellyn E. Thompsn, Jr., the new Ambassador in the Soviet Union, is the only United States head of mission appointed by the President to a Communist country who speaks the language of the country to which he was assigned.

In Asia, the United States ambassadors do not speak the language of Japan, Nationalist China, Korea, Burma, Thailand, Vietnam, Indonesia, or the Philippines.

This does not mean that these were all bad appointments. Many of them were excellent, regardless of the language difficulty, but it is an indication that the principle of the best man available has not always been followed.

PROBLEM OF ALLOWANCES

The President, for example, has said publicly in response to questions that the Congress should make available representation allowances so that he does not have to choose ambassadors for expensive posts from the limited ranks of those who have sufficient money to meet the social obligations of posts in London, Paris, and elsewhere.

This was not followed, however, by any White House action to carry this principle into effect. In short, as most observers here see it, the administration has pronounced correct principles on the problems of ambassadorial appointments but has not followed them.

What has happened here, most well-informed men believe, is merely that the administration has carried on the pork-barrel system as before, with three exceptions:

1. It has given more posts to Foreign Service officers than to political appointees—53 to 23.

2. It has introduced a new system of changing almost all political appointees at the end of its first term and appointing new ones.

3. And finally, it has differed from the tradition of the past by denying that campaign contributions are an important factor in choosing ambassadors.

If it had not denied this last practice, the Gluck appointment would have been merely an amusing 1-day story about an honest man getting caught in an ancient political game. But because the administration has pronounced such noble principles, and then departed from them while proclaiming its innocence, the argument is prolonged to nobody's advantage.

Mr. HUMPHREY. Mr. Reston concludes his article by saying:

[The administration] has differed from the tradition of the past by denying that campaign contributions are an important factor in choosing ambassadors.

If it had not denied this last practice, the Gluck appointment would have been merely an amusing 1-day story about an honest man getting caught in an ancient political game. But, because the administration has pronounced such noble principles and then departed from them while proclaiming its innocence, the argument is prolonged to nobody's advantage.

It is high time, Mr. President, that this official hypocrisy came to an end, and the best way to end it would be not to make these appointments in the first place. Then no apologies would be needed.

We must stop treating our ambassadorial appointments as though they were casual or relatively unimportant. The whole life of the Nation may at some point depend on the caliber of our Foreign Service reporting and our Foreign Service missions. We have only to study the latest volume of published German diplomatic documents to appreciate the full danger of staffing our embassies with mediocrities. I direct the Senate's attention to an excellent editorial from the London Daily Telegraph of August 1, entitled "Failure of Their Missions." I ask unanimous consent that the text of that editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the London Daily Telegraph of August 1, 1957]

FAILURE OF THEIR MISSIONS

Every aspiring Foreign Service official should be required to read the latest volume of German diplomatic documents as an object lesson in what diplomacy should not be. At least three-quarters of the messages sent back to Ribbentrop by his ambassadors abroad were not only inaccurate but highly misleading. They did not illuminate the world scene for the Nazi leaders, but simply confirmed them in all their illusions. The Nazi ambassadors, in short, were not envoys extraordinary but ordinary deceivers, anxious to please their masters by reporting only what Berlin wanted to hear.

Ribbentrop himself set the fashion for this kind of diplomatic reporting when he was ambassador in London. He consistently misled the Fuhrer about the extent to which Britain could be provoked without fighting. Just how far misinformation had cut off the Wilhelmstrasse from reality by 1940 can be seen in this volume's fantastic series of telegrams about the Duke of Windsor. On the basis of a few hearsay ducal indiscretions, the Nazis swiftly convinced themselves that the former monarch was prepared to lead an

anti-Churchill movement. Equally subjective reporting from Washington also led to an abusurdly unrealistic expectation that anti-British forces would soon push Roosevelt out of the White House.

The lesson is clear. Unless a foreign service is staffed by men of integrity, able and willing to report the truth, however unpalatable, it is more a menace than a help to the country it is meant to serve. Dictators, of course, are notoriously unwilling to be told what they do not wish to believe. All down history bearers of ill tidings have received short shrift. Sycophancy was quite as much a hallmark of Stalin's foreign service as ever it was of Hitler's. Nor are democracies altogether immune. Do all telegrams that reach Mr. Nehru tell the truth and nothing but the truth? After the shabby treatment afforded to those diplomatists who warned Washington against supporting Chiang Kai-shek, there has been a disturbing tendency to pass on to the State Department only information that supports current policies.

The real interest of these German documents, therefore, does not lie so much in the light they throw on the past. Indeed, they cast more shadows than light. It lies in the warning they give of how useless is the most efficient diplomatic machine unless it is worked by men of character and independence. Willing tools, such as Ribbentrop was served by, only helped Germany to bury her head in the sand. They are men to beware of.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I have the honor and privilege of serving, with the Senator from Minnesota and the distinguished Senator from Montana [Mr. MANSFIELD] on the Foreign Relations Committee. I wonder if the Senator from Minnesota recalls that early this year I protested, in the Foreign Relations Committee, the procedure in that committee which permitted committee action in executive session on nominations for ambassadorial posts, and suggested then that all such hearings ought to be in public.

After some discussion in the committee, it was agreed to adopt a modification of my proposal; namely, that hearings would be held in public if requested by a single member of the committee. The Senator will recall that I made the first request, under that procedure, in connection with the appointment of Mr. Rubottom to head the Latin American desk in the State Department.

Subsequent to that, the Senator from Montana [Mr. MANSFIELD], as I recall made a proposal to return to the original suggestion which I had made earlier this year, that the hearings be held in public.

There was some discussion of that question in the press. I was not present at the last meeting of the Foreign Relations Committee, because of duties on the floor. I wonder if the Senator from Montana can advise me whether any action was taken on the Mansfield proposal. I happen to believe that such procedure is a part of the solution—only a part—to the problem which the Senator from Minnesota is raising in his very able speech on the floor of the Senate this afternoon.

Mr. HUMPHREY. First, let me say that I recall vividly the position of the Senator from Oregon and his concern over the matter of executive discussions of nominations to ambassadorial posts, and his request that the hearings be made public.

On the latter point, as to whether the Mansfield proposal has been acted upon, I notice that the Senator from Montana is present in the Chamber, and I prefer that he answer the question. I ask unanimous consent that he may do so without my losing the right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, there was one nomination pending at the last meeting of the committee, the nomination of William B. Macomber, Jr., to be Assistant Secretary of State. That nomination was considered at a public session.

The committee agreed, by a majority vote, not to hold open hearings on the United Nations nominations, because several of the nominees had been before us previously, and we knew their history.

However, the committee did agree to hold an open hearing tomorrow on the nomination of Mr. James H. Smith, Jr., who is to succeed Mr. Hollister as Director of ICA.

The motion I made some weeks ago was, in effect, the Morse motion, originally made by the Senator from Oregon earlier in the year.

Mr. HUMPHREY. As I understand, it is a standing rule of the committee, and the rule will be altered only in the case of such nominations as the United Nations nominations, with respect to which the nominees may be Members of Congress or individuals who have been before the committee on previous occasions, and with respect to whom there is a record as to their background.

Mr. MORSE. Mr. President, this is a subject in which the entire Senate has a very important interest. I hope we shall not reach such a position in the Foreign Relations Committee that a majority of the committee can deny to any individual member of the committee an open hearing on a nomination with respect to which some member of the committee thinks there should be an open hearing. I trust that is not the present status.

Mr. HUMPHREY. I, too, trust that it is not.

Mr. MORSE. If it is, if I cannot have it modified in the Foreign Relations Committee, I serve notice now that I shall submit a resolution directing the Foreign Relations Committee to hold public hearings on ambassadorial appointments, because I do not think the determination is one which should be made by the Foreign Relations Committee alone.

I think we have had a demonstration of the public interest involved. I was very disappointed to read in the press a purported statement by Mr. Herter, Under Secretary of State, in opposition to open hearings on ambassadorial appointments. As the Senator from Minnesota knows, that runs counter to a very deep conviction of mine, that is, that in a democracy there is no substitute for public disclosure. Let us never forget it in the Senate.

When we are talking about this question, we are talking about one which, I think, illustrates a trend which has been developing in this country, toward government by secrecy. The people of the United States are entitled to find out, in a public hearing, any facts anyone wishes to bring out with regard to any appointee of any President, Republican or Democrat, for an ambassadorial post.

This is one Senator who, from now on, will object to any executive hearing in the Foreign Relations Committee on any ambassadorial appointment. I think the only way to stop the kind of action the Senator from Minnesota is talking about is to have such nominations placed in the full light of public disclosure. I am against any more secret hearings in the Foreign Relations Committee on presidential nominations to ambassadorial posts, or to any other high positions in the State Department.

Mr. HUMPHREY. Let me say to the Senator from Oregon and my other colleagues that I fully concur as to the necessity of public hearings. I have long felt that there have been far too many executive sessions. It is much more cozy that way, much more comfortable, but it is not always in the best interests of the public.

I wish also to state categorically and plainly that when there are nominations by the President which require confirmation by the Senate, it is my belief—and I shall act on that belief—that there should be public hearings, with the fullest opportunity for members of the committee, or other Members of the Senate, to inquire as to the person's qualifications.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Earlier in the course of his speech, the Senator pointed to the fact that, on the basis of absences relative to the status of career and noncareer ambassadors, the absences were greater on the part of the noncareer ambassadors.

Mr. HUMPHREY. That is correct.

Mr. MANSFIELD. That is a true statement of fact. However, I think it should be brought out that among the noncareer ambassadors who had an unblemished record—and perhaps the only one—was our distinguished colleague the Senator from Kentucky [Mr. COOPER].

Mr. HUMPHREY. I was just coming to that point.

Mr. MANSFIELD. While he was Ambassador to India, he was at his post every minute of the time. That was unusual. However, I think a correction or clarification should be made with respect to some of the noncareer ambassadors who, in my opinion, perform able, distinguished, and outstanding service representing this country. I refer to Ambassadors such as Douglas Dillon in Paris, Clare Boothe Luce, in Rome, Ellsworth Bunker, now in India, and David Bruce, now in Germany. Most of them were contributors to their respective parties, but they did perform great service in representing our country in the capitals to which they were accredited.

I point out that, in my opinion, so far as these persons are concerned, particularly in the case of former Ambassador Dillon, now Deputy Under Secretary

of State for economic affairs, and in the case of Mrs. Clare Boothe Luce, who has retired from the diplomatic field, a large part of their absences can be ascribed to the fact that they had to undergo a relatively long period of medical treatment and, furthermore, to the fact that they were called back on assignments to this country, and that the period of time attributed to them as being nonduty status should be changed to duty status.

Therefore I believe we ought to give credit where credit is due. Both of those persons have been contributors to their party. That is all right. There is room for contributors in a diplomatic system such as ours. It is fortunate that many of these people have turned out to be so adept and so capable in the posts to which they were assigned.

Mr. HUMPHREY. I wish to say to the Senator from Montana that I agree thoroughly with him. In fact, I was just coming to the very names he mentioned. I have in my hand a list of the ambassadors to whom the Senator has referred. It is not a bad idea to have noncareer service representatives. It provides an injection of what might be termed new blood, and provides a new spirit and a new outlook in our ambassadorial service and in our diplomatic service. Surely it is not to be interpreted as an ironclad rule that if a person contributes to a political party he cannot be eligible for appointment to the diplomatic service or to any other post of public trust or responsibility.

Conversely, the fact that a person does contribute to a political party, does not necessarily mean that he is qualified for such appointment. It is necessary to judge the individual on his own, and it is necessary to judge him on the basis of his background and experience and education and knowledge of languages. The knowledge of languages is becoming increasingly important in the diplomatic field. It is becoming increasingly important for a person in the diplomatic service to know languages, to know the culture of a country to which he is accredited, and to know its political institutions.

I say most respectfully that one of the great weaknesses of some of those being assigned to diplomatic posts is the fact that they know so little of the political structure of the country in which they are to serve. There is also a dearth of knowledge of the political and economic forces at work in the countries. Too frequently all of us are the victims of what I call caption and headline education, rather than education in depth.

I believe it would be fair to say that far more important than asking a prospective appointee in the Foreign Service to name the prime minister of a country would be to name the political parties of the country, what they stand for, and what the source of their power is. It would be far more important to test a person's knowledge of the political forces at work within a country, who are its leaders, where they come from, and how they obtained their stature and their power; as well as how many followers they have, and the impact they have on the political development of the country involved.

Mr. President, there is too little knowledge along that line. We are constantly being made aware of the importance of an understanding of foreign languages, particularly the languages behind the Iron Curtain. In our foreign services we need men and women who can speak the Slavonic languages, we need those who can speak Russian, and we need representatives who can speak and read and understand Chinese.

I submit that everyone in the world is not going to learn English or American; instead, foreign people will insist that we learn their language. I could not escape reflection on the young man, Richard Medalie, who happens to come from my State, and is a student at Harvard Law School. He is one of the youths who attended the Youth Festival in Moscow. He stood in Red Square in Moscow and took on all comers, talked to Russian students, read the United Nations Report on Hungary, and then proceeded to get into arguments with dozens of Russians. He had crowds of up to 2,000 listening to him. Why did they listen? They listened because he spoke to them in Russian. He is a student of Slavonic languages, and the Russian language and Russian culture. He spoke brilliantly and fluently, and he made an impression in Moscow.

Of course, there is no better way in which we can honor another people or another country than by acquiring an understanding of their culture, and speaking their language, and learning their mores.

I repeat, we have had wonderful examples of noncareer service diplomats. We had in India Chester Bowles, and subsequently JOHN SHERMAN COOPER the distinguished Senator from Kentucky. These two men contributed immeasurably to the growth of understanding between the United States and India. They represented our country with integrity and honor and brillance.

From Minnesota we had a very distinguished and able diplomat, Mrs. Eugenie Anderson, who was literally loved by the people of Denmark and by the officials of that country. On one of her return trips she was heralded almost as a patron saint. She was a noncareer diplomat. But she certainly was a diplomat. She was a brilliant and informed student of the economics and politics of Denmark.

There should be less emphasis on time in the garden with the cocktail glass, and a little more time spent in learning the politics and economics of a country. If that is done, we will have better diplomats representing us in foreign countries. Too many of our diplomats seek ambassadorial posts not only as a reward for campaign contributions, but in a desire for social life, which they can obtain in the United States at less cost, I might say.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Did Mrs. Eugenie Anderson speak the Danish language?

Mr. HUMPHREY. She surely did. She learned the language. She learned it in Denmark. It made a tremendous impression upon the Danish people. The famous former Representative from Connecticut Clare Boothe Luce, is another example. I have stood on the floor of the Senate and commended her for her brilliant service to our country in Italy. There is no doubt about the fact that she was an excellent ambassador. She was a noncareer ambassador, but she understood people, and she understood the minute relationships which are so important in human affairs.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I join with the Senator from Montana in commending other diplomats, such as David Bruce, Ellsworth Bunker, and others. I had the privilege, incidentally, of serving with Ellsworth Bunker as a delegate to the United Nations. He was a former head of the Red Cross, a wonderful man.

It should be pointed out, first, that it is not necessary to be a Foreign Service officer to be a good ambassador. Secondly, it is not necessary that a person make a contribution to a political party before he can be appointed ambassador. By the same token, the mere fact that a person does contribute to a political party does not qualify him to be appointed an ambassador. It may mean in some cases that the qualifications of such an appointee should be looked into very carefully.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. The Senator mentioned Mrs. Eugenie Anderson, our former Ambassador to Denmark. Mrs. Clare Boothe Luce, our former Ambassador to Italy, was also mentioned by the Senator. Is it not correct to say that those two outstanding Ambassadors had an added handicap, because they were women? In spite of that, however, they were able to rise above the prejudices which may have existed against women being appointed to the posts to which they were accredited, and today they are ranked among the most brilliant ambassadors we have sent to any country in any part of the world.

Mr. HUMPHREY. I would say that is surely a true statement. I should like to add the name of another grand lady. She is Daisy Borden Harriman. She was a great credit to America. She was loved by the Norwegian people. Anyone who goes to Norway will hear the name of the former American Minister to Norway, who today is one of the grand ladies of Washington, loved by hundreds of people in this city, and justly so. She was a noncareer diplomat and a very good diplomat. What I am trying to say is that we should use some judgment when the nominations are made.

Let us do what was suggested by the Senator from Oregon and the Senator from Montana. Let us have a little more public discussion of nominations when they come to the committee. I think all of us have been slightly derelict. I shall not put the blame for that on someone else; I may have been derelict. As a member of the Committee on Foreign Relations, I possibly should have been a little more careful in my personal

examination of the nominations in the Foreign Service, but like other Senators, I have not always been in attendance, not because of a desire to be absent, but because of conflicting appointments and conflicting responsibilities.

I feel we have now made some progress. If we do not let the matter die, if we pursue and persist, we may have performed a service for our country.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

TENTH ANNIVERSARY OF INDEPENDENCE OF INDIA

Mr. HUMPHREY. Mr. President, this day, August 15, 1957, marks the 10th anniversary of the independence of India. The occasion will be celebrated in tens of thousands of humble villages scattered over the Indian countryside. It will be celebrated in great cities like New Delhi, Calcutta, Bombay, and Madras. It will be celebrated by 360 million Indians throughout the vast stretches of that great country. The occasion, so significant to the people of India, ought to be heralded elsewhere, wherever people are free, wherever people aspire to be free, for it augers well for the future of liberty in the world.

The decade of Indian freedom has been marked by struggle and travail. It has also been marked by solid achievement and growing confidence.

There were many doubters and scoffers when this great new republic came into existence. How, it was asked, can this huge conglomerate of races, religions, castes, and languages be molded into an independent and stable nation? Many predicted that in a matter of months, or a year or two at most, the Indians would be begging for the return of foreign overlordship.

For a while it appeared that the doubters and scoffers might be right. The tragic riots attendant upon partition claimed millions of lives and uprooted countless millions of families. An assassin's bullet ended the life of one of the great men of this century—the spiritual and political leader of India, Mohandas Gandhi.

Then, somewhere out of the depths of this agony of violence, somewhere out of their deep longing for peace and for a meaningful freedom, the people of India began to find their way. They found a selfless leadership in Jawaharlal Nehru. They found within themselves, as men bent on freedom will always find, the strength to build and develop under his leadership a decent way of life.

The achievements during the first decade of independence in India stand as a remarkable testimony to the power and inspiration of the doctrines of liberty. In the past 10 years, the Indian leaders have overcome centuries of political inertia and established a workable government under a constitution not unlike ours in spirit and purpose. They have molded the heterogeneous peoples of the subcontinent into a single democracy. They have taken firm and bold steps to guarantee human and civil rights to all, just as this Congress is now in the process of trying to do for our own citizens.

Under their first 5-year plan, recently completed, the Indians have moved forward on many fronts. Illiteracy has been reduced. Standards of health and sanitation are rising. Production of food and industrial output is at record levels.

The United States, along with the United Nations and its agencies, has been privileged to play some small part in the remarkable progress of the Indian Republic. I refer in this connection particularly to the technical cooperation program and the loan of $360 million in 1956 under Public Law 480. That loan will enable the Indian Government to obtain food from the United States to feed the hungry without impairing the continued and essential expansion of its own economy.

This country has had its differences with India in dealing with the international problems of the past 10 years. In the heat of those differences, however, it is easy to overlook the times that we have been in agreement and helpful to one another. This is a fitting occasion to recall the contribution of India to ending the bloodshed in Korea and in securing the release of a number of Americans held prisoner by Communist China. India, her leaders and her people, represent a constructive force for peace and freedom.

Mr. President, the Indian people have come a long way in the decade since they achieved their independence. The years ahead are full of hard work and self-sacrifice for them but they are also full of the promise of a better life, a more secure existence and a more stable freedom. The people of this country will watch the unfolding of the second decade of Indian independence with a deep and friendly interest. I believe that the people of this country will continue to cooperate in its progress in every proper way. We shall do so because in this closely knit world the stability and progress of freedom elsewhere is of the greatest relevance to our own freedom. We shall do so out of the ties of a common humanity which bind us to the people of India and to other nations in the search for a decent and durable peace.

Mr. President, a thought-provoking review of India's Great Adventure: 10 Years Later was published in the New York Times magazine on Sunday, August 11, written by A. M. Rosenthal, the Times correspondent in India who is returning to his post in New Delhi after a visit to this country.

Because I think it highly appropriate in connection with the anniversary of India's independence, I ask unanimous consent to have the article referred to printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIA'S GREAT ADVENTURE 10 YEARS LATER

(By A. M. Rosenthal)

During a decade of self-rule, India has striven valiantly to uplift millions by democratic methods. But, in today's Asia, it is a race against time and final results are in doubt.

The great adventure of the Asia of this century is a decade old this week, and it is an adventure just beginning. "Adventure" is the word Jawaharlal Nehru uses when he thinks aloud about the awakenings and struggles, the pains and joys through which India has lived since August 15, 1947, her day of independence.

It is a good word. When the world thinks of political adventure it thinks, most often, of great dramas any man can see quickly, of swift change and power and stunning technique. But as the Prime Minister of India uses the word and as it has entered the lives of so many millions of people on that great stretch of land between the Himalayas and the Indian Ocean, adventure has a special and greatly more impressive meaning. It is the adventure of men trying, as best they can, peacefully, to create order from turmoil, unity from divergence, decency from degradation, progress from stagnation.

Another adventure has been taking place in Asia, the adventure of Communist China. It is an experiment to which the world pays considerably more attention than to the one in India. That's because the world, or a good part of it, has at least two attention-commanding reactions to Peiping that it does not have to New Delhi—awe and fear.

But in many ways the adventure of India is the greater and more meaningful of the two. It represents an idea that not only is being challenged by the Communists, but in which millions of non-Communists in Asia are beginning to lose faith—the idea that a country sunk for centuries in economic misery can find the road upward without the use of force and terror.

A great deal depends on what happens to the Indian adventure. There has been a lot of talk about the competition between India and Communist China. The Indians, looking at the world from the depths of their own wishful attitudes toward the Communist powers, don't like the talk. People in the West seem to have become jaded with it.

But in her own security belt in the Himalayas, India is intensely aware of the danger of Chinese infiltration. "I'm here to watch the Chinese, that's my job," said an Indian official in Nepal. And there are a great many Indian officials who realize that they must prove by results that their techniques can match those of the Communists.

There are not many political guaranties in Asia. There is no guaranty, for instance, that the mere existence of a free India will prevent for all time the expansion of the physical or political power of Peiping. But there is an Asian political equation that can be proved only by final disaster. It is: Communist China plus a Communist India equals a Communist Asia.

So far, the effort and determination and the beliefs of the men who lead the adventure in India, and their people's willingness to follow and wait, have been as important as the results. But at this anniversary, under the pressure of awakened desires and of the pace and promise of communism, the time is coming rather quickly when results will count more, when the free world will have to decide for itself whether its stake in India is more important than its deep dislike of Indian policy.

"Two years," said an Indian diplomat in New York a couple of weeks ago, and he said it with passion. He said many passionate and angry things and the gist of them all was that there is not much more than 2 years of grace, 2 years for the non-Communist world to realize that the great adventure in India is at a time of crisis and that without help, great amounts of help, it will fail.

"Two years." This was just one terribly troubled Indian diplomat, and he spoke in heat. There may be 2 years, there may be 3, or 5, but what this man said in an East Side New York living room was what a good many other Indians, in gardens in New Delhi and

in offices in Washington, believe. They believe that soon democratic methods must match the promise of hard-fist methods, or be replaced.

They believe and say that, not as a matter of pessimism but with the realization of urgency. As a matter of fact, the history of the Indian subcontinent these past 10 years has shown that in looking into the future of an underdeveloped country it is not nearly enough to base judgment only on things like population growth, industrial production, education, agricultural output, and political problems. If these things were all that were involved, Indian democracy would not have reached its 10th birthday. It is the something else, that compound of work, will, and the belief that men can be shown the way to their own dignity, that makes the adventure of India a special one.

There come times, between friends, or people who should be friends, when it is not a bad thing to put aside the critical microscope and the irritations and disappointments and to look for a while at the things that are right and good. It would be a wonderfully pleasant thing if India would do that for us. A birthday is a good time for us to do it for India.

When a man is your friend, you think not only about what he has become but what he went through to get where he is.

When India was born a free nation, two chunks of prairie, mountain, and paddy had been taken away to become the new nation of Pakistan. War followed, although it was not called that. Hundreds of thousands of Moslems, Hindus, and Sikhs died in a flood of hatred that has still not ebbed away. And the Hindu refugees keep coming from Pakistan, and millions of Moslems in India still live amid hostility and fear.

But, on this point of religious bitterness, as on almost everything else that has to do with India's story, the foreigner must set himself a perspective and ask himself a question or two. The perspective is the history of India and her economic and social resources at the time of her independence. The question is whether, against that background, the story lies in what has not yet been done, or in what has been accomplished.

Is the essential point about religious bitterness in India that it still exists as it has existed for centuries? Or is it that for the past decade, and only for a decade, an Indian government has been trying to live down the past and create a nation in which 320 million Hindus and 40 million Moslems live together in peace? There have been troubles—Moslem rioting over a book considered insulting to the prophet, Hindu hooligans throwing a pig's carcass into a mosque—but are they really more significant than the fact that for a decade men have been trying to prevent religious conflict?

When India was born a free nation, she was a country in which there were hundreds of political boundaries, the boundaries of more than 500 prince-ruled states. Without bloodshed, these states were absorbed into the Indian union. This was a good-sized miracle of political maneuvering and impressive testimony to the attractiveness a guaranteed privy purse has for the noble-born.

But there were problems greater even than the princely states. The new India was a country whose people spoke 15 different languages and hundreds of dialects. It was a country where a peasant from Madras had considerably less in common with a peasant from Bengal, in language, custom, and tradition, than a Frenchman has, say, with an Italian. Language divided the country and so did regional jealousies, caste, and history.

Despite all these differences, India has made herself a nation. People who study India sometimes say with an air of great discovery that, "Why, it is not really a nation at all, but a group of nations," and they say it accusingly.

Certainly there are enormous pulls within the Indian nation. And certainly there is the possibility that one day, if there is a collapse of the economy and of political leadership, these pulls may become so strong that the nation may splinter. There is no point in pretending these differences and pulls do not exist. They always have; that is the point. And once there is an appreciation of this difficult heritage, the emphasis changes entirely. In 10 years India has accomplished more in getting peoples of different backgrounds to live together under one national roof than her former rulers, Moslem, Hindu, and European, were able to accomplish in centuries.

When India was born a free nation, the most dismal part of her heritage was caste. This was the Everest of her Himalayan Range of troubles.

To the rest of the world, caste means untouchability. Untouchability, that soul-shattering concept that tens of millions of human beings are born so degraded that their touch or even shadow is defiling, and that these human beings are condemned for life to live beyond the pale and work at trades that disgust the higher born, is the most horribly dramatic aspect of caste. But the most important aspect of caste is that the existence of thousands of castes and subcastes divides the country into just as many thousands of mental, social and professional boxes whose inhabitants cannot leave them.

Millions of Indians think and act as members of a village box, or an occupational box, or a religious box, not as members of the whole community. They live lives closed against the inhabitants of the other boxes. When they do become aware of people in those other boxes, they think of them as superiors or inferiors and this leads to a combination of callousness and servility. For a nation struggling upward, it leads to a disastrous waste of the country's one great asset—the human being.

Caste—including untouchability—still is strong in the life of India. There are hundreds of villages, perhaps thousands, where men must wail warning cries as they walk the streets so that their betters can step aside and avoid defilement. But in the decade since independence the Indian Government has done more to fight the filthier manifestations of caste than all the preceding governments of India taken together.

Local politicians still seek power through caste ties but the Government is dedicated to the destruction of untouchability and the gradual erasing of caste lines. This is a monumental thing because it means that an elected government of a country is dedicated to reforming, through democratic education and the process of law, some of the most dearly held tenets of the religion of the people who elected it to power.

This slow, painful battle against caste is part of the most important work the Indian Government has had on its hands during the first decade, teaching Indians to refuse to accept. These past 10 years, the Government has been trying to make Indians realize that they do not have to accept the ditch into which caste has flung them, and that disease and hunger and mind-blanketing ignorance do not have to be accepted, either. And whatever its faults, this is a government that tells its people that their achievements must be their own and can be reached through the methods of peaceful change.

The inevitable irony is that every success in the process of awakening of desire and ambition puts heavier strains on the Government and the economy. Put most simply, tens of millions of Indians now realize that they are entitled to more—more to eat, more education, more dignity of life—than the Government has in its power to give them.

This is the key to the Indian crisis, the attempt of the Government to match the awakening desires of an enormous population and to convince itself and the people that they should resist the attractions of what seem to be the swifter methods of authoritarianism.

The Indians call the road they have chosen for themselves mixed economy. It adds up to a system in which government enters into a wide range of industrial and commercial fields, has more and more to say about the conduct of private enterprise, but permits it to continue to grow. It is not the road the United States would have liked to see India follow. But it is a road Indians feel is best for themselves and, most important, it is a road marked with the signposts of parliamentary action.

"Isn't Nehru a dictator?" That is a question this reporter has heard a few times in the United States. Nehru may be several not terribly pleasant things—confusing, autocratic, stubborn—but his greatest contribution to India has been that he has not permitted himself to become a dictator, nor permitted India to make him one.

Nehru is the chief everything in India—chief planner, chief policymaker, chief military mind, chief inspector—but he functions under a republican constitution and as majority leader in a parliamentary system founded on the only meaningful base for a parliamentary system—regular national free elections. It was Gandhi who gave direction to the surge for independence. It has been Nehru who has given direction, since independence, to India's parliamentary government.

Most Indians who count politically are determined to keep India functioning under parliamentary controls. Whether they will be able to hold fast depends on their own strength, the weather, and the United States.

Two or three bad crop years could force India to spend so much of her foreign exchange on food that her plans would have to be scrapped. As for the United States, this country is just about the only source for the large-scale help India needs. The Russians will built a steel plant and rush in with some dramatic help now and then, but in the long run it is in communism's interest to have the Indian economy collapse.

At the age of 10, independent India is in deep, deep economy water. The second 5-year plan started in the spring of last year, and already seems to be foundering. The first plan, aimed at increasing agricultural production, was moderately successful, with the blessing of some good monsoons. But its main achievements were to stimulate a sense of purpose, unity, and progress and the belief in the ability to do.

The second plan continues emphasis on agriculture but adds new points of concentration—creating an industrial base, stimulating social services, covering the country with a program designed to awaken the villages to new life. It calls for a public outlay of about $10 billion, about twice the cost of the first plan.

Almost as soon as the plan was announced, it became clear that India did not have enough money to see it through—by at least $1,500,000,000. There was criticism in India and abroad that the plan was too ambitious.

But in drawing up a plan in a country as poor as India, the Government has to do more than satisfy the statisticians. It has to hold out hope. Even if all the goals of the second plan were reached, the life of the Indian peasant and worker would still be miserable, only a tiny beginning would be made in education and health services and, because of the population growth, there would be more unemployed at the end of the plan than there were at its beginning.

What the plan amounted to was a statement of belief by the Nehru government that India, through her own resources and help from abroad, could continue to inch ahead. The people in New Delhi felt that to say less would be to confess failure.

The planners expected a crisis because they knew that their foreign exchange resources were dwindling and because they knew that they had counted, on paper, on more aid from abroad than they stood a good chance of getting. But the crisis has boiled up dangerously in the past 3 or 4 months. Foreign exchange resources are almost at bedrock. Foreign investors, in the United States and Europe, are considerably less than keen about India.

There is sharper anxiety about India's future among Indians and United States officials than this reporter has seen in 3 years. The estimate is that India desperately needs an additional $1,000,000,000 in the form of loans, credits or grants to help her purchase the machinery, equipment, skills, and food she has to have in the next 5 years. Without it, Indian and United States officials feel India's economic plans and hopes will be wrecked.

Suppose India does not get the help she needs, what then?

Unfortunately for the world's understanding of the seriousness of the situation, there probably will be no political crisis in India great enough to make the free world's foreign offices panicky. The first thing likely to happen is that parts of the plan will be scuttled—parts of what really is already a minimum plan. What is left will have to be reorganized on a new system of priorities; yearly plans will be drawn up, and one day the country will realize that it has an 8- or 10-year plan, not a 5-year plan.

There are grayer parts to the outlook than failure of a plan. One of them is that, as India is forced tighter and tighter against the wall, pressures will build up within the country for adopting tighter and tougher economic measures, for speeding up parliamentary processes to the point where all that remains is the name.

The danger is not that all of a sudden India will go Communist. The danger is that, step by step, she will find herself abandoning parliamentary controls. For example, there may be pressures to nationalize without compensation, something India has never done. There will be pressures to tax wealth out of existence, to take over the banks, to set up a mass system of farm cooperatives that will not be far away from government-controlled agriculture, to establish rigid price and distribution controls over crops, even if that means collecting them from the peasant against his will. This will not be a sudden switch to totalitarian economy but a slide down into it.

Since India is a democracy, Nehru and his government do not exist in a vacuum. There is something called the Communist Party of India. In the last election, Nehru's Congress Party was returned to power. But for the first time the party lost a state to the Communists—Kerala. And throughout the country there were political signs of restlessness, impatience with the Congress Party.

Change, of course, is part of democracy. But change brings danger when, as in India, there is no well-organized national democratic opposition. The Communists benefited most from discontent against the Congress in the last election. If something happens to the Indian economy, even assuming the Government can hold back the slide toward totalitarian economics, the benefits from the impatience of the people between now and the next election in 1962 will go to the Communists.

Two serious things—one day, not far away, they could add up to tragedy—are becoming part of the American attitude toward India. One is perpetual irritation.

This reporter believes that the responsibility for this edginess belongs in New Delhi as much as in Washington and comes almost entirely from what India and her leaders say and do not say about international affairs. There is no good reason for us to pretend we do not think India has adopted a double standard of morality toward us and the Soviet world. But there are good and vital reasons for us to remember that New Delhi is a lot more than a factory for producing irritating foreign policy statements, that it is the capital of a country whose future is important to us.

Coupled with irritation is complacency. We figure, somehow, that India will struggle along. After all, they are not used to anything better, and anyway, it gets a little boring to worry about Indian economics. We don't really get excited until a crisis is dramatically headlined and then we get the fire engine out and rush in with sirens screaming. The time of crisis is approaching in India, but it is not as easy to see as a coup d'état or rebellion, and nobody seems to be manning the fire engines.

AMENDMENT OF CERTAIN PROVISIONS OF COLUMBIA BASIN PROJECT ACT

The PRESIDING OFFICER (Mr. GORE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1482) to amend certain provisions of the Columbia Basin Project Act, and for other purposes, which was, on page 1, to strike out line 3 down through line 24 on page 3, and insert:

That (a) in subdivisions (iii) and (iv) of section 2, subsection (b) of the Columbia Basin Project Act (57 Stat. 14), as amended, the expression "one farm unit", wherever it occurs, is repealed and the expression "two farm units" is substituted therefor.

(b) Section 2 (b) (v) of the Columbia Basin Project Act is hereby amended by adding thereto a new sentence reading as follows: "Lands held in trust for any person shall, for the purpose of this Act, be deemed to be held both by that person and, if the trustee derives any profit or advantage from the trust other than a moderate fixed fee for the management of the same, by the trustee." This amendment shall not be deemed to affect any irrevocable trust for the benefit of a child under 18 created prior to this amendment, which would then have been held to be consistent with the provisions and intent of the Columbia Basin Project Act or to excuse any violation or evasion of that Act, or of the rules and regulations issued pursuant to it or of contracts entered into under it, by the creation or purported creation of a trust prior to this amendment, which would then have been held to be inconsistent with said provisions and intent.

Mr. MANSFIELD. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives to S. 1482, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. JAVITS. Mr. President, may we have the matter explained?

Mr. ANDERSON. Mr. President, the bill relates to a development project on the Columbia River. It has been here for a while. I understood the matter had been cleared with the able minority leader. If it has not been, or if it should develop that it has not been, I would naturally want to have the request rescinded. But I believe the matter has been cleared with the minority leader.

Mr. JAVITS. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. JACKSON, and Mr. MALONE the conferees on the part of the Senate.

ATOMIC ENERGY

Mr. JAVITS. Mr. President, I call the attention of the Senate to a situation which has not been the subject of debate on the Senate floor, but as to which I believe the Senate should be informed. It is a matter in which, as one Senator, I have a deep interest. It relates to the atomic energy situation, especially the agency for the peacetime use of atomic energy, which was the subject of a House bill for which a Senate bill was substituted on August 14, entitled "Appointment of United States Representatives in International Atomic Energy Agency and To Provide for United States Participation in that Agency."

Before I embark upon my remarks, which will be very brief, I thank the distinguished senior Senator from Oregon [Mr. MORSE] for allowing me to proceed first, because I understand that his speech will be somewhat longer than mine.

Mr. President, the basic point for my observations today is attributable to the fact that the Senate has not debated this question. The Senate bill, which is now in conference with the other body, contains a provision with which I am in disagreement. This is the only opportunity I shall have to say anything about it. Other than that, the matter has been dealt with in the Joint Committee on Atomic Energy. The provision in the bill with which I am in disagreement reads as follows:

In the case of the International Atomic Energy Agency the Commission may distribute only such amounts of special nuclear materials as are authorized by Congress: *Provided, however,* Notwithstanding this provision, that the Commission is hereby authorized, subject to the provisions of section 123, to distribute to the Agency 5,000 kilograms of contained uranium 235, together with the amounts of special nuclear material which will match in amount the sum of all qualities of special nuclear materials made available by all other members of the Agency to July 1, 1960.

In short, what the provision says is that after the immediate commitments made by the President in respect of the peacetime use of Atomic Energy Agency and the treaty which the Senate approved on June 18, 1957, and as the Agency develops and comes into its very great usefulness, Congress shall pass specifically upon each amount of uranium for the purpose of developing the peacetime uses of this tremendous source of power energy.

I do not pretend to be an expert in this field; I defer with the greatest respect to the members of the Joint Committee on Atomic Energy and to the Atomic Energy Commission. But, as one Senator, it is my duty, in the interest of the millions of people of my State, to vote upon this question. It seems to me that in a matter of such great magnitude and

consequence to the world, I would not be true to my duty, the matter not having been debated, if I did not spread my views upon the RECORD.

My reason for opposing this particular provision and for speaking upon it, although I am not a member of the Joint Committee, and do not pretend to be an expert in the field, is buttressed by the fact that 6 of the 9 members of the Joint Committee in the other body, in dealing with the question before that body, have taken exactly this position and have backed it with very sound, substantial argument, argument which was sufficient to convince the other body, on the floor, to strike out the very same provision of the bill. It seems to me, therefore, that that action buttresses my own feelings with respect to the matter.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point in my remarks the additional views of the six members of the Joint Committee in the other body, as contained in House of Representatives Report No. 960.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. LANGER. Will the distinguished Senator from New York briefly tell us what the six Members of the House agreed upon?

Mr. JAVITS. I will. They agreed, or they believed, that the particular provision I have just read should be stricken, and their reasons, briefly summarized, are as follows. As a matter of fact, their report is so short that perhaps I should read it into the RECORD. Therefore, I withdraw my unanimous-consent request. I shall read the views in which I find myself in agreement. They are as follows:

ADDITIONAL VIEWS

We enthusiastically support the principal objective of the bill, H. R. 8251, which is to enable the United States Government to participate in the International Atomic Energy Agency and we endorse all the features of the bill save one.

We refer to a single sentence of section 7 which revises section 54 of the Atomic Energy Act of 1954 in such a way as to substantially undermine the basic purposes of the bill before us.

As written, section 7 of the bill has two broad deleterious effects:

(1) It casts serious doubt on the good faith and good will of the United States in proposing and in joining the International Atomic Energy Agency, and

(2) It offers a positive obstacle to American manufacturers in their efforts to exploit American know-how and American reactor systems abroad.

No proposal made by the United States in international affairs has ever received the spontaneous and unanimous accord given to the dramatic suggestion of the President in a speech before the General Assembly of the United Nations on December 8, 1953, in which he urged that the nations of the world should form an International Atomic Energy Agency to develop the peaceful uses of atomic energy.

The acclaim given this idea was unanimous in this country and abroad. It has fostered a unique spirit of willingness to work together, which was strongly evident last year at the Conference which unanimously approved the statute for the International Agency. This spirit should be encouraged in every way, as indeed it already has been fostered and strengthened by the ratification of the treaty establishing the new Agency.

It is our considered view that the single sentence of the bill to which we direct our vigorous objection will destroy much of the large measure of international good will created by the President's proposal and our ratification of the treaty giving it existence. It does so by creating a cloud of uncertainty for the indefinite future on the availability to the Agency of the necessary special nuclear material to fuel reactors of American type for peacetime purposes.

The sentence to which we object is at the end of section 7, reading as follows:

Then they quote the sentence I have already read. I continue to read from the additional views, as follows:

Let there be no misunderstanding—we fully agree that it is necessary for the Congress at all times to maintain control of our atomic-energy program. This sentence is, however, in no way necessary to accomplish that purpose since other provisions of law adequately preserve Congressional control:

They thereupon list the other provisions of law, as follows:

The Commission is required to keep the joint committee—

A committee of the Congress—

fully and currently informed on all phases of the program;

The President is required annually to allocate the amount of material available for peacetime uses;

Transfer abroad of special nuclear materials must be via an agreement for cooperation which the President must find "will promote and will not constitute unreasonable risk to the common defense and security";

The agreement must be submitted to the joint committee for 30 days while Congress is in session for review, and finally,

The Congress has additional control by way of suitable limitations on appropriation measures for the atomic-energy program.

These are substantial and adequate means for Congressional control of the atomic program and our relationships with the new Agency.

It would, indeed, be deplorable if at this last hour the hopes of mankind everywhere in the world, carried aloft by the dream of an international agency, which would bring to them the goodness of atomic energy, were to be cruelly and rudely dashed on the rocks of Congressional insistence upon needless and harmful legislative restrictions.

CHET HOLIFIELD.
MELVIN PRICE.
STERLING COLE.
JAMES E. VAN ZANDT.
JAMES T. PATTERSON.
THOMAS A. JENKINS.

Mr. LANGER. Mr. President, will the Senator from New York read again the sentence to which objection is made?

Mr. JAVITS. Yes. The sentence to which the members of the group of the other body object reads as follows:

In the case of the International Atomic Energy Agency the Commission may distribute only such amounts of special nuclear materials as are authorized by Congress: *Provided, however,* Notwithstanding this provision, that the Commission is hereby authorized subject to the provisions of section 123, to distribute to the Agency 5,000 kilograms of contained uranium 235, together with the amounts of special nuclear material which will match in amount the sum of all quantities of special nuclear materials made available by all other members of the Agency to July 1, 1960.

Mr. President, in stating my own reasons, again I say I do not pretend to be an expert. I am only explaining my position as one Senator who, in good conscience, must vote either "yea" or "nay" on this question, when the conference report comes before the Senate. So I state my views with great deference, especially to my colleague, the Senator from Ohio [Mr. BRICKER], who is a member of the joint committee, and is a distinguished constitutional lawyer; and I state my respect for his knowledge and my appreciation of his experience in this field.

My reasons for my position are as follows:

First, I believe that in a matter of this character, it is very, very important to make the world feel that the President of the United States has the full backing and confidence of the United States. This is essentially President Eisenhower's big contribution to world peace, in terms of the peaceful uses of this great source of energy. I think historically it will perhaps be the greatest thing he ever did or said, and that is why I should like very much to hold up his hand in the full spirit of the proposal he made.

Second, the United States has with many other nations—more than 40—bilateral agreements by means of which the United States will give them atomic materials for the purpose of peacetime or civilian uses. The provision to which I refer is not contained in any of those agreements. If the President were to go haywire, he certainly could do so as regards that area; and the restraints included in the Senate version of the bill would neither add to nor detract from, very much, if the President were to lose his head in connection with operations in this field.

Third, as is pointed out in the additional views which I have read, there is jeopardy to United States manufacturers who produce reactors, by virtue of the fact that if the limitations which are imposed create uncertainty as to the amount of material the United States will make available, that will make uncertain the use of American-manufactured reactors; and the Members of the other body argue that that would provide an inducement for the purchase of reactors manufactured by our principal competitor—Great Britain—which would not be subject to uncertainty of that kind.

Finally, Mr. President, let me say that I am not finding fault or complaining. I am pointing out the situation for only two reasons:

First. The bill is in conference; and if any Member of the Senate has an opinion—and I do—it seems to me the opinion should be expressed while it may have some influence upon what is taking place at this time.

Second. Let me refer to the very important letter which was addressed by the Senator from New Mexico [Mr. ANDERSON]—and this is very important in connection with the whole matter, as all of us know—to the Washington Post. The letter deals with this particular sub-

ject. In the letter the Senator from New Mexico says:

Amounts over and above 5,000 kilograms—

Referring to uranium 235—

($80 million worth) of fissionable material plus matching requirements already authorized by Mr. BRICKER's amendment can be made available by a general authorization act and distributed to the Agency from time to time in accordance with its needs and ours.

In short, there is in contemplation other action upon this matter. As all of us know, the entire sum of the public view and the view of Members of the Senate has an effect upon other action. It is for that additional reason that I felt it proper—and I have great respect, I repeat, for the views of my colleagues who have worked on this matter so long and so hard; and I present my views with great humility—to spread my views upon the RECORD.

Mr. BRICKER. Mr. President, in regard to what the distinguished Senator from New York has been saying, let me state, for the information of the Senate, that this matter is now in conference between the House of Representatives and the Senate. The amendment has nothing at all to do with the President's position. The amendment does not constitute a handicap upon the President. It is not an attempt to interfere with the International Agency in any way, shape, or form. The amendment is merely an expression of the constitutional responsibility of the Congress of the United States. I think the time has come for the Congress to assume its responsibility in this field, as well as in every other field.

The President asked for only what the amendment authorizes. The President has likewise suggested that he will come to the Congress for further authorization, as it is his duty to do as the Chief Executive of the United States; and it is the duty of the Congress to look into the problem when it arises, and to decide then what or how much we shall authorize to be given.

Let it never be forgotten that the United States, through the President—and this is affirmed by the amendment to which the Senator from New York has referred—offered 5,000 kilograms of uranium 235, regardless of the form or enrichment of the material or the amount of uranium which might be contained in the material furnished. Not only that, but he also offered to furnish an amount equal to the amount which would be given by all other nations, parties to the International Agency. Up to the present time, I think 100 kilograms, perhaps, have been offered by Russia, and 40 kilograms by Great Britain, as I remember the figures. So that will not be a great drain upon our resources. But there is now sufficient to take care of this matter for many years to come.

I think it has been estimated that it will be 2 or 3 years before the operation will get underway. The material which we furnish will be allocated by the International Agency. The treaty expressly states that after it has once been committed to this International Agency, our control over it will be completely wiped out; it will then be entirely in the control of the International Agency; and at that time, neither the Congress nor the President, nor anyone else in the United States will have any responsibility or control over it, or any authority to withdraw it or to direct where it shall be used.

That being the situation, it is my opinion that when more is needed, the Congress—which is the only authority under the Constitution of the United States with full power to dispose of the property of the United States, be it money or battleships or land or uranium or plutonium or whatnot—ought to assume its responsibility and ought to look at the problem when the time comes. That is the purpose of the amendment, and that is the only purpose of the amendment.

The amendment is not contrary to what the President requested. The amendment is in conformity with what the President suggested.

Likewise, no one knows exactly what the world's supply of uranium is. We do not know what the needs for it will be 2 or 3 years from now.

As one Member of the Senate, I do not wish to have one man, the President of the United States, charged—and he alone—with the responsibility of divesting the United States of a very valuable asset. The value of the material which has been mentioned runs, not to $80 million which has been suggested as being its value, but to $1,200,000,000 worth of this very valuable property, which has been set aside; and one of these days we may need it much more than we need it at the present time—for many reasons, including peaceful uses, as well as for military purposes.

When the day comes when an additional amount is to be authorized and given by the United States, I think the Congress of the United States should take a look at the matter.

The amendment does not mean—as suggested by the Senator from New York—that the Congress of the United States will have to pass upon every amount suggested by the President to be given to this International Agency. Under the amendment, the Congress can do just as it does in the case of appropriations for foreign aid, under the Marshall plan or whatnot; namely, authorize 1 year's supply or 2 years' supply, and give the President the power which today the Senator from New York has suggested the President should have.

I, for one, as a Member of the Congress, do not intend to vote to give away, in perpetuity, under the judgment of one man, be he even the President of the United States, this very valuable resource which the people of the United States are entitled to have used for their benefit, because they have invested in the productive system to make it more than $12 billion of capital assets. If that is violating the responsibility of our Nation to the world, let it be so; but let the other nations of the world understand the United States Congress is going to assume its responsibilities under the Constitution of the United States—a document we all took an oath to protect and defend when we became Members of this body, which is all the amendment would accomplish.

There is no reflection on the International Agency. There is no attempt to handicap what was referred to by the Senator from New York as a great promise to mankind. I am for it so long as it is used for positive purposes, so long as it is consistent with our national policy; but the Congress ought to determine what the national policy is when the time comes to determine it.

The Senator has referred to the report of the House committee. I have read the record of the debate in the House. I cannot find that the issue was understood, so far as the RECORD is concerned. It will be understood when the conference report comes back to the Senate. I assure the Senate and the Senator from New York that it will be understood. But when the time comes to give more uranium, let us do it in the light of the best interests of the United States, and let the other nations of the world know they, as well as the United States, have some responsibility, that we do not intend to give away the uranium, shovel it out, without regard to our responsibilities to the people back home who sent us to this body. I am firm in my convictions about that.

When the amendment came before the committee the first time, there were only two votes against it. It was reconsidered in the committee, on motion of the Senator from Rhode Island. At that time, there were four votes against it in committee. The bill is in conference. So far as I am concerned, I am going to vote to sustain the position of the Senate and the position which its representatives took in conference.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. JAVITS. First let me thank the Senator for remaining on the floor and giving so much time and attention to my inquiry. I am very grateful to him for that. Second, let me say—and this is my point—that Congress has an equally great obligation to see to it that the agency works, and if it is necessary to vest power in order to see that it works in accordance with the spirit with which it was put before the world, the power should be vested in it. Finally there are other safeguards in the language and in the appropriation. The uranium is sold, not given away. It is a provision of the statute.

Mr. BRICKER. It is a provision of the ratification.

Mr. JAVITS. That is correct. I am very much encouraged, and I thank the Senator. It is very clear that his mind is open, and when this matter comes up again in terms of enabling legislation, the Senator himself may be susceptible to a suggestion for giving a grant of authority, if that proves to be in our best interests.

Mr. BRICKER. That is correct. There is no reason for making provision now for a situation which probably will not happen anyway.

Mr. LANGER. Mr. President, will the Senator tell us what the parliamentary

situation is now? He is not trying to amend the conference report, because that cannot be done.

Mr. BRICKER. The matter is in conference.

Mr. LANGER. Did the Senate adopt the report?

Mr. BRICKER. No; there has been no action on it.

Mr. LANGER. Is it simply pending?

Mr. BRICKER. That is the situation. It is before the House and Senate conference, which, of course, is made up of members of the Joint Committee. It is rather an unusual situation.

Mr. ANDERSON. Mr. President, I may say I appreciated the statement made by the able Senator from Ohio [Mr. BRICKER]. This matter is perhaps not an easy one to analyze, if we are to consider the powers Congress has and the powers the President has. As a matter of fact, the President of the United States went to a meeting of the United Nations and pledged the United States to do certain things. His first pledge was that the United States would furnish 5,000 kilograms. There is not a member of the Joint Committee on Atomic Energy who has at any time ever raised the question of repudiating that pledge.

The President subsequently said he would like to be able to match the amounts supplied by other countries. No member of the Joint Committee on Atomic Energy at any time, either in open or closed meetings, has ever suggested repudiating what the President said. The President himself indicated he would like to return to Congress and request additional amounts.

I agree with the Senator from Ohio that there are two matters about which we should deal carefully. One is the amount of uranium we have for the defense of this country. I do not say the President would not be just as jealous about guarding our defense as would any Member of the Congress; I merely say that as a general rule it is incumbent on Congress to take a look at the overall figures, and make sure we have what we promised to give away.

Second, there is the matter of commitments. I suppose I am one of the few Members of the Congress who were in the cabinet room at the time when the first discussion of the Marshall plan and aid to Greece and Turkey took place. I well remember the position taken by Senator Vandenberg at that time. It was that he was in full sympathy with the making of commitments by the President of the United States to give Greece and Turkey aid, but he was not willing to go one inch further than the original commitments, and whenever it was proposed to expand them he wanted Congress to pass upon the question. Nobody questioned the soundness of what the Senator from Michigan said. Congress went right along with that policy, and tried to keep the programs rolling.

I was in Paris at the time of the first discussion of the Marshall plan there. It was at a meeting of the International Cereals Committee. I was there as United States representative to that meeting. I know how the nations of the world looked upon commitments made. Congress never refused to honor a single pledge to supply food. I can predict, with complete confidence, that Congress will not renege in this matter. That was not the purpose of the amendment offered by the Senator from Ohio.

As to the possibilities of bothering those who are manufacturing the equipment in this country, I have a report dated August 15, 1957, which discusses the Italian situation, wherein the World Bank told the export-minded United States and British reactor builders to "ante up" in the atomic power states. The report states how the Atomic Energy Commission and the British are going to provide opportunity for consultation with Italy. After Italy decides what kind of reactor she will use, will there be any problem because of the amendment offered by the Senator from Ohio? Not the slightest. Only 5,000 kilograms have been committed to the International Agency, but the bilateral arrangement provides for 7,000 kilograms. Atomic materials are going to be available under the bilateral program. There is no restriction upon those who may want to use American-type reactors or American-built reactors, because the International Agency does not have control of all this material. The real way the material will get to other countries will be through the bilateral arrangements which have been made. They have been submitted to the Congress by the able Senator from Rhode Island [Mr. PASTORE].

The Senator from Rhode Island has had printed in the body of the RECORD, round by round, every one of these bilaterals, as each has been announced. The Senator is in the Chamber. I am sure he has done that.

I think it is interesting to note that in not one single instance has there been the faintest objection by the members of the joint committee to these bilaterals. Congress has retained the right to look at them, and Congress has retained the right to see if the amounts pledged are extravagant in view of the situation in the country, but the Congress has not embarrassed the President or his agent in the negotiations.

I will say to the Senator from New York that I welcome the opportunity to put this sort of statement in the RECORD, because I want the world to understand that so far as the Joint Committee on Atomic Energy is concerned the Congress does support the position taken by the President, and the members of the joint committee support the position taken by the President. The members of that committee have never once, so far as I know, questioned in the slightest the commitments the President has made.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield.

Mr. JAVITS. I want to thank the Senator from New Mexico and again thank the Senator from Ohio. They make me feel that what I have done is of some use. I am grateful to them.

I approached this subject rather timidly, because it is a field with which I am unacquainted. I felt that I had a duty to speak, and I am glad my words have been constructive.

I also wish to thank the Senator from Oregon [Mr. MORSE] who has yielded to us, to allow us to have the discussion.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I ask unanimous consent that I may yield to the Senator from Kentucky so that he may make a statement, without losing my right to the floor.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

TENTH ANNIVERSARY OF INDIA AND PAKISTAN

Mr. COOPER. Mr. President, 10 years ago, the partition of the subcontinent of India into two nations was completed, and India and Pakistan became independent, sovereign states. This day, August 15, 1957, marks the anniversary of their independence. I am sure that the good wishes of the people of the United States go out today to the governments and peoples of India and Pakistan.

Without diminishing in any way the accomplishments of the people of Pakistan in these 10 years, I want to direct my remarks to India. This is so, because for a short time—only 15 months—I had the honor to be the representative of the United States in India.

Nevertheless, in that time I came to know something of India's history, its thought and purpose, and the warmth and generosity of its people.

I think it would be impossible to be in India for a time without coming to know that there never was any question that India would be independent again. The strength and continuity of its ancient culture and its history made independence inescapable. The parts that Gandhiji, the President of India, Rajendra Prasad, the Prime Minister, Jawaharlal Nehru, and other great leaders played in hastening independence were in a larger sense, expressions of Indian thought and purpose and determination. And in the transition to independence, I think it is worth while to remember that Great Britain and her statesmen played an enlightened role. I saw the fruit of that enlightened action in the mutual respect which the governments and peoples of India and Great Britain hold for each other.

In the 10 years that have elapsed since independence, India's resurgence has been marked by a renewed spirit and activity which only independence and freedom can give.

I may say parenthetically that, if ever there was any question about any difference between colonialism and paternalism or freedom and independence, the demonstration of that can be seen in the renewed spirit and activity of countries which are free and independent. The establishment of a Constitution, of parliamentary institutions and free courts, and the holding of two free elections, the largest in point of participation in

the history of the world, are evidences of this spirit in India.

During the past 10 years, in the face of monumental difficulties, India has completed its first 5-year plan for economic advancement, and is now engaged in the second 5-year plan, which is designed to raise the living standards of its people and to give them opportunities which, for such a long time, had been denied.

These plans have called for great sacrifices on the part of the Indian people in terms of taxation, deficit financing, and self-denial. Yet steady progress has been made, both agriculturally and industrially. I have no doubt that, with the understanding and assistance of the other democratic countries of the world, including our own, their plans will achieve success.

May I say that our country and the other free countries of the world should never forget the great economic efforts which are being undertaken in India by voluntary and democratic means.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MANSFIELD. Mr. President, I should like to join with my distinguished colleague, the Senator from Kentucky, a former Ambassador to India, in extending on the 10th anniversary of the independence of India best wishes and congratulations to the Prime Minister, Mr. Nehru, for the fine job he has done under tremendous difficulties; to the Government of India, for functioning so smoothly in spite of obstacles confronting it; and to the people of India, for contributing so much to the stability of this newly independent country and making it possible for India to achieve its proper place in the world.

As a former Ambassador to India, the Senator from Kentucky well knows that that country has a great and noble tradition and an ancient culture, and that it faces many difficulties based on lack of some needed resources but certainly not on a lack of population.

The Senator from Kentucky well knows also that there have been, on occasion, misunderstandings in this country relative to India and its role.

I should like to express the hope—and I know the Senator from Kentucky followed such a policy while Ambassador from this country to India—that the Indian people will take us as we are and develop a feeling of tolerance and reasonableness toward us, exactly as we should take the Indian people as they are and develop a spirit of understanding and reasonableness toward them, because I think that the two peoples and the two countries together can go a long way.

I hope also on this 10th anniversary of both India and Pakistan that ways and means can be found by which these two powerful neighbors may live in peace and amity, and both make a contribution to a prosperous and more secure world.

Mr. COOPER. I concur with the statement made by the distinguished Senator from Montana. I know of his appreciation of the problems of India and also of the relations between India and Pakistan. I know that his own thought and efforts in this field can be of great help.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from New York.

Mr. JAVITS. I should like to join both of my colleagues in their expressions of congratulations to India, which is a republic in our own sense, on its 10th anniversary, as well as expressions of congratulations to Pakistan.

I had the privilege of visiting both countries only some 6 short months ago. The memory of the Senator from Kentucky, the former Ambassador, is bright and green in India. He is considered as one of the great Americans to have served in that post. We should all be very proud that that is so.

Mr. President, India represents the answer in Asia, and perhaps the answer for all the uncommitted nations of the earth still in the Free World orbit. If these many millions of people can reform their social and economic systems so as to give themselves some sense of well-being and take advantage of the industrial age without totalitarian rule, which is the case in Communist China, the Free World will be safe. If they fail, the Free World will be in great danger.

We have a great stake in Indian freedom and independence. I hope very much that we will help it in every way possible. That is the best way to memorialize the 10th anniversary of Indian independence.

I am grateful to the Senator from Kentucky for the outstanding leadership he continues to exhibit in respect to the relations between that country and the United States, long after laying down the responsibilities of his office in that country.

Mr. COOPER. I thank the Senator very much.

Mr. President, one of the remarkable facts of India's independence has been its attainment, in a short time, of a position of great influence in world affairs under the leadership of its Prime Minister Nehru. While there are points of difference between the United States and India in some international questions, or more accurately, in our approach to international questions, I believe it is the purpose of India to maintain its sovereignty and independence, its democratic institutions, to seek social justice for its people, and world peace. Certainly these are the basic goals of the foreign policy of the United States. The people of the United States and our Government gave moral support to the people of India in their difficult days, the days of their struggle for independence. I believe that since that time we have demonstrated our good will by our continuing interest and our support of their efforts to achieve economic independence. It is my hope that there will develop between India and the United States a larger association and strong friendship. For, as two great democracies in the world, one in the West and one in the East, we can exert great influence in strengthening the cause of freedom, peace, and justice.

I remember that 2 years ago today I stood on the ramparts of the Red fort in Delhi, the capital of India, and saw hundreds of thousands of people gather to listen to Prime Minister Nehru and to celebrate their independence. And today, I join with my countrymen in the wish and in the faith that their freedom and independence will flourish.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Alabama.

Mr. SPARKMAN. I commend the able Senator from Kentucky for reminding us that this is the 10th anniversary of the independence of India, and for pointing out some of the important things for us to remember about that great country.

Sometimes questions are raised in the minds of many of our people as to what the position of India may be on certain questions which arise. I think the Senator from Kentucky has done an excellent job in pointing out that, even though differences may arise from time to time, there is a great field of common interest between the two countries.

I am glad to say that, at least during the past several years, our Government has recognized the importance of India. I do not wish to exclude our earlier ambassadors, whose names I do not recall at the moment, but I remember the very fine service that was rendered our Government by the distinguished Senator from Kentucky when he served in the post of Ambassador to India. He was a great ambassador, one of good will, one who built good relations between the two countries.

He succeeded a man who did a remarkable job as Ambassador to India, the great underlying area of Asia. I refer to Mr. Chester Bowles, of Connecticut. Our present Ambassador to India, Ellsworth Bunker, is one of the very finest we have in the diplomatic service. There has been much discussion in the newspapers recently with reference to career and noncareer ambassadors. I believe I am correct in saying that all three of the ambassadors whom I have named were noncareer ambassadors, and all three were most excellent ambassadors, and did much to keep pointed up for us the importance of this great area of Asia, and the part it will play in the future peace of the world.

I verily believe that India is one of the key nations in the future, so far as the building and maintenance of world peace is concerned.

I commend the Senator from Kentucky for reminding us of this anniversary, and I join with him and other Senators in extending our congratulations to this Republic and its great leader, and our best wishes for the greatest success throughout future years.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MORSE. I wish to associate myself with the remarks of the Senator from Kentucky [Mr. COOPER] in extending our congratulations to the great Commonwealth of India on the 10th anniversary of its independence.

It is particularly fitting that our leading spokesman this afternoon in extending these congratulatory greetings to India should be the Senator from Kentucky, who was such a distinguished and able Ambassador of the United States to India, the great new country of freedom.

We have had many great ambassadors to India. It happens to be my judgment that in our generation we have had two exceptionally great ones, namely, Chester Bowles, of Connecticut, and JOHN SHERMAN COOPER, of Kentucky.

They have done much to develop an understanding of American political philosophy among the people of India, and we are greatly indebted to those two great public servants in the field of foreign service.

The Senator from Kentucky mentioned in his remarks that two general elections have been held in India during the 10-year period of its independence. I may be mistaken in the statistics, and, if so, I ask the Senator from Kentucky to correct me for the RECORD, but, as I recall, at the first election in India, with many millions of the population unable to read or write, nevertheless, 82 percent, if I correctly recall the figure, went to the polls and exercised the greatest right free men and free women have, the right of franchise. I recall reading an account of that first election in India. It related the great distances which tens of thousands of men and women traveled by foot, through rough terrain, to reach the voting places, in order to exercise this great right of freedom.

Mr. President, in that expression of faith in democracy in India there is a lesson to be learned in America. I say that because in many of our elections a percentage far short of 82 percent of the voters go to the polls. In fact, one of the statistics I point to with great pride, so far as the exercise of that privilege of Americans is concerned, is the statistic of my own State in November 1956. During my campaign I frequently called attention to the dedication to the right of franchise in India, and pointed out that in that first election I understood some 82 percent of the Indians voted. I said I hoped that on November 6, 1956, we could equal it. The statistics, which are official, as I understand, show that we exceeded it. About 85 percent of our registered voters voted in that election. I have not seen the national figures, but I believe our figures lead the Nation.

I wish to emphasize this dedication to the right of franchise in India in my congratulatory message from the floor of the Senate today to that great independent State.

However, I wish to make another comment with regard to which many may not share my point of view; but I think it needs to be said. I happen to be one United States Senator who does not think it has been a mistake for India during these 10 years of independence to take a position of so-called neutralism. I am not one who feels that a free nation must necessarily bind itself to the United States in the great contest for freedom in the centuries ahead.

I have an understanding of India's position, and I do not believe India has one iota weakened the cause of freedom in the world by taking the position of so-called neutralism. To the contrary, I am inclined to believe that in Asia she has strengthened freedom, because she has served clear notice on Russia and on the United States that she intends to stand on her own feet and exercise a complete independence with regard to the great contest in ideologies now going on in the world, and which will go on, in my judgment, for a century ahead.

I happen to believe that India's influence in the councils of the world will be greater because she is neutral so far as military alliances are concerned and so far as any form of alliances are concerned.

I would judge a nation, not by its alliances, but by the extent to which it practices the principles of a free society within the framework of its government. I have no cause for concern as to where India will stand in the great struggle for freedom. She has already demonstrated it for 10 years. By her acts, let us judge her. By the progress she has made, let us judge her.

Therefore, as a member of the Committee on Foreign Relations of the United States Senate, I have never shared the view expressed by some in this country that what India should obtain in the way of foreign aid, for example, or what she should obtain in loans, for example, ought to be tested and determined by whether she will join, for example, SEATO. I believe we should place her with other countries who prefer to stand on their own independence, free of alliances. I happen to believe it is a precious right of sovereignty. I am not so sure that it is not also one of the highest expressions of dedication to freedom. Therefore, as one Senator, I wish to say that I not only congratulate India and its Government and its leaders, but I hope it will continue to demonstrate to the world as a great neutral nation, so-called—neutral in the sense that it has joined no alliances—that it believes in freedom.

What do we mean when we so glibly talk about freedom? Freedom to me means governmental forms which seek to translate into governmental action the dignity of the individual, and the right of the human being truly to be free to govern himself and in accordance with such great constitutional guaranties as we find in the Constitution of the great state of India.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. I first wish to join with the Senator from Oregon and the Senator from Kentucky in their messages of felicitation and greetings to the people of India. Earlier today I made a brief statement relating to India's 10th anniversary. The success of India as a free nation is inextricably tied and bound up with freedom in the whole world. What the people of India are attempting to do in their free institutions is the opposite to the totalitarian way in neighboring countries.

I thoroughly agree with the Senator from Oregon when he says that the test of our friendship and our respect for another country is not whether the country joins in an alliance with us. India is not a neutral. She may be exercising neutrality in the power struggle, but she is not a neutral in terms of democratic ideals. She is not a neutral in terms of the hopes and aspirations of her people for the fulfillment of the ideals of democracy. She is, in fact, in the struggle, and is in it with all her strength and might, to make possible a better life for her people under free institutions. What happens in that subcontinent, in the great Republic of India, may very well determine what will happen not only in Asia, but in Africa as well, and it could be the balance of power, so to speak, in the entire world struggle with which we are concerned.

Therefore, I commend the Senator from Oregon and the Senator from Kentucky and other Senators. I wish every Member of the Senate would make it his business to let the people of India know that we watch with keen interest and with sincere affection and with genuine respect all that they are doing, and that their leaders have earned the respect and confidence of the freedom-loving people of the United States.

I conclude by saying that we wish them the best in their most recent economic development plan. India will need help. She will give much more of herself than anyone can give to her. I hope, as we review our foreign-aid policies, we will remember that whatever we do to help the people of India will be the striking of a mighty blow for freedom and justice throughout the world, not merely in that one country.

I thank the Senator from Oregon for his courtesy in yielding to me.

Mr. MORSE. I appreciate very much the comments of the Senator from Minnesota, and I am honored to have them appear in the RECORD associated with my remarks.

I wish to make this comment on the so-called neutralism of India, because in the months gone by it has pained me to read statements of American political leaders to the effect that, unless India will join in a military alliance, we ought to cut off the aid we may extend to her.

I wish to point out that, in my judgment, to understand the so-called neutralism of India, so far as being a party to any alliance is concerned, we need also understand the religious ideology of India. Sometimes it is very difficult for us of one faith to follow and comprehend the significance of the deep religious convictions of people of another faith.

We need only study a little of the philosophy of Gandhi, however, to have all the understanding we need as to why the so-called neutralism prevails in India today. Can we be so sure that we are right and India is wrong? Can we be so sure that the road to permanent peace is the road of military alliance? Can we be so sure that the dawn of peace will come only after we have frightened the world with threats of massive retaliation and hydrogen warfare? I have a little difficulty reconciling that idea with my religious philosophy. Therefore, I do not propose to

adjudge a people who have, in effect, through their government, said to us, "We are with you in the cause of human dignity, but we will not join with you in what we interpret to be a cause of militarism."

I am not so sure that the example which India is setting in this generation in the history of mankind may not be the ultimate example which civilized men will have to follow if permanent peace is to be attained. So, rather than criticize India for her neutralism, I am inclined to commend her, because I believe her neutralism is based upon a great dedication to a religious principle that peace does not come through war.

I close this observation with the warning that I think we will probably make greater progress in southeast Asia, in attaining greater support for American foreign policy, when we diminish somewhat the emphasis on the military and increase the emphasis on improving the economic lot of the millions of people in that section of the world, whose average longevity is still 37 years, compared with our 65 years, one of the main causes being, of course, the low economic standards under which they have to live.

I say to the American people today, as I comment on the Indian situation, that I happen to think that in those areas of the world where economic conditions are still at a very low standard we need to be on guard that we do not give justification for the Russian propaganda that we are looking for military satellites. The way to meet that Russian propaganda, I think, is to demonstrate that we seek to improve the dignity of the individuals in other sections of the world by improving their economic lot. We need not condition that upon a military commitment in advance of economic aid.

Mr. COOPER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. COOPER. I am very happy that so large a number of Senators have joined today in this remembrance of the independence of India and of Pakistan, and have discussed some of the problems which face those countries, particularly India, and also some of the problems which affect the relations of this country and India.

I hope that at some time, perhaps at this session, I may have opportunity to state my views about the relations between India and the United States. I have postponed doing so because I wanted to engage again in the work of the Senate, and because I thought it was appropriate to defer such a statement until several months had elapsed following the end of my service in India and my return to the Senate.

I hope the people in India know that there are thousands in this country who are sympathetic with their goals and their aims, and that there are many Members of Congress and officials of the Government who understand their problems and policies.

I believe I can say, as has been said by my colleague, the distinguished Senator from Oregon, and by other Senators, that if at times we question a policy of India, we can reflect that if India can maintain its sovereignty, its independence, and its freedom, as I believe it will, in doing so it will be in harmony with one of the great goals of American foreign policy, namely, the sovereignty, independence, and equality of all nations.

I make one other point. It has been said here today, and has been said truly, that the experiment, if it may be called one, at least, what is occurring today in India, is of tremendous importance in world history. I do not call it an experiment, for I think it has progressed beyond that stage.

First, we ought to think in terms of the people of that country. What is happening is of vital importance to them, because after so many years there has come to them the opportunity to determine their own future and establish their own institutions. There is also to be considered the effort to raise the living standards of the people of India, and to attain true political and economic independence.

But it is important also that we think in terms of world affairs or of world history, because what happens there in their momentous struggle will have commanding influence upon what peoples in other countries in Asia, and I believe later in Africa, will do.

India is attempting to achieve its goal by democratic and voluntary means. Its people will look to their leadership. They will look to the system they have espoused to determine whether, under their system, their goal can be achieved. They face great problems. I believe that in order to attain their goals within a reasonable time, there must be some measure of support and assistance from other countries. It is a fact that our country, perhaps along with other democratic countries, has the capability of giving India some of the necessary friendship and support.

I wish to say today only that while we have reason to commemorate a day of independence for two nations, in reality we have been considering also what may happen to those two nations, and also what influence the events in those two nations may have upon almost a billion people in Asia and Africa. It is not a small matter; it is a great matter. It is a subject of tremendous importance, not merely to the two countries, but to all the countries of the world.

I thank the Senator from Oregon.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The Senator from Oregon is recognized.

THE CHOICE BEFORE THE SENATE: KUYKENDALL VERSUS CONSUMERS

Mr. MORSE. Mr. President, I turn now to the Kuykendall issue. For the purpose of relaxing the members of the press gallery, let me assure them that—all the rumors to the contrary notwithstanding, including what I understand are some radio announcements this afternoon—this speech will not last 17 hours. Depending upon the interruptions, I think I shall finsh the speech in approximately 1 hour and one-half, or slightly more.

Mr. President, the Senate stands on the threshold of a potentially historic decision posed by the renomination of Jerome Kuykendall to be a member of the Federal Power Commission. Mr. Kuykendall has a record of more than 4 years in office as Chairman of the Federal Power Commission. That record places every Senator on notice that if the pending nomination is reconfirmed, the Federal Power Commission will be given the green light to continue its policies of advancing the interests of monopoly and condemning the public to underdevelopment of natural resources, price gouging, and exploitation.

The history of State regulatory commissions stands as a sad lesson of what can happen—if we let it—at the national level. The theoretical basis of governmental regulation of utilities is that they are monopolies which will not provide full service at reasonable prices unless a public agency, representing consumers, is empowered to oversee utility operations.

It is a historic fact that State regulatory bodies have, by and large, been unsuccessful in discharging their tasks. Lengthy court battles sapped the vitality of early regulatory efforts. Well organized utilities have been able to capture many State commissions, by the appointment of officials favorable to the utilities subject to regulation.

In large measure the lack of success of State regulatory bodies led to the establishment of the Federal Power Commission. In addition, the interstate aspects of water-resource development made it imperative to establish a national agency to superintend the development of navigable streams and the interstate operation of electric utilities.

During the past 4 years we have seen that the Federal Power Commission, established as an arm of Congress, can be captured in the same fashion that earlier State commissions were.

Under the chairmanship of Jerome Kuykendall, the Federal Power Commission has ceased to be a regulator and guardian in the public interest, and has become the ally and shield of the utilities which it was supposed to be regulating.

The Senate Committee on Interstate and Foreign Commerce and the nominee were in agreement with the proposition, which is hardly debatable, that the Federal Power Commission is a Congressional agency—not an executive agency. Congress therefore has a special duty, in passing upon a nomination to the Federal Power Commission, to insure that a member who is renominated has demonstrated faithfulness to the principles and statutes subject to his administration, and further, faithfulness to his duty to deal candidly with Congress.

At the outset, I stress that the Kuykendall case goes beyond any question as to the handling of any individual case or controversy. An attempt has been made to give the false impression that the opponents of confirmation of the nomination of Mr. Kuykendall seek rejection of

the nomination only because of his position on the Hells Canyon case. Mr. President, that is not so. We oppose confirmation of the nomination because the Hells Canyon Dam case is but one of many which show the nominee's bias in favor of the utilities and his failure to protect the consumers of America within the meaning and the intent of the Congressional legislation establishing the Federal Power Commission.

The majority report of the committee seeks to give the impression that the opponents of confirmation of the nomination of Mr. Kuykendall seek rejection of the nomination because of disagreement with him over his views in the Hells Canyon case and over his views regarding proposed amendments to the Natural Gas Act. That is not the basis of my opposition, Mr. President; neither is it the basis of the opposition of the many witnesses who testified at the hearing.

The basis of the opposition is that in case after case, Mr. Kuykendall has demonstrated by word and deed that he has not been candid with Congress, that he has consistently disregarded the interests of consumers, and that he has not represented the public or been faithful to Congressional policy.

The report of the committee majority and the minority views do not present the factual record made by the witnesses appearing in opposition to Mr. Kuykendall. The hearings, which comprise more than 450 pages, are too long and complicated for adequate study by Senators, since they became available on Saturday, August 10. Therefore, it is necessary to state for the record the factual basis for my opposition to the confirmation of the nomination of Mr. Kuykendall, which is shared by many of the organizations and groups opposing him.

The evidence is that Mr. Kuykendall, during his 4 years as Chairman of the FPC, has not fulfilled his obligations to consumers in the impartial manner required by the nature of his office.

If he is confirmed, despite his known conduct, the executive members of all of the regulatory commissions and the industries subject to their jurisdiction will be on notice that anything goes.

MISREPRESENTATION TO CONGRESS

Members of the Federal Power Commission, and especially its Chairman, have the obligation to act with impartiality in the administration of the statutes and policies of Congress designed primarily for the protection of consumers. As representatives of Congress, they owe a special responsibility to deal with candor with Congress.

The evidence seems clear, and so far as I know unrebutted, that Mr. Kuykendall failed to deal candidly with Congress on at least one important occasion, and possibly others.

The documentation for this charge is to be found in the report of Subcommittee No. 1 of the House Select Committee on Small Business, House Report No. 2967, 84th Congress, 2d session, on The Organization and Procedure of the Federal Regulatory Commissions and Agencies, and so forth, pages 40 to 42.

I am glad to see present in the Chamber the Senator from New Mexico [Mr. ANDERSON], and the great leader in the atomic field in the other body, Mr. HOLIFIELD, as I emphasized the clear intellectual dishonesty on the part of Mr. Kuykendall toward them in the particular matter which I now discuss. I want to say, with very great regret, that I charge Mr. Kuykendall as not being a man of veracity in this matter. I believe in using clear language which people understand, so I say I believe he deliberately lied. I do not intend to sit in the Senate and vote for a man in whose veracity I have not the least confidence.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from New Mexico.

Mr. ANDERSON. I may say to the Senator from Oregon that someone asked me a while ago how I was going to vote on the confirmation of the nomination. I said I was going to vote against it, and I based my statement on the very fact to which the Senator has now alluded, namely, that the nominee had not stated the complete truth in the Dixon-Yates matter, and that under the circumstances I could not vote for the confirmation of his nomination.

Mr. MORSE. The announcement of the Senator from New Mexiso does not surprise me a bit. In fact, I would have been greatly surprised if he had announced he would vote in any other way than as he has announced, which I know is something that could not have happened if he had had clearly explained to him one basis of my objection, namely what I considered to be falsehood on the part of Mr. Kuykendall.

In summary, Chairman Kuykendall, during the Dixon-Yates controversy in Congress, testified in 1954 before the Joint Committee on Atomic Energy that the FPC Bureau of Law had not made any studies or passed upon the proposed Dixon-Yates contract when it was being processed by executive agencies. The facts were that two high officials of the FPC Bureau of Law, two assistant general counsels, had made studies of the proposed contract and condemned it vigorously for its failure to protect the interests of the Government and the public. I do not think there is any doubt about the fact that Kuykendall knew that when he testified before the committee.

This is a matter of such major importance that I wish to read into the RECORD the summary of testimony issued by the select committee's Subcommittee No. 1, issued on July 31, 1955:

SIGNIFICANT FACTS DEVELOPED IN THE HEARING HELD BEFORE SUBCOMMITTEE NO. 1 OF THE HOUSE SELECT COMMITTEE ON SMALL BUSINESS ON THURSDAY, JULY 28, 1955, IN THE EXAMINATION OF WITNESSES FROM THE FEDERAL POWER COMMISSION

I. Evidence relating to defects in the Dixon-Yates contract which was drafted and proposed prior to August 1954, disclosed that early in 1954 the Bureau of the Budget sought and secured help from the Federal Power Commission in connection with the drafting of the Dixon-Yates contract. The Federal Power Commission at that time was under the chairmanship of the Honorable Jerome Kuykendall, an Eisenhower appointee. In connection with that work on the Dixon-Yates contract, Francis L. Adams, Chief of the Federal Power Commission's Bureau of Power, in company with William F. McCandless, a representative of the Bureau of the Budget, visited the White House when the matter was being considered by the President. He stated that he was asked to accompany the Director of the Bureau of the Budget and Mr. McCandless and to sit in the hall outside of the President's office in case any technical question that Mr. McCandless or others wished to direct to him while the President had this Dixon-Yates matter under consideration and discussion. (Transcript, pp. 829–830.)

Thereafter Mr. Francis L. Adams of the Federal Power Commission and his assistant, Mr. Roberts, spent substantial time giving the Bureau of the Budget assistance on the Dixon-Yates matter. Much of the time that they gave to this matter was spent in the offices of the Bureau of the Budget. By August 23, 1954, the proposed contract for Dixon-Yates had been drafted and had been submitted to the Federal Power Commission for its study and report. In that connection, at the request of the Acting Chairman, Commissioner Digby, the Federal Power Commission's Bureau of Law was asked to review the draft of the contract and to state orally to the Federal Power Commission at a scheduled meeting for August 25, 1954, "what, if any, questions the Bureau of Law had and the nature of the questions" about the contract (transcript, pp. 864–865).

Within that period of time between August 23 and August 25, 1954, by working strenuously and overtime, the Acting General Counsel, Mr. Lambert McAllister, and Assistant General Counsel Howard E. Wahrenbrock made a study of the Dixon-Yates contract and presented memorandums of their comment thereon. In the meantime, the General Counsel of the Federal Power Commission, Mr. Willard W. Gatchell, returned to the city and received a call to appear before the Federal Power Commission in a meeting it held shortly after September 17, 1954, to discuss the Dixon-Yates contract (transcript, pp. 880–881). In that connection, he testified as follows:

"Mr. GATCHELL. This came before the Bureau of Law. This Dixon-Yates contract came before the Bureau of Law through the Bureau of Power. And it happened to come at a time when I was out of the city on some business with the Commission, and so I knew nothing about it until I got back. I then saw both Mr. Wahrenbrock's and Mr. McAllister's memorandums, the ones that have been submitted here and received by the committee.

* * * * *

"These memorandums which were submitted by Mr. Wahrenbrock and Mr. McAllister were submitted at the request of the Bureau of Power. Ordinarily, when the Commission wants an opinion they ask the General Counsel for an opinion, which is prepared. And invariably the practice has been, as far as I know, without any exceptions, that these opinions then go to all members of the Commission; and I have no reason to think that the two memorandums which were submitted, one by Mr. Wahrenbrock and one by Mr. McAllister, did not likewise go to the members of the Commission. * * *

"Mr. MACINTYRE (General Counsel, Select Committee on Small Business). In the course of those discussions, did you inform them of the views of the Bureau of Law?

"Mr. GATCHELL. No, sir; I informed them of my views. And in my views I, of course, took advantage of the study which had been made by Mr. Wahrenbrock and Mr. McAllister, because they are very fine technicians and

both of them did a thorough job within the very limited time that they had.

"I was fortunate in having a little more time to study it. I raised all of the points that they raised, and quite a number of additional points myself. I raised those to the Commission."

I digress from quoting from the committee report to ask the rhetorical question: Who was Mr. Gatchell? He was the head of the Law Department of the Federal Power Commission. He was Mr. Kuykendall's top legal adviser. I ask Senators to read his testimony before the House committee. There can be not the slightest doubt that Mr. Kuykendall had the opinion of the head of his law department, and the head of his law department was against the Dixon-Yates contract.

I digress further, Mr. President, to say that in my judgment one President Dwight D. Eisenhower had the right to know that before he became so enmeshed in the smelly Dixon-Yates deal. I shall always want to believe that if his palace guard would get the facts to him the President would not make all the "boners" he makes because of an obvious lack of knowledge as to what is involved in some of these issues. I shall always want to believe that if his palace guard had gotten the facts to him about the stinking Dixon-Yates contract the President would not have let it go through.

I think there is some evidence which should be cited again to show how uninformed the President was on the Dixon-Yates deal. In his press conference, which is now well known by Members of the Senate, because we discussed it at some length when the Dixon-Yates contract discussion was held on the floor of the Senate 2 years ago, the President was asked by Doris Fleeson, one of the most able correspondents writing in American journalism today, what he had to say about the fact that a memorandum brief had been filed in opposition to the Dixon-Yates contract by a majority of the members of the Atomic Energy Commission and that a memorandum against the contract by the then two members of the Board of Directors of the TVA was on file in the Bureau of the Budget.

I paraphrase the President correctly when I say his answer was to the effect that he did not know about the briefs.

He should have known about them; but he should not have been expected to know about them except through the advice of competent advisers. They let him down.

As a known critic of the President, one of my chief criticisms of him is that he has not done a better job in seeing to it that he is surrounded by men and women who do not let him down by concealing from him or failing to give him the facts the American people are entitled to have their President know before he makes such decisions as he made in the Dixon-Yates case.

Applicable to this particular issue before the Senate, I think what was brought out in the House committee hearings were facts with regard to the Dixon-Yates contract which Mr. Kuykendall should have seen to it the President knew.

I go back now, Mr. President, to the House committee report. The report goes on to say:

In that connection, the Secretary of the Federal Power Commission, Leon M. Fuquay, also testified as follows (transcript, pp. 874–875):

"Mr. MACINTYRE. And you heard Mr. Wahrenbrock's testimony about having submitted to the Secretary of the Commission copies of his memorandum on the Dixon-Yates contract?

"Mr. FUQUAY. Yes.

"Mr. MACINTYRE. And you heard him say that he passed that to the Secretary for distribution to the Commission?

"Mr. FUQUAY. Yes.

"Mr. MACITYRE. Did you pass that on to the Commissioners, including the Chairman?

"Mr. FUQUAY. I would have no way to know that. I can only assume that I did. We don't keep the record of whether we did or we didn't. I assume the interoffice file would show perhaps a notation "Distributed to the Commission." My girls usually do that. It is also perhaps possible that the agenda, if there was one on that date, would show that it was before them at the time.

"Mr. MACINTYRE. Would the record of the Federal Power Commission, the minutes of the Federal Power Commission, show whether or not the memorandum had been distributed and received by the Chairman?

"Mr. FUQUAY. The minutes would not. The agenda might show. The minutes only show what action took place.

"Mr. EVINS. Mr. Fuquay, would you address a letter to the counsel of the committee, after examining your files, and tell us whether or not this memorandum was distributed to the Commission?

"Mr. FUQUAY. If I can ascertain that fact, I will be glad to do that.

"Mr. KUYKENDALL. I think I can clarify that point.

"Mr. EVINS. Proceed.

"Mr. KUYKENDALL. I saw Mr. Wahrenbrock's memorandum. We had it at the Commission meeting. I am sure all Commissioners had it. And we considered it and discussed it with him and with other members of the staff who were present."

Now, what did the memorandums which had been prepared by Mr. McAllister and Mr. Wahrenbrock contain in the way of comment concerning the Dixon-Yates contract? In that connection, the summary and concluding paragraphs of Mr. McAllister's opinion of those contracts are quoted as follows:

"I have never reviewed a power contract wherein each and every provision is written in such fashion that one party has an absolute veto right wherever any adjustment or change is indicated and no provision is made for the resolving of a dispute. The contract gives the impression that the generating company dictated the terms and conditions of the contract and either AEC was inept or without any right or opportunity to insist on relative provisions which would spell out the representative rights and circumstances under which an adjustment might be justified and provide for a resolution of any difference that might arise through an established form of negotiation or arbitration.

"The time which has been available for review of the contract from the standpoint of its provisions has been entirely inadequate. There are many provisions of the contract which could be specified in support of the statement that the contract is all one sided, but time would not permit the coordination and discussion of all such matters."

Digressing, Mr. President, that is what was prepared by Mr. McAllister and Mr. Wahrenbrock, two assistant general counsels of the Bureau of Law of the Federal Power Commission.

What do you think, Mr. President, the President of the United States might have said about the contract if that legal opinion had been placed in his hands? What different course of action do you surmise, Mr. President, might have been followed if Mr. Kuykendall, who testified that he knew of that legal opinion and had it before him at the meeting of the Federal Power Commission, had told the President about it?

I want to think, Mr. President, that the President would have turned down the Dixon-Yates deal. I want to think that at least the President would have proceeded to make a much more thorough study on his own of the Dixon-Yates deal than was made.

Going back to the House report—

The concluding paragraph of Mr. Wahrenbrock's memorandum is as follows:

Aside from minor questions of draftsmanship, the foregoing questions, arising from the limited and preliminary study which it has been possible to make, appear serious enough and numerous enough to cause grave apprehension that there are other questions and very substantial objections to the August 11 draft. It would seem reasonable to conclude that the immediate advantages from quick completion of the deal in these terms, to facilitate getting forward with certain parts of the construction before spring high water on the Mississippi, will be more than offset by the long-term substantial advantages to the Government of taking additional time to try to arrive at a better contract. And this is in addition to the grave question of legal authority for the contract under the Federal income tax provision of section 165 (b) of the Atomic Energy Act of 1954 (enrolled).

I have already pointed out, by reference to this House document, that Mr. Gatchell testified that he had advised the Commission on the basis of the legal memorandum prepared by Mr. McAllister and Mr. Wahrenbrock. There is no room for doubt that in effect, what Mr. Gatchell said to the House committee was that he shared the opinion. So the head of the Bureau of Law of the Federal Power Commission can be correctly associated with the conclusions drawn by the two assistant general counsels of the Bureau of Law of the Federal Power Commission in regard to Dixon-Yates.

I repeat, someone should have told the President about it. I happen to believe that Kuykendall should have told him. I think the President has the right to expect that kind of service from the head of a commission, when a situation is so pregnant with scandal and corruption as the Dixon-Yates situation was.

Above all, Mr. President, I think Mr. Kuykendall had the duty to disclose these comments by the Bureau of Law to the Joint Committee on Atomic Energy in November 1954; but he did not. Therefore, I cite that fact as irrefutable evidence that he was not candid with the Congressional committee.

He was the head of a Commission which is an arm of the Congress, an agent of the Congress. He had the duty, as chairman of that Commission, of

making full disclosure to the Congress. He concealed the facts.

Intellectual dishonesty takes two forms: First, that of clearly verbally misleading the committee; and, second, in failing to carry out the duty to tell the committee pertinent facts which he had in his possession as an official.

Do Senators want me to vote for such a man to head a commission? So far as I am concerned, we can stop with that act. There are many others.

As a lawyer, let me say that in judging the character of men, I do not adopt the old maxim that a dog has the right to one bite. When I come to judge the character of a man, and I find it lacking, as we find it in this instance, I know that the character is not there to justify my vote to put him in office as head of the Federal Power Commission. If he can be guilty of this kind of sleight-of-hand performance before the Joint Committee on Atomic Energy, I would not trust him anywhere, because when he proves to me once that he is not candid, I am not going to give him a second bite. I am going to send him to the doghouse, where he belongs.

Going back to the House committee report—

It is significant that the advice thus contained and set forth in Mr. McAllister's and Mr. Wahrenbrock's memorandums did not come to light so that could be considered by the Members of Congress and others interested in the Dixon-Yates deal until Thursday, July 28, 1955, months later.

In fact it appears that there was a concerted effort in the past to suppress the information contained in those memorandums. Let us recall the fact that at the time of the election in November 1954 frenzied efforts were being expended to have the Joint Committee on Atomic Energy of the Congress of the United States approve the Dixon-Yates deal prior to January 1, 1955, when the newly elected Democratic Congress would take control. Therefore, hearings were held on the matter by the AEC Joint Committee commencing November 4, 1954, just as the final election returns were being received.

During the course of those hearings on Friday, November 5, 1954, and at page 200 of the Record of the Hearings, Mr. Kuykendall, Chairman of the Federal Power Commission, an Eisenhower appointee, is reported to have testified as follows: (Transcript, p. 878 of the hearings before Subcommittee No. 1 of the House Select Committee on Small Business, on Thursday, July 28, 1955).

"Mr. KUYKENDALL. No; our lawyers were not called into this. Our Bureau of Power worked with the AEC and with the Bureau of the Budget and conferred with our Bureau of Accounts, Finance, and Rates, which Mr. Smith heads. At a later stage, Mr. Smith and Mr. Adams participated in some staff conferences with AEC but our Bureau of Law did not. Then, when we got these requests from this committee and from AEC to give our opinion, we did not ask the Bureau of Law to get into the legal phases of it, because I thought that would simply be plowing the same ground, so to speak, that I know the attorneys for AEC have plowed and the Attorney General. So, they were not asked to give us—wait a minute, I will take that back.

"Representative PRICE. I saw a press report to the effect that the general counsel had not given his approval.

"Mr. KUYKENDALL. We had not asked him for it, but the staff took the contract to him and started drawing him into it".

I digress to say that this is very interesting language which is used by this nominee. Watch his play on words, Watch his semantics. Watch his obvious attempt to weave, hedge, duck, and dodge, rather than be candid and straightforward with the committee.

Mr. PRICE put the question to Mr. Kuykendall, to tell the true story about what Mr. McAllister, Mr. Wahrenbrock, and Mr. Gatchell had done as members of the Law Bureau of his own Commission. He did not do it. Thus, I say this is not the testimony of an honest man. This individual is slippery; and I do not intend to vote for a "slipster" to be the head of the Federal Power Commission.

Listen to his words, recorded in a now historic document:

We had not asked him for it, but the staff took the contract to him and started drawing him into it.

Poor Mr. Gatchell. The staff ganged up on him. The staff was drawing him into it. Whom does Kuykendall think he is kidding?

I felt that it was unnecessary, and we said in our first letter to the AEC that our attorneys had not passed on it.

The House committee raised the question, Why was it that Mr. Kuykendall so acted in keeping from Members of the Congress on that occasion the objections which he knew to exist to the Dixon-Yates contract? Was it something that fits into a pattern of what has been termed "coverup" of important facets of the Dixon-Yates matters such as, for example, the facts concerning the participation of Adolphe H. Wenzell of the First Boston Corp., in negotiating the Dixon-Yates deal?

On the face of the transcript it seems clear that Chairman Kuykendall's misrepresentation and suppression of vital facts when he appeared before the Joint Committee on Atomic Energy in 1954 are sufficient to disqualify him for the position to which he has been renominated.

Mr. Kuykendall's reply to charge of misleading Joint Committee on Atomic Energy in 1954 supplies additional evidence that he misled committee. Moreover, his testimony before Commerce Committee was lacking in candor.

Far from clearing his record, Mr. Kuykendall's attempted explanation of the facts recited in my first charge serves to prove with greater force the duplicity he practiced upon the Joint Committee on Atomic Energy. Indeed, his testimony before the Committee on Interstate and Foreign Commerce was lacking in candor.

It will be recalled that my first challenge to Mr. Kuykendall was that he misrepresented the facts to the Joint Committee on Atomic Energy in 1954 at a crucial phase of its consideration of the Dixon-Yates deal and suppressed the opinions of the FPC Bureau of Law on the unfairness to the Government of the proposed Dixon-Yates contract.

Mr. Kuykendall replies that he merely told the Joint Committee that the Bureau of Law was not called upon for an opinion, or in an alternative fuller explanation, the FPC decided not to get into the legal aspects of the case. In aid of his version he presented this portion of the 1954 Joint Committee transcript:

Mr. KUYKENDALL. Mr. Price, this is rather minor, but to correct the record, you were asking about the lawyers' participation. I recall now that in August before we wrote the first letter, I think our general counsel was away on his vacation, as I recall it, and another lawyer had gotten into the thing, and we discussed it with him. He came into a Commission meeting and he was raising pretty much the same points as Mr. Smith had raised, and also pleading he had not had time to study this, and so forth.

So there was another lawyer in our bureau that had some contact with this, but we decided to rely on our Bureau of Power, and our Bureau of Accounts, Finance, and Rates, and not get into the legal aspect of it. So from then on we did not ask them to write opinions for us or conduct a thorough study for the reason I stated. We felt it was duplicating other people's work. Then our general counsel was back when we wrote the second letter, and he was not familiar with and was not able, in his opinion, to give us advice that he thought the contract was proper. And we did not think we needed such advice.

I repeat that sentence:

And we did not think we needed such advice.

Mr. President, the record shows that Kuykendall already knew that McAllister, Wahrenbrock & Gatchell thought the contract had serious legal limitations and defects in it. At that point Kuykendall owed an obligation to the President of the United States. This is what the situation was: I think it is crystal clear that when Kuykendall realized that his own lawyers, in his own Commission, were trying to point out defects in the Dixon-Yates contract, he then excused his own lawyers from any further consideration on the part of the Commission in its deliberations on the Dixon-Yates contract.

I think that is improper conduct. When Kuykendall understood—and there is no question about it, and his previous testimony shows his admission that he was aware of the fact that his own lawyers, McAllister, Wahrenbrock & Gatchell, had raised serious questions about the contract—when he knew that, he owed it to the President of the United States to exhaust every possible inquiry into that contract before the Federal Power Commission, under his chairmanship, gave any stamp of approval to the Dixon-Yates contract. I repeat, Mr. President, he was not candid with Congress. He also was not fair to the President. Moreover his statements were not in accord with the facts.

He represented that "another lawyer had gotten into the thing."

However, as reported by the House Select Committee, after hearing all the participants, it appears that the acting chairman requested the Bureau of Law for the analysis. But that misrepresentation is minor compared with what followed.

Mr. Kuykendall represented to the Joint Committee that the attorney "was raising pretty much the same points as Mr. Smith—of the Bureau of Power—had raised, and also pleading he had not had time to study this, and so forth.

Is this a fair representation of what the report said:

The time which has been available for review of the contract from the standpoint of its provisions has been entirely inadequate. There are many provisions of the contract which could be specified in support of the statement that the contract is all one sided, but time would not permit the coordination and discussion of all such matters.

What Kuykendall's lawyers told him was, "We have not exhausted a legal analysis of the contract, but we have gone far enough so that we can advise you it is all one sided." That is what they told him. As Chairman of the Commission, when he got that opinion from his legal counsel, he should have made a thorough investigation of the contract before he put the stamp of approval of the Federal Power Commission upon the Dixon-Yates deal. Mr. President, it is necessary to reach judgments in connection with this matter, particularly when we come to pass upon the conduct of a man within the framework of a body of evidence such as this. My own value judgment is that when Mr. Kuykendall discovered his own lawyers would not go along with him, he decided to consult them no more.

That is a pretty serious defect in administrative approach. I am satisfied that when he discovered that his own lawyers, Wahrenbrock, McAllister, and Gatchell, were trying to tell him that this contract was so legally defective and so one sided that one of them had said in the memorandum that it appeared it was written by the generating company itself, he realized he could not possibly recommend that contract to the President, in the face of what was obviously going to be an adverse report from his own bureau of law.

I believe that when he appeared before the Joint Committee in 1954, he should have so testified as to the facts, instead of concealing them and acting in a manner which was far from candid. His own attorney had said there was not sufficient time to analyze all the defects, but what he had found in the short time available was plenty. That is the meaning of his attorney's advice.

In his appearance before the Committee on Interstate and Foreign Commerce, Mr. Kuykendall gave a different version of the facts. He said:

The two lawyers had each hastily written a memorandum, both of which were critical of the contract. They also complained strenuously that they needed more time to analyze the contract. Atomic Energy Commission was requesting submission of our advice.

Mr. Francis L. Adams, Chief of our Bureau of Power, pointed out to us that most all of the points being raised by the lawyers had been considered and negotiated by the negotiating parties.

The Commission decided that it should not endeavor to give legal advice and did not do so.

That is a very interesting rationale by way of alibi. He had been told by Mr. Adams, of the Bureau of Power, that the points which were being raised by the Commission's own lawyers were points which had been raised and considered by the negotiating parties. This was supposed to be a review of the contract to determine whether the negotiating parties had acted in the public interest. Mr. Kuykendall heads a Commission which has the primary obligation of protecting the public interest.

So Mr. Kuykendall dismissed the two memorandums of his own legal counsel on the ground that the negotiating parties, whose contract he was being asked to review, had already considered these points. The most kind thing I could say about that conduct is that it was the conduct of an incompetent man, at least, because, I repeat, the moment he knew that his own legal staff was raising serious objections, one of them of such a strong nature as to say, "You would think the generating company had drawn the contract," making it perfectly clear that he did not think the public interest was being protected, that was the time for Mr. Kuykendall to say to the Atomic Energy Commission "We cannot give you our advice until we make a thorough analysis of the objections which have been raised by legal counsel."

What about Kuykendall's representation that his general counsel, Mr. Gatchell, in September 1954, "was not familiar with and was not able, in his opinion, to give us advice that he thought the contract was proper. And we did not think we needed such advice"?

This is Mr. Gatchell's version, in his testimony before the House committee, of what took place:

Mr. GATCHELL. No, sir; I informed them of my views. And in my views, I, of course, took advantage of the study which had been made by Mr. Wahrenbrock and Mr. McAllister, because they are very fine technicians and both of them did a thorough job within the very limited time that they had.

I was fortunate in having a little more time to study it. I raised all of the points that they raised, and quite a number of additional points myself. I raised those to the Commission.

That was the head of the law department of the Federal Power Commission saying to the House Committee that he not only backed up the findings of McAllister and Wahrenbrock, but he found additional reasons for backing them up, as a result of the additional study he made.

So, I repeat, Kuykendall simply has not been honest in his testimony. He has not come clean in his testimony in regard to what the Commission clearly knew was the position of its three top lawyers in regard to the legal defects of the Dixon-Yates contract.

I would put it to any reasonable men: If experienced attorneys, holding the highest rank of their agency, advised you that a proposed contract was unfair to the government you served, would you not feel duty-bound to explore the matter further and disclose their serious charges to a Congressional committee when asked about it only 6 weeks later?

In his testimony before the Committee on Interstate and Foreign Commerce, Mr. Kuykendall, in changing or at least adding to his story of 1954, said that Adams "pointed out to us that most all of the points being raised by the—FPC—lawyers had been considered and negotiated by the negotiating parties," transcript, page 309.

Yet, one of the very criticisms made by FPC Assistant General Counsel Wahrenbrock was that the contract was so one-sided that "either AEC was inept or without any right or opportunity to insist on" provisions to protect the Government's interest.

In his testimony before this committee, Mr. Kuykendall claims that FPC was never asked for "legal" advice on Dixon-Yates and hence excluded the Bureau of Law even after its three top ranking members raised such serious questions in August and September 1954 about the Dixon-Yates draft contracts.

But he also testified—transcript, page 309—that "the Commission decided—at the August 1954 meeting—that it should not endeavor to give legal advice and did not do so."

Mr. Kuykendall brought to the last hearing only one letter soliciting FPC's advice. On request, he later supplied the other letters. They make fascinating reading on this point.

The AEC letter of August 20, 1954, to Chairman Kuykendall, reads in part—transcript, page 322-B:

We would now appreciate your review of the proposed contract, attached, indicating whether or not in consideration of the contract as a whole the rates, terms, conditions and cancellation provisions are fair and reasonable to the Government.

I speak as a lawyer. If as a lawyer I got such instructions from a Government agency to give them a report on the criteria set forth in that letter, believe me, Mr. President, I would have a thorough legal analysis made of the legality and fairness of the contract. I would be ashamed of myself, as a lawyer, if I thought I could advise the Atomic Energy Commission in accordance with these instructions, "indicating whether or not in consideration of the contract as a whole the rates, terms, conditions, and cancellation provisions are fair and reasonable to the Government," without covering all the questions dealing with the legality and fairness of the contract.

I again ask, Whom does Kuykendall think he is kidding when he says he was not asked for any legal advice on the contract? If I finished teaching a freshman course in contracts, and a freshman student in the law school did not know better than Mr. Kuykendall testified to on this matter, I would flunk him out of law school, because he could never make a lawyer of whom I would be proud.

There is no question that Kuykendall had the clear duty, as the head of the Federal Power Commission, to advise the Atomic Energy Commission in regard to all phases of the legality or illegality of the contract on the basis of that letter alone.

But that is not my only evidence.

Mr. President, I now refer to the letter of the Atomic Energy Commission of September 20, 1954, to Chairman Kuykendall—transcript, p. 322-F—which reads in part as follows:

We would again appreciate your view, indicating whether or not in consideration of the contract as a whole the terms, rates, and conditions are fair and reasonable to the Government.

That was the second time the Atomic Energy Commission requested him to give it a review of the contract in its entirety. How in the world could he then advise the Commission that the terms, conditions, and rates of the whole contract were fair and reasonable to the Government? At the very time when he received those letters, his own legal advisers were telling him that the contract was one-sided, so one-sided that one would think it had been written by the generating company itself; and at that very time his own legal advisers told him, as the record makes perfectly clear, that the contract had serious defects. Under those circumstances, Mr. President, what was Mr. Kuykendall's moral duty? According to my code, he then had the duty to see to it that that information reached the President of the United States; and he also had the clear duty to see to it that the Congressional Joint Committee received that information. But Mr. Kuykendall demonstrated that he is a concealer of the truth. Mr. President, one who conceals the truth, when the truth is called for, in my book is not an honest man; and, therefore, in my book, Mr. Kuykendall is not qualified to serve in this post, and his nomination should be rejected.

In his reply of September 30, 1954, to the Atomic Energy Commission, Chairman Kuykendall replied—transcript, p. 322-G, H:

> After consideration of the changes made since our previous review of the contract and viewing the contract as a whole, the Commission is of the opinion, as previously stated in our letter to you on August 26, 1954, that the proposed contract with the Mississippi Valley Generating Co. is fair and reasonable to the Government.

Mr. President, it is too bad, is it not, that, in all honesty, Mr. Kuykendall did not add a little postscript reading as follows: "But Wahrenbrock, McAllister, and Gatchell, our legal advisers, have given us memorandums that cannot be squared with that advice."

Mr. President, suppose Mr. Kuykendall had added such a postscript. Suppose the President had had that little message relayed to him. I happen to believe—at least I want to believe, and I hope I am correct in believing it—that if the President had had that information, he never would have put his stamp of approval on the Dixon-Yates contract.

So, Mr. President, I wish to say that a man who, in my judgment, failed to see to it that the Atomic Energy Commission knew the position which had already been taken by the three top attorneys in the Bureau of Law of the Federal Power Commission, is not qualified to continue in this office of public trust.

Mr. President, after reading those passages, can it be claimed that the opinions of the Bureau of Law of the Federal Power Commission are not pertinent? Who is competent to review the contract as a whole or the fairness of the terms and conditions and cancellation provisions, if not the lawyers of a Federal agency so intimately familiar with electric-power matters?

What Mr. Kuykendall did in 1954 is shown, in my opinion, by the testimony on the 1954 transactions, as given in 1955 before the House Select Committee on Small Business, and by Mr. Kuykendall's differing and dodging explanations before this committee in 1957, as follows:

First. Mr. Kuykendall failed to protect the public interest when the FPC Bureau of Law put the Commission on notice that the Dixon-Yates proposed contract was unfair to the Government;

Second. Mr. Kuykendall was lacking in candor—and, indeed, misled the Joint Committee on Atomic Energy—by his 1954 testimony suppressing the Bureau of Law opinions; and

Third. Mr. Kuykendall, in his testimony before the Interstate and Foreign Commerce Committee, misrepresented the facts as to what took place in 1954.

On these grounds, now stronger and broader, in my opinion, than when I first testified before the Senate Committee on Interstate and Foreign Commerce, Mr. Kuykendall is clearly disqualified from continued membership on the Federal Power Commission.

QUESTIONABLE HANDLING OF HELLS CANYON CASE

There are many aspects of the FPC's handling of the Hells Canyon case, under Mr. Kuykendall's chairmanship, which raise serious questions of propriety. Let me say at this point that disagreement with the Federal Power Commission's decision of the case is not a reason for opposing confirmation of this nomination. However, questionable procedure and misleading statements rationalizing the decision, which are underlined by indications of bias, do indeed raise additional questions of his fitness for continuation in office.

Before coming to the Federal Power Commission, Mr. Kuykendall was a member of the Washington Public Service Commission, to which he had been appointed by former Gov. Arthur Langlie, an outspoken foe of a Federal Hells Canyon high dam. This association at least raises a question of bias in connection with the most important and controversial license proceeding in which he was to take part as Chairman.

In fact, Mr. President, I think this is a good point in my speech at which to read into the RECORD an editorial from the Baker (Oreg.) Record-Courier, of recent date. The editorial bears in part upon the point I am making about Mr. Kuykendall's past associations in the power field; and it also bears upon the President's letter of recent date to Representative WESTLAND, setting forth the President's reasons for opposing the Hells Canyon Dam.

I incorporate this matter into my speech because I believe it constitutes a rather clear example of how uninformed the President is about this matter—as he is about so many other matters. I believe it gives supporting evidence to my point of view that the President's advisers are doing a very poor job of advising him, because, through their ill advice or their lack of advice, they cause him to make so many misstatements of fact and to show grave ignorance of our whole natural-resource development problem.

So I wish to read the editorial; and as I proceed to read it, I shall make a few comments about it.

The editorial published in this Oregon newspaper reads as follows:

> President Eisenhower attempts to explain in a letter why he personally ordered the defeat of the Hells Canyon high dam.
>
> The Eisenhower letter says: "Early in my first term I expressed the intention to follow the historic pattern of permitting private and other non-Federal organizations to develop these resources under fair provisions of law, including restraints for proper conservation; and to treat resource development as a cooperative undertaking, a partnership. * * * Federal Government should build some projects, local government some, and private interests some."
>
> The truth is, the historic pattern for 50 years from Teddy Roosevelt down to Senator McNary, and until Mr. Eisenhower, has been not to permit private organizations to acquire great rivers for nondevelopment. Teddy Roosevelt said—and he was quoted by Gov. Tom Dewey to that effect only in recent years:
>
> "Do not give up your waterpower for a promise of quick developments. We are poor citizens if we allow the things worth most to get into the hands of a few."

Mr. President, at this point let me digress long enough to say that that is not the only reference by Teddy Roosevelt to the giveaway problem. In other statements, Teddy Roosevelt pointed out that the public interest in full river development demands that these resources not be given away to private interests, for private-profit plundering, but be reserved and preserved and developed as a heritage belonging to all the people. It is from those statements by Teddy Roosevelt that there has been developed the trusteeship conception of the responsibility of Government as regards our natural resources.

I read further from the editorial:

> The Eisenhower letter says: "In its Hells Canyon decision, the bipartisan FPC acted unanimously in granting a license to the Idaho Power Co."
>
> The truth is: President Eisenhower knows that it is dishonest to imply that the FPC which made the Hells Canyon decision is bipartisan and impartial. Let him deny these facts: Member Kuykendall was named by Ike as Chairman of the Commission in 1953, a man known to be opposed to Hells Canyon and a man whose appointment caused a utility agent 2 days later to write privately that the low dam license had been assured. Member Digby was an Eisenhower campaigner named in July of 1953. Member Stueck was a Republican named by Ike in June of 1954. Member Connole was an independent named by Ike in April of 1955. Member Draper was named by President Hoover. These are the men who—with Ike and McKay—gave away Hells Canyon in July of 1955. Yet Mr. Eisenhower has the nerve in his letter of July 19 to tell the American people FPC, 100 percent the choice of the electric companies and the product of Republican appointments, is bipartisan and impartial.

I digress from the editorial long enough to point out, that as I said before, the President rigged the Federal Power Commission. In the first place, the President, when he appointed Kuykendall, who was made Chairman of the Commission, appointed a man known for his opposition to a high Federal dam at Hells Canyon. What was the Republi-

can line after the administration had a tribunal that was to render judgments biased against public utilities? Then, with typical piety and sanctimony, the administration said, "Oh, we are going to leave it to the judicial processes of the Federal Power Commission." I ask, What judicial processes?

In most situations, outside the field of administrative law, when one is representing the interests of a client, and he knows the judge sitting on the bench has already committed himself and is a man of preconceived notions on the issue and has prejudged the case, he files an affidavit of prejudice and gets an impartial judge. Those of us who have been fighting over the years for the protection of the people's heritage in the Snake River have never had a chance before the Federal Power Commission under the Eisenhower administration, because the case was being considered by a Commission headed by a man, appointed by Eisenhower, who was not impartial. Now the President wants to reappoint him for another 5 years. Well, I still think that we have the duty of protecting the public interest, and the public interest calls for a truly impartial Federal Power Commission. We would not have a ghost of a chance of having one if the Senate confirmed the nomination of a man with this record of service to the private utilities rather than to the people of the United States.

So I go back to the editorial.

The letter further says: "Construction work on two of the three dams comprising the licensed development is well under way."

The truth is: This newspaper hereby extends a personal invitation to Mr. Eisenhower to visit Snake River Dam sites so we can personally ask him at both Oxbow and low Hells Canyon whether he is not deliberately misleading the American people when he says two projects are well under way.

The letter further says, "Production of electrical energy urgently needed in Idaho and throughout the Northwest power pool, is scheduled to begin in September 1958."

The truth is: This newspaper has twice checked by correspondence with Bonneville Power Administration and that agency has declined to confirm any provision for any low-dam power into its system at all; and we had asked them pointblank how and when the Brownlee power was being programed and at what rates.

Mr. Eisenhower cannot and will not reveal when, how much and at what rates low-dam power will be received into the Columbia River power system operated by Bonneville to augment its shortage of low-cost power.

We challenge Mr. Eisenhower to categorically and honestly produce the cost figure at which IPCO power will be offered on a firm basis at Baker, at Tacoma, at Spokane, at Portland, or in Idaho. Before it is too late Mr. Eisenhower should explain how IPCO power will be made available to the consumers of the Pacific Northwest and the industries crying for power at less than 3 mills which would have been produced by the high dam. If Mr. Eisenhower has any facts to base his low-dam power statement, he should produce them now.

Mr. Eisenhower is guilty of the crudest doubletalk when he says the "production of electric energy is urgently needed" to justify a low-dam scheme in which his Government agency has deliberately written into the license conditions which permit the delay in low-dam construction for as much as 9 years, if not forever.

Mr. Eisenhower knows he has permitted IPCO to build its dams at its own pace and deliberately allowed it to ignore the urgent need for electrical energy in other parts of the region.

The truth is: Mr. Eisenhower deliberately implies that Hells Canyon Dam would cost $600 million. This is deliberately the propaganda taken directly from IPCO. Mr. Eisenhower did not itemize the propaganda figure to show where the Bureau of Reclamation engineers at Denver who use a $350 million cost are wrong.

If the budget is under such pressure and he cannot invest public funds at the greatest dam site in the world (85 percent payable from power revenues) how can Mr. Eisenhower justify the statement in his next paragraph in which he wrote: "The IPCO development will permit the Federal Government to devote more of its financial resources to other developments which are clearly beyond the capabilities of non-Federal interests alone." At poor dam sites? At the dregs that are left? In Canada?

President Eisenhower may not agree, but Teddy Roosevelt had the exact word for this giveaway of the valuable resource assets and retention of the liability jobs which are beyond the capabilities of private electric company coupon-snippers. "We are poor citizens if we allow the things worth most to get into the hands of a few."

Mr. President, I have cited that editorial at length since it has a very direct bearing upon the record of Mr. Kuykendall in connection with the Hells Canyon Dam case, in which, in my opinion, Kuykendall misled the President of the United States. I think as Chairman of the Federal Power Commission Kuykendall had the clear duty of getting the truth to the President and the public about Hells Canyon Dam.

I have yet to listen to a single statement of the President of the United States on the Hells Canyon Dam which shows that he has an understanding and a knowledge of the facts about the Hells Canyon Dam.

So, Mr. President, the issue of the Hells Canyon Dam is involved in the Kuykendall nomination, but the fact that Mr. Kuykendall was not in favor of Hells Canyon Dam is not my reason for being opposed to the confirmation of his nomination. I am opposed to the confirmation of his nomination because of his misleading the President and the public about the Hells Canyon Dam, and I say he is disqualified to be reappointed to the Federal Power Commission.

So I repeat: Before coming to the Federal Power Commission, Mr. Kuykendall was a member of the Washington State Public Service Commission, to which he had been appointed by former Gov. Arthur Langlie, an outspoken foe of a high Federal Hells Canyon Dam. This association at least raises a question of bias in connection with the most important and controversial license proceeding in which he was to take part as chairman.

Prior to that, according to the House subcommittee report already cited, Mr. Kuykendall was a member of a law firm which represented several utility companies in cases before the Washington commission. Whether he sat on cases concerning them as a Washington commissioner is a proper subject of inquiry.

Further, it is a proper subject of inquiry whether he or his firm represented companies allied with Idaho Power Co. or Ebasco Services, Inc., which have managed to maintain the old Electric Bond & Share empire which the SEC ordered dissolved. Ebasco took an active part in counseling Idaho Power and its officials testified in the FPC Hells Canyon license proceeding.

When Mr. Kuykendall was called upon by the House Subcommittee on Regulatory Agencies to discuss on July 28, 1955, the Hells Canyon controversy he declined to do so on the ground that the case was pending before the FPC.

I hope Senators will understand this, Mr. President. I invite them to pay strict attention to these dates. This date was July 28, 1955, and he testified before the House committee that the case was pending. In fact, the record now shows the case had been decided the day before. The Commission had already voted.

The opinion and the order bear the date of July 27, 1955. They were released, interestingly enough, on August 4, only 2 days after Congress adjourned.

The Commission decided the case on July 27. They waited until the Congress had adjourned before they released the decision. Do I have to tell Senators why, Mr. President? They did not want an analysis of that decision on the floor of the Senate in July 1955. This man was not even honest enough to tell the House committee on July 28 that the Commission had decided the case the day before.

I repeat, Mr. President, he is not candid with the Congress. This man, Chairman of a Commission which is an agent of the Congress or an arm of the Congress, was not intellectually honest enough, candid enough, or moral enough to tell the House committee on July 28 that the day before the Commission had decided the case. What did he tell them? He said the case was pending.

It is difficult to justify a week's delay on the ground that time was necessary to process the case. As Chairman Kuykendall mentioned in his testimony on July 28, the case had been formally before the Commission only since July 6, 1955. The case went before them July 6, 1955, after the trial examiner had conducted hearings for about a year and heard arguments and considered the case for about another year, and they decided the case on July 27.

Mr. President, if they had spent 8 hours or 10 hours a day between the time they got the case and the time they decided the case, in that period of time they could not even have completed a reading of the transcript of the record and exhibits before the examiner. Mr. President, before they decided the case they did not take even the time which would be required to read the record and the exhibits which were introduced in the year's hearing.

Let us be frank about this matter. The heat was on. The pressure was on. The private utilities were breathing down the backs of their necks. They wanted the killing to be quick.

Let me tell you a big, dark secret, Mr. President. They have not won the Hells Canyon Dam fight yet. It has not been

lost yet. I do not know what the word "quit" means.

I believe the people will be heard from on this shocking betrayal of a public trust on the part of this administration. Between now and next January across this country millions of people are going to ask this administration the question: "Why did you do it?" The administration had better have a more adequate answer than President Eisenhower supplied in his letter to Representative WESTLAND, because in that letter he simply showed he does not know the facts.

Increasing numbers of people, Mr. President, are developing a deep resentment over the handling of the Hells Canyon Dam case. People do not like it when they learn that the Commission received a transcript of a record, such a large one as this, on July 6, handed down a decision on July 27, and its chairman failed, on July 28, to tell a committee of the House that the case had been decided but, to the contrary, said the case was still pending.

Am I supposed to vote for an individual so lacking in intellectual honesty? Why, Mr. President, I do not understand why this nomination was not withdrawn, after the hearings before the Committee on Interstate and Foreign Commerce were completed.

I have some reason to believe that I know why witnesses did not appear in behalf of this nominee. It is pretty hard to appear in behalf of a nominee who has such a sorry record, Mr. President.

Let us take a look at the record which was made before the examiner for almost a year prior to the decision in this case:

It taxes the imagination that the Commission could digest a 20,000-page record, containing hundreds of exhibits and charts, a lengthy and involved Examiner's report, exceptions and briefs and oral argument in 3 weeks—or even 2 months—but require 7 or 8 days for mimeographing and physical production.

Nonetheless, Chairman Kuykendall evaded testifying on the ground that the case was pending.

Many parts of the decision are open to question. But, at least two are indicative of the manner in which the case was handled.

Throughout the FPC decision granting the Idaho Power Co. licenses in the Hells Canyon reach, the Commission compared the various benefits of the single, high Federal dam and the three Idaho Power dams.

Let me say to my colleagues, as they listen to my discussion of this phase of the matter, that I ask them to keep in mind that the Federal Power Commission always talks about the three dams, but that is a coverup. They really do not mean three dams, but they had to talk about three dams, in order to show any plausibility whatsoever with respect to a comparison of benefits. That is the gimmick. But even the Federal Power Commission did not claim that the three dams together would equal the total benefits of the high dam. But, even to come close for purpose of argument, it was necessary to use three dams in the calculations. That is why the comparison is always between the three company dams and the high dam. The FPC practically ignored the high dam's downstream power benefits in its decision and excluded them from its press release. Even that aside the three-dam dodge is interesting—see, for example, pages 16 and 17 of FPC decision.

The FPC, after resolving all of the doubts in favor of the three-dam plan and licensing the three-dam project, turned around and on page 20 of the decision stated:

> If a sufficient load does not develop to justify construction of low Hells Canyon within the time limits imposed in the license, the Commission may either extend the time for construction or terminate the license for that project whichever is in the public interest at the time the matter is under consideration.

That is the gimmick. What does that technical language mean? It means that it is not necessary to build the three dams. The Commission says to the power company, "Go ahead and build the dams in which you are really interested, Oxbow and Brownlee." Why are they so interested in Oxbow and Brownlee? Because they are the dams which will prevent construction of Hells Canyon.

The Commission said, "Get the Brownlee Dam built. Then go ahead with the next one. But as to the third one, you do not have to build it if you find that you do not have sufficient requests for power."

The Idaho Power Co. will have a difficult time selling power at from 6.7 to 7.6 mills. That is what their own examiner's report finds the Idaho Power Co. power will cost—from 6.7 to 7.6 mills, in contrast with Hells Canyon Dam power at 2.7 mills. I say to the American people, "That is how you are being gypped. That is part of the steal in the Hells Canyon Dam issue. That is the holdup."

But this man, Kuykendall, was in on that kill, too. The administration even wanted to hand out a $83 million bonanza to the Idaho Power Co. in a fast tax writeoff. They got by with it until a few of us on the floor of the Senate started discussing the subject earlier this year. I wish to thank all my colleagues in the Senate who engaged in that discussion, including the great Senator from Tennessee [Mr. KEFAUVER], chairman of the committee which investigated the situation; the Senator from Virginia [Mr. BYRD]; my own colleague [Mr. NEUBERGER]; the Senator from Minnesota [Mr. HUMPHREY]; the Senator from Illinois [Mr. DOUGLAS]; the Senator from Colorado [Mr. CARROLL], and others, including the Senator from South Carolina [Mr. JOHNSTON] the Senator from Michigan [Mr. MCNAMARA]; the Senator from Montana [Mr. MANSFIELD]; and his senior colleague [Mr. MURRAY]; chairman of the Committee on Interior and Insular Affairs. Those Senators fought day in and day out. The entire group of Senators became so incensed over the steal on the part of the Eisenhower administration that at long last we aroused enough sleeping editors who had been alibiing for the Eisenhower administration for so long, to a realization that at last their hero had gone too far.

The people were heard from on the tax writeoff steal; and the Eisenhower administration is going to hear more from the people about it. The situation became very hot. Obviously the impression was given to the Idaho Power Co. that things were not well for it in the Senate. The power company thought it could stop victory in the Senate for the Hells Canyon Dam bill by saying, the day before the vote, that it would give up the fast tax writeoff. I called it deathbed repentance. What a clear show of the political immorality of the administration, working hand in glove with the Idaho Power Co.

Do Senators ask me to vote for confirmation of the nomination of such a man, who is part and parcel of the whole corrupt scheme?

"Oh," it is said, "it was within the letter of the law. There was nothing illegal." I have been heard to say before, and I now repeat, do not try to give me the letter of the law in a situation such as this, as a synonym for political morality, because the interests of the people can be robbed within the letter of the law, as they have been robbed in connection with the fast tax writeoffs. In this instance, the administration and the power company almost got by with it, but, of course, there is nothing to stop the Idaho Power Co. from a change of mind in this connection. If the administration and the power company had got away with the fast tax writeoffs, the American people, because of the tax giveaway to the Idaho Power Co., would have paid a large percentage of the cost of the Idaho Power Co. dams, and the Idaho Power Co. would have owned the dams.

For what am I pleading? I am pleading for a people's dam. I am pleading for a dam that will be owned by the people, that will repay its cost many times into the Treasury of the United States, that will help finance, in the years ahead, the great reclamation projects which will be needed to feed future generations of American boys and girls.

Recently I noted an item in the U. S. News & World Report. I wonder how many of my colleagues read the headline in the U. S. News & World Report of a couple of weeks ago, indicating concern over the question of what we are going to do when our population grows by another 60 million. I thought it was very interesting to read that item on the cover of this reactionary magazine, a magazine which has been one of the chief apologists for the gutting by the administration of the natural resources of the United States, a magazine which is headed by an editor who think a private utility monopoly is a private enterprise. He demonstrates he does not know the definition of private enterprise. Let me say to Mr. Lawrence and his board of editors of U. S. News & World Report: "You have reason to be concerned about what we are going to do in the generations ahead when we have a population of 227 million in 1975. However, instead of opposing us, you should be supporting us in the full river development, because the only hope of supplying food for those 227 million Americans in the generations to come, lies in our not wasting a single

acre of land in the United States, or a single drop of water."

We say to the editors of the U. S. News & World Report: "You should realize before it is too late—you who are so sorely needed in a freshman course in basic economics in the field of natural resources—you ought to start giving support to those of us who believe that civilizations cannot climb when water tables decline."

America's water table is falling. We are fighting to stop the kind of gutting of the natural resources which is characterized by the Idaho Power Co.'s action on the Hells Canyon Dam. We are thinking about American boys and girls and their food supply 100 years from now. I recommend those thoughts to the editors of U. S. News & World Report.

If I have ever read a sheet which was dominated by the propaganda of private utilities, it is U. S. News & World Report; exceeded by none, unless it might be, possibly, Time magazine.

When we are making the fight for the maximum development of the water resources of the Snake and Columbia Rivers, we are fighting to stop the washing out for all time of the greatest remaining multiple-purpose dam site on this continent. Yet some people want me to vote for the confirmation of the nomination of a man who is the architect of that kind of house of political prostitution in which such misuse is sanctioned. I shall not do it, because I do not believe in politcal immorality either. This administration's record and this man's record in the natural resource fight are immoral, and constitute a betrayal of the future generations of American boys and girls, for whom the reactionary U. S. News & World Report expresses such pious concern in its recent issue.

Mr. President, in effect, the FPC removed the third dam from the three-dam project. Poor as the three-dam plan is in comparison with the high dam, can you imagine how poor a showing a two-dam project would make.

The third dam accounts for about one-third of the three-dam plan's power. For example, finding No. 14 of the FPC examiner gives these figures—page 35 of May 6, 1955, decision:

(14) The initial powerplant capacities as proposed by the applicant for the three projects is as follows:

	Installed capacity (kilowatts)	Maximum peaking capacity (kilowatts)
Brownlee	360,400	414,400
Oxbow	151,000	173,600
Hells Canyon	272,000	312,800

Obviously, without Little Hells Canyon Dam, the company plan is laughable. So, the FPC used it for purposes of comparison, found that it was almost as good as the high dam—even with more costly power—and then, without any reasoning to support the conclusion, found the three-dam plan the best adapted project for basin development—finding 48.

This amazing statement follows finding 47 which declares:

The three proposed power developments should be considered as a single project.

I submit that the evidence is clear on the face of the decision that the Commission, under Chairman Kuykendall, used the three-dam plan for comparison only to achieve an appearance of plausibility, but in effect relieved the company of the burden of building the third dam for whose expensive power there is little or no expectation of a market.

KUYKENDALL BRAZENS IT OUT ON HELLS CANYON

Chairman Kuykendall's apology to Congress on Hells Canyon is, in fact, a plea of guilty to my charges.

First, let us scrutinize his alibi for refusal to let the House subcommittee of the Select Committee on Small Business know that the Commission had decided the Hells Canyon issue, when he testified before it. He contemptuously puts the committee in the position of asking that he leak the decision even though the Commission is an agency of Congress and the hearing was public. He then attempts to justify himself by claiming that there was no leak, and so no one had a chance to take advantage of the 10-percent rise in the market value of Idaho Power Co. stock within 24 hours after the decision was announced.

The fact is that advice to the Congressional committee, as contrasted with the week's delay in announcement of the decision would have been no leak because it would have been public information. It would have minimized the chance of anyone profiting by a leak.

In the second place, let us examine Chairman Kuykendall's attempt to reply to the charge that the Commission's Hells Canyon decision in effect removed the third dam from the three-dam project, thus rendering it an even poorer propect in comparison with the high dam Federal project. Here he pleads guilty by reemphasizing the very language of the Commission's decision which served as the basis for the charge, and then seeks justification for the possibility that the Commission "may either extend the time for construction or terminate the license for that project—third dam—on the ground that such action would be within the provisions of section 13 of the Federal Power Act. Section 13, or no section 13, the fact is that recourse to the action which it purportedly authorizes would render the runt dam project even runtier.

Mr. Kuykendall's pleading that the full capacity of the three dams would, in any case, be utilized in the company's system by the year 1975, and that it could be absorbed by other systems in the Northwest about as soon as it could be developed, on the one hand involves the probability that the Commission will let the company squat on a portion of the reserve for over 15 years, and on the other hand flies in the face of the findings of the Commission examiner who heard the case. The examiner found that the transmitted cost of Idaho Power Co.'s Hell Canyon power would be too high to be absorbed by the Northwest power pool.

Section 13 of the Federal Power Act, which Mr. Kuykendall quotes in full, limits the Commission to granting one extension of the periods for commencement of construction and that for "not longer than 2 additional years." It adds: "In case the licensee shall not commence actual construction of the project works, or of any specified part thereof, within the time prescribed in the license or as extended by the Commission, then, after due notice given the license shall, as to the project works or part thereof, be terminated on written order of the Commission."

This means that, under the act, the latest time which the Commission can set for commencement of the low Hells Canyon Dam falls 10 years short of the year 1975 when it thinks the company can use the power. Failure to commence construction at that time would render termination of the license mandatory. And it is certain that, after the two lesser projects, which Idaho Power Co. is developing at the expense of the high Hells Canyon Dam, are constructed, no one else is going to take over the least attractive remnant of the resource.

Clearly, Mr. Kuykendall's answer that the Commission can later withdraw the license for the low Hells Canyon Dam if Idaho Power Co. fails to go forward with it promptly is a glaring admission that the Commission violated the act by licensing a vastly inferior project which will preclude forever development of the high Hells Canyon Dam which is "best adapted to a comprehensive plan" for development of these water resources, as required by the act.

Mr. Kuykendall's attempt to answer the charge that the FPC Hells Canyon decision practically ignores the high dam's downstream power benefits also represents a pleading of guilty to violation of the intent of the Federal Power Act. Furthermore, it proves conclusively that Kuykendall looks at these things from the viewpoint of a private power company lawyer, rather than from the conservation viewpoint which is the very parent of the Federal Power Act.

In his apology he attempts to answer the charge by alleging that the Commission's finding, that "the power features of the 1-dam plan have no clear economic advantage over those of the three-dam plan," was based on estimates of the power output both at site and at downstream plants under the one-dam plan, as well as under the three-dam plan.

In view of the fact, recognized by the Commission itself, that the high-dam project would produce much more power at these downstream projects, his criterion of economic advantage is clearly related to the private-power-company interest in higher margin of profit, rather than maximum use of resources. This has always tended to lead private companies to skim the cream of a given waterpower resource, rather than to develop its full potential. It was this very abuse which the conservationists who wrote the Federal Power Act intended to cure, by including section 10 (a), which the Commission's Hells Canyon decision clearly violates.

We should not leave this point without noting the fundamental conflict between the Commission's Hells Canyon decision and the act of Congress which they are charged with administering. The Federal Power Act (section 10 (a)) requires that the project adopted shall, in the Commission's judgment, "be best adapted to a comprehensive plan for improving or developing a waterway or waterways, for use or benefit of interstate or foreign commerce, for improvement and utilization of waterpower development, and for other beneficial public uses, including recreational purposes." The only such comprehensive plan in existence in the main control plan for the Columbia River Basin, prepared at great expense by Federal agencies charged with this responsibility, and the high Hells Canyon Dam was an essential part of that comprehensive plan.

Mr. President, I digress to stress this point. Oh, the Eisenhower boys would like to have us forget that basic to the Federal Power Act is the clearly stated policy of Congress that these river basins shall be developed according to a comprehensive plan. The most biased advocates of Idaho Power Co.'s program will not even give a whispered statement that they think the company's plan can be reconciled with comprehensive basin development. They know full well that it cannot. With them, it is under development; it is partial development; it is inadequate development.

The only plan in existence, of an official nature, for the preparation of which Congress appropriated thousands and thousands of dollars, is the Army engineers 308 report. Oh, I like to throw this one into their teeth, and I did throughout the campaign, when the smear was that I was for Federal Power or no power at all. That has always been a vicious lie, propagandized by the Eisenhower administration, spoken sometimes by the leaders of the administration itself, and repeated in meaning, if not in some speeches, by the President when he talks about the advocates of the high Hells Canyon Dam as being for Federal power or no power at all.

They ought to read the report of the Army engineers, prepared at great expenditure of money, because my power position has always been the power position of the Army engineers. Mr. Eisenhower, take note: My position on power in relation to Hells Cayon Dam has been the position of your own Army engineers. You ought to read their reports, President Eisenhower, because that is the report which carried out the mandate of Congress in the Federal Power Act. The basic philosophy of that act is comprehensive river developments, not partial development, not underdevelopment.

Where does Hells Canyon stand in that report? Using a figure of speech, it is the keystone project for full development of that river basin. Listen to the testimony of Army engineer after Army engineer over the years as they have come before committees of Congress to testify concerning the essentiality of a high Hells Canyon Dam for flood control and for the protection of lives, property, and topsoil in the great Pacific Northwest.

I repeat, the President simply does not know the facts; but he would have the Senate confirm the nomination of a man who has been an architect for a program of underdevelopment of this river basin, and who had the legal duty, as chairman of the Commission, when he was chairman, to carry out the clear purpose of the Federal Power Act, whch was for comprehensive development, not partial development. But Kuykendall's decision violated that clear Congressional policy.

Yet the Commission under Chairman Kuykendall's leadership reversed the requirements of the act by speculating on whether the comprehensive plan could be modified so as to be best adapted to the inferior Idaho Power Co. project, rather than on whether the company's proposed project was best adapted to the comprehensive plan.

And, as I shall point out in connection with Mr. Kuykendall's citation of a court decision supporting the Commission's mishandling of fast writeoff subsidies to electric and natural gas companies, the fact that the courts upheld this kind of Commission Hells Canyon decision provides the strongest possible ground for not consenting to the continuance of Mr. Kuykendall's leadership. For, as the courts must depend for expertness in such a field largely on the findings of such an agency, it is of the highest importance that appointees to such Commissions have the viewpoint of the public interest. Otherwise, the efforts of Congress to protect consumers will be thwarted and the money which it appropriates for this purpose expended to perpetrate a fraud on the taxpayers.

Mr. Kuykendall did not respond to my challenge to answer the analysis of the strange and tortured reasoning employed in the FPC opinion in the Hells Canyon case. It stands in the record of hearings unanswered.

In fact, I shall never forget the day in the Senate when the late Walter George, of Georgia, one of the greatest Senators of our time, was won over to the Hells Canyon Dam bill. I have mentioned this a couple of times before, but I want to mention it again in connection with the record I am making today.

When the news came over the ticker that the trial examiner of the Federal Power Commission found that the Hells Canyon Dam project from an economic standpoint, a flood-control standpoint, and a power-cost standpoint, was preferable to Idaho Power Co.'s underdevelopment, puny plan, but that, nevertheless, he was recommending the Idaho Power Co. plan on the ground that he did not believe Congress would pass the Federal high Hells Canyon Dam bill, Walter George called me over to his seat in the Senate. I sat down beside him.

He said, "Is this your understanding of the examiner's report?"

I said, "Senator, that is exactly what the examiner said."

He said, "WAYNE, I shall support your bill because the examiner has decided the case for me when he says that on the merits the high Hells Canyon Dam is preferable. It is for us in the Senate to make the decision, not the examiner of the Federal Power Commission, as to whether the bill will or should pass. What we have a right to obtain from the examiner for the Federal Power Commission is a decision on the merits of the proposal; and the report of the examiner for the Federal Power Commission"—the agency headed by Mr. Kuykendall—"gives us that decision, and then adds gratuitously," said the late Senator George, "that he recommends, however, a part of the Idaho Power Co. program, because he does not think the Congress would pass the high Hells Canyon Dam bill."

Mr. President, I have never forgotten that, because from that day forth, the late Senator Walter George, of Georgia, was one of the greatest allies I had in the Senate in support of the high Hells Canyon Dam bill.

Mr. President, I wish to emphasize the fact that the Federal Power Commission gave away its whole case when its trial examiner came forth with the finding that, on the basis of the merits of the project, the program for the high dam at Hells Canyon was preferable, but that they were recommending the Idaho Power Co. program because they did not think the Congress would pass the high Hells Canyon Dam bill.

Now I wish to recapitulate briefly in regard to the Hells Canyon Dam issue: The Commission compared the economic value of the high-dam plan and the company three-dam scheme on the assumption of Federal financing of both. It found that the additional power of the high dam, that is, the amount it would produce in excess of the power which could be generated at the company dams, would have a benefit-to-cost ratio of 1 to 1, which is a favorable ratio. On this artificial basis, it concluded that there was no economic advantage for the high dam.

The FPC examiner had condemned this method as "comparing the incomparable," for the simple reason that one major disadvantage of the company plan was more expensive financing than that for the Federal dam.

Once again, Mr. President, I challenge Mr. Kuykendall to answer my analysis of the FPC opinion as presented in the Senate Interior Committee print of September 1955.

Mr. Kuykendall overruled his own trial examiner, the examiner for the Federal Power Commission, who had pointed out—and rightly so—that the two projects could be compared on the basis of the assumption of Federal financing of both, because only the high Hells Canyon Dam would be federally financed.

Of course, Mr. President, they did their best to get a very large stake of Federal financing into the Idaho Power Co.'s program by obtaining a fast tax writeoff. I now come to that subject. But before doing so, my point is that in making the comparison the Commission overruled the finding of the hearing examiner and, in addition, the comparison was obviously fallacious, because anyone would take notice of the fact that both projects would not be federally financed.

THE FEDERAL POWER COMMISSION AND QUICK TAX WRITEOFFS

Mr. President, as the Senate knows, on April 1, 1957, the Office of Defense Mobilization issued quick tax writeoff certificates to Idaho Power Co. for the Brownlee and Oxbow Dams in the Hells Canyon area. The certificates have a minimum face amount of $65 million.

Within the past 2 weeks the Chief Accountant of the Federal Power Commission, Russell Rainwater, testified before the Senate Antitrust and Monopoly Subcommittee that the tax lag occasioned by these certificates to Idaho Power Co. will result in additional costs to the United States Treasury of $83 million, to say nothing of being worth $339 million to the company during the 50-year period of deferral.

As we know, the Federal Power Commission in December 1953 declared that these certificates are interest-free loans.

In August 1953, the Idaho Power Co. filed its applications for the certificates; and in December 1953, the president of the company testified about them.

Earlier this year there was some discussion regarding my position at that time. The RECORD shows perfectly clearly that at that time I stood on the other side of the aisle and protested the application of the Idaho Power Co. for that tax giveaway, as I protested also attempts on the part of private utilities in my own State to make similar raids on the pockets of the taxpayers of the United States. Mr. President, this is part and parcel of the scheme, in which Mr. Kuykendall is entangled, in regard to the whole Hells Canyon Dam scandal, as handled by this administration.

Despite knowledge that the writeoff applications were pending, despite full realization of the cost to the Treasury of quick tax writeoff certificates, the Federal Power Commission decision awarding licenses to Idaho Power Co. said that the public purposes to be served by the company projects "will be realized without expense to the United States to the extent that the projects are constructed by a non-Federal entity"—opinion, page 17.

Mr. Kuykendall knew that. He knew at the time what the Idaho Power Co. was up to. It was a matter of public record. It had been debated on the floor of the Senate. He had the duty, Mr. President, to point out to the American people, not what he said in his decision, but the contrary, namely, that the dams of the Idaho Power Co. would be built in part at public expense and cost—and, in fact, at a substantial cost and expense to the public.

Mr. President, I cannot favor the appointment of such a person. I do not think his conduct has been honest. I think it has been deceitful. I think it is but another example of this man's weakness of character that he concealed the facts from the American people, while he occupied a position of public trust, and while he was dutybound as a servant of the Congress, heading a Commission which is an arm of the Congress, to carry out the purpose of the Federal Power Act, which is to develop a comprehensive plan for the great river basins, not only those in the Pacific Northwest, but also those in other parts of the country.

Mr. President, Mr. Kuykendall said some other interesting things in his opinion. He also in the opinion stated:

> Development by applicant of the Hells Canyon reach of the Snake River would provide 1 million acre-feet of flood-control storage and the required streamflow regulation in aid of navigation on the lower river at no cost to the United States.

These statements, I say, were misleading and inaccurate in the extreme, in view of the company's applications for writeoff certificates, known to the Commission.

Yet the no-cost-to-the-United States theme was played in the opinion and was stressed in the Federal Power Commission press release announcing the grant of the licenses.

The duty of the Commission was to discuss this frankly and openly in its decision, particularly in view of the success of private utilities in obtaining these certificates and the favor with which the executive branch regarded the Idaho Power Co. plan.

In his recent testimony before the Kefauver subcommittee, Chairman Kuykendall admitted that the Federal Power Commission opinion passages quoted were a mistake, in the light of events. He claimed, however, that only conventional financing by the company was contemplated, and he placed great stress upon the fact that Idaho Power's president testified that the company had only "faint hope" of obtaining the tax writeoff certificates.

Mr. President, I do not know why Mr. Kuykendall would be fooled by that statement. He only had to look at the records. The Office of Defense Mobilization had been granting those giveaways. Some of us in the Senate had been leading the fight against them. The record at that time was one of successes on the part of the private utilities in getting their hands into Uncle Sam's pockets and taking out, by the tens of millions of dollars, these interest-free loans. So again, Mr. President, I wish to say that those of us who are in the very difficult position of having to decide whether to vote for or against confirmation of the nomination of this man must, in forming our judgment and in arriving at our decision, consider the nominee's record in its entirety. When I consider all of his record, again I must reach the conclusion that I cannot trust him. I do not trust him. I think he weasels. I do not think he is frank and candid. I do not think his nomination should be confirmed. It is my conclusion—and it is based upon the sorry record he has already made—that he does not possess the qualities of public-service responsibility which would justify placing this trust in him for another 5 years.

That the company was less than candid in this representation is little excuse for the Commission's taking the representation as a realistic appraisal of the situation. This is all the more the case in view of the Commission's failure to make mention of the tax writeoff possibilities and its affirmative declarations that there would be no expense to the United States in the company projects.

KUYKENDALL MISLEADS COURTS INTO FAST AMORTIZATION TAX WRITEOFF DECISION UNDULY FAVORING COMPANIES AS AGAINST CONSUMERS

It is high time that Congress got rid of a Federal Power Commission Chairman who interprets the action of Congress, in opening the fast writeoff tax procedure to electric and natural gas utilities, as a bribe to private enterprise to induce it to build additional capacity sufficient to safeguard defense needs. It is sufficient that Congress simply intended to provide the additional capital required without burden to either stockholders or consumers. Under the Commission's ruling some companies are already disbursing what I consider to be their bribes as tax-free dividends or return of capital.

This is precisely the position which Mr. Kuykendall advances as the Commission's position in an attempt to justify his glaring failure to require sound uniform accounting for the interest-free capital which electric and gas utilities have secured under this fast writeoff tax procedure. In taking this position under Kuykendall's leadership, the Commission again overruled its able technical staff.

Mr. Kuykendall cites the decision of the United States Court of Appeals for the District of Columbia in City of Detroit against Federal Power Commission as completely and unequivocally approving the action of the Commission in dealing with this problem.

Mr. Kuykendall quotes the court opinion at length. Thus, the court described the plan of the Petitioner City of Detroit, speaking for the consumer interest, as in essence to allow Panhandle Eastern the yearly saving in taxes—interest-free capital—but to "deduct the amount of that saving each year from the rate base." The court continues:

> This plan was rejected by the Commission which concluded, we think correctly, that the intent of Congress reflected in section 124A is not to benefit consumers but the taxpayer, in order to encourage construction of certain emergency types of facilities. Were the tax savings deducted from the rate base, the taxpayer here would not receive the intended benefit. The valuations upon which it is entitled to earn a fair return would be decreased by the amount of the savings. In placing the savings at the disposal of Panhandle under the limitations specified, the Congressional intent is effectuated. The funds go into a reserve account for the payment of deferred taxes to accrue after the 5-year amortization period. Though thus earmarked, the funds are available for income-producing purposes. Unless this is permitted, it is difficult to see how Panhandle could benefit substantially. This statute, unlike the Natural Gas Act itself, is not for consumer benefit. It has a different public policy and should be given effect as intended by Congress. Furthermore, the solution of the Commission does not result in higher rates to the consumer. It simply does not operate to reduce them. It aids Panhandle but neither aids nor harms petitioners. We think this is the result sought by Congress.

I have quoted at this length from Kuykendall's excerpt from the court decision because it contains basic errors which

are damning evidence of the kind of case the FPC under his leadership presented to mislead the court into a decision actually penalizing consumers in order to bribe the companies to do their duty at no expense to themselves.

The Commission's position, as restated by the court, is in error in, first, its conception of the company as the taxpayer; second, its assumption that the company would not benefit if the Government's contribution of capital were deducted from the rate base; third, its assumption that the Commission's solution does not result in higher rates to consumers; and, fourth, its assumption that the Commission's solution reflects the intent of Congress.

The facts are: First, the company is merely the tax collector; the taxes are actually paid by the consumers, and everybody knows it; second, the company would benefit even if the free capital contributed by the Government were deducted from the rate base because it would not have to put up the capital required for the emergency margin of capacity; third, the Commission's solution will result in consumers paying higher rates to the extent necessary to pay a 6 percent return on emergency capacity over and above what would be required to serve them if the Government had not encouraged the company to construct additional defense capacity out of tax moneys which the consumers had actually paid but the Government had not collected; and, fourth, the intent of Congress was that the fast writeoff tax savings should represent a contribution of capital by the Government so that the additional margin of capacity which it was asking should burden neither the stockholders nor consumers. Congress did not intend to offer the companies a bonus at the expense of both taxpayers and consumers—a profit on the capital put up by the Government at the expense of the taxpayer.

But even if this FPC interpretation of the emergency accelerated amortization provision of the tax law were correct, is it not amazing that under Mr. Kuykendall's chairmanship, the FPC has decided to apply section 167 of the Internal Revenue Code in the same way?

That provision, enacted in 1954, permits a corporation to use more favorable amortization methods than the conventional straight line depreciation method. Under it, very substantial tax savings can be made by the corporation and, by the same token, very substantial losses of tax revenue are sustained by the United States Treasury. So, for example, one expert, writing in the Harvard Business School Journal, estimates that the Treasury will lose $19 billion in revenue during the first 17 years of its operation.

The announced rationale of the provision is that it is more realistic than straight line depreciation because it permits larger percentage reductions for depreciation in the early years of equipment, reflecting their rapid loss of value during the early years of use. The argument used for section 168 of the Code—section 124a of the 1950 law—that it is to supply an incentive for investment which otherwise would not be made was not advanced in support of section 167.

Yet, the FPC has interpreted section 167 in the same fashion as section 168 and held that for rate purposes the depreciation need not be the same as for tax purposes. This is a handsome gift, of course, to the utilities.

It is another example of the manner in which the FPC, under Mr. Kuykendall, constantly rules in favor of the companies to be regulated by it no matter how tenuous or tortuous the reasoning.

In this case, Amere Gas Utilities, docket No. G-6358, June 30, 1956, a majority of the Commission said:

> We can find no legal difference between the problem now before us and that which was presented to us by section 124A (now sec. 168) of the Internal Revenue Code, pertaining to 5-year amortization of defense facilities pursuant to a certificate issued by a defense agency of the United States. Admittedly, section 167 of the Internal Revenue Code contains no specific mandate to create a reserve account for the deferred taxes. Nevertheless, we know of no way to effectuate the clear and obvious Congressional intent, except by doing so, just as we did in our two prior opinions above mentioned.

Commissioner Connole, dissenting, had no such difficulties:

> I dissent from the majority opinion because it will have the effect of authorizing a permanent reserve created out of excessive charges to operating revenue deductions for Federal income tax payments contrary to the intent of the Congress, contrary to established regulatory law, and unjustified by the regulated utility concept.

The full text of the majority and minority opinions are in the record of hearings.

The matter is more than a mere difference of opinion. The differing opinions demonstrate what has been taking place at the Commission under Mr. Kuykendall's chairmanship. If he is confirmed it will be the signal that Congress is insensitive to the manner in which its delegated powers are being employed to enrich supposedly regulated utilities and gouge consumers.

There could be no better illustration than these cases of the grave danger of having one of the country's outstanding regulatory Commissions continue under the guidance of Mr. Kuykendall. That is because the higher courts themselves—the last resort for protection of the public interest—must, of necessity, assume that the technical reasoning and interpretation of a Federal agency, equipped with a large staff of engineers, accountants, and lawyers supposedly hired to protect the public interest with money appropriated by Congress for that purpose, can be depended upon for accurate presentation of the facts.

By 1929, regulation of electric, gas, and communications utility corporations had virtually broken down, because of failure of State commissions to secure court decisions that would free them from the interrelated burdens of holding company inflation of capitalization supported by rate cases based on "guesstimates" known as "reproduction cost" valuations.

Following enactment of the Public Utility Act of 1935, the Securities and Exchange Commission and the Federal Power Commission, with their expert staffs dedicated to the public interest, established the basis for court decisions which swept aside these twin burdens. In terms of the Federal Power Commission, the series of the United States Supreme Court decisions which made history in regulation included those involving Natural Gas Pipeline Co. of America, Hope Natural Gas Co., Panhandle Eastern Pipeline Co., Northwestern Electric Co., and so forth. These Court decisions made it possible to regulate rates on a prudent investment basis, without even considering reproduction cost and to require uniform accounting on an original cost basis, with all inflationary items removed from the plant accounts.

Financial houses in New York recognized this as progress, strengthening the utility companies.

But, most important of all, it opened the way to effective regulation in the interest of both consumers and small stockholders at both Federal and State levels.

The Senate of the United States cannot afford to confirm a man to the Federal Power Commission who has demonstrated his readiness to lead regulation in a retreat, back to the old days when State commissioners testified they hesitated to go through the futile gesture of making conscientious decisions in favor of consumers because court precedents all favored the companies. And these precedents favored the companies because the regulatory commissions of that day were generally without adequate technical staffs to meet the multimillion dollar utility combines on anything like equal terms in preparing groundwork for the courts.

We cannot allow the outstanding Federal Commission in the field of electric and gas utilities to continue under the leadership of Mr. Kuykendall, who has demonstrated a complete failure to use the Commission's large staff to carry on its tradition of leadership in protection of the consumer interest.

KUYKENDALL BEGS QUESTION ON CHARGE HE FAILED TO CONSULT CONSUMERS ON NATURAL GAS LEGISLATION—MISLEADS COMMITTEE ON BASIC PRACTICE

Mr. Kuykendall, who had previously endorsed the Harris-Fulbright bill and who claims he was seeking to formulate a middle-ground bill, states that he did consult with a spokesman for the Council of Local Gas Companies "who stood shoulder to shoulder with consumers' representatives who opposed the Harris-Fulbright bill," and continues:

> But there was no point in conferring with such groups (consumers' groups) on this matter for the obvious reason that they had clearly stated their position, which was contrary to the position of Congress in the matter. They were firmly opposed to change in the method of regulating producers.

Thus, Mr. Kuykendall definitely pleads guilty. The mere fact that the Congress had passed a bill, which did not become law because of Presidential veto, would hardly justify refusing to consult consumer groups on a possible

middle-ground substitute simply because their position was contrary to his and that of Congress. This is particularly the case where the veto message had specifically stated that new legislation "should include specific language protecting consumers in their right to fair prices."

Mr. President, it is very interesting that Mr. Kuykendall would say he did not consult consumer groups, although there were many consumer groups available for consultation, because their point of view was contrary to the point of view of Congress. How could it be? Congress had not succeeded in passing a law. The bill could not become a law until the President's veto was overridden, and it was not overridden. Therefore, let me say Mr. Kuykendall had a clear duty, even on the facts he wants to set forth, to consult the consumer groups.

I desire to make this perfectly clear, Mr. President. Let us assume Congress had passed a bill and the President had signed it into law. Mr. Kuykendall still had the clear duty, as the Chairman of a Commission which has the responsibility of protecting consumer interests in this field, to consult with the consumer groups. He might, after such consultation, find himself in disagreement with their representations, but it is a pretty weak reed to lean on to say that he did not consult with them because he thought their point of view was contrary to the intent of Congress.

Mr. Kuykendall ignores the fact that the consumer representatives included the mayors of many great cities, and municipal law officers association, and the spokesmen of organized labor, rural electric cooperatives, and municipal electric plants.

With governors of various States, numerous State attorneys general, members of State public service commissions, mayors of larger cities, city attorneys, and representatives of consumer organizations speaking for tens of millions of members presenting ably prepared statements against this anticonsumer legislation, Mr. Kuykendall has the brass to say in his apologia:

> Consumers are not and cannot be organized and technically trained to represent themselves on all issues affecting them.

That is his explanation for turning only to corporation lawyers representing the several divisions of the gas industry and asking them to come up with something they could all agree on.

Mr. Kuykendall's action on this matter, his inability to recognize the one-sided nature of his activity on this proposed legislation, reflects, in my judgment, his limited outlook. This is the very outlook which should disqualify him from continuing in the vital office of member and chairman of the Federal Power Commission. It is perfectly true, as he suggests, that the Federal Power Commission is an agency supposed to represent consumers. Yet in his secret negotiations, he purposely excluded representatives of consumers—many of them with obvious technical qualification.

He has openly and persistently taken a position in favor of a standard for pricing or evaluating natural gas as a commodity which would not require use of a rate base or traditional ratemaking principles. He has favored the fair field price and opposed inclusion of costs in determining gas prices.

The proved effect of this Kuykendall type of regulation, which he and the Commission actually adopted in the Panhandle Eastern Pipeline Co. case despite the objections of consumer representatives as well as the Commission's technical staff, is to shift the advantages of the entire regulatory process from consumers to producers of natural gas. It actually is shifting hundreds of millions of dollars, ultimately billions of dollars, from consumer pocketbooks to great oil and gas producer bank accounts. Fortunately, in this case the Commission was overruled by the courts.

It is inconceivable that the Senate will allow this man to continue to masquerade as a protector of the consumer interest.

Complete proof that the Federal Power Commission under his chairmanship cannot be depended upon as the protector of consumers and the public interest, to use his own words, is found in a discussion of the Olin Gas Transmission Corp. case during his appearance on June 4, 1957, before the House Committee on Interstate and Foreign Commerce.

The Commission had granted his company a rate increase for the gas which it produced in the Monroe gas field in Louisiana. In doing so it used the fair field price method in spite of the fact that the United States Circuit Court of Appeals for the District of Columbia refused to go along with the Commission's use of this method in granting an increase to the Panhandle Eastern Pipe Line Co. and required it to justify any allowance above cost. The Supreme Court had denied certiorari in the Panhandle case.

In the Olin Gas Transmission case the cost of production was 4.66 cents per thousand cubic feet and the claimed field price 9.87 cents. Thus the field price represented about a 100 percent increase over costs.

In the House hearings Congressman BENNETT, of Michigan, asked Mr. Kuykendall whether the Commission could not do the same thing by the same formula in every other case. The ex-FPC Chairman replied:

> We can do it if the companies present the evidence that will give us the factual background where it appears required.

Then followed an extraordinary revelation of the point of view of this man who claims to have represented consumers in secret negotiations with gas corporation lawyers on proposed amendments to the Natural Gas Act. He added:

> I might add this, Olin was a little bit lucky here because I don't think their case was contested like it could have been.

Thus Mr. Kuykendall reveals how he acts when the consumer representatives, whom he said it would be useless to consult on a new Natural Gas Act amendment bill, are not contesting a producer's claim for a rate increase. But, in response to a further question from Representative BENNETT, he proceeded to strip off the last vestiges of his consumer-protector disguise.

Representative BENNETT asked, "Do you think if it would have been contested more vigorously they would have gotten a lesser price for gas?" Mr. Kuykendall replied:

> No, I don't think they would have gotten a lesser price but I think that it is possible that if it had been contested more vigorously that we would have had a lot more trouble in finding evidence to make a finding that this was warranted. Now they had a pretty good spokesman from the company there and we quoted some of his testimony, who was quite persuasive, and he didn't happen to get contradicted very much.

Here is the thumbnail sketch of a Federal regulatory body completely in the company's corner except when that corner is made untenable by able consumer representatives contesting the company claims.

In other words, Mr. Kuykendall's replies to Representative BENNETT make it very clear that the Federal Power Commission, as constituted under Kuykendall's chairmanship, was not carrying out the intent of the Natural Gas Act which, as the United States Supreme Court said in the Hope and other cases, was to protect consumers from exploitation by natural gas companies.

Mr. Kuykendall has made it plain that his philosophy is to give the companies what they want unless their claims are vigorously contested by consuming interests, and probably to give it to them anyway.

In the Olin case, both pipeline companies which buy the company's gas and resell it to distribution companies have gas production of their own. Consequently, they had no interest in contesting the field price method of regulation and no municipalities, State commissions, or consuming group intervened.

Actually, the Commission in this case brushed aside the objections of its own staff which opposed the increase. Although it tried to excuse itself by saying that the decision was not a precedent, we have Mr. Kuykendall's word in reply to the Michigan Congressman's question, already quoted, "We can do it again if the companies present the evidence that will give us the factual background where it appears required."

Mr. Kuykendall, by his own words, has demonstrated beyond cavil of doubt that he and the Commissioners who went along with him in this case have completely disregarded the interests of consumers. And this in spite of the sheep's clothing which he dons so obtrusively in his statement to the Senate committee. If this kind of regulation is allowed to continue, utility regulation will be ultimately recognized as a fraud on the public, worse than no regulation, with results that might tend to undermine faith in government itself.

ANOTHER KUYKENDALL MISREPRESENTATION DURING CONFIRMATION HEARING

In reviewing the testimony of Mr. Kuykendall at the final hearing on his nomination for a new 5-year term on the Federal Power Commission, I find a statement so at variance with the truth that I feel it should be invited to the attention of Congress. It reflects Mr.

Kuykendall's readiness to mislead Congress, to gloss over his use of the office to favor corporations which the Commission is supposed to regulate.

In commenting on the Commission's grant of a reasonable market price rate to Olin Gas Transmission Co., Kuykendall had told a House committee that Olin had been rather lucky because the case had not been contested. As I stated in my testimony against his confirmation, this admission as to the Commission's action in allowing a rate nearly double the cost of service, provided clear indication that Congress could not depend on the nominee to protect the public interest.

When Mr. Kuykendall resumed the stand, the Senator from Rhode Island [Mr. PASTORE] pursued the matter further to allow the nominee, if possible, to clarify his position. The record reads as follows:

Senator PASTORE. Now, let me ask again the question that Representative BENNETT asked you. Do you think if it (the Olin case) had been contested more vigorously, they could have gotten a lesser price for gas?

Mr. KUYKENDALL. Well, I said there that I did not think they would get a lesser price and the question is whether they could sustain the burden at all. Now, what I meant was that if somebody had insisted upon and cross-examined them and required them to demonstrate mathematically how much revenue they needed to carry on their exploration and development, I do not believe the company could have sustained that.

Senator PASTORE. Do not jump over that too fast. Why wasn't that your duty? What do you mean by "somebody." Whom do you mean by "somebody"?

Mr. KUYKENDALL. Staff, our staff or any party in the case. (Hearings, p. 711.)

Now, passing over the fact that here again the nominee clearly reveals a callous attitude toward failure of the Commission to do its duty, this answer would imply that there was no cross-examination of Olin Gas Transmission's witnesses on this important point.

I have looked over the record of Commission hearings in the matter and I find 105 pages of cross-examination of company witnesses by FPC Staff Counsel Jensch. I find further clear evidence that the staff of the Commission is floundering because of the failure of the Commission itself to abide by any sound regulatory principles.

And, most disheartening of all, I find that the Commission saw fit to change the examiner in the middle of the case, bringing in one who constantly harassed Commission staff counsel in his efforts to cross-examine and undertook to help the main company witness make his case. In fact, it is most significant that the examiner actually rephrased the answers of the company's executive vice president, so that they would better support the "reasonable market price" decision.

When, in response to a question from staff counsel, company vice president, E. F. Blanks admitted that he wanted the Commission to disregard its holding in the Panhandle Eastern opinion, the examiner stepped in—pages 395–396—to help the witness. When staff counsel attempted to proceed with cross-examination, drawing from the witness the statement that the lower rates in east side Monroe field contracts "are not unreasonable, except that by modern day standards they are," the examiner stopped the cross-examination and proceeded to rephrase the witness' testimony "from a market standpoint"—pages 395–396.

In fact, the examiner stopped staff counsel's cross-examination on the very line of testimony concerning which the witness had originally testified; that is, concerning "reasonable market price," on the theoretical ground that he was asking the company vice president to give legal opinions rather than facts. Listen to the examiner's admonition to the Commission's attorney:

PRESIDING EXAMINER. You haven't asked him anything except the application of his concept of what would be reasonable. I think this is a very simple proposition. I wish the witness was just a little more able to explain himself. I feel I understand what he means, but maybe the record doesn't (p. 400).

After a few more helpful questions by the examiner and replies by the company vice president, the interchange concludes as follows:

PRESIDING EXAMINER. In other words, you are talking like most businessmen, it is reasonable to get the proper price, the price the market will pay; is that right?

The WITNESS. I might say, Your Honor, that that is less than some gas that is being delivered in the Monroe field at central points today (pp. 401–402).

Finally, staff counsel brought out that the company's decision to ask approval of a 10-cent-per-thousand-cubic-feet rate "has no relationship to our cost." And to his question as to why it is fair, "in your judgment," the company vice president made the company's position very clear as follows:

Because I think it is a reasonable price for the gas in the Monroe field, and while our contracts that we had were substantially higher than what we were getting, I feel that we should be entitled to it.

And if others were permitted to sell their gas at that price, we see no justification for us being held down to a price that we have been regulated down to (p. 407).

On further cross-examination of the company's vice president, after his return to the stand for redirect testimony, Staff Counsel Jensch brought out that the Olin Gas Transmission Co. has no substantive basis for the judgment that 4¼ cents additional cost per thousand cubic feet is necessary as an incentive to explore. The company witness falls back on the explanation that "it makes it comparable with what others are doing in the field and we presume that they feel that it is all right at the moment"—page 748.

Mr. President, I think it will be agreed, in the light of this record, that Mr. Kuykendall's response to Senator PASTORE's questions, with its clear implication that nobody insisted upon cross-examination on this vital point, was a blatantly misleading statement—made in the very course of the hearings on his confirmation.

In spite of all the obstacles faced by Commission staff when the Commission itself refuses to accept its consumer-protector responsibility, staff counsel brought out that Olin could not demonstrate mathematically how much revenue they needed to carry on their exploration and development, but that, on the contrary, their case was based essentially on what the market would pay. And, according to Kuykendall's own reply to Senator PASTORE, ability to demonstrate this was directly associated with their ability to sustain the burden of proof.

To me, the record of the Olin case is shocking evidence of the deterioration of regulation by the Federal Power Commission under the chairmanship of Mr. Kuykendall.

KUYKENDALL DECEIVES CONGRESS ON HIS REVERSAL OF CONGRESSIONAL MANDATE CONCERNING DURATION OF HYDRO LICENSES

Mr. Kuykendall's statement justifying his improper policy on duration of licenses for hydroelectric projects is a particularly glaring example of his readiness to deceive Congress and trade on the expectation that Members will not have enough detailed knowledge in this technical field to catch him.

The charge, which he is attempting to meet, is that he and a majority of the Commission under his chairmanship, have permitted private power companies to secure what amounts to extensions of their licenses for hydro beyond the 50-year maximum permitted under the Federal Power Act and thus to evade what has been known as the option of the Government to recapture these projects at the end of the licensed period. The companies have been allowed to get away with this sort of deal by coming in with a proposal for construction of an additional development and then getting what amounts to a new long-term license for old projects illegally operated without a license.

The specific issue is whether, under the pro-power company chairmanship of Mr. Kuykendall, the companies, by proposing a new hydrodevelopment and asking that previously constructed developments be included under the new license, are going to be allowed to secure an extension of the period of use of a hydroelectric resource subject to Congressional jurisdiction beyond the 50-year limit which Congress wrote into the Federal Power Act.

Let me call attention to the way in which the pre-Kuykendall Commission interpreted its duty in this matter. This will involve reference to Commission decisions in the 1940's which Kuykendall's statement fails to cite.

In the first place, to see how the Commission established the principle, I will refer to early Commission action on unlicensed constructed projects, where no reconstruction or new construction was proposed. In 12 such cases decided between 1935 and 1940 the Commission issued licenses extending to June 30, 1970—50 years after the Federal Water Power Act of 1920 became effective—or, in 2 cases, to 50 years after the project was started. Included in that list are project No. 400, Western Colorado Power Co.; project No. 1904, Connecticut River Power Co. and New England Power Co.; project No. 1881, Pennsylvania Water & Power Co.; project No. 1855, Bellows Falls Hyroelectric Corp., Connecticut

River Power Co., and New England Power Co.; project No. 1893, Public Service Co. of New Hampshire; project No. 1856, Electro Metallurgical Co.; project No. 1913, Public Service Co. of New Hampshire; project No. 1744, Utah Light & Traction Co. and Utah Power & Light Co.; project No. 1759, Wisconsin-Michigan Power Co.; project No. 1888, Metropolitan Edison Co.; project No. 1968, Wisconsin Public Service Co.; and project No. 1979 of the same company.

The Commission's principle in these cases was made clear in the Metropolitan Edison case—project No. 1888—after the company had asked a rehearing.

In its opinion of November 17, 1947, issued after rehearing, the Commission called attention to the fact that the project has been in trespass since original construction and a license should have been obtained on passage of the Federal Water Power Act of 1920. After noting further that, since 1938, the Commission "has uniformly fixed January 1, 1938, as the effective date of the commencement of the administrative charges required by section 10 (e) of the act," the syllabus of the opinion continues:

3. Except in cases where an earlier date is appropriate, June 30, 1970, is the termination date prescribed by the Commission since 1938 in all licenses for constructed projects operating without prior Federal authority.

4. The obligation to obtain a license rests upon the owner of each hydroelectric project operating with appropriate Federal authority in streams subject to the jurisdiction of Congress.

5. To grant applicant's request for a license covering a longer period than to 1970 would be to accord a special privilege not accorded to companies which applied for appropriate authority at an earlier date and not contemplated by the Congress in a statute limiting the license period to 50 years.

As the Commission said:

If a company could willfully violate the law and fail to obtain a license for 26 years as this applicant has done, and then receive a 50-year license from the date on which it filed the application, its license would run for 26 years more than if it had obtained the requisite authority in 1920 (FPC reports, vol. 6, p. 189).

In the second place, there were the Commission's decisions in cases where a single old and inadequate development was completely reconstructed and modernized, that is, essentially redeveloped. These include most of the cases cited by ex-Chairman Kuykendall. In the first of these cases, involving Idaho Power Co.'s project No. 457, the Commission followed closely the reasoning in the Metropolitan Edison case. This is not cited by Kuykendall. Thereafter, it treated the reconstruction of a specific project as essentially a new project entitled to a 50-year license. But this is something totally different from the giveaways which the Commission is now offering the companies, in which a single company may get a new 50-year license for as many as 10 old developments in connection with one proposed new development.

The case of project No. 457, Idaho Power Co., the company applied for amendment to its license, terminating June 30, 1970, to permit it to redevelop the site, about doubling the original capacity. The Commission, by order of April 29, 1947, amended the license for this purpose, without extending the date of expiration.

Idaho Power, by letter of May 20, 1947, requested the Commission to consider its application as one for a new 50-year license for the redeveloped project, effective from the date of its issuance. The company urged that otherwise it faced what could amount to acceptance by the company of a 23-year license for a new plant representing a major investment. The Commission, by order of August 6, 1947, denied the company's request, stating in part:

(4) The application for amendment of the license for project No. 457 to cover the redevelopment stated that the project site is to be redeveloped to utilize all of the available head, and it would appear, therefore, that the redevelopment is merely an enlargement of the project presently covered by the license. This being so, it is not in harmony with the intent of the Federal Power Act to issue a new license for further development of a project already under license;

(5) A new 50-year license would provide for amortization to commence 20 years from the effective date of the license, whereas the 20-year period under the present license for the project will by the terms of the license expire in 1948;

The Commission, having considered the request, the project record and its past practice in such matter, finds that:

(6) It would be incompatible with the intent of the Federal Power Act and inconsistent with the public interest to grant the company's request (FPC reports, vol. 6, p. 831).

This leads to brief comment on the cases in this group cited by ex-Chairman Kuykendall:

Project No. 1940, Wisconsin Public Service Corp., was essentially a new project using the site of an old project which applicant had bought at a receivership sale for $8,000 and built a new dam and powerhouse for $606,546. Project No. 1966 similarly represented construction of a new powerhouse.

Project No. 2004, Holyoke Water Power Co. involved construction of a new powerhouse designed to be expanded step by step to four times initial capacity by about 1965 for full development of the resource.

Project No. 2056, St. Anthony Falls Water Power Co., by Kuykendall's own statement is essentially a new project in which the company is licensed to develop power at Government navigation dam in place of its 54-year-old dam which is to be removed. His statement that the license was later amended to include constructed facilities at Upper Falls apparently refers to action in 1953 or later because no such order appears in the 1951 and 1952 volumes of Federal Power Commission Reports.

None of these citations provide justification or precedent for the reversal of Congressional policy limiting license terms to not more than 50 years. In fact, in the long list of precedents, which are based on sound principle, he can depend on only one exception to support the new and vicious principle which he is establishing to give the companies the virtual freedom from possible recapture of waterpower projects by the people as provided by law. That exception is the last which he cites, project 2077, Connecticut River Power Co., in which the Commission in 1952 allowed the company to obtain a full 50-year license for two constructed projects in connection with the proposed construction of a third development.

Under Mr. Kuykendall, the Commission is proceeding rapidly to accomplish the virtual repeal by administrative action of the 50-year limitation on license periods and the opportunity thereby afforded Congress to consider taking over the project on payment of net investment to the licensee. As the Senate Committee on Commerce said in September 1919 in recommending the bill which is now part I of the Federal Power Act:

We should pass legislation which will lead private capital and enterprise to develop these resources under such regulations as will give consumers good service and cheap power, or the Government itself should proceed to make this development. This bill proceeds on the theory of private development with ultimate public ownership possible.

The companies have always been out to destroy this alternative, and Kuykendall has led the Commission in affording a way for them to accomplish this objective. According to Kuykendall's own testimony, this is being offered as a bait to get the companies to bring their present unlicensed projects under license—in other words, to obey the law as it is written.

Two cases have been decided by the Commission under Mr. Kuykendall's chairmanship which clearly show his intention to offer the private power companies this inducement. These are the Montana Power Company case, in which the Commission gave the company a license to 1998 for nine separate power developments of which only one would be new; and the Carolina Aluminum Co. case, in which the Commission gave the company a license to 1997 for three separate constructed developments and to the year 2007 for a new project—one new one out of four.

In other words, these two private companies, which fought the Commission for years to avoid taking licenses, have been rewarded for the resulting postponement into the Kuykendall regime, by getting licenses for a combined total of 11 constructed projects for a period extending practically to the end of the century. And there is no proposal that any of these constructed projects are to be reconstructed to bring them within the list of precedents cited by Mr. Kuykendall.

If the principle which the Commission invoked from 1935 to 1950—which I have amply supported by the cases and precedents I have placed in the RECORD—had been applied, Montana Power would have received licensed terms to June 30, 1970—to 1998—for all but two of its constructed projects, with the termination date for the remaining two constructed projects being 1977 and 1980 respectively. In the case of Carolina

Aluminum, two of the constructed projects would have been licensed to June 30, 1970, and the other to 1977.

The Pacific Gas & Electric Co., in my own State, has been granted a similar favor—which I think is unjustifiable and against the public interest—in connection with its project No. 2105, for which the Commission granted a license covering both constructed and proposed developments for a 50-year period from November 1, 1954. Other cases are coming up, including the California-Oregon Power Co. project No. 2082, on the Klamath River; the Alabama Power Co. Project No. 2146, on the Coosa River; and the Duke Power Co., which Mr. Kuykendall mentions. The Duke case involves ten constructed and one proposed development on the Santee River.

Does anyone have any idea how these power companies would vote on this nomination? Does anyone have the slightest doubt as to what the power companies would say about the nomination, in view of the Kuykendall theory in regard to these extensions, and this reversal of the long-established precedents of the Federal Power Commission? This is one of the giveaways on which public attention has not yet been focused. But this is a giveaway amounting to hundreds and hundreds of millions of dollars. The chief architect of this giveaway ought to be removed from any possibility of further service on the Federal Power Commission in view of this record in extending these licenses.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. That is certainly an interesting development. Does the Senator from Oregon know whether the members of the committee who voted to report the nomination favorably were familiar with the actual extension of these licenses on constructed projects?

Mr. MORSE. I did my very best to explain it to them in my testimony. Apparently I was not very persuasive. I brought the record out. It is not mentioned in the committee's report or in the minority views. That is why I have spent so much time on it this afternoon, because I know the record I have made will be used. I know the record will be used, because I have made it on the basis of documented facts. I am making the record, because I intend, in the months ahead, to wrap it around the neck of this administration in the whole field of natural resources. It is a sad story and a sad record of the Eisenhower administration in giving away hundreds of millions of dollars of the wealth belonging to the people of this country to the private utilities of this country. It takes time.

The Senator from New Mexico well knows that, in view of the many great historic fights he has made in the Senate, when he has tried to stop predatory interests from taking over the welfare of the people. That is true particularly in view of the great job he did in the Dixon-Yates fight, to which I made reference earlier, and the great work he is now doing in trying to protect the rights of the American people in the atomic energy program. I am trying to protect the people's interest by endeavoring to stop the giveaway program of the Kuykendall Power Commission administration in regard to the extension of these licenses.

Of course we know what they are afraid of. They are afraid of applying the law which was enacted. I take Senators back to the purpose of that law. What Congress said in it was that if we are going to grant licenses for 50 years, then at the end of the 50 years, Congress shall have the say as to whether the licenses will be renewed.

In the Federal Power Act Congress said it was not closing the door to future public ownership of some of the great power projects. The companies are not entitled to an extension of these licenses as a matter of right. The law makes that perfectly clear. To the contrary, I may say to the Senator from New Mexico, at the end of the life of the license, in theory, the project should revert to the taxpayers of America. There may be some legal problems involved, of course. But what I am pointing out is that we have, in my judgment, a Federal Power Commission acting as a congress on this issue. Have we ever seen a report from Mr. Kuykendall of the Federal Power Commission to Congress saying, "Here is a license about to expire. What do you want us to do about it?" Have we ever seen a report from the Federal Power Commission saying, "Do you want the Federal Government to take the project over?"

I have tried to bring out what is clearly contemplated by the law.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARROLL. I understand Mr. Kuykendall comes from the State of Washington.

Mr. MORSE. The Senator is correct.

Mr. CARROLL. I invite the attention of the Senator from New Mexico to page 156 of the hearings. I call attention to the fact that the Washington State Grange, which is a body of farmers interested in the conservation of resources, sent to the committee a resolution setting forth seven charges against Mr. Kuykendall. One of the charges is based on the very point the able Senator from Oregon is making so forcibly. It is the sixth point in the resolution, and it reads:

> The Federal Power Commission is extending the license period for private-utility projects beyond the 50-year limit.

They go into great detail on that point. I wish to commend the Senator from Oregon for bringing this out so forcibly to the attention of the Members of the Senate.

Mr. MORSE. I thank the Senator from Colorado.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. The Senator from Oregon realizes the situation in which all of us find ourselves these days. For nearly 3 hours this morning I was at a committee hearing—and the Senator from Colorado was a very interested participant in it—dealing with water rights, which is an item of great importance to the people of the West. I then went to a meeting of the Joint Committee on Atomic Energy. In other words, we do not get a chance to follow up many of these things. However, I notice on the page to which the Senator from Colorado has referred, charge No. 4, which reads:

> 4. When the Dixon-Yates power contract was being investigated, Mr. Kuykendall not only failed to inform Congress that two Assistant General Counsels of the Federal Power Commission had given him opinions which were critical of the contract but he also subsequently submitted a statement for the record before a Congressional committee that the Dixon-Yates contract was fair and reasonable for the Government and for the private power company. This action on his part would again raise a question of the integrity of a man in such a high position and with such important responsibilities to the public interest.

I merely wish to say to the able Senator from Oregon that I do not know how fair it was to the Government, but it certainly was fair to the private power company. There is no question about that.

Then on another page of the hearings, which I do not have at the moment, the Chairman of the Atomic Energy Commission was testifying about Mr. Kuykendall giving him information on contracts, as they came along. Knowing how Mr. Kuykendall handled the information with reference to Dixon-Yates, I am wondering of what value the information he would supply to the Atomic Energy Commission would be as to the reasonableness of power rates from atomic installations thereafter.

This whole field, as the Senator from Oregon recognizes, is brandnew. The whole question of how to go about evaluating atomic-energy power that may be put into grids, and how to evaluate the eventual cost of it, if we have a breakthrough and get thermonuclear power, is a brand new question.

The letter to which I had reference is on pages 174 and 175. It is signed by Lewis Strauss, Chairman of the Atomic Energy Commission. It is dated July 22, 1954. I read from it a sentence or two:

> DEAR MR. KUYKENDALL: On a number of occasions in past years we have informally requested and received the cooperation of the Federal Power Commission staff in the review of proposed contracts for the purchase of electric power by the AEC. We have benefited from the suggestions, advice, and assistance that has been given on these occasions.

Does the Senator from Oregon have any doubt that the advice and suggestions, and the like, were in full compliance with the suggestions of the power companies which were going to serve the AEC?

Mr. MORSE. As I said earlier in my discussion this afternoon, I think Mr. Kuykendall has demonstrated time and time again that he sits on the Federal Power Commission as a representative of the utilities, and not as a representative of the people of the United States.

In my speech this afternoon I discussed the question which the Senator from New Mexico raised, and my conclusion was that Mr. Kuykendall had

deliberately misled the House committee in regard to what happened before the Federal Power Commission concerning the legal advice he had obtained from his own lawyers concerning the Dixon-Yates contract.

I may say good naturedly to my whip, the Senator from Montana [Mr. MANSFIELD], that I think he should know what transpired in the course of my speech this afternoon. After my conversation with him earlier, before the speech started, and after my announcement that I planned to talk for only an hour and a half—I had planned to make simply a synopsis—the Senator from Montana may have noticed that during the course of my speech certain messages were given to me, and the strongest of representations were made to me in the midst of my speech, by individuals in whose judgment I place great reliance, that it was of great importance that I make the full record of the material which they knew I had at my disposal, because they realized that this record will be of use in the future on this great issue, including, for example, the point I am now discussing. It was only for that reason that the course of the ship of my debate was changed, and I went into the deep waters at a greater distance.

The public interest requires full observance by the Federal Power Commission of the Congressional intent that private developers of the Nation's hydroelectric resources accept licenses for periods terminating not later than 50 years following enactment of the Federal Water Power Act in 1920, if the projects were constructed prior to that date, or 50 years following construction of the projects constructed subsequent to that date. Only by such procedure can the people of the country be protected in their right under the existing law to a periodic opportunity to determine whether the operation and maintenance of such projects should not be taken over by the Government on reasonable reimbursement of the licensee. Only by such procedure can consumers be assured that after the development has been in operation for 20 years, profits in excess of a specified rate of return will be used in part to maintain amortization reserves which will serve to reduce the company's claims for net investment in the project.

Mr. President, I emphasize what I said to the Senator from New Mexico. That decision should be the decision of Congress. It is a legislative problem; it is not a regulatory problem. Whether we should continue a project under private operation or whether we should start public operation of it and reimburse the company for its investment costs is a decision which ought to be made by Congress. But that is not what Kuykendall has been doing.

Mr. Kuykendall has shown by his own statement, with its less than full disclosure of the facts, that he cannot be trusted to protect the public interest or carry out the Congressional intent in this vital field.

A further indication of the private utility bias of the Commission under Kuykendall is its legislative recommendation for private utility preference in the renewal of licenses. The proposal appears on page 336 of the hearings as follows:

Federal Power Act—renewal of hydroelectric licenses: That section 15 of the Federal Power Act be amended in accordance with a proposal made by Chairman H. Lester Hooker, of the State Corporation Commission of Virginia, so as to give a licensee of a hydroelectric development the first option to renew its license pursuant to the then prevailing statute and conditions prescribed by the Commission in the event the United States, upon the expiration of the original license, did not exercise its option to take the project over as provided in section 14 of the act."

This is what it means: The proposal would freeze the option of the United States to take over projects after 50 years to the time when the license expires. Under present law the option can be exercised "upon or after" expiration—section 14. Further, it would eliminate the present provision enabling States and municipalities to take over these licensed projects after the 50-year license period during which the utilities make back their investment plus a profit.

Let me dwell on this subject a moment longer, because what the Senator from New Mexico has pointed out is very vital. Under the present system, after 50 years the Federal Government can take over projects if it wants to. If it does not, then preference is to be given to State and municipal authorities. It is a pretty sound policy.

Now a law is proposed by Kuykendall and the Commission he heads containing an interesting gimmick to do away with that kind of public preference, and to give the first option to the license, to the private utility. So through that kind of backdoor arrangement, what is really being sought is to repeal that provision of the original Federal Power Act. In the end, if they get by with it—and I serve notice on them now that they have bought a fight when this one gets to the floor of the Senate; that is one of the reasons I am making the record this afternoon—they will, of course, to all intents and purposes, have destroyed that part of the Federal Power Act which says, in effect, "We will let you operate the project for 50 years. You can make a profit for 50 years. But in 50 years we will decide whether we want to proceed with a renewal of the license, or whether at that time we will take over the public operation of the project."

EVIDENCE OF KUYKENDALL MISREPRESENTATION SUBMITTED AFTER HEARING

The day after the hearings closed, the chief counsel of the Commerce Committee submitted a memorandum which presents strong evidence that during the hearings on the confirmation of his own nomination, Mr. Kuykendall made yet another misrepresentation of fact. That memorandum appears on pages 444 and 445 of the printed hearings.

Mr. Presdent, I ask unanimous consent that the memorandum be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—MEMORANDUM

To: Senator WARREN G. MAGNUSON, chairman.
From: Harold I. Baynton, chief counsel.
Date: July 17, 1957.

In the Kuykendall hearing of July 16, 1957, you asked Mr. Kuykendall whether he had attended conferences or talked with the White House staff regarding the Dixon-Yates contract. Mr. Kuykendall stated he did not recall talking to the White House staff, the Bureau of the Budget, or the Atomic Energy Commission. You then read a paragraph from the report of the House Select Committee on Small Business which, in effect, stated that the chairman of the Securities and Exchange Commission, other Government officials, and Mr. Kuykendall met at the White House with the staff and discussed the contract. Mr. Kuykendall immediately replied: "I say that statement is inaccurate. I say it is incorrect completely insofar as reciting the fact that I was in on such a conference. I was not there."

On December 5, 1955, the Judiciary Subcommittee on Antitrust and Monopoly was holding hearings on Senate Resolution 61, a resolution concerning the charges of monopolistic influences in the power industry. The committee was taking the testimony, under oath, of Ralph Demmler, who from the period of June 17, 1953, until May 25, 1955, was Chairman of the Securities and Exchange Commission. Senator KEFAUVER was questioning Mr. Demmler as to meetings at the White House concerning the Dixon-Yates contract. On page 1275 of the printed hearings (power policy, Dixon-Yates contract, pt. II) in discussing the White House conferences, Senator KEFAUVER asked Mr. Demmler "Who was there * * *?"

"Mr. DEMMLER. My recollection is the following: General Persons was there for awhile, not very long, and General Vogel, the Chairman of the TVA, was there, Mr. Kuykendall, the Chairman of the Federal Power Commission, I think, Jack Martin was there, he is an administrative assistant, or used to be, Senator Taft's administrative assistant.

"Senator KEFAUVER. And General Counsel for the President, or Counsel for the President?

"Mr. DEMMLER. That was Mr. Shanley at the time. I don't think he was there. The ones I have named are all the ones I remember.

"Senator KEFAUVER. What was Mr. Kuykendall doing there?

"Mr. DEMMLER. I don't know, because when the question was disposed of as to whether the SEC should be asked to have a representative at these hearings, when that question was disposed of, I left. I wasn't there very long.

"Senator KEFAUVER. The purpose to have a representative, you mean to testify before the hearings?

"Mr. DEMMLER. Whether or not the Securities and Exchange Commission should be one of the agencies of government that should appear before the Joint Committee on Atomic Energy.

"Senator KEFAUVER. When was that, Mr. Demmler?

"Mr. DEMMLER. I guess it was November 3, because I have a memorandum which I took to the conference."

The foregoing testimony as to the presence of Mr. Kuykendall is unclear. Mr. Demmler stated, "Mr. Kuykendall, the chairman of the Federal Power Commission, I think, Jack Martin was there * * *." The words "I think" could apply to Mr. Kuykendall or Mr. Martin. However, a little later, Senator KEFAUVER asked Mr. Demmler, "What was Mr. Kuykendall doing there?" and Mr. Demmler went on to say he didn't know and gave

his reasons. The two parts of the answer together would indicate that Mr. Demmler felt reasonably sure that Mr. Kuykendall was present at the meeting. Senator KEFAUVER agrees with this conclusion.

(NOTE.—The foregoing was on November 3, 1955. On November 5, Mr. Kuykendall testified before the Joint Committee on Atomic Energy in favor of the Dixon-Yates contract.)

Mr. Demmler was under oath. Mr. Kuykendall in our hearings was not under oath.

Mr. MORSE. Mr. President, in closing my argument on Mr. Kuykendall, I want to say the confirmation of Mr. Kuykendall, after his proven lack of candor and misrepresentations to Congress, his failure to protect the public interest in case after case, his secret dealings limited to members of the industry to be regulated in drawing natural gas legislation and his repeated strained interpretations of the law so as to defeat Congressional policy, in my opinion should be rejected. If the Senate confirms the nomination despite this record, consumers and conservation groups will be faced with the greatest threat yet in the long and sad history of monopoly exploitation.

THE QUESTION OF SENATORIAL COURTESY

Mr. President, I want to make it very clear that if Mr. Kuykendall came from my State, I would raise personal objections to the confirmation of his nomination. It will be recalled that after President Eisenhower had nominated Mr. McKay to a position on the International Joint Commission, I served notice on the floor of the Senate that, because of his record in the field of natural resources, if the President appointed him to a position in the field of natural resources that required Senate confirmation, I would personally object to the nomination and exercise my parliamentary rights to block his nomination.

When I make that statement I do not wish to be interpreted as making any criticism of the Senators from Washington. As was stated on the floor of the Senate yesterday, it had been suggested that they raise personal objections to Mr. Kuykendall. I make such a suggestion to the Senators from Washington, as did others, I may say, who feel that his threat to our natural resources is such that we ought to utilize any parliamentary rights that exist to stop his nomination. I hold to that opinion, but I agree it is a matter of personal decision for each Senator to make. I only want to say that the precedents are pretty clear that one does not have to raise the objection by using the phrase "He is personally obnoxious."

In order to substantiate my position on that question, I ask unanimous consent to have printed in the RECORD at this point in my remarks a discussion of this matter in Harris' The Advice and Consent of the Senate, beginning on page 217.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

THE GROUNDS FOR PERSONAL OBJECTIONS

The custom of senatorial courtesy is the sanction by which a majority of the Senate may require the President to nominate the candidate proposed by the Senator or Senators from the State in which the office is situated, provided they belong to the same party as that of the President. Under the custom, any Member of the Senate may block the confirmation of a nomination by stating that the nominee is personally obnoxious or offensive to him. In the past it has not been necessary for the Senator to do more than merely indicate his opposition to a nomination, and repeat the customary formula. An objection to a nomination does not mean that the nominee is actually personally obnoxious to the objecting Senator; it frequently involves no animus whatever but merely indicates that the Senator has another candidate. Formerly, it was not necessary or even expected that the objecting Senator give any reasons to support his objections. He needed merely to rise in his seat and announce that the nominee was personally obnoxious to him and, if he notified the chairman of the committee to which the nomination had been referred of his objection, the nomination would not be reported to the Senate.

The application of the unwritten rule of courtesy was the subject of an extended debate in the Senate in 1932 when the nomination of Charles A. Jonas, a former Republican Congressman from North Carolina, to be a Federal district attorney in that State was being considered. Senator Bailey of North Carolina, recently elected to the Senate, entered a personal objection, but asserted paradoxically that there was nothing personal in his objection. Bailey objected to a statement that Jonas had given to the press after his defeat for reelection in 1930, which charged that election frauds were prevalent in the State and stated that they could not be cleaned out by attempts at criminal prosecution of the offenders. Although Bailey had once made much more severe allegations of election frauds in the State, he declared that the appointment was personally obnoxious to him because Jonas had brought the Commonwealth of North Carolina "into obloquy," had impeached its good name, and had asserted that justice could not be had in its courts in election cases.

The principal issue in the debate was whether the Senator from North Carolina had brought himself under the rule of courtesy. Several leading Republican Senators stated that they would honor the objection and vote against the nomination only if Senator Bailey would state unequivocally that the nominee was "personally obnoxious" to him. The Senate voted to reject the nomination, but a few days later Senator Hastings moved to reconsider, stating that he was convinced that the North Carolina Senator had not come within the rule of "personal obnoxiousness," because he had stated that his objection was not personal. Senator Bailey declared again that his objection was not personal, and that he would not take advantage of his worst enemy by reason of any supposed privilege resting in him because of his position. Referring to the code of sportsmanship, he stated that he had been "bred to believe that a man should not shoot a bird on the ground, or a rabbit in the brush, or a duck in the water," and that he did not propose to "take advantages like those." Senator Johnson of California stated that an objection was not tenable "except it be of a personal character," but Senator Reed of Pennsylvania stated that the Senator from North Carolina was making his path very hard. If he would simply state that the nominee was personally objectionable, Senator Reed said, he would vote against confirmation, but if the matter were left to his own judgment, he would have to vote the other way. When Senator Bailey replied that he had stated that the nominee was personally obnoxious to him and had given his reasons, Senator Reed exclaimed:

"Ah, but then why does the Senator use the words 'personally obnoxious' at all? If he has reasons against the confirmation, all well and good; let us weigh the reasons; but the fact of the nominee being personally obnoxious to him or not does not seem to me to enter into the case at all. If he puts it on the ground of a disqualification of this nominee because of what he has done, that is one thing. If he puts it on the ground of his being personally obnoxious to him, that is something totally different, so far as I am concerned.

"In other words, it depends on where the responsibilities lies. If the Senator from North Carolina will assume the responsibility of saying this nominee is personally obnoxious, then I vote with him; but if he puts on me the responsibility of saying whether this man's newspaper interview is a sufficient reason for rejecting him, I should be forced in all honesty to say 'No, I do not think it is a sufficient reason.' "

* * * * *

It has been said on the floor of the Senate that when a Senator enters a personal objection to a nominee it is to be presumed that he has good reasons for taking such action and the objection can be taken as an indication that the nominee is not suitable for the appointment. The evidence, however, is to the contrary. Typically, a personal objection is entered when the objecting Senator concedes that the nominee is fully qualified, which may or may not be openly stated. In opposing the President's nominations to the Illinois judgeships in 1951, for example, Senator Douglas stated that the nominees were "worthy" or "eminent" men, and Senators Glass and Byrd admitted that Judge Roberts of Virginia, whom they had opposed in 1939, was fully qualified. In the Senate debate on the Jonas appointment in 1932, Senator Walsh, who supported the objection of Senator Bailey, stated: "There seems to be no serious question about the ability of Mr. Jonas as a lawyer nor as to his general character." Similarly, Senator Reed said that the nominee was perfectly competent, and that the President was justified in making the appointment.

These cases are typical of many others in which the Senate rejected nominees who were recognized as being fully qualified, for reasons that had nothing whatever to do with their qualifications. In some instances, however, an objecting Senator has attacked the nominee, asserting that he lacked the necessary qualifications or was an unfit person; but such attacks have usually been transparently political in nature, revealing the animus of the Senator rather than verified evidence unfavorable to the nominee. As a general rule, when the President turns down the recommendation of a Senator of his party for an appointment in the Senator's State, he anticipates the opposition of the Senator and therefore is particularly careful to choose a person of outstanding qualifications. This, however, was not true in the contest over the Illinois judgeships in 1951.

Often, personal objections are due to the fact that the nominee is a political opponent of the Senator voicing the objection. Thus Senators BYRD and ROBERTSON, of Virginia, opposed the nomination of Martin A. Hutchinson of that State to be a member of the Federal Trade Commission in 1950. Hutchinson had formerly been a prominent member of the Byrd organization, and BYRD, when Governor, had appointed him to some of the highest and most influential offices in the State. He had since become a leader of the anti-Byrd faction and had run against Senator BYRD in the Democratic primary of 1946. Although the Virginia Senators did not use the words "personally obnoxious," and they alleged that Hutchinson did not have the requisite qualifications for the office, it was quite clear that their objections were political. Prominent

citizens of the State, many associated with the Byrd organization, sent in letters and telegrams speaking of the nominee in the highest terms. Douglas Southall Freeman, editor of the Richmond News Leader, and a celebrated author, wrote that Hutchinson was a distinguished lawyer who "measures up to every requirement, professional and personal, for the important office," and that his rejection because of mere factional Virginia politics would be "intolerable," and "contrary to the best traditions of American democracy. * * * Were the nomination of Mr. Hutchinson to be rejected, another would be added to the unhappy list of men denied opportunities for reasons that will not stand the light of day."

In the Senate debate Senator BYRD discoursed at length on senatorial courtesy and the importance of the functions of the FTC, and advanced the proposition that the Senators from each State should be the ones to decide whether a citizen of their State should be confirmed for a national office. "Quite naturally," he said, "the Senators from Virginia are in the best position of any Senators to advise on the fitness and qualifications of Mr. Hutchinson or any other Virginian who may be proposed for an important public office." The Senate voted 59 to 14 to reject the nomination, sustaining the objection, though the objecting Senators had carefully avoided using the customary formula.

Mr. MORSE. Mr. President, of the various precedents that are cited, I wish to point out the North Carolina case, in which Senator Bailey said, in effect, that the personal relationships between him and the nominee were of the best, and yet he took the position that, on personal grounds, he could not recommend the nominee. He objected, and the Senate sustained his objection. There have been other similar cases in the history of the Senate.

So that no one in my State, at least, will misunderstand my position, I happen to believe that the pending nomination is so contrary to the best interests of the people of the Pacific Northwest, and the Nation as a whole, that any parliamentary right which could be exercised to prevent this man's being foisted upon the American people for another 5-year term should be exercised. However, each Senator has a perfect right to be his own judge of the course of action he should follow. I respect the right of the Senators from Washington not to raise any personal objection for reasons that they have stated.

As I close, I urge the rejection of the confirmation of the nomination because I think, on the record, the nominee has proven himself an enemy of the public interest of the consumers of America.

PRODUCTION OF GOVERNMENT RECORDS IN CRIMINAL CASES IN UNITED STATES COURTS

During the delivery of Mr. MORSE's speech,

Mr. O'MAHONEY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Yes; if unanimous consent is given that I may do so without losing my right to the floor.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection? Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I desire to file with the Senate the copy for a star print of the report from the Committee on the Judiciary to accompany the bill S. 2377, establishing procedures for the production of Government records in criminal cases in United States courts.

I understand the bill will be called up after the executive session has been concluded, and after a bill having to do with the authorization of appropriations for the Atomic Energy Commission may be considered. The copy of the modification of the report is not yet ready, but it will be filed with the Secretary of the Senate just as soon as it is ready.

Mr. McNAMARA. Mr. President——

Mr. MORSE. I yield, provided that unanimous consent is given that I may yield to the Senator from Michigan without losing my right to the floor.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there objection? Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, I am not asking the Senator from Oregon to yield to me. I understand that a request had been made for unanimous consent to have a star print substituted for the original print. Is that correct?

Mr. MANSFIELD. Mr. President, I imagine that the Senator from Michigan is directing his inquiry to the Senator from Wyoming [Mr. O'MAHONEY].

Mr. McNAMARA. No, I am not. I am propounding a parliamentary inquiry. Mr. President, my inquiry is this: Was unanimous consent requested to have a star print substituted for a print previously accepted?

Mr. O'MAHONEY. No such request for unanimous consent was made. I presented from the Judiciary Committee a notice that a star print of the report would be sent to the desk.

Mr. McNAMARA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state it.

Mr. McNAMARA. Am I to obtain an answer to the parliamentary inquiry I addressed to the Chair?

Mr. O'MAHONEY. Of course, Mr. President, I know what I stated.

Mr. MANSFIELD. Mr. President, at the time referred to, I was in the Chair, and I know that no such inquiry was addressed to the Chair.

The PRESIDING OFFICER. The Senator from Wyoming has stated that he did not submit a unanimous-consent request; and the Chair assumes that that statement is descriptive of the status which prevailed in respect to that matter.

Mr. McNAMARA. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield, provided I may do so without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, it is my opinion that legislation such as proposed in S. 2377, particularly in view of the fact that the bill is so loosely drawn, is not really necessary.

Attorneys may be able to make a case for some legislation establishing procedure which judges may follow in interpreting the Supreme Court's decision in the Jencks case.

However, many attorneys with whom I have discussed this matter point out that S. 2377, as it was drafted, is not a good bill.

At the very least, full and complete hearings should be conducted before the Senate is asked to act.

I feel that this bill was hastily conceived, following the Supreme Court's decision, during a period when something approaching hysteria, rather than reason, prevailed.

I think it is significant, however, that the Judiciary Committee, which reported this bill in such haste, acknowledged that the Jencks decision was not really so broad as some might have thought initially.

I call attention to two statements appearing in the committee's report. On page 3, the report states:

> The committee believes that it should be emphasized, in view of the wide misinterpretation and popular misunderstanding of the opinion in the Jencks case, that in its decision the Supreme Court quoted language from other cases making clear that the reasoning of the court in reaching the majority opinion was that the rule it was upholding would not propose any broad or blind fishing expedition among documents possessed by the Government.

Also on the same page, the report says:

> Although there is language in the Jencks opinion which, standing alone, might have led a lower court to a misapprehension of the meaning of the decision, the committee does not believe, after studying the decision very carefully, that a defendant would be entitled under the decision in the Jencks case to rove at will through Government files.

Further, there seems to be growing evidence that the initial apprehension over the decision by Federal judges is abating. In the past few weeks in Michigan, on two occasions, Federal judges in Detroit have set limits on the original broad interpretation of the Jencks decision. In refusing to turn over FBI files wholesale to defense attorneys in one case, the Federal judge is quoted as saying:

> I don't believe that the decision is as broad as some attorneys and some courts think it is. It doesn't change the law a great deal in my opinion.
>
> And it certainly doesn't give defense counsel carte blanche to examine all FBI files.

I understand from newspaper accounts that Federal judges elsewhere are adopting similar attitudes. Thus, I do not see the need for hasty action on this proposed legislation.

Establishing legislative procedure in regard to a Supreme Court decision is, in itself, an unusual procedure, attorneys tell me. But the very least we can do is to subject this bill to the close scrutiny of a full hearing. It is too important to do otherwise.

In connection with this subject, I hold in my hand a very worthwhile editorial from the New York Post of Monday, August 12, 1957. I ask unanimous consent that it be printed, in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JUSTICE, JENCKS, AND JUNK

It has long been a fact of United States life that most newspapers, like most politicians, are unwilling to differ with FBI Director J. Edgar Hoover in a public place.

But there is something especially degrading about the way in which most metropolitan dailies are serving as propaganda organs for the FBI in its campaign to overthrow the Supreme Court decision in the Jencks case.

That decision affirmed nothing more than the sound American principle that a defendant shall have access to any information material to his defense, even if it be contained in that sacrosanct vault known as the FBI files.

It did not require the FBI to divulge any secrets or unveil any underground agents. It simply obliged the Government to decide whether the protection of such hidden bodies was more or less vital to the national security than an individual prosecution.

These distinctions are being hopelessly obscured in the drive to stampede Congress into enactment of legislation repealing the spirit and substance of the Jencks decision. The drive has reached new depths of fraud and fury in the aftermath of the indictment of accused Soviet Intelligence Agent Rudolf Abel.

The news columns of the august Herald Tribune are competing feverishly with those of the know-nothing gazettes in spreading the word that the FBI's war against communism in general and its prosecution of Abel in particular will be fatally crippled unless Congress acts at once to scrap the Jencks decision.

Legislation sponsored by Representative KEATING, Republican, of New York, and noisily seconded by Representatives MARTIN, Republican, of Massachusetts, and WALTER, Democrat, of Pennsylvania, would, in effect, restore to the FBI, in cooperation with friendly and timid judges, the right to withhold relevant data where J. Edgar Hoover deemed such suppression expedient.

The growing tumult is clearly designed to smother free debate and to force frenzied legislative action in an area that deserves calm, thoughtful appraisal. Now, as so often before, it is being suggested that anyone who questions the FBI formula must be a hireling or dupe of the Kremlin, and not even Chief Justice Warren has been spared such attack.

The timing of the tempest is parenthetically puzzling in view of the known facts in the Abel case. The chief witness against Abel, as the Times noted yesterday, will be Abel's former top aid, whose defection is no longer a secret. It is hard to believe under these circumstances that the success or failure of the prosecution truly hinges on the restoration of secrecy to the FBI files.

But in any event the crucial matter is the principle of disclosure; it is bigger than Abel or any other single case. Obviously Abel himself ceased to constitute a threat from the moment when the FBI caught up with his operations; in the past Mr. Hoover himself has noted that there are times when the FBI prefers to keep foreign agents under surveillance rather than initiate prosecutions. If the Jencks decision actually threatens an effective trial, why was the indictment brought at this juncture?

Police agencies naturally prefer rules of operation which afford them maximum convenience and minimum complexity. They prefer to reveal as little as possible about their methods and to intimate that their work would be crippled if it became exposed to serious scrutiny. The FBI lives by that code. Yet that code for many years offered protection to such dubious FBI informants as Harvey Matusow, and subjected many Americans to unjust harassment at the hands of untrustworthy witnesses who flourished behind closed doors.

The Jencks decision was a dramatic reassertion of what used to be basic American doctrine: that the business of our courts is to secure justice, not insure convictions, and that the rights of defendants shall not be subordinated to the comforts of the police. Surely this is the point at which our law clashes most fundamentally with the gospel of Communist and Fascist states. But that issue is being disguised and distorted by the panic of the patrioteers, and by the craven performance of most of the press.

CIVIL RIGHTS

During the delivery of Mr. MORSE's speech,

Mr. O'MAHONEY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Yes, if unanimous consent is given that I may do so without losing my right to the floor.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection? Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, for the information of Senators and of others who are present, I should like to read a dispatch which I have just taken from the news ticker. This portion of the ticker bears the heading "Civil Rights," and it reads as follows:

WASHINGTON.—Indications of a possible break in the House civil-rights deadlock took form today.

Representative KEATING, Republican, of New York, chief House spokesman for the administration's civil-rights program, told newsmen that as a last resort he would go along with a modified jury-trial bill rather than have no civil-rights bill at all at this session.

As the civil-rights impasse continued, KEATING summoned reporters to his office for a news conference, at which he stated:

"If my back's to the wall, I would rather have a bill with some form of jury trial in it than no bill at all. I want a bill this session."

Asked if that meant he would take the Senate's criminal-contempt jury-trial proviso narrowed down to voting cases, as proposed by House Democrats, in preference to no legislation, KEATING replied "Yes."

Mr. President, of course, I have no information with respect to the accuracy of the report, but I regard the story as an indication that progress is being made on the House side toward acceptance of the bill as passed by the Senate.

Mr. CARROLL. Mr. President, at this point will the Senator from Oregon yield to me?

Mr. MORSE. I yield, provided unanimous consent is given that I may do so and still may protect my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARROLL. Mr. President, with reference to the ticker item about the very able Member of the House of Representatives [Mr. KEATING], let me say that I had occasion to see him casually the other day, and, in view of the statement which appears on the press ticker, I am confident that his position as set forth in the ticker statement is actually his position. It is a wise position. He is a sound lawyer—one of the best lawyers in the other body. The position he has taken shows real progress. If the leadership in the other body would follow that excellent example, as shown by the ticker statement, I think there would come from this Congress a very fine piece of civil-rights legislation, due in large part to the excellent work done by the distinguished Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. I thank the Senator from Colorado. I share his view of the capabilities of Representative KEATING, of New York.

Mr. President, there has been a growing expression of public opinion in favor of the civil-rights bill as passed by the Senate.

Last evening, I was delighted to learn that former Senator Frank Graham, of North Carolina, who formerly was president of the University of North Carolina, and who now is associated with the United Nations, and who for several years acted, I believe, as a mediator in connection with several Asiatic conferences, made some observations regarding the situation of the Negroes in the South. In that connection, today I received from Mr. Ralph McCallister, director of the New York Chautauqua Institution, a letter in which he has informed me that last evening Dr. Graham discussed the situation of the Negroes in the South; and in his letter Mr. McCallister has suggested to me that he believes that at least some of the comments made by Dr. Graham should be printed in the CONGRESSIONAL RECORD.

Therefore I am very pleased to read the following brief summary of the speeches made by Dr. Graham at the Chautauqua Institution on August 14, 1957:

In the course of 3 addresses on the United Nations at the 84th Chautauqua Assembly of people from 48 States and 14 foreign countries, Dr. Frank P. Graham, 19 years president of the University of North Carolina, former United States Senator and U. N. mediator in 2 Asian conflicts, made some timely observations on (1) the development among southern people of the sense of obligation to prepare all their children, including Negro children, for full citizenship; and (2) the faithful way in which Negro youth have prepared themselves for full citizenship, including the right to vote as the most fundamental right in a democracy on which other rights so largely depend.

He remarked that despite heavy lags and unfair procedures and pressures in many communities in many States there has yet been a steady increase in the number of Negro voters through the initiative of Negro organizations and the widening of the religious conscience and a sense of democratic responsibility. The opportunity is at hand, he said, for the first time in almost fourscore years to adopt measures without a Senate filibuster, which in a few years will likely more than double the rate of increase in the number of Negro voters in 12 Southern States.

* * * * *

Bearing on the preparation for the right to vote based on literacy are the following developments: (1) In 1875 nine Southern States spent a little over $5 million for the maintenance of the public schools, mainly for white children; (2) in 1952 13 Southern States spent $1.2 billion for the maintenance of the public school in that year for all children; (3) in the last decade North Carolina, for example, has maintained a State-

wide, State-supported, 12-grade, 9-month school system for all children, rural and urban, white or colored; (4) in North Carolina, Tennessee, and Virginia, teachers of Negro children, because of their longer experience and training, receive, on the average, higher salaries than the teachers of white children; (5) the southern people of both races invest a larger proportion of their income in the education of their children than the people of other regions; and (6) although one-tenth of the Negroes in the world are in the United States, more Negro youth are in colleges in the United States, mainly in the Southern States, than in all the rest of the world.

Mr. President, I think those quotations from the speeches made by Dr. Graham, formerly the president of the University of North Carolina and a former Member of this body, indicate that progress is being made among the people who are most closely associated with the Negro population of the United States. Furthermore, progress is being made in the Congress toward the enactment of a sound and practicable civil-rights bill. I think this is excellent news.

I thank the Senator from Oregon for yielding to me in order that I might make this statement.

POSTAL RATE INCREASES

Mr. JOHNSTON of South Carolina. Mr. President, on Tuesday, the House of Representatives approved H. R. 5836, a bill to increase postal rates and to establish a Congressional policy for the determination of postal rates.

This is a very complex bill, with many ramifications.

In effect, it places an additional one-half-billion-dollar tax burden on the citizens of this country.

It raises first-class letter rates from 3 cents to 4 cents.

Post and postal cards and drop letters are increased from 2 cents to 3 cents. Bulk book rates are raised from 10 cents to 12 cents and books permitted to be mailed under fourth class are increased from 8 cents to 10 cents.

Controlled-circulation magazines are raised from 10 to 12 cents and 11 to 12 cents.

Third-class bulk mail as reported from the committee was increased to 2 cents the first year and to 2½ cents thereafter.

However, by an amendment adopted on the floor of the House these rates were increased to 2½ cents effective next October.

This amendment destroys the long-standing ratio between first- and third-class mail. The ratio now is 1½ cents to 3 cents. Under the amendment the ratio would be 2½ cents to 4 cents. The committee studies show that the mail user in this instance performs a service for the Post Office Department at a cost to the user of approximately 1 cent. This would make the total cost to the mailer, who uses third-class mail in bulk, 3½ cents and thus—in effect—render useless the third-class mail category.

The bill as reported from committee would increase the rates on second-class publications by approximately 15 percent for each of the next 4 years or a total of some 60 percent.

But, because of an amendment adopted on the floor of the House Tuesday, it is impossible to say how much the increase on second-class publications will be. It has been estimated that the increase will be as high as 2,000 percent.

I have been informed by experts on the subject that the amendment is unworkable and cannot be administered.

I say all this to show why it is absolutely necessary that the Committee on Post Office and Civil Service study this bill very thoroughly before the Senate is requested to act.

I do not intend to take any action to unduly delay the bill; but the committee has received numerous requests from people affected by this legislation urging hearings and the right to testify. As chairman of the committee, I intend to protect their rights.

I announce at this time that I am appointing a subcommittee consisting of Senators NEUBERGER, of Oregon; YARBOROUGH, of Texas; CARLSON, of Kansas; and MORTON, of Kentucky, with myself as chairman.

I have discussed the subject of minority representation with the Senator from Kansas [Mr. CARLSON].

I intend to start hearings immediately—beginning Friday afternoon at 2 p. m. and to proceed without delay to a speedy conclusion.

It is my firm intention to report a postal-rate bill to the full committee as soon as the hearings are completed.

TENTH ANNIVERSARY OF THE INDEPENDENCE OF PAKISTAN

Mr. HUMPHREY. Mr. President, on August 14, 1947, the new nation of Pakistan was born. Ten years later Pakistan is proudly celebrating a decade of great progress.

Pakistan is a country of 84 million people. It is a Moslem nation divided into two parts by 1,000 miles of Indian territory. This division has caused serious problems of transportation, communication, economic integration, and defense which have aggravated the difficulties faced by any new country. Beyond these problems, Pakistan has had to contend with the staggering task of resettling 7 million refugees.

Pakistan has not been daunted by these enormous obstacles. The Pakistanis immediately rolled up their sleeves and began to develop their economy. The work of economic development has gone slowly, but Pakistanis have reason for pride in what they have accomplished. Since 1950, industrial production in Pakistan has quadrupled.

It is to the credit of Pakistan to say that economic development there might have gone faster were it not for the large military effort which Pakistan is making. The United States has been able to count on Pakistan as a valuable military ally. Pakistan is a member both of the Southeast Asian Treaty Organization and of the Baghdad Pact. It may be that we in the United States have encouraged Pakistan to undertake a military burden which is too great for it to bear.

The United States can take pride in the help which we have given to Pakistan. This country has delivered or programed several hundred million dollars in the form of military assistance, defense support, and technical cooperation programs.

Pakistan has a difficult road ahead if she is to increase economic growth fast enough to keep pace with her increasing population. I am confident, however, that the great spirit and determination of the Pakistan people will carry them through.

I am sure that all members of the Senate join me in congratulating Pakistan on the results which she has achieved in her first 10 years and in wishing the Pakistani people continued success.

PROPOSED LEGISLATION FOR CONTROL OF SIGNBOARDS ON INTERSTATE HIGHWAYS

Mr. NEUBERGER. Mr. President, earlier in the day, during the morning hour, I made a brief statement on the floor of the Senate pointing to the urgent necessity of the Senate Public Works Committee meeting to consider Senate bill 963. This is proposed legislation which deals with the control of signboards on our interstate highways.

In fairness to the distinguished chairman of the Senate Public Works Committee, I think I should say tonight, before the Senate concludes its business for the day, that there has just come to my office an announcement from the Senate Public Works Committee to the effect that it is scheduled to meet next Tuesday, August 20, for the purpose of considering Senate bill 963, our signboard-control measure.

I wish to have this statement appear in the RECORD today, in fairness and equity to the chairman of the committee.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission.

Mr. ANDERSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRICKER. Mr. President, I urge confirmation by the Senate of the nomination of Jerome K. Kuykendall of Washington to be a member of the Federal Power Commission.

President Eisenhower has renominated Mr. Kuykendall for a second term as a member of the Commission. This nomination, which was sent to the Senate on May 1, 1957, has been long delayed. The Federal Power Commission has been seriously hampered in its normal operations since last June 22, when Mr. Kuykendall's original appointment expired.

The Senate Committee on Interstate and Foreign Commerce held extensive

public hearings for 6 days. Not a single scintilla of evidence was presented in the testimony of the witnesses who opposed Mr. Kuykendall which would be cause for rejection of his nomination. Many charges and allegations were made. It was the considered opinion of the majority of the members of the committee, after weighing the testimony received, that none of the charges had been proved. Mr. Kuykendall's nomination was ordered favorably reported.

There was no testimony received by the committee from any witness which reflected upon the nominee's honesty or integrity. The junior Senator from Rhode Island [Mr. PASTORE], although opposed to confirmation, graciously disclaimed in his minority views any desire to reflect the nominee's personal honesty or integrity.

Chairman Kuykendall's personal opinions and views, as reflected in some of the decisions of the Federal Power Commission, were challenged by certain witnesses. I have diligently searched the records and have examined some of the cases in which Mr. Kuykendall participated. I cannot find in any of the materials that I have seen evidence that he has failed to carry out his sworn duty to protect the interests of the consumers. I frankly do not believe that there is any substance to this charge.

Honest men of different backgrounds, education, and ability will often disagree on a broad range of controversial issues. That is to be expected. There is no basis whatever for the charge that Mr. Kuykendall, while serving as a member and as chairman of the Federal Power Commission, neglected his prime duty to protect the interests of consumers or that he performed any of his duties in a biased manner. I believe that he has given the Commission capable, honest, and impartial leadership. I certainly do not agree with the result reached in every case which has come before the Commission and I do not expect any of my colleagues to do so. I do expect that Senators will respect a man's judgment arrived at impartially after thorough consideration of the issues in the many cases which came before him as a member of the Federal Power Commission.

Any doubts concerning Mr. Kuykendall's qualifications ought to be dispelled by the flimsy evidence cited and the dubious arguments advanced in the minority reports. The case against Mr. Kuykendall boils down to the charge that he has "shown a superior allegiance to the policies of the executive rather than to those of the Congress." As I shall demonstrate, every bit of evidence cited to support that charge actually shows Mr. Kuykendall's determination to effectuate the policies of the Congress. It is most unfair to accuse Mr. Kuykendall of being an executive puppet merely because the executive policy he may have advanced was also the policy of a majority of the Congress.

For example, the first so-called convincing evidence cited in the minority views concerns Mr. Kuykendall's honoring a White House request for aid in drafting a natural-gas bill. I am at a loss to understand how this incident comes even close to proving servility to the executive branch.

In the first place, the draft legislation requested by the White House was similar to that passed by the 84th Congress.

And, in the second place, I cannot imagine that the Congress would want to deny to the President of the United States access to an unbiased source of expert advice and assistance. If the President needs technical information about securities regulations, he should be able to get it from the Chairman of the Securities and Exchange Commission. Would the signers of the minority views force him to go to Wall Street for legislative assistance?

Or suppose the President wishes to recommend to the Congress legislation regulating certain radio and television network practices. Surely it is not improper for the Chairman of the Federal Communications Commission to advise the President. Would the signers of the minority views compel the President to get the necessary technical information from NBC and CBS?

Finally, I am somewhat skeptical about the protective attitude which some of Mr. Kuykendall's opponents now show toward the independence of the Federal Power Commission. They voted for Reorganization Plan No. 9 of 1950. I voted against it. That reorganization plan, approved by the Senate on May 22, 1950, transferred certain administrative responsibilities from the Commission to the Chairman, and vested in the President power to designate the Chairman. I felt, although some of Mr. Kuykendall's opponents did not then agree, that President Truman's plan for reorganizing the Federal Power Commission might subject this arm of the Congress to executive domination. I think it is a great tribute to Mr. Kuykendall's independent spirit that the fears which I expressed in 1950 have not yet come to pass.

Also described in the minority views as convincing proof of Mr. Kuykendall's superior allegiance to executive policies is his testimony in favor of the Harris-Fulbright natural gas bill in 1955. That bill was passed by both Houses of Congress. The bill was passed by the Senate on February 6, 1956, by a vote of 53 to 38. Do the signers of the minority views seriously contend that 53 Members of the Senate of the United States automatically disqualified themselves for membership on the Federal Power Commission? If so, this is a new and rather weird form of the hateful bill of attainder.

I would be the first to recognize that reasonable and honest men can, and do, differ on whether or not the Supreme Court decision in *Phillips Petroleum Co. v. Wisconsin* (347 U. S. 672 (1954)), was judicial legislation. However, to disqualify Mr. Kuykendall for service on the Federal Power Commission for not agreeing with the holding in the Phillips Petroleum case would be unforgiveable. By the same line of reasoning, the dissenting Justices in the Phillips Petroleum case—Justices Douglas, Clark, and Burton—would be too illiberal, too callous to the interests of consumers, to serve on the Federal Power Commission.

The minority report also alleges that Mr. Kuykendall on July 28, 1955, promoted the executive policy which opposed Federal construction of a high dam at Hells Canyon. Even if such an act of promotion occurred, it would be impossible to show that it did not equally promote Congressional policy. A year after the occurrence of the incident referred to in the minority report the Senate, by a vote of 51 to 41, rejected the Hells Canyon Dam project.

Mr. Kuykendall's act, allegedly induced by executive opposition to Hells Canyon, was merely to describe as "pending" before the House Select Committee on Small Business the Idaho Power Co. license application which had in fact been approved the day before. But if Mr. Kuykendall had made the official announcement of the Commission's action in an open hearing of the House Select Committee on Small Business, the chairmen of the Senate and House Committees on Interstate and Foreign Commerce would have had justifiable cause to complain. Mr. Kuykendall demonstrated the prudence expected of a good administrator by not making a premature announcement of an important decision in an open hearing before a legislative committee having no supervisory function or legislative power over the Federal Power Commission.

Mr. Kuykendall, contrary to the minority views, did not promote executive policy in regard to the Dixon-Yates contract. He categorically denied that he ever participated in any meeting at the White House, or any place else, at which the Dixon-Yates contract negotiations were discussed by White House staff members. I am satisfied that Mr. Kuykendall testified truthfully on this matter.

I am also convinced that Mr. Kuykendall did not mislead the Joint Committee on Atomic Energy on November 5, 1954, in his testimony on the Dixon-Yates contract. I am a member of that committee, and I do not see how anyone could have been misled by Mr. Kuykendall's testimony. It is also alleged in the minority views that Mr. Kuykendall interpreted the letter of the Atomic Energy Commission requesting an opinion from the Federal Power Commission too narrowly. The correspondence from the Atomic Energy Commission requested advice on whether or not in consideration of the contract as a whole the rates, terms, conditions and cancellation provisions are fair and reasonable to the Government.

The Federal Power Commission was not a party to the Dixon-Yates contract. The commission responded to the request for advice and notified the Atomic Energy Commission that the contract was fair and reasonable to the Government. The Federal Power Commission had examined two drafts of the contract and the same conclusion quoted above was sent to the commission in both instances. In so advising the Atomic Energy Commission the Federal Power Commission had accepted the findings and recommendations of its Bureau of Power. The nominee stated before our committee that he could see no reason why legal advice should be given to the

Atomic Energy Commission. I stress the point that the Federal Power Commission had decided not to give legal advice in their opinion. Thus, it was by Commission action, and not by separate action of Mr. Kuykendall, that the Federal Power Commission approved the draft contracts as being fair and reasonable to the Government.

The minority views also criticize certain internal accounting procedures of the Federal Power Commission which have had the support of Mr. Kuykendall. If the Congress believes that the Commission has supported a questionable interpretation of section 167 of the Internal Revenue Code, and thus contributed to a situation which permits utility companies to reap windfall profits, the obvious solution is for Congress to clarify the law. Criticism of the decision of the Commission in extending the licenses of certain private power companies under the Federal Power Act is not alleged in the minority views to be in furtherance of executive policy. If the Commission's policies in this regard are unsound, the problem must be solved by legislation, not by the Senate rejecting reappointments to the Federal Power Commission.

The Federal Power Commission has been plagued for many years, under both Republican and Democratic administrations, with a problem of how to bring old unlicensed projects under license. Many of these projects were subject to Federal Power Commission jurisdiction. The Federal Power Commission has never been able to get an appropriation containing sufficient funds so that enough manpower could be employed to determine whether these old projects should be licensed. Members of the Federal Power Commission have struggled with this problem for many years. Mr. Kuykendall testified and offered supporting evidence that—

> since 1948 the Commission has made numerous licenses effective for 50 years from the date of reapplication for the development, or where a new development is to be built in connection with an existing development or developments in the same stretch of the river.

This subject has many important ramifications. I think that the Federal Power Commission has acted properly in bringing these old power developments within Federal Power Commission jurisdiction and under license. By so doing, it has resolved the licensing requirement. It may have aided the companies in obtaining better financing. It has encouraged development of our natural resources. In that connection there are certain advantages which accrue to the Federal Government. After an application has been filed with the Federal Power Commission, it is in a position to compel comprehensive development and it can require changes in the development, if necessary. The end result is, of course, a comprehensive plan of development for the entire river basin in which the project is located.

I believe the Commission's actions on these matters have been proper. If Congress should desire to change the law or to establish different policies which would govern these situations, then Congress should take the initiative and act.

There is no reason whatsoever for rejection of this nomination. President Eisenhower has confidence in Mr. Kuykendall. I have confidence in Mr. Kuykendall. By majority vote the committee has expressed confidence in him. I am sure that our confidence is not misplaced. Mr. Kuykendall has done a fine job at the Federal Power Commission. He has performed his duties diligently, honestly, and with a full and proper regard for all of his obligations under the laws which relate to the Federal Power Commission. He has not failed in his trust. He has not abdicated his responsibility. He has not failed the consumers. He is entitled to have his nomination confirmed by the Senate.

Mr. President, I yield the floor.

ORDER OF BUSINESS—ANNOUNCEMENT OF EVENING SESSION

Mr. MANSFIELD. Mr. President, after consultation with the distinguished minority leader, I wish to announce that the Senate will remain in session this evening until there has been a vote on the nominations of Mr. Kuykendall and Mr. Paarlberg, and that we hope to be able, at least, to have laid before the Senate the pending business, Calendar No. 815, S. 2674, to authorize appropriation for the Atomic Energy Commission.

As of now it would seem that the Senate will be in session until 11 or 12 o'clock tonight.

I should also like to announce that there will be no session of the Senate on Saturday. Senators, therefore, can make their plans accordingly.

Mr. KNOWLAND. Mr. President, I fully concur in the statements of the acting majority leader relative to disposing of the nominations this evening, which I hope will be done, and that we may be able, at least, to have laid before the Senate the atomic energy-authorization bill, to which the acting majority leader has referred. Perhaps, if the Senator who is in charge of the bill desires to do so, he may wish to make the opening statement on the bill, if that is satisfactory to him.

I hope that the announcement that there will be no Saturday session will not lead Senators to believe that there might not be some votes on Friday, or that the session on Friday might not run for a reasonable time into the evening.

Therefore I believe Senators should be on notice that, until the leadership has decided to adjourn on Friday, or to recess, as the case may be, they should be available for voting all day Friday until such time on Friday evening as the Senate may determine to stay in session.

Mr. ANDERSON. The Senator from California is a member of the Joint Committee on Atomic Energy, and he recognizes the time schedule which makes it necessary for us to take some action on Calendar No. 815, S. 2674, to authorize appropriations for the Atomic Energy Commission. It may be necessary to stay late on Friday, if need be, in order to dispose of that bill.

Mr. KNOWLAND. Yes; I did not want Senators to feel having been given notice that there might be a session on Friday evening, that we might not have votes on that day. The fact is that we may stay in session late on Friday evening and may have several votes, and that we may have to stay to a reasonable hour on Friday evening in order to complete consideration of that authorization bill.

Mr. ANDERSON. The Senator from California recognizes that Senate bill 2674 merely authorizes appropriations. After the bill is passed by the Senate and by the House, it will have to go to conference with the House. It may be possible to go to conference with the House on Saturday on that bill, if we dispose of it on Friday. However, the Committees on Appropriations of the House and of the Senate cannot report the necessary appropriation bill until after the authorization bill has been passed. Therefore we certainly must take some action on it by Friday night.

Mr. KNOWLAND. I hope that will be done, and that we will make substantial progress.

Mr. MANSFIELD. I should also like to point out, if we can dispose of Calendar No. 815, S. 2674, and do not have too much trouble in doing so, that I should like to have the Senate also consider Calendar No. 302, S. 2051, the atomic energy indemnity bill, which is a very important bill; as well as Calendar No. 577, S. 2377, the bill relating to the production of statements and reports of witnesses, which is also a very important bill and which I hope will be considered as soon as possible.

Mr. KNOWLAND. I hope that all the measures mentioned by the Senator from Montana, or most of them, can be disposed of before we adjourn tomorrow night.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission.

Mr. McNAMARA. Mr. President, I rise in opposition to the nomination of Jerome Kuykendall to be a member of the Federal Power Commission. I hold in my hand the report of the committee and the minority views. I am very much impressed not only by what has been said today in opposition to the nomination, but also by the views of the minority in the statement which they issued after hearing all the witnesses.

Since the hour is late, I shall not take much time. I believe the Federal Power Commission is one of the most important commissions of the Government so far as the consumers of the country are concerned, and that we need on the Commission a man who has demonstrated a higher regard for the public interest than has the nominee, and who has ability to reason with the consumers of the country and to recognize and protect their needs.

I believe that to nominate a man like Mr. Kuykendall for membership on this

Commission, which was created primarily to preserve the interests of the consumers of the country, would be indeed like continuing a lion in the office of a lion tamer. Therefore I shall vote against the nomination.

Mr. SCHOEPPEL. Mr. President, I rise to speak in favor of the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission. On May 1, 1957, President Eisenhower nominated him for another term. The nominee had been serving in the high office of Chairman of the Federal Power Commission. If confirmed by the United States Senate, his new term will expire on June 22, 1962.

I wish to point out to Members of the Senate that Mr. Kuykendall's service on the Federal Power Commission was terminated as of June 22, 1957. Since that date the Commission has been without a member. We all know that the work of the Commission is very important. I am personally of the opinion that Mr. Kuykendall should be promptly confirmed so that the Federal Power Commission may have full membership to carry out the important tasks with which it is charged. Already more than 3 months have elapsed since the President sent the nomination to the Senate. The nomination has been considered by the Senate Committee on Interstate and Foreign Commerce, which has favorably reported it to the Senate. Extensive public hearings were held and many witnesses were heard by the committee. Most of the testimony received by the committee was adverse to the nominee.

I attended the committee meetings rather diligently. I heard almost all of the testimony. Much of it was, as some lawyers say, repetitious, and much of it uncorroborated. As a result, many charges were made which to this day remain unproven.

On June 28 the nominee testified and answered the charges and complaints which had been leveled at him by previous witnesses. I should like, at this time, to commend to the Senators present here today the full and complete statement made by Chairman Kuykendall.

I have seen few men in public life take the abuse and unfair treatment which has been accorded this nominee. Some of the statements furnished to the committee were so similar in content and means of expression, that one might be led to believe that some of the statements were written by the same author.

Some of the witnesses were either inadequately prepared or they deliberately chose to present only that portion of the facts which tended to favor their own personal position and not that of the nominee. For one example, I shall refer to the failure to present the complete testimony of Mr. Kuykendall when he appeared before the Joint Congressional Committee on Atomic Energy. I regret the tactic of taking a statement out of context or of publishing only part of a man's honest expression of his views, his judgments, and his opinions. To do so is to attempt to be unfair to the committee hearing the testimony. It amounts to an attempt to mislead the public through an inaccurate and incomplete statement. I can only assume that such a course of conduct is motivated by political reasons.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the testimony of Mr. Kuykendall, the nominee, when he appeared before the committee.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF JEROME K. KUYKENDALL, NOMINEE FOR MEMBERSHIP ON THE FEDERAL POWER COMMISSION FOR THE TERM EXPIRING ON JUNE 22, 1962

My name is Jerome K. Kuykendall. I was a member and Chairman of the Federal Power Commission from May 16, 1953, to June 22, 1957. On May 1, 1957, President Eisenhower nominated me for membership on FPC for the term which would expire on June 22, 1962.

I have previously submitted copies of a sketch of my biography to this committee. It is appropriate that I answer charges which have been made against me and answer any questions the members of this committee may desire to ask.

If I may, I will proceed immediately to supply you with the facts concerning these accusations. It has not been possible for me to prepare a written statement covering every conjecture and insinuation that has been made, but I repeat that I am ready to answer questions on any subject in which you are interested, which bear on my qualifications for membership on the Federal Power Commission.

THE ACCUSATION THAT I DECEIVED THE JOINT COMMITTEE ON ATOMIC ENERGY

Various Members of Congress have charged that I concealed from the Joint Committee on Atomic Energy the fact that any lawyer in the Commission's Bureau of Law had expressed any adverse opinion concerning the Dixon-Yates contract.

This charge has been made despite the fact that the language quoted from my testimony in an effort to sustain the accusation includes my statement of "* * * wait a minute, I will take that back." But, what is even more important, these accusers deliberately ignore my testimony appearing on page 204 of the printed record of the hearing before the Joint Committee on Atomic Energy, which is as follows:

"Mr. KUYKENDALL. Mr. Price, this is rather minor, but to correct the record, you were asking about the lawyers' participation. I recall now that in August before we wrote the first letter, I think our General Counsel was away on his vacation, as I recall it, and another lawyer had gotten into the thing, and we discussed it with him. He came into a Commission meeting and he was raising pretty much the same points as Mr. Smith had raised, and also pleading he had not had time to study this, and so forth.

"So there was another lawyer in our Bureau that had some contact with this, but we decided to rely on our Bureau of Power, and our Bureau of Accounts, Finance, and Rates and not get into the legal aspect of it. So, from then on, we did not ask them to write opinions for us or conduct a thorough study for the reason I stated. We felt it was duplicating other people's work. Then our General Counsel was back when we wrote the second letter, and he was not familiar with and was not able, in his opinion, to give us advice that he thought the contract was proper. And we did not think we needed such advice."

The other salient facts are as follows:

On July 22, 1954, the Atomic Energy Commission addressed a letter to the Federal Power Commission requesting that the Chief of our Bureau of Power and the Chief of our Bureau of Accounts, Finance, and Rates discuss with Atomic Energy Commission the drafts of the contract as they became available.

In the same letter we were also advised that, before the Atomic Energy Commission entered into a contract, it would ask the Federal Power Commission to indicate whether the estimated costs were realistic, whether the cost allocations between capacity and energy were in accordance with Federal Power Commission practices of approving rates for resale in interstate commerce, and whether the rate terms and conditions were fair to the Government. The Federal Power Commission's subsequent advice on the contract was within this framework. We were never asked to give any legal advice.

Subsequent to the receipt of this letter, some of our technical staff rendered assistance to AEC of the kind which was requested. No members of our Bureau of Law participated in this work, nor were they asked to do so by anyone.

In August 1954, AEC had a draft of what was then thought to be the contract in its final form, which it submitted to the Commission with a request that we advise them "whether or not in consideration of the contract as a whole the rates, terms, conditions, and cancellation provisions are fair and reasonable to the Government."

Copies of this draft were examined by two lawyers on the staff. I was away from the office on vacation at that time, but I understand one of the lawyers on the staff made a request of one of the other Commissioners that he be permitted to examine the contract. Our general counsel was also absent at that time.

I was present at the Commission meeting in August when this matter was discussed. The two lawyers had each hastily written a memorandum, both of which were critical of the contract. They also complained strenuously that they needed more time to analyze the contract. AEC was requesting submission of our advice.

Mr. Francis L. Adams, chief of our Bureau of Power, pointed out to us that most all of the points being raised by the lawyers had been considered and negotiated by the negotiating parties.

The Commission decided that it should not endeavor to give legal advice and did not do so. It accepted the findings and recommendations of its Bureau of Power and approved the draft as being "fair and reasonable to the Government."

It developed that this draft was not the final one. Later, the final draft of the contract was submitted to us for our comments. In September 1954, this draft also was approved. At that time the Commission discussed the matter generally with its general counsel. Apparently the lawyers who had examined the next to the last draft had endeavored to interest him in the final draft. He did not give his approval of the contract, nor did we ask him to.

The Commission gave its approval to the final draft, as to its being fair and reasonable to the Government, but again did not purport to give any legal advice concerning the contract.

On November 5, 1954, I testified concerning the contract before the Joint Committee on Atomic Energy.

It will be noted, and is apparent, that in response to Mr. Price's first question (which appears at the very bottom of p. 199 of the record), I, in answering the question (top of p. 200) was speaking of what had preceded our approval of the final draft—and not the next to the last draft. It is also clear that Mr. Price was inquiring about the last draft only.

As I was answering Mr. Price, I recalled what had happened concerning legal advice from FPC lawyers on the next to the last draft, and said: "* * * wait a minute, I will take that back." Before I could say

more, Mr. Price asked more questions, as did others. Questions came thick and fast. I was the last witness of the day and the committee did not recess until 6:40 p. m. that day.

Nevertheless, I kept in mind that I wanted to answer Mr. Price's questions more fully, and did so, as shown by my testimony on page 204, above quoted.

The letter of July 22, 1954, from the Atomic Energy Commission to FPC, and a photostatic copy of pages 199, 200, and 204 of my testimony before the Joint Committee on Atomic Energy, which includes all my testimony on this subject, are offered for insertion in the record at this point.

NATURAL GAS LEGISLATION

Congressman MACDONALD and others have asserted that I have improperly conferred with representatives of the natural gas industry, and thereby helped evolve H. R. 6790, the Harris-O'Hara bill, and that this is detrimental to consumers.

Mr. MACDONALD quotes some of my testimony before the House Committee on Interstate and Foreign Commerce and assumes it proves what he alleges. Such is not the case.

Mr. MACDONALD concluded his quotation of my testimony with the following question and answer:

"Mr. MACDONALD. Sir, to go back to what we were originally talking about, your connection with the formulation of this bill, I do not know whether you are aware of this or not, but on April 15, 1957, there appeared in the Oil and Gas Journal an article which included the following paragraph, referring to the gas bill:

" 'Early hearing planned. The bill is based upon policies worked out by FPC Chairman Jerome K. Kuykendall in meetings with industry groups which he was asked to hold after the gas bill was vetoed by Eisenhower last year.'

"Do you say that that statement is not an accurate statement?

"Commissioner KUYKENDALL. Yes; I say it is not accurate. And I say that what I told you a little while ago is the truth.

"Mr. MACDONALD. All right, sir."

He did not quote the statement of the chairman of his own committee and author of the bill, which immediately follows on pages 269 and 270, and Mr. MACDONALD's own response, which are:

"The CHAIRMAN. And the Chair would also like to state that that is inaccurate.

"Mr. MACDONALD. I am happy to have the statements from both. I have no further questions, Mr. Chairman."

I did, at the request of the White House, make an effort to prepare a bill for possible introduction in Congress last session as I stated in my testimony before the House Interstate and Foreign Commerce Committee, which Mr. MACDONALD has quoted. Such a bill was never completed, and, as everyone knows, no such bill was ever introduced. In other words, nothing whatsoever resulted from such efforts.

As the record of the House committee hearing shows, Mr. John Heyke, president of Brooklyn Union Gas Co., who had been a leader in the Council of Local Gas Companies which had opposed the Harris-Fulbright bill advised me that he was engaging in conferences among industry members regarding natural gas legislation. There is no connection between what these people did and what I had done, or started to do earlier. Although I had no part in the efforts of those members of the industry, I do not insinuate, by so stating, that they were doing anything improper.

What I did do, from which nothing resulted, was to endeavor to frame a bill which met the requirements of the President's veto message which is in part as follows:

"At the same time, I must make quite clear that legislation conforming to the basic objectives of H. R. 6645 is needed. It is needed because the type of regulation of producers of natural gas which is required under present law will discourage individual initiative and incentive to explore for and develop new sources of supply.

"In the long run this will limit supplies of gas which is contrary not only to the national interest but especially to the interest of consumers.

"I feel that any new legislation, in addition to furthering the long-term interest of consumers in plentiful supplies of gas, should include specific language protecting consumers in their right to fair prices."

Because haste was necessary, I consulted with one of the leading and most effective spokesmen who had testified against the Harris-Fulbright bill. Mr. LeBoeuf had spoken on behalf of the large number of distributing companies who were organized as the Council of Local Gas Companies. Mr. LeBoeuf is attorney for the Consolidated Edison Co., of New York.

He, and the group he represented at the hearings on the Harris-Fulbright bill, felt that that bill did not contain enough protection for the consumers. Mr. LeBoeuf did not favor the existing utility-type method of regulation, but advocated what he called a middle ground between the existing mode of regulation and the Harris-Fulbright bill. He had made specific proposals which he believed would have strengthened the bill and given more protection to consumers.

Mr. LeBoeuf agreed to do what he could, as a public service. The Practicing Law Institute had scheduled a 2-day meeting in New York City in the near future, all of which was devoted to the problems of natural-gas regulation. Mr. LeBoeuf was to be a speaker on this program. Also on the program was Mr. David Searles, a lawyer from Houston who had been a spokesman for the gas producers at the hearings on the Harris-Fulbright bill. I agreed with Mr. LeBoeuf that Mr. Searles' criticism of some of Mr. LeBoeuf's ideas for greater consumer protection would be helpful. Another lawyer, Mr. William Tarver, who was formerly a lawyer on the FPC legal staff some years ago and now an attorney for one of the pipeline companies, was also consulted for the same reason.

Nothing came of this effort, as above stated. It soon became apparent that Congress would have no time to consider such a bill, and the matter was dropped.

No publicity was given to what was being done for the simple reason that there was no certainty that any bill would be offered.

Criticism has been made because no publicity was given to what transpired, because no representatives of consumer groups were asked to participate, and simply because consideration was given to drafting another bill altering the method of regulating gas producers.

I wish to point out the following:

I was not engaged in an effort to prepare a bill exempting producers from regulation, although such has been freely charged. I was endeavoring to frame a bill providing for more stringent regulation than did the Harris-Fulbright bill which was not an exemption bill.

There is no basis for charging or assuming that what I did was detrimental, or might have become detrimental to consumers. I made an effort to prepare a bill containing even more consumer protection than did the Harris-Fulbright bill. If this was against the public interest, then it must follow that the House, the Senate, (and this committee of the Senate), acted adversely to the public interest when they approved the Harris-Fulbright bill. No such presumption can exist, and no such accusation should be made.

I was acting within the framework set both by Congress in approving the Harris-Fulbright bill and by the President in approving its basic objectives and requesting additional consumer protection.

The effort to depict something sinister from the fact that there was no publicity fails in view of the obvious and proper reason for the "secrecy." Congressman MACDONALD approved this secrecy during the recent House committee hearing. Page 253 of the original uncorrected transcript read as follows:

"Mr. MACDONALD. Just one question before I forget it. I would just like to say that I think, under the circumstances, you acted wisely acting in secret. And I agree that you perhaps, in the aspects of what you did do, were correct."

In the printed statement which Mr. MACDONALD read to this committee, this statement reads as follows:

"Mr. MACDONALD. I would just like to say that I think, under the circumstances, you acted wisely by acting in secret for the purposes you had in mind."

Nevertheless, in response to a question from Senator COTTON, in this hearing room, Mr. MACDONALD said that if he had been in my place he would not have acted in secret.

It has been stated that I should have consulted with some of the consumers' groups who appeared in opposition to the Harris-Fulbright bill. I did consult with a most effective and capable spokesman for the council of local gas companies which stood shoulder to shoulder with the consumers' representatives who opposed the Harris-Fulbright bill. But there was no point in conferring with such groups on this matter for the obvious reason that they had clearly stated their position, which was contrary to the position of Congress on the matter. They were firmly opposed to change in the method of regulating producers. A Member of this Senate who wished to prepare a bill on a certain subject, would not, I am sure, seek assistance from another Senator who had clearly expressed his opposition to such legislation.

Although consumers and gas distributing companies may have their differences at the local level, the fact is that at the Federal level, before the Federal Power Commission, the interests of consumers (which is generally represented by the State regulatory commissions) and the local distributing company almost always coincide. They both vie against the pipelines and producers in an effort to assist the Commission in keeping prices as low as possible. Thus the consumers' interest is voiced through distributing companies at the Federal level on matters of legislative policy, as well as rates and matters of public convenience and necessity. Would those who now say that distributing companies are inherently indifferent to consumers, have said so during the time during the 84th Congress, when so many of the distributing companies were alined with certain consumers' representatives in opposition to the Harris-Fulbright bill?

The Federal Power Commission is not merely an arbiter of disputes between industry and consumers. It also is the protector of consumers and the public interest. Consumers are not and cannot be organized and technically trained to represent themselves in all issues affecting them. That is why we have the Federal Power Commission and other State and Federal Commissions. The Federal Power Commission has, and will continue to represent the consumers' interests. The fact that some persons may disagree with both Houses of Congress, the Federal Power Commission, and the President as to where the best interests of consumers lie is no basis for imputation of bad faith.

HELLS CANYON

Senator MORSE has echoed a charge previously made against me that I refused to tell a House subcommittee of the Select

Committee on Small Business that the Commission had arrived at a decision in the Hells Canyon case, although the opinion, findings, and order had not yet been issued. I have already testified fully about this matter befor Senator KEFAUVER's subcommittee on Antitrust and Monopoly.

The essence of Senator MORSE's charge, as I understand it is that I refused to leak to the House subcommittee what the Commission was going to do. There was no leak, however, and consequently no one had an opportunity to take improper advantage of the fact that Idaho Power Co.'s stock rose 10 percent in the market within 24 hours after the decision was issued.

There was, as Senator MORSE states, a week's interval between the time the Commission approved its opinion and the day it was issued. The reason for this interval was not unusual and was explained fully to Senator KEFAUVER's subcommittee. I will repeat the facts.

On July 27, 1955, the Commission arrived at and agreed on the opinions, findings, and order. We had had numerous rough drafts and had made deletions, alterations, and interlineations on the last draft, which was finally approved. We had had one of our lawyers assisting us in this work. When the final draft was approved, he was instructed to supervise the cutting of stencils, and to work with only one stenographer and in a private room, so as to minimize, so far as possible, the chance of a leak.

This was done. There are many figures in the opinion, findings, and order, which had particularly to be checked for correctness. A weekend intervened between the time of adoption and issuance.

The staff lawyer who did this work was present at the recent hearings before Senator KEFAUVER where this matter was discussed. He has been an employee of FPC since 1934. He verified completely, the facts as I have related them, and stated unequivocally that there had been no unnecessary delay.

In his statement to this committee, Senator MORSE said:

"The FPC, after resolving all of the doubts in favor of the three-dam plan and licensing the three-dam project, turned around and on page 20 of the decision stated:

"'* * * If a sufficient load does not develop to justify construction of low Hells Canyon within the time limits imposed in the license, the Commission may either extend the time for construction or terminate the license for that project whichever is in the public interest at the time the matter is under consideration.'

"In effect, the FPC removed the third dam from the three-dam project. Poor as the three-dam plan is in comparison with the high dam, can you imagine how poor a showing a two-dam project would make."

The Senator makes the further statement:

"I submit that the evidence is clear on the face of the decision that the Commission, under Chairman Kuykendall, used the three-dam plan for comparison only to achieve an appearance of plausibility, but in effect relieved the company of the burden of building the third dam for whose expensive power there is little or no expectation of a market."

This claim that the Commission in effect removed the third dam from the three-dam project is not supported by the Commission's decision as claimed by the Senator.

The record completely refutes the statement that there is little or no expectation of a market for the output of the third dam. On the contrary the Commission found:

"(32) The total dependable capacity of 767,000 kilowatts that would be provided at the Brownlee, Oxbow, and low Hells Canyon developments would be fully utilized in the applicant's own system by about the year 1975 and in the Northwest area about as soon as it could be developed if indicated arrangements with other systems can be firmed up."

The evidence in support of this finding is uncontradicted on the record.

In 1952 the annual peak load of the Idaho Power Co. system was 319,000 kilowatts. During the period 1952 through 1975 the average annual peak load growth is estimated to be 30,350 kilowatts, or a total load growth of 698,000 kilowatts during that period. Thus, it is estimated that by 1975 the annual peak load will be 1,017,000 kilowatts.

The dependable capacity of existing power supply which will be available to the company in the future is 360,000 kilowatts. The three-dam project, if constructed as authorized by the Commission, will add a total of 767,000 kilowatts of dependable capacity, thus giving the company a total dependable supply of 1,127,000 kilowatts.

When required system reserve capacity is taken into account it is apparent that the company's system would utilize the output of the three proposed developments in the Hells Canyon reach of the Snake River by the year 1975, unless it can obtain the necessary power from other sources. Applicant has contracted for summer energy from the system of Utah Power & Light Co. for the years 1955 through 1958. This power is available to the applicant for the reason that Utah Power & Light Co. advanced its own steam-electric capacity construction schedule by 2 years in order to supply power to applicant during the interim period required for the construction of one or more of the three developments involved in this proceeding.

With respect to the possibility of selling power developed by the low Hells Canyon development prior to 1975 to other systems in the Pacific Northwest, the record shows that estimated power requirements of the area served by the Pacific Northwest power pool will exceed the supply by about 1962. Applicant's system is interconnected with this pool.

The Commission found (decision, p. 20):

"As a practical matter Brownlee and Oxbow are definitely needed within the near future to supply applicant's own needs, and if a sufficient load does not develop to justify construction of low Hells Canyon within the time limits imposed in the license, the Commission may either extend the time for construction or terminate the license for that project whichever is in the public interest at the time the matter is under consideration."

The Commission is here making no acknowledgment that the low Hells Canyon Dam may not be built although it is referring to the authority set forth in section 13 of the act to extend the time limits for construction of project works. Everything said there is within the provisions of section 13. It may happen that none of these project works will be built within the time limits imposed in the license. If not, then the time may be extended or the license therefor may be terminated as provided by section 13, which reads as follows:

Section 13 provides "that the licensee shall commence the construction of the project works within the time fixed in the license, which shall not be more than 2 years from the date thereof, shall thereafter in good faith and with due diligence prosecute such construction, and shall within the time fixed in the license complete and put into operation such part of the ultimate development as the Commission shall deem necessary to supply the reasonable needs of the then available market, and shall from time to time thereafter construct such portion of the balance of such development as the Commission may direct, so as to supply adequately the reasonable market demands until such development shall have been completed. The periods for the commencement of construction may be extended once but not longer than 2 additional years and the period for the completion of construction carried on in good faith and with reasonable diligence may be extended by the Commission when not incompatible with the public interests. In case the licensee shall not commence actual construction of the project works, or of any specified part thereof, within the time prescribed in the license or as extended by the Commission, then, after due notice given, the license shall, as to such project works or part thereof, be terminated upon written order of the Commission. In case the construction of the project works, or of any specified part thereof, have been begun but not completed within the time prescribed in the license, or as extended by the Commission, then the Attorney General, upon request of the Commission, shall institute proceedings in equity in the district court of the United States for the district in which any part of the project is situated for the revocation of said license, the sale of the works constructed, and such other equitable relief as the case may demand, as provided for in section 26 hereof."

License requires construction, as follows

Development	Commence by—	Complete in—[1]
Brownlee	July 31, 1956	36 months.
Oxbow	July 31, 1959	24 months.
Low Hells Canyon	July 31, 1961	36 months.

[1] Periods specified for completion run from date actual construction is started.

Senator MORSE also stated:

"Even FPC did not claim the latter [three-dams], all together, totaled the benefits of the high dam. But, even to come close for purposes of argument, the three dams were needed. That is why the comparison is always between the three company dams and the high dam. The FPC practically ignored the high dam's downstream power benefits in its decision and excluded them from its press release * * * (see e. g. pp. 16–17 of FPC decision)." It is clear from page 16 of the Commission's decision that downstream power benefits were taken into account as is shown by the use of the language "power costs and power values attributable to each plan." All comparisons were made on the assumption that both plans would be operated as part of the Federal system in the Pacific Northwest.

In addition the facts as presented by interveners, the staff and the applicant related not only to power output at the site of the high dam or the three dams, but also included estimates of the output at downstream plants which would result from the storage to be provided in the Hells Canyon reach of the Snake River. In addition the Commission's finding 18 (FPC order issuing license, p. 6) which concluded with the statement that "Consequently the power features of the one-dam plan have no clear economic advantage over those of the three-dam plan" is based on estimates of the power output both at site and at downstream plants under the one-dam plan as well as the three-dam plan.

That the Commission fully considered downstream benefits is shown by its discussion of the factors taken into consideration in arriving at the output of the two alternative plans where the Commission stated specifically that one of the factors is "the number of downstream plants in operation and the volume of storage available."

Senator NEUBERGER has alleged that the FPC relied on its political judgment, that Congress would not authorize the high dam. This is not so. While it is true that the examiner made such a statement, the Commission did not. The examiner's decision is no part of the Commission's decision. The Commission's decision stands on its own

feet, and in numerous ways, it is different from the examiner's decision.

In my discussion of these matters pertaining to Hells Canyon, I have limited myself to points raised by my critics.

THE ACCUSATION THAT I AM NOT IN SYMPATHY WITH THE NATURAL GAS ACT AS IT NOW IS, AND AM NOT ENFORCING IT

No evidence has been submitted to support this charge. The conclusion simply is drawn that, since the Commission has supported proposed legislation to change the method of regulating producers of natural gas, it is not enforcing the law as it now is. Elsewhere in this statement, I deal with the progress the Commission has made in regulating the natural gas industry.

It is the duty of members of regulatory commissions to make recommendations to Congress concerning pending bills which pertain to their powers and duties. Congress is entitled to such advice. Indeed, in many cases, it would be difficult, if not impossible for Congress to legislate wisely and soundly without such advice.

Should a member of a commission be convicted, or even accused of not enforcing existing law, merely because he performs his duty of telling Congress what he honestly believes would be an improvement in the law?

Evidence that I have conscientiously enforced the Natural Gas Act as it now is, and as it applies to producers of natural gas is available from the record of my testimony before the House Committee on Interstate and Foreign Commerce on H. R. 6790, the Harris-O'Hara bill to amend the Natural Gas Act.

During the course of my testimony before the committee, I quoted from the opinion of Justice Jackson in the case of *Colorado Interstate Company* v. *Federal Power Commission*, which was decided by the Supreme Court in the fall of 1944. I pointed out that Justice Jackson's opinion was only a dissenting opinion, but represented my philosophy concerning the type of regulation to be applied to producers of natural gas.

After I had read the quotation, the following colloquy took place between Congressman MACDONALD and me, and appears on pages 263, 264, and 265 of the typewritten transcript:

"Mr. MACDONALD. Needless to say, since it is hard to hear you when you are testifying, a lot of it was lost on me. I can only say this: I will be delighted to read it in the record, and I am glad you are being guided by a great representative from my home State, of whom the whole State has been proud for a long time. But he has been dead for a little while, and I quote to you a dissenter whose views I share about a case which I think is current enough that you should be interested in, if indeed you are not.

"It is the dissent of Commissioner Connole in the Union Oil of California case, where the Commission dismissed rate increase applications for sale of gas to Transco amounting to about $2,600,000 annually, and I quote. He says:

" 'The act'—and we are talking about the act under which you function, I am sure—'the act requires us'—'us,' I am sure, meaning the Commission—'to determine the justness and reasonableness of rate levels and structures by the use of standards not contained in the rates themselves. The Constitution extends its protection to all the independent producing segment as well as to the pipeline segment of the natural gas industry.

" 'It is impossible to meet the requirements of either the act or the Constitution unless we can determine the revenue requirements of the industry we must regulate and the effect of the rate in question on its earning capacity. The record as it now stands is deficient in terms of both the act and the Constitution.' "

(NOTE.—Reporter's transcript of quotation given by Mr. MACDONALD has been corrected for accuracy.)

"I understand that along with Chief Justice Holmes, it was a dissent, but it was a dissent in which I firmly believe, and I wish you might review, since I think it is a very sound one.

"Commissioner KUYKENDALL. Well, Mr. MACDONALD, let me tell you that decision is not a dissent, and it is not only Commissioner Connole's opinion, but it is my opinion and Commissioner Connole's and Commissioner Kline's.

"Mr. MACDONALD. And, therefore, on the basis of that decision, do you not say straight out that you must take into consideration a cost factor, not just a rate factor?

"Commissioner KUYKENDALL. Why, yes. I have told you a while ago that I am sworn to carry out the law, and I did it in that case as I believe the law now is. I do not think it is right, but I think it is the law.

"Mr. MACDONALD. Well, I may be wrong—and I am sure Mr. Bennett was a little frustrated and gave over as I am about to give up because we do not like to take so much time—but it was my understanding that you, in your testimony to Mr. Bennett, testified just the opposite a half hour ago.

"Commissioner KUYKENDALL. Well, Mr. MACDONALD, a little while ago I was saying what I thought the law ought to be, and in that opinion I said what I thought the law was."

PROGRESS OF COMMISSION IN REGULATING INDEPENDENT PRODUCERS

The accusation has been made that the Commission, under my chairmanship, has not earnestly endeavored to regulate producers of natural gas. It has also been alleged that since the Commission sought and obtained increased appropriations after the Phillips Petroleum Co. decision of June 7, 1954, and since the Commission still has a large backlog that, ipso facto, the Commission has not diligently endeavored to carry on its regulatory work insofar as gas producers are involved. This is not the fact.

It has also been stated that the Commission has the power, by administrative action, to exempt small producers. This is not so, and our Office of General Counsel has so advised us.

Our requests for, and our increased appropriations have been limited by the well-known fact that it is not possible to obtain the number of accountants, engineers, and rate experts we would like to and should have.

Three years have now elapsed since the Supreme Court decided the Phillips Petroleum Co. case. During approximately the first year thereafter, the staff's time had to be devoted to receiving and handling the many filings of rate schedules and applications for certificates of public convenience and necessity, and assisting the Commission in the promulgation of regulations for independent producers and resolving the numerous and novel administrative problems which arose.

During a period comprising approximately the second year, the Commission staff devoted a great part of its time to rate investigations and developing facts for the requisite rate hearings.

Although a number of rate hearings were held before the third year, it was during the third year, which brings us up to date, that a large number of rate hearings were held.

There follows a list of independent producer-rate hearings held between July 1, 1955, and June 19, 1957. Cases involving producers similarly situated have been consolidated. Thus 135 dockets have been consolidated into 43 hearings.

Hearings held on independent producer rate cases, July 1, 1955, to July 19, 1957

Docket No.	Name	Number of dockets
G-4932 et al	Midstates Oil Corp. et al	11
G-9411	Hunt Oil Co	1
G-8550	Davidor & Davidor	1
G-6505	Dorchester Corp	1
G-6503 et al	Continental Oil Co. et al	3
G-8622 et al	William Negley doing business as Paisano Trading Co., Ltd.	2
G-8534	Phillips Petroleum Co	1
G-8728	Cities Service Gas Producing Co.	1
G-3940	Wunderlich Development Co.	1
G-6502 et al	H. F. Sears et al	2
G-8549 et al	Stanolind Oil & Gas Co	3
G-6622 et al	Crow Drilling Co., Inc., et al.	3
G-8715	Harper-Turner Oil Co., et al.	1
G-8288 et al	Sun Oil Co. et al	4
G-2952 et al	Deep South Oil Company of Texas (request for declaratory order).	4
G-5380 et al	Skelly Oil Co. et al. (jurisdictional).	2
G-8697 et al	Stanolind Oil Q Gas Co. et al.	3
G-8695 et al	Phillips Petroleum Co. et al	2
G-6358	Amere Gas Utilities Co. et al.	1
G-8519 et al	Associated Oil & Gas Co	2
G-9572 et al	United Carbon Co. et al	2
G-8688 et al	La Gloria Oil Q Gas Co. et al.	2
G-3669	Christie, Mitchell & Mitchell.	1
G-6504	Delhi-Taylor Oil & Gas Co. et al.	1
G-5510	Forest Oil Corp	1
G-6822	Sunray Mid-Continent Oil Co.	1
G-4331 et al	Union Oil Company of California et al.	4
G-9146 et al	The Shamrock Oil & Gas Corp. et al.	2
G-10908	Phillips Petroleum Co	1
G-1148 et al	do	13
G-8921 et al	Arkansas Fuel Oil Corp. et al.	15
G-8970 et al	Blackwell Oil & Gas Co	2
G-9277 et al	Champlin Oil & Refining Co.	2
G-9281	Western Natural Gas Co	1
G-9291 et al	Sinclair Oil & Gas Co. et al	10
G-9447	Southern Production Co., Inc.	1
G-9553 et al	H. L. Hunt	3
G-9932	Tidewater Oil Co	1
G-11563 et al	Union Oil & Gas Corporation of Louisiana.	2
G-9611 et al	Southwest Gas Producing Co., Inc., et al.	4
G-12191	Shell Oil Co	1
G-10060	Union Producing Co. and United Gas Pipeline Co.	[1] 1
G-8969 et al	The Texas Co. et al	[2] 15

[1] Set for hearing but recessed to C. O.
[2] Set for hearing Apr. 8, 1957; recessed to June 24, 1957.

The number of natural gas certificate applications has increased 667 percent since 1953. Gas rate filings climbed 549 percent above 1953; and gas rate cases were 77 percent above 1953. In 1953, we issued 1,324 notices, orders, decisions, and opinions. In 1956, we issued 4,060. In 1953, we distributed 78,000 copies of those documents and in 1956, we distributed 809,000. In 1953, an average of 45 persons visited our public reference room daily. In 1956, the daily average was 75.

The Commission's overall increase in man-years from fiscal year 1954, the last year before the independent producer workload, to fiscal year 1957, which is just ending, has been only 12 percent. The handling of the tremendous increase in workload shown by the above statistics, with so limited an increase in manpower has been made possible only by constant attention to increasing the efficiency of our operations, which we believe we have accomplished without reducing the quality of our work.

Since the Phillips decision, June 7, 1954, the following rate orders have been issued

dealing with independent producer rate filings:

Orders making proposed rate changes effective	290
Suspension orders	408
Orders terminating proceedings, etc	26
Orders affirming or reversing presiding examiner	13
Orders denying applications for rehearing or motions to dismiss	71
Orders permitting changes in rate due to reduction in Texas occupation tax	50
Orders instituting investigation (sec. 5 (a))	29
Orders consolidating proceedings	12
Miscellaneous orders	22
Total	921

The following two schedules show the man-years the Commission has devoted to regulation of independent producers during the fiscal years 1955, 1956, and 1957.

Independent producers—Man-years

	Fiscal year		
	1955	1956	1957 [1]
Certificates	42.4	31.5	34.8
Rate cases	6.0	38.3	90.6
Rate filings	31.8	33.0	37.1
Total	80.2	102.8	162.5

[1] Actual July 1, 1956, to May 31, 1957; estimated June 1-30, 1957.

	Fiscal year		
	1955	1956	1957 [1]
Total commission	641.0	683.4	739.1
Total gas	280.9	291.8	337.0
Total independent producers	80.2	102.8	162.5

[1] Estimated.

The next schedule shows the great increase in litigation which has confronted the Commission since the Phillips Petroleum Co. decision of the Supreme Court. Incidentally the Commission is justly proud of its record in the courts.

Federal Power Commission—Cases in the courts

Fiscal year	Won	Lost
1954	[1] 11	6
1955	12	4
1956	22	6
1957 (to June 20, 1957)	36	[2] 4
Total	81	20

[1] 1 in part only.
[2] Confessed error in 1.

It is most difficult for persons who are not actually engaged in the Commission's work to comprehend the magnitude of the work we have had during the last 3 years. I hope the foregoing will be of assistance to this Committee in understanding what is involved.

The Commission has, this calendar year, told the Appropriations Committees of both Houses that it proposed a 3-year program within which to overcome the backlog it now has in its independent producer regulatory work. The Commission and its able staff will, I know, do all it can to further that objective.

The principal reason I accepted renomination as a member of the Federal Power Commission and am seeking the approval of this committee and confirmation of the Senate is that I hope to play a part in getting the Commission abreast of its work. I did not wish to leave while the present unsatisfactory condition existed.

DOWNSTREAM BENEFITS PAYMENT

Senator Morse states that FPC, during my chairmanship, has recommended that downstream benefits be assessed not only in favor of the Federal Government, but also in favor of private dams which provide downstream benefits. The Senator has overlooked two points:

First, the Commission's recommendation would apply not only to privately owned dams, but to publicly owned, non-Federal dams as well.

Second, this recommendation did not originate with me, or with any of the present members of FPC, but was first made by the Commission on December 20, 1951, to the Interagency Water Policy Review Committee set up in the Bureau of the Budget. The Commission's annual report for 1953 is the first of such reports to contain this proposal. On page 156 of that report, it is stated that the recommendation originated with the Commission's comments on the recommendations of the Interagency Water Policy Review Committee, Committee Paper No. 27.

This Commission recommendation states in part as follows:

"* * * In order to be consistent, it would appear appropriate not only to call for reimbursement by non-Federal power developers for improvements constructed by the United States, but also to require reimbursement by the United States for improvements constructed by non-Federal interest. * * *"

The members of the Commission who made this recommendation on December 20, 1951, were Thomas C. Buchanan, Chairman, Harrington Wimberly, Claude L. Draper, and Nelson Lee Smith, all of whom were appointees of President Truman.

If the fact that I have made this recommendation is proof that I am biased in favor of privately owned utilities, then these four former Commissioners must have been similarly biased. But I am sure that such is not the case. All of us have tried to serve the public interest as we saw it.

An investigation to determine headwater benefit payments in Columbia Basin was initiated in 1950 and it was determined in 1952 that no such benefits were received by non-Federal projects for the years 1931 through 1948. Up to 1948, Grand Coulee was the only Federal storage reservoir in operation and Rock Island is the only completed non-Federal project downstream from Coulee. Prior to installation of additional capacity at Rock Island in 1952, there was not sufficient capacity at Rock Island to utilize additional water from Grand Coulee storage.

The Commission studies and investigations in the Columbia River Basin have continued since 1950 and in December of 1956, the FPC determined the amounts Rock Island should pay for headwater benefits through the year 1953 and such payments have been made.

The Federal Hungry Horse and Albeni Falls projects did not come into operation until 1952 and 1955, respectively, and the Commission has continued its investigation since those dates. FPC expects to make determinations this year as to payments due for headwater benefits derived from those projects as well as from Grand Coulee.

It should be pointed out that headwater benefit payments are fixed only after they are realized in a year or more of operation. Therefore, we have only 1 or 2 years of operation of Albeni Falls and only 4 or 5 years of operation of Hungry Horse upon which to base the determinations. In the Columbia River Basin, particularly, such determinations involve many complex factors and the studies have been carried on continuously.

The Commission has made determinations and required payments to the United States in the following river basins:

River	Federal project	Date
Etowah	Allatoona	1954
Do	do	1956
Columbia	Grand Coulee	1952
Do	Grand Coulee and Hungry Horse.	1956
East Branch of Clarion River.	East Branch	1956

The following chart gives a comparison of what the Commission has spent in making headwater-benefit determinations in fiscal years 1952 through 1957, with the amount requested of Congress for 1958 indicated:

Expenditures for headwater-benefit determinations

1952	$6,632
1953	11,170
1954	22,727
1955	32,685
1956	42,219
1957	[1] 47,439
1958	[2] 47,920

[1] Estimated, but close to actual, as fiscal year is almost over.
[2] Amount requested of Congress.

Pages 17 through 20 of the Commission's justification for appropriations, pertaining to headwater-benefit determinations follow:

FEDERAL POWER COMMISSION JUSTIFICATION FOR APPROPRIATIONS, FISCAL YEAR 1958

(c) Headwater-benefit determinations: Under the provisions of section 10 (f) of the Federal Power Act, the Commission is authorized and directed to determine annual payments to be made by any licensee or owner of an unlicensed project directly benefited by a storage reservoir or other headwater improvement constructed by the United States or by another licensee. The Commission's cost of making such determinations is reimbursed by the non-Federal interests involved.

It is estimated that at present there are 47 river basins in connection with which headwater-benefit investigations and determinations are required. These involve an estimated 109 headwater improvements and 222 projects benefited.

The following tabulation divides these data between Federal reservoirs (existing or under construction) which have regulatory storage and which now or when completed may benefit downstream hydroelectric projects, and non-Federal reservoirs under license (existing or under construction) which now or when completed may benefit other hydroelectric projects:

Ownership of headwater reservoir	Number of headwater reservoirs involved	Number of projects benefited	Number of river basins involved
Federal	81	137	30
Non-Federal	28	114	22
Total	109	251	52
Less duplications		29	5
Net total	109	222	47

Each of the 47 river basins constitutes an investigation unit. The projects benefited include 19 Federal projects. Although Federal plants are not subject to assessment under the act, the benefits received must be computed in determining the assessments to be made to non-Federal beneficiaries.

During fiscal year 1956, headwater-benefit investigations were under way in nine river basins, as follows: Investigation involving the Federal Allatoona project and three downstream projects owned by the Alabama

Power Co., all of which are located in the Coosa River Basin in Georgia and Alabama; one involving the Federal Blakely Mountain project and two projects downstream owned by the Arkansas Power & Light Co., all located on the Ouachita River in Arkansas; investigation involving three Federal storage reservoirs, two non-Federal-licensed storage reservoirs, and four non-Federal-licensed run-of-river projects in the Columbia River Basin; an investigation involving the Federal Clark Hill project and downstream projects owned by the South Carolina Electric & Gas Co. and the city of Augusta, Ga., all located on the Savannah River in Georgia and South Carolina; one involving the Federal Canyon Ferry project and six downstream projects owned by the Montana Power Co., all of which are located on the Missouri River in Montana; one involving the Federal East Branch project and the downstream Piney plant owned by the Pennsylvania Electric Co., both located on the Clarion River in Pennsylvania; investigation involving the Federal Isabella project, the Borel and Kern River No. 1 plants of the Southern California Edison Co., and the Kern Canyon plant of the Pacific Gas & Electric Co., all located on the Kern River in California; investigation involving two private utilities in California (the Southern California Edison Co. and the Pacific Gas & Electric Co.) and one involving the Federal John H. Kerr and Philpott projects and the Roanoke Rapids and four other non-Federal plants in the Roanoke River Basin, Virginia and North Carolina. These 9 investigations involve an aggregate of 16 headwater improvements and 45 projects benefited.

Headwater-benefit determinations are made on an after-the-fact basis—once a headwater-benefit case is set up it continues as long as the projects are in operation and benefits are provided. Accordingly, it is emphasized that headwater-benefit investigations must be conducted on a continuing basis, year by year. In addition to those listed above for 1956, it is expected that 3 new headwater-benefit investigations will be initiated in fiscal year 1957 and 3 in fiscal year 1958, bringing the total to 15. The new investigations are summarized as follows:

Fiscal year	River basin	Number of headwater improvements	Number of projects benefited
1957	White	1	2
1957	Chattahoochee	2	8
1957	Willamette	5	4
1958	Snake	13	18
1958	Platte	8	11
1958	Santee	2	2

The workload and man-years for the fiscal year 1956 and the estimates for 1957 and 1958 are shown in the following tabulation:

Fiscal year	Start of year: Total river-basin investigations	Initiated during year	Number of projects benefited	Man-years	End of year: Total river-basin investigations
1956	8	1	45	6.4	9
1957	9	3	59	7.0	12
1958	12	3	90	7.0	15

APPLICATION TO CONSTRUCT THE MOUNTAIN SHEEP AND PLEASANT VALLEY PROJECTS

Senator NEUBERGER has quoted a column written by a reporter for the Portland Oregonian and seemingly accepts everything stated therein as the truth, and then, from that premise, voices his criticism. This criticism has a reverse twist, in that I am accused not only of being independent of the administration, but of dominating the administration, rather than the administration dominating me.

The column the Senator quotes states that I received a strong letter from Secretary of the Interior Fred A. Seaton which asked the Federal Power Commission to delay action on the Pacific Northwest Power Co.'s application for a license to construct hydroelectric projects at the Mountain Sheep and Pleasant Valley sites on the Snake River. The article further states that, on receipt of the letter, I took it to Sherman Adams at the White House and had it blue-penciled.

I have already testified concerning this matter before Senator KEFAUVER's Subcommittee on Antitrust and Monopoly of the Judiciary Committee. I have never received, nor have I ever seen any letter from Secretary Seaton, which asked the Commission or me to delay the hearing in the Mountain Sheep-Pleasant Valley case. I have never discussed this case with Sherman Adams. Neither he, nor anyone else in the White House or in the administration, has attempted to influence the Commission in this matter, or any other matter within the Commission's jurisdiction.

On March 20, 1957, the Federal Power Commission responded to an inquiry from Senator ANDERSON in which it was stated in part as follows:

"In specific response to your first question, the Commission does not consider that the letter of February 14, 1957, from the Secretary of the Interior has any legal effect, substantively or procedurally, in the proceeding on the application for license for project No. 2173. In response to the second question, the Commission also respectfully states that it does not intend to alter in any way its normal course of procedure in handling the Mountain Sheep-Pleasant Valley application of the Pacific Northwest Power Co."

This paragraph has been rather widely quoted, but the next paragraph of the letter received scant attention in the press. I think it is important. It is as follows:

"The foregoing does not mean that the Commission would decide the matter on an inadequate record if such should be the case. In any event, the matter is now before the presiding examiner pursuant to the provisions of the Administrative Procedure Act."

ACCELERATED AMORTIZATION FOR IDAHO POWER CO.

Although this question has become moot since this hearing started, it still appears necessary to demonstrate that the effort to discredit the Federal Power Commission and me, concerning this subject, is baseless.

The two Senators from Oregon indicate that the Commission should have determined positively, whether or not Idaho Power Co. would receive a certificate for rapid amortization from ODM before it issued a license.

It seems to be implied, although not definitely stated, that if FPC had discovered that Idaho Power Co. would get the fast write-off, FPC should then have denied the company a license for that reason.

Such a policy would, of course, lead not only to absurd, but to disastrous results. Let us take an example outside the electric power field where the public versus private ownership issue is not present. FPC has issued many certificates of public convenience and necessity to natural gas pipeline companies to construct natural gas pipelines. Some of those companies obtained certificates for rapid amortization of such projects. Should FPC, after finding that the public convenience and necessity required the construction of such facilities, then deny authorization to build them because another agency, in the executive branch of the Government had determined that such facilities were needed for our national defense?

FPC acted wholly independently of ODM and without any knowledge of what ODM would or would not do. I submit that such action was the proper one.

Senator MORSE states that I admitted, before the Kefauver subcommittee, that certain passages in the Commission's opinion regarding Idaho Power Co. were a mistake in the light of events. Senator MORSE has not correctly stated what I said, but I excuse him for that, because several reputable newspapers reported in their news columns that I had so stated.

What I said appears on page 730 of the typewritten record of the hearings and is as follows:

"Mr. KUYKENDALL. Mr. Chairman, I will say this:

"Throughout this opinion we tried to be very careful not to make any statement that was not accurate, could not be demonstrated from the record.

"We made that statement, as I said, without any thought of or any consideration of the possibility of accelerated amortization being granted to Idaho Power Co., and the excerpt of the testimony of these witnesses for the company which we have supplied——

"Senator KEFAUVER. This was based upon the testimony of the president of the company before you, wasn't it?

"Mr. KUYKENDALL. Yes. The president of the company said he had faint hope of ever getting it, and we did not think he would, and we did not consider the feasibility of the project on the basis of the company having accelerated amortization.

"I will concede now in the light of what has happened since, that it can be said that we made a misstatement there, but what we were saying was that there would be no Federal expense through appropriations to build this structure.

"Another agency has done something that we did not know it was going to do and did not expect it to do."

THE ACCUSATION THAT THE FEDERAL POWER COMMISSION IMPROPERLY ALLOWED IDAHO POWER CO. TO CHANGE THE DESIGN OF THE BROWNLEE DAM

Neither the Commission nor its staff has permitted the Idaho Power Co. to vary the terms of its license.

The inspection work is carried on by the Commission's staff. FPC staff has prepared the following statement of the actual facts. Neither I, nor any member of the Commission has personal knowledge about any of the details of the construction of Brownlee, since such matters are handled entirely by the staff until such time as changes requiring Commission approval are proposed. However, I have full confidence in the truthfulness and accuracy of the attached statement and will stand on it.

IDAHO POWER CO. IS CONSTRUCTING THE BROWNLEE DEVELOPMENT IN ACCORDANCE WITH THE PLANS APPROVED BY THE FEDERAL POWER COMMISSION

A question has been raised as to whether the construction of the Brownlee development on Snake River by Idaho Power Co. has been carried out in accordance with the plans for the development approved by the Federal Power Commission.

The plans as approved for all the project works such as the dam, spillway, and powerhouse have been followed as required by the license in that they have been constructed to date without any major change which requires Commission approval. The change which has been discussed by those who opposed the granting of the license involves the facilities provided to divert the flows of the Snake River around the dam site during construction.

The Commission does not usually approve specific plans for such temporary diversion works just as it does not specifically approve

the location of the concrete-mixing plant, the construction camp, or the borrow-pit areas but leaves those matters up to the licensee and the Commission's regional engineer who is the Commission's authorized representative during construction. If the licensee and the regional engineer fail to agree on any matter involving diversion or construction methods, the Commission has authority to order what shall be done in such matters.

The approved plans for the Brownlee development contemplate that the diversion tunnel which is being used for temporary diversion of streamflow during construction, will also be used as a permanent facility as part of a flood-control sluiceway system which is being included in the project upon recommendation of the Army engineers. The Army desires such a sluiceway as a means of quickly releasing stored waters from the reservoir in advance of floods so as to provide up to 1 million acre-feet of vacant reservoir capacity in which to store floodwaters. Such a system is required by the license and will be provided by the company.

Since it was contemplated that the diversion tunnel would be used as a permanent flood-control sluiceway, the Commission rules and regulations required that the tunnel and its associated valves and other control works needed for its operation upon completion of the dam, be shown on the plans and be approved by the Commission. No change in the permanent sluiceway facilities has been approved by the Commission.

The approved plans also show the contemplated use of the diversion tunnel during construction, although the Commission's rules did not require such a showing. At the time the plans were filed it was contemplated that the permanent diversion tunnel would be approximately 44 feet in diameter and that the upstream cofferdam, which was designed to divert water into the tunnel during construction, would be constructed to elevation 1,880 feet, or about 80 feet above river bottom. Such a tunnel and cofferdam system would have a diversion capacity of about 60,000 cubic feet per second.

After the license was issued the company undertook to relocate the Oregon State Highway in the reservoir area. Parts of the highway are located as low as elevation 1,832 feet. Although the State highway commission was agreeable to the relocation, that agency decided that it did not have authority to let the company so relocate the highway without an authorizing act of the Oregon State Legislature, since the original location of the highway had been specified by an act of the legislature. The legislature recently authorized the relocation and it is understood that the act will become effective 90 days after the adjournment of the legislature.

When it developed that the highway could not be relocated without an act of the legislature and still comply with State law, the company, with the agreement of the Commission's regional engineer in San Francisco, proceeded with construction of the cofferdam to elevation 1,830 feet instead of 1,880 feet, since a cofferdam higher than 1,830 feet would result in flooding out the State highway. In addition, the temporary diversion tunnel was constructed with a 42-foot diameter instead of 44 feet. The tunnel with the cofferdam at 1,830 feet has a capacity of 25,000 cubic feet per second instead of 60,000 cubic feet per second, as originally contemplated with cofferdam at elevation 1,880 feet. The principal factor in the reduction of diversion capacity was the decrease of 50 feet in the height of the cofferdam with the resultant reduction of 50 feet in head at the upstream entrance to the tunnel.

With such a change in diversion capacity, it was expected that the cofferdams would have to be breached during the 1957 spring floods since it was known from examination of flood-flow records that the flows substantially exceed 25,000 cubic feet per second every spring. In addition, such records show that a flood of 60,000 cubic feet per second has been equaled or exceeded during 4 spring floods in the past 32 years. The cost estimates of the Brownlee development contained a sum of money to allow for the cost of a breach in the cofferdams during one flood season. As it turned out, the cofferdams would have been breached during the February 1957 flood season had the 60,000 cubic feet per second diversion capacity been provided, as originally contemplated, since the flows substantially exceeded that amount during February 1957, and again in May of 1957.

Prior to the February 1957 flood, the core section of the Brownlee Dam had been completed up to elevation 1,800 feet (stream bed elevation) planned to be reached in advance of the flood. This core section extends downward 100 feet to foundation rock.

The company has proposed locating the flood-control sluiceways or low-level outlets under the spillway section instead of completing the existing diversion tunnel as the permanent flood-control sluiceway. As required by the license, model tests have been made of the spillway section as a basis for its final design and such studies included tests of the flood-control sluiceways under the spillway. This possible relocation of the sluiceways has been under study and consideration by representatives of the company and Commission engineers since late 1955. It appears now that the relocation could save some two or three million dollars in construction costs and could result in more efficient and less costly operation. However, the proposed revision will be studied in detail and the Commission will have to decide whether or not to approve the proposed relocation.

The required model tests upon which the design of the proposed relocated sluiceway and spillway are based, have only recently been completed. The report on the model tests and the revised plans were filed on May 27, 1957, together with a request that they be approved by the Commission. The plans are presently under study by the Commission staff.

Some question has also been raised as to whether the flood damage at the Brownlee site has been extensive. Present estimates indicate that the damage will not exceed $35,000. In any event, the work is protected by insurance against all damage in excess of $25,000. Construction is proceeding on other facilities such as the spillway, power intake works, power tunnels, and rock embankments, and our San Francisco regional office has recently reported that the work is proceeding satisfactorily according to approved construction methods and that construction of the job as a whole is on schedule.

The present construction calls for completion of the Brownlee Dam to an elevation of 2,050 feet by January 1958. However, should the dam be no higher by that time than elevation 2,020 feet which is 140 feet higher than the original height planned for the upstream cofferdam, the diversion tunnel will be capable of passing about 70,000 cubic feet per second, and the spillway section will be able to pass an additional 90,000 cubic feet per second, for a total of 160,000 cubic feet per second. In addition the reservoir will have a storage capacity of about 700,000 acre-feet with the dam at elevation 2,020 feet. Thus, it is apparent that all floods of record can be safely and adequately handled during the remainder of the construction period.

ACCELERATED AMORTIZATION, RATEMAKING, AND ACCOUNTING

Mr. Clyde Ellis, general manager of the National Rural Electric Cooperative Association, has criticized the Commission's treatment of accelerated amortization. He makes no mention whatsoever of the opinion of the United States Court of Appeals for the District of Columbia circuit, entitled *City of Detroit* v. *Federal Power Commission*, decided December 15, 1955, which approved completely and unequivocally the action the Commission had taken in solving this problem. This decision is final and binding. The pertinent part of this decision is hereinafter quoted:

"We do not disturb the Commission's solution of the problem created by Federal income-tax savings resulting from accelerated amortization. Such amortization is permitted under certificates of necessity, applicable to emergency facilities, issued pursuant to section 124A of the Internal Revenue Code (26 U. S. C., sec. 124A (1952)), to encourage construction in the interest of national defense. Panhandle has had an aggregate investment of $10,563,609 certified for accelerated amortization. Under section 124A Panhandle is authorized to charge off this total amount to depreciation in 5 years, regardless of the estimated useful life of the properties, thus accelerating the amortization of these facilities. The Commission points out that the savings in Federal income taxes thus effected for each of the 5 years will be '* * * the difference between what taxes it (Panhandle) would otherwise have been required to pay without accelerated amortization and the taxes actually paid.'

"The Commission continues: '* * * We have computed the tax payments which would have been required without the accelerated amortization which Panhandle is permitted, and for the purposes of the rate schedules under study have considered that Panhandle will be allowed as operating expenses such normalized taxes. This does not allow Panhandle for rate purposes more than a fair return over the long period, but does recognize the grant by Congress of certain temporary tax savings under section 124A.'

"Since, however, Congress intended by section 124A only to defer tax liability, and not to provide a fund which could be diverted by Panhandle to the payment of dividends, the Commission further states, 'the accruals from taxes in excess of those actually paid should logically be treated by Panhandle, not as free and unrestricted income, but earmarked to provide for the future meeting of such liability.' After the facilities have been fully depreciated under the accelerated amortization plan, income taxes will normally be greater, since no further deductions for depreciation will be possible. By setting up a special reserve for the tax savings of the first 5 years, the Commission insures that this amount will go to meet the increased taxes after that period, rather than being paid out in dividends.

"Petitioners object to the Commission's method of 'normalizing' income tax expense, by which all computations are made as if amortization were not accelertated. They contend that in order to hold rates to a just and reasonable level, the savings effected by the accelerated amortization should partly inure to the benefit of consumers. They propose that this be accomplished by treating the saving simply as ordinary depreciation would be treated. That is, in computing recoverable expenses, the income tax expense would be figured at its actual, instead of normalized, amount, but depreciation expense would be set at the accelerated figure. Thus the same saving would accrue to Panhandle, but under the name of depreciation expense rather than income tax expense. The difference, however, would lie in this, that amounts recovered as depreciation expense are deducted from the rate base. Thus in essence petitioners' plan would allow Panhandle its yearly saving for the 5-year period, but would deduct the amount of that saving each year from the rate base.

"This plan was rejected by the Commission, which concluded, we think correctly, that the intent of Congress reflected in section 124A is not to benefit consumers but rather the taxpayer in order to encourage construction of certain emergency types of facilities. Were the tax savings deducted from the rate base, the taxpayer here would not receive the intended benefit. The valuations upon which it is entitled to earn a fair rate of return would be decreased by the amount of the savings. In placing the savings at the disposal of Panhandle under the limitations specified, the Congressional intent is effectuated. The funds go into a reserve account for the payment of the deferred taxes to accrue after the 5-year amortization period. Though thus earmarked, the funds are available for income-producing purposes. Unless this is permitted, it is difficult to see how Panhandle could benefit substantially from section 124A. This statute, unlike the Natural Gas Act itself, is not for consumer benefit. It has a different public policy and should be given effect as intended by Congress. Furthermore, the solution of the Commission does not result in higher rates to the consumer. It simply does not operate to reduce them. It aids Panhandle but neither aids nor harms petitioners. We think this is the result sought by Congress."

As for the accounting aspects of the matter, 32 State commissions have accounting rules concerning the subject. Most of them have accomplished the same result as did FPC, but various accounting methods and account numbers were used to accomplish the deferred tax accounting.

The accounting aspects and ratemaking aspects of the problem are intertwined. The ratemaking problem is of primary concern to the States as the electric rates subject to FPC jurisdiction are extremely small, as only a relatively minor amount of electricity is sold for resale in interstate commerce.

FPC has always cooperated with the National Association of Railroad and Utilities Commissioners in an effort to bring about uniformity of accounting. Not all electric companies are under FPC jurisdiction. There never has been complete uniformity in electric utility accounting. In fact, there exists side by side, the FPC's uniform system of accounts and the NARUC uniform system. They are very similar, but not identical. In some cases, State laws prevent a particular State commission from adhering to the uniform system in some particular respect.

This subject has been continually reviewed by the NARUC committee on accounts and statistics on which FPC is represented by one of its staff members.

On February 8, 1957, the Commission issued a notice of proposed rulemaking (R-159) which would have flexible applicability, depending on whether or not the controlling State commission had authorized deferred tax accounting. Numerous comments have been received, and the Commission staff is analyzing them. In due course, the Commission will take appropriate action. This proposed rulemaking pertains both to accelerated amortization and liberalized depreciation, the latter having been authorized by the previous Congress.

Because of the primary jurisdiction of the States over electric rates plus the fact that the various States have made varying decisions in regard to accounting, in order to implement their rate decisions, absolute uniformity is apparently not obtainable. Nevertheless, full disclosure has and will be compelled.

DURATION OF LICENSES OF HYDROELECTRIC PROJECTS

Again the Commission, under my chairmanship, is charged with following an improper policy, while the fact is the Commission has created no new policy in this instance, and has only followed the policy and precedents set by the Commission when it was composed entirely of members appointed by the preceding Democratic administrations.

Since 1948, the Commission has made numerous licenses effective for 50 years from the date of reconstruction or redevelopment, or where a new development is to be built in connection with an existing development or developments in the same stretch of the river.

Let us see what the Commission had done prior to my becoming a member thereof:

Project No. 1940, Wisconsin Public Service Corp.

Although the corporation had filed a declaration on May 27, 1937, to reconstruct the project and actually reconstructed it in 1938, the Commission order of June 6, 1946, authorized the license for a term effective January 1, 1938, and terminating June 30, 1970—or 50 years after 1920 because the original project had been constructed prior to 1920. The company called the Commission's attention to the fact that in 1937 the old timber dam had been removed and replaced with a concrete dam and that a new powerhouse had been installed, and requested that license terms be for 50 years from the reconstruction date. By order of March 30, 1948 (7 F. P. C. 523) the Commission modified its 1946 order and fixed the term at 50 years from January 1, 1937, the year of reconstruction.

The members of the Commission who took this action were Olds, chairman; Draper, Sachse, Smith, and Wimberly.

Project No. 1980, Wisconsin Michigan Power Co.

By order of April 6, 1948, (7 F. P. C. 544) the Commission authorized issuance of a license for project No. 1980 to Wisconsin Michigan Power Co. for a term of 50 years from March 1, 1948, to authorize reconstruction of an old dam and powerhouse originally built in 1914. The dam was to be replaced and a new powerhouse built which would eventually replace the old powerhouse.

Smith, Chairman; Draper; and Olds voted to issue this license.

Project 2004, Holyoke Water Power Co.

By order effective July 5, 1949, the Commission issued a license to Holyoke Water Power Co. for project works on Connecticut River, some of which were originally constructed prior to 1920 and new facilities, principally a new powerhouse, to be constructed after issuance of license. The license as issued was for a term of 50 years from September 1, 1949.

Commissioners Smith, Chairman Buchanan, Draper, Olds, and Wimberly approved this license.

Project 1966, Wisconsin Public Service Corp.

On February 26, 1951, the Commission issued a license to Wisconsin Public Service Corp. for a dam built as early as 1915 and for a new proposed powerhouse constructed in 1938 to replace the old one. The term was for fifty years from January 1, 1938, the year in which the new powerhouse was built.

Chairman Buchanan, and Commissioners Draper, Smith, and Wimberly voted to issue this license.

Project 2056, St. Anthony Falls Water Power Co.

By order of September 6, 1951, the Commission issued a license to St. Anthony Falls Water Power Co. for 50 years effective as of February 1, 1951, for the lower dam development on Mississippi River in Mineapolis. The powerhouse was being modernized and the Government was constructing a new navigation dam to replace applicant's old dam built in 1895-97 with a resultant 6 foot increase in head. This license was later amended to include constructed facilities at Upper Falls immediately upstream and to authorize modernized power facilities.

In its order amending license the Commission found that the combined facilities at the Upper and Lower Falls constitute a complete development of the power head at St. Anthony Falls and that the operation of the entire development is directed from the Main Street plant with water released from the powerplants at the upper dam being utilized through the powerplant at the lower dam.

Chairman Wallgren, Buchanan, Smith, and Wimberly were the Commission members who voted to issue this license.

Project 2077, Connecticut River Power Co.

Following this same principle of issuing a license for fifty years from date of reconstruction or redevelopment, the Commission on January 22, 1952, issued a license to Connecticut River Power Co. for 50 years from August 1, 1951, for the constructed Comerford and McIndoes developments and the proposed Littleton development, designated as project No. 2077.

The members of the Commission who voted to issue this license were Buchanan, Chairman; Draper, Smith, and Wimberly.

In the cases above mentioned, and in similar ones, the Commission was faced with conflicting considerations. Admittedly, all old, unlicensed projects subject to FPC jurisdiction should be brought under license. But the Commission never has been able to get the sufficient funds and manpower to determine whether many of the old projects should be licensed, and to require the owners to get licenses.

It is not a simple matter, in many cases, to determine whether or not a given project is subject to FPC jurisdiction. This frequently depends on whether the project is in navigable waters, or whether the project affects the navigable capacity of waters downstream. There has been considerable litigation on these questions with the result that a number of projects which at one time were definitely thought not to be under Federal jurisdiction, now are under license.

In the specific cases above cited, the Commission was able to bring old developments under license simultaneously with licensing a new development. Very probably, in some cases, if the Commission had back-dated licenses for the combined construction and proposed project works as far as it could, the licensee would have refused any license until jurisdiction was established and very likely would have refused or been unable to proceed with the new development involved in the absence of a 50-year term. Apparently, it has appeared to the Commission over the years that it was more important to get old developments under license and new ones constructed by allowing a 50-year term than to hinder or impede development by insisting upon a shorter term.

Admittedly there are legitimate arguments for back-dating licenses for old, unlicensed projects, one of them being that it is not wise to fail to penalize for delay in applying for a license. But, once an application is filed for a development or group of developments, the Commission is in a position from then on to compel comprehensive development by requiring changes in the developments, if necessary, to make them best adapted to a comprehensive plan of development for the river basin involved. In addition, no change or additions can be made after licensing without the Commission giving its approval. Is that better than being unable to do anything about the matter?

Possession of licenses with short remaining tenure raises many problems for the licensee. He must set up an amortization reserve at the end of the 20th year of the license period. If licenses were back-dated to date of construction, the licensee would in many cases be years behind in setting up this reserve at the time he received his license.

Another most serious problem is that a licensee whose license is issued with only a few years to run will probably have great difficulty in obtaining capital to finance the new project works because of the imminence of possible takeover by the Government.

The problems of publicly owned electric utilities created by the uncertainty of license tenure were solved by the enactment of Public Law 278, 83d Congress, approved August 15, 1953 (68 Stat. 587). This act provided that section 14 of the Federal Power Act was inapplicable to licensed projects owned by States and municipalities. Section 14 is the section which specifies that the United States must pay only net investment, not to exceed fair value, if it takes over a licensed project at expiration of the license period.

In Senate Report No. 599, 83d Congress, the Senate Committee on Public Works recommended enactment of the bill (S. 2094) stating:

"It [the committee] considers that State and municipal hydroelectric projects are developed for public use and benefit, and that the provisions of section 14 for establishing a formula under which the acquisition price can be determined in event a licensed project is acquired by the United States at the end of the license period should not be applicable. Removal of this feature with respect to State and municipal projects would greatly assist those agencies in the sale of bonds for financing such projects, or for making additions on betterments by removing the uncertainty of license tenure."

The Commission pointed out in its report on the bill that the uncertain tenure in the General Dam Acts of 1906 and 1910 was the primary reason those acts were not successful in encouraging water-power development. The Commission said:

"The absence of a minimum tenure prevented the full and free flow of capital necessary to the optimum development of water-power resources. A search of the legislative history of the Federal Water Power Act of 1920 discloses that the Congress was primarily concerned with these problems of development of water-power resources by private enterprise (including States and municipalities) consistent with protection of the public interest in conservation of such resources. To that end a system of both administrative licensing and certainty of tenure were regarded as indispensable.

"The retention of the acquisition price formula in section 14 is not indispensable to, nor is its surrender necessarily inconsistent with Federal licensing control over State and municipal projects. Moreover, if as a matter of policy the Congress sees fit to thus modify this provision of the act, regional or national power planning and development would not be precluded. Multiple-purpose features, including flood control and navigation benefits, are preserved and Federal interests are believed to be adequately safeguarded by sections 4, 10, 11, 12, and 18 of the act.

"States and municipalities would not be placed in a disadvantageous position nor would the interests of the Federal Government be prejudiced by exemption of States and municipalities from the provisions of section 14 of the act. Under section 15 of the act, such a licensee, upon the expiration of the original license can apply for a new license."

The favorable report to the Congress on this legislation was made by Jerome K. Kuykendall, Chairman, and Commissioners Claude L. Draper and Dale E. Doty on July 10, 1953. However, I do not advocate this same exemption for the privately owned utilities.

Realizing that the administrative problems involving bringing old projects under license were becoming more aggravated with each passing day, the Commission, on July 28, 1954, issued a notice of proposed rule making, pursuant to the Administrative Procedure Act (R-139), and solicited views and comments from interested parties. No solution was found. Most parties who commented recommended that each application for license should be determined on its own particular facts. As a result, the Commission terminated the proceeding on January 25, 1955, without adopting any rule.

Recently the Commission authorized a license for several old developments of Carolina Aluminum Co., on the Yadkin River in North Carolina, together with a new development to be built. The term of the license, so far as the old developments were concerned, would run from 1947. (This was done for reasons stated in the opinion.) The license also provided that so far as the new development is concerned, it shall bear a current date.

The applicant has petitioned for rehearing, and contends it could not afford to finance the new project with such a short term remaining for the older structures. Applicant also says it cannot afford to rebuild its smelting works at Badin unless it has the longer tenure, and will, instead, close down the Badin works and build additional smelting facilities at another plant. This matter has been set for hearing.

The American Public Power Association has protested, contending the old projects should have a license for a shorter tenure. This case indicates some of the problems involved.

We now have a somewhat analogous application on file from Duke Power Company. In both cases, the Commission's jurisdiction has not been admitted, nor has it been determined in a formal proceeding.

The foregoing briefly analyzes the difficult problems facing the Commission regarding this situation. Since there are cases pending before the Commission which present these problems, it would not be wise for me to comment further at this time. I, for one, would be happy to have this Committee review this matter to determine if the problems could be resolved by legislation.

Our general counsel has advised the Commission that the matter of dating a license is discretionary, and that the law does not require that it be dated as of the time it was constructed, or at any other particular time.

For a number of years, the activity of bringing unlicensed projects under license was completely dormant. It has been revived, under my chairmanship. Unfortunately, the problem cannot be simply solved by merely obtaining a larger appropriation. For fiscal 1958, we asked the Bureau of the Budget for 18.5 man-years for this work and requested Congress for 2.5 man-years. The Bureau of the Budget's basis for cutting our request was that the skilled manpower needed could not be obtained in the numbers we requested. I must reluctantly agree that, under existing conditions, we probably could not obtain all the manpower we need.

Our statement to the Bureau of the Budget on this subject was as follows:

"(e) Unlicensed projects investigation: The necessity of concentrating personnel on processing applications for permits and licenses has meant that unlicensed project investigations have in general been instituted only for specific reasons, among which is the need for determining the legal status of an unlicensed project which would affect or be affected by a Federal river development.

"Section 4 (g) of the Federal Power Act, however, authorizes the Commission to investigate the occupancy, for the purpose of developing electric power, of streams and lands subject to Federal jurisdiction and to issue such orders as it may find appropriate and expedient and in the public interest to conserve and utilize the navigation and water-power resources of the region. The actual expenses of this work have been more than repaid by back charges collected from unlicensed projects. The work, therefore, more than pays for itself.

"From a survey made a number of years ago, it is estimated that there are several hundred unlicensed projects of over 500-horsepower capacity each concerning which there is doubt as to whether they are operating under proper authority.

"During fiscal year 1956, 6 cases of long standing were under investigation. One case, involving the Missouri River projects of the Montana Power Co., was completed. It is expected that the remaining 5 cases, carried forward to fiscal year 1957, will be disposed of during the fiscal year. These 5 cases, plus 3 new cases to be commenced during the year, will bring to 8 the total number of unlicensed project investigations in progress during fiscal year 1957. The three new cases will be carried over to fiscal year 1958.

"In the past, the Commission has made findings, in connection with declarations of intention, which required licenses for particular projects, such findings being applicable to other projects in the same rivers. It is planned to initiate proceedings involving projects in three such river basins in 1957 and three in 1958. It is expected that three of these proceedings can be completed in 1958. The back charges payable to the United States from owners of projects which would be licensed in these six river basins would depend on the effective dates fixed if and when licenses are issued. However, if the licenses for these constructed projects were made effective January 1, 1938, as has been done in other cases, the back charges are estimated to amount to over $1 million, and the average annual administrative charges thereafter would be about $56,000. Entirely aside from the regulatory principle involved, this revenue would appear to amply justify the staff increase needed.

"For fiscal year 1958, it is also planned to initiate six new investigations involving projects for which there are no Commission jurisdictional findings that are directly applicable. These investigations involve 38 unlicensed projects in six river basins having an aggregate installed generating capacity of about 840,000 kilowatts with estimated average annual administrative charges of about $100,000. The statement in the previous paragraph concerning back charges is also applicable to the projects included in these six investigations. (If computed back to 1938, the back charges would amount to about $1,800,000.) Since there are no Commission jurisdictional findings directly applicable to these projects, the work involved in these investigations is much greater than in cases where there are applicable Commission findings. This factor accounts for practically all of the increase in man-years in 1958 over 1957 in this activity. These additional 6 cases will make a total of 12 river basin investigations to be conducted during fiscal 1958.

"The following tabulation shows the man-years for this type of work for 1956 and as estimated for 1957 and 1958, with the corresponding number of investigations expected to be carried on and the number completed during each of these years:

"Fiscal year	Number of investigations in progress	Man-years
1956	6	1.2
1957	8	2.5
1958	12	18.5"

SENATOR JACKSON'S STATEMENT

Senator JACKSON's statement reiterates many of the accusations which have already been answered, but he raises another point or two which deserve attention.

He refers to a case concerning Olin Gas Transmission Corp. where the Commission

found that that corporation had sustained the burden of proof on a difficult point. I pointed out that the testimony of a particular witness had, in the Commission's opinion, stood up. The element of proof referred to was set forth in the case of *City of Detroit* v. *Federal Power Commission*, decided by the United States Court of Appeals for the District of Columbia Circuit on December 15, 1955, where the court said, in discussing the use of "field price" (hereinafter referred to by the court as the "latter method"):

"When the latter method is used, the evidence and findings must show that the increase in rates thus caused is no more than is reasonably necessary for the purposes advanced for any increase."

Each case must be decided on the record of that particular case. The fact that the Commission found that Olin had been fortunate enough to sustain a difficult burden of proof does not mean that an improper result had been reached. On the contrary, the Commission specifically found that the rates had been shown to be just, reasonable, and otherwise lawful.

The Olin case is the first and only case so far in which the Commission has found that the burden of proof above mentioned has been sustained.

In the following cases, the Commission has held that such burden was not sustained, and I joined in all these decisions: G-8518, Associated Oil & Gas Co.; G-8519, Orange Grove Oil & Gas Corp. and H. J. Mosser; G-4505, Bel Oil Corp.; G-6622, Crow Drilling Co., Inc.; G-8516, Gulf Oil Corp.; G-6279, Maracaibo Oil Exploration Corp.; G-4334, Morris Rauch; G-8488, Sohio Petroleum Co.; G-8288, Sun Oil Co.; G-4331, Union Oil of California; G-5510, Forest Oil Corp.

Do such facts indicate that either the Commission or I are partial to gas producers?

Senator JACKSON also stated:

"Mr. Kuykendall testified recently concerning the proposed administration amendment to give the Federal Power Commission permissive authority to consider costs in arriving at reasonable market price. Mr. Kuykendall took the attitude that costs should be considered only where they would give producers a higher price, and not where it would result in lower prices to consumers. For details refer the committee to pages 187-190 of the transcript for May 9 on the natural-gas hearings before the House Committee on Interstate and Foreign Commerce. On pages 211 and 215 there are additional revelations of Mr. Kuykendall's producer-oriented philosophy."

I must unequivocally contradict the Senator. During the course of the hearing, he refers to, before the House Committee on Interstate and Foreign Commerce, I stated precisely the contrary view several times.

On pages 211 and 212 of the typewritten transcript, I said: "I am not so concerned about evidence of the costs of any one particular producer, because it is reasonable to assume, I believe, that a producer who has hight costs may be very willing to disclose those, while one with low costs would not be. The costs that are pertinent or the cost evidence that I deem pertinent is not necessarily pertaining to one producer, but to economic conditions or to the conditions of the industry generally, to show trends, they might be used in economic studies, evidence of that character, and not something to be used for arithmetical computations, but simply supplemental evidence to all the other evidence, to arrive at a reasonable market price."

On page 214, I said: "And in the instance I cited, just because a producer has very high costs is no reason, in my opinion, as a matter of law or in sound economics, to try to reward him unduly, simply because he wasn't as fortunate as some other producer. I think he should still get only a market price."

On page 215, I said: "I don't think the cost of the individual producer should be given very much, too much, weight ordinarily, because the costs of producers are too variable, it is too hazardous an industry, it is not a utility industry where costs have a close relation to the selling price or the service."

On pages 3521-3524 of the same record, there is a letter from the Commission to the chairman of the committee. One paragraph, appearing on pages 3522 and 3523, is as follows:

"We would not, as we understand the proposed measure, be bound or authorized to allow a high price to any producer simply because he had incurred high costs in developing some gas reserves. We understand the bill to mean that no producer should be allowed more than the reasonable market price, regardless of his costs and that, conversely, no producer should be allowed less than the market price because his costs were low."

Senator JACKSON complains of the Commission not accepting the staff's position in the Olin case and not accepting the examiner's position in the Hells Canyon case. He does not mention the fact that the Commission agreed with the result the examiner reached in the Olin case and agreed with the staff's position in the Hells Canyon case. It is clear this criticism proves nothing, except the fact that the Commission has made its own decisions—as it should do.

THE FEDERAL POWER COMMISSION'S RECENT RECOMMENDATIONS FOR POWER INSTALLATIONS IN FEDERAL PROJECTS

Since 1953, the Commission has recommended installation of power facilities in the following projects which have either been proposed or considered by the Department of the Army:

	Capacity (Kilowatts)
Eagle Gorge	35,000
John Day	2,000,000
Dexter	15,000
Hartwell	360,000
Ice Harbor	540,000
The Dalles	1,716,000
New Cumberland	24,000
Markland	100,000
New Richmond	70,000
Greenup	60,000
Hills Creek	45,000
Fort Gaines	130,000
Total	5,095,000

During the past 4 years the Commission has recommended power installations at the following Department of the Interior projects:

	Capacity (Kilowatts)
Browns Creek	90,000
Rogue River	10,000
Colorado rim storage project	1,000,000
Total	1,100,000

I am ready to answer any questions the committee may have.

CHARGES AGAINST MR. KUYKENDALL IN CONNECTION WITH ATOMIC ENERGY COMMISSION

Mr. SCHOEPPEL. Mr. President, I refer any Senator who desires to examine the printed record of these hearings, to the hearings of the Joint Committee on Atomic Energy on the Exercise of Statutory Requirement of section 164, Atomic Energy Act of 1954 and the utility contract between the Atomic Energy Commission and the Mississippi Valley Generating Co. Mr. Kuykendall's testimony will be found on pages 187 through 211.

CERTAIN REPRESENTATIVES IN CONGRESS, AND OTHER WITNESSES, ALLEGED THAT THE NOMINEE CONFERRED WITH OFFICIALS REPRESENTING THE NATURAL GAS INDUSTRY IN AN EFFORT TO DRAFT LEGISLATION WHICH WOULD BE ADVERSE TO THE INTERESTS OF THE CONSUMER

Mr. Kuykendall made a full and complete discussion in testifying before the Senate Committee on Interstate and Foreign Commerce that, at the request of an official at the White House, he did make an effort to prepare a bill for possible introduction in Congress on natural gas. I point out that he testified such a bill was never completed and that no such bill was introduced in either House of Congress.

It is interesting to note that the man with whom he conferred actually testified against the Harris-Fulbright bill. This representative of the gas industry represented the Consolidated Edison Company of New York and he served as an attorney for that firm. In addition, this spokesman had made public statements on behalf of the distributing companies, which were at that time organized as the Council of Local Gas Companies. It is interesting to note that the attorney with whom Mr. Kuykendall conferred was of the opinion that the Harris-Fulbright bill did not contain sufficient protection for consumers. I understand that the spokesman for the Council of Local Gas Companies did not favor the utility type method of regulation. He did, however, advocate a position between the existing type of regulation and the Harris-Fulbright bill. The meeting at which Mr. Kuykendall conferred with Mr. Randall LeBoeuf was held in New York when both Mr. Kuykendall and Mr. LeBoeuf were attending a series of meetings held under the sponsorship of the Practicing Law Institute. By way of explaining, I wish to add that the Practicing Law Institute is an organization devoted to the professional improvement of lawyers. At that time it was conducting a seminar on natural-gas regulation problems.

I wonder how many Members of this body would not have reacted in the same manner as Mr. Kuykendall if they had been requested by an official serving as special counsel to the President to attempt to draft legislation that would overcome the veto objections which the President has stated in his message to the Congress at the time the last gas bill was vetoed. I feel certain that almost all of us would have endeavored to comply had we been serving as Chairman of the Federal Power Commission. While I am sure that we all consider the independent boards and commissions such as the Federal Power Commission to be "arms of Congress" they do have certain responsibilities to the Executive, and under the terms of our Constitution the President can call for a written report from an official of a department or an agency of our Government. I would not characterize Mr. Kuykendall's conduct as wrong in any respect in this particular. He merely attempted to comply with a request that originated in the White House. For that I do not believe that he should be condemned. The

charge that he had made efforts to prepare a bill exempting gas producers from regulation is simply not true. The nominee testified he did endeavor to frame a bill which would provide "more stringent regulation than did the Harris-Fulbright bill which was not an exemption bill."

Much has been made of the fact that the meeting was held in secret. I prefer to consider that the meeting was a private one between the participants and that there was no sinister conduct on the part of any participant. Such an allegation or insinuation is simply not true. The charge that Mr. Kuykendall has acted adversely to the consumer interest in this case has not been proven. I am certain that the Members of this body will recall their action on the Harris-Fulbright bill and on the Kerr bill that preceded it. Strong opinions were held by Members of this body either for or against the legislation. We did not question each others' motives. We all knew where the representatives of the consumer stood on those bills. The simple fact is that their position was known, they wanted no change in the law in any respect. No advantage could be gained by conferring with representatives of that group.

The nominee testified that he had always held himself available to any person or group that has endeavored to contact him in connection with any matter within the jurisdiction of the Federal Power Commission. I commend him for it for I believe that such availability for discussion of common problems is essential and that many advantages can flow from a free exchange of views. As I recall the testimony, the nominee stated that no representative of any consumer group ever conferred with him concerning pending natural-gas legislation.

The nominee has been charged with failing to be candid when he appeared before a Subcommittee of the House Select Committee on Small Business in connection with testimony concerning the Hells Canyon case decision. The Senator from Ohio [Mr. BRICKER] has covered this. I shall not repeat it now. The facts in that case will clearly show that the Hells Canyon matter had been the subject of Federal Power Commission meetings and that, in fact, on the date that Mr. Kuykendall testified before the subcommittee a decision had already been reached with respect to that case. At that time the opinion, findings, and the order of the Commission had not been issued. When asked about the case, the Chairman of the Commission refused to divulge to the committee the fact that the case had been decided. He merely advised that the matter was pending before the Commission. I think his choice of language in describing the situation was good because, in fact, that was the actual status of the case. I know of no reason why a Federal official should disclose or leak information to committees of Congress in cases which are under active consideration. The situation is exactly the same as a pending legal case in which the judge has decided the issues but has not offered his written opinion. I do not feel that it is proper to question either members of boards and commissions or trial judges concerning their action on a legal matter which is pending before them. I consider such attempts to be highly improper and I know that coming from a member of the bar, such questions to a magistrate would be considered an unethical practice not in keeping with the ethics of the legal profession.

Many of us are aware of several recent leaks that have occurred within the not too distant past. We all know that, whenever advance information comes out before the official decision is published, many unscrupulous persons will attempt to take financial or other advantage of such a situation. I believe Mr. Kuykendall acted correctly in not permitting an opportunity for such an occurrence. We all know that it is difficult at times to keep people from talking about such matters which have great political impact. I doubt that such knowledge could have been kept in a confidential status until after the Commission issued its final order in this case.

It has been charged that the Federal Power Commission, under Chairman Kuykendall, used the private three-dam power project on the Snake River for comparison with the high dam only to achieve an appearance of plausibility but that in effect the company would be relieved of the burden of building a third dam since there is little or no expectation of a market for excessive power. The Chairman testified, and I believe quite correctly, that such a claim is not supported by the Commission's decision in the Hells Canyon case. The record before the Federal Power Commission refutes the claim that there is little expectation of a market for the power output of a third dam. The findings as set out by the Commission clearly evidence the fact that the total capacity which could be provided by the three-dam project would be completely utilized by the year 1975 in the system of the applicant company. Efforts were also being made by the applicant to dispose of the power through wheeling arrangements of other systems in the northwest area. Evidence presented to the Federal Power Commission sustains the possibility that the total capacity developed by the three-dam project could be sold to other systems in the Pacific Northwest. That evidence indicates that the power requirements of the area will exceed the supply by 1962.

It has been alleged that the Federal Power Commission in deciding the Hells Canyon case has made a political decision which is not within the scope of its jurisdiction. I am certain that Chairman Kuykendall and his colleagues on the Commission have been fair in considering all cases which come before them in their official capacity. The Federal Power Commission has relied upon facts in each case as it found them and has reached its decisions in accordance with sound principles of applicable, general, and administrative law.

Certain witnesses have voiced opposition to Mr. Kuykendall's participation in the Hells Canyon case before the Federal Power Commission, and they cite his connection with certain utility companies and his service on the Public Service Commission for the State of Washington. I wonder where we can get qualified men to serve on our administrative boards and commissions unless we obtain them from sources which are presently available. If you need a utility lawyer you get a utility lawyer. If you need a communications lawyer, you get a communications lawyer. If you need a board member with the background of aviation, you obtain a person who has a knowledge of the aviation business. Chairman Kuykendall has a background of private practice of law and service on a State commission charged with regulating utilities. By virtue of that background, he had particular knowledge and ability within this highly specialized complex field of law. His service on the State regulatory body has demonstrated his executive ability. These facts make him an asset to our Government. He brought to the Commission well-rounded experience and administrative talents. He has approached the questions coming before him with an open mind and the charge of bias simply has not been proved. I know of no reason why he should have disqualified himself from participation in that case.

NATURAL GAS ACT

It has been charged that the nominee was not in sympathy with and has not enforced the Natural Gas Act. We all know that, when a Senator or a Member of Congress introduces legislation, appropriate agencies and departments of our Government are requested to furnish their views or comments on the proposed legislation. The Federal Power Commission has in the past complied with the requests of the various committees of Congress and has furnished views in support of or in opposition to such legislative proposals. In so doing, the members of the Commission have rendered a service to Congress in expressing their own opinion upon legislation, as they frequently are asked to do. In the past we have frequently found, not only with the Federal Power Commission but also with other agencies, that frequently members charged with the responsibility of administering a statute held a philosophy or opinion somewhat in conflict with it. Our laws do not always keep abreast of changes in our way of life, in our economy, or within a particular industry. While the rule of law which has been set out in the statute is inflexible, in some instances changes within the industry which it regulates dictate a different approach to the problem from that which is contained within the law. I can find no quarrel with Mr. Kuykendall's conduct on this matter. He is entitled to his own personal views on the Natural Gas Act, or on any other matter. Such views as are sent to Congress reflecting the need for changes in our law which are constructive are most helpful to the committees of Congress and individual legislators in determining the need for new legislation.

We have found within the Federal Power Commission, and I am certain in other commissions, that at various times certain commissioners have found them-

selves opposed to the philosophy of law under which they have administrative responsibility. I do not consider that unusual, and certainly it is not the basis for an accusation that a member of a commission or a board is not carrying out and fulfilling his administrative duties under the law. It is apparent to me that the nominee has consistently enforced the Natural Gas Act. He said he would follow the law. I draw that conclusion from the actions he has taken in cases coming before the Federal Power Commission and from his testimony before the committees of Congress.

Mr. President, Chairman Kuykendall is but one member of the Commission and I do not believe that he should be criticized because of the action taken by a majority of the Commission in recommending changes in our law.

THE SO-CALLED SEATON LETTER INCIDENT

A Member of the Senate appeared before the committee and quoted certain newspaper correspondents concerning certain actions taken by Secretary Seaton of the Department of the Interior and Chairman Kuykendall. One of the newspaper columnists reported that Mr. Kuykendall had received a strong letter from Secretary Seaton requesting the Commission to delay its action on an application for a license to construct projects at the Mountain Sheep and Pleasant Valley sites on the Snake River. It was further alleged that Mr. Kuykendall took the letter to Sherman Adams at the White House and had it "blue penciled." Mr. Kuykendall told our committee that he had never received or seen a letter from Secretary Seaton making such a request for a delay in hearing that case. The nominee stated that he never at any time discussed this case with Sherman Adams. Additionally, the nominee told the committee that neither Mr. Adams nor anyone else at the White House had attempted to influence the Commission in that case or any other case coming within the Commission's jurisdiction. I have faith in the members of the Federal Power Commission and in Mr. Kuykendall. I know that the Commission will not decide any case coming before it without a full and complete record. I do not believe that the Commission would take any other course than one which is right and just considering all the facts and that even if such conversations had been held, they would have had no influence upon the ultimate decisions of the Commission. The fact is the record shows the conversations did not take place.

ACCELERATED AMORTIZATION FOR IDAHO POWER CO.

During the hearings, testimony was received concerning the action of the Office of the Defense Mobilizer in granting tax amortization certificates on an accelerated basis for the Idaho Power Co. It was intimated that the Federal Power Commission should have inquired of ODM whether or not the application of the Idaho Power Co. would be granted.

The Federal Power Commission has no authority or jurisdiction in resolving the question of whether or not the Idaho Power Co., or for that matter, any other applicant should receive such a certificate because of national defense considerations in the construction of plant facilities. Chairman Kuykendall testified that the Federal Power Commission acted independently of ODM and had no information whatsoever on the granting of accelerated amortization to the applicant company.

The entire question became moot during the hearing. As Senators will recall, responsible officials of the Idaho Power Co. agreed to surrender their certificate. By that action they would not obtain the right to tax benefits which had been authorized by ODM.

DESIGN CHANGES OF THE BROWNLEE DAM

Certain witnesses testified that the nominee misrepresented facts about the flash-flood washout of the Brownlee Dam which was under construction by the Idaho Power Co. It was alleged that Mr. Kuykendall and the Commission permitted the company to construct inadequate installations at the dam site. The nominee testified that no member of the Commission had personal knowledge of the details of the construction of Brownlee. Construction details are handled by the staff of the Commission. Whenever a change requires Commission approval, the Commission then examines the changes and takes such action as is required. According to testimony received by our committee, the plans for all of the project work have been followed as required by the license and no major change occurred which would require Commission approval. I understand that the Commission has in the past permitted its regional engineer to supervise construction details of the facilities. It has been alleged that the temporary diversion works were defective. The flood-control sluiceway system was included in the project upon recommendation of the Army Corps of Engineers. Such a system is required under the terms of the license and it will be provided by the company. To date, no change in the permanent facilities has been approved by the Commission. The temporary diversion tunnel was constructed with a 42-foot instead of a 44-foot diameter. At the same time the cofferdam was decreased 50 feet in height. These changes were approved by the Federal Power Commission's regional engineer in San Francisco.

As a result of the slight change in diameter, a resultant change took place in diversion capacity. It was fully expected that the cofferdam would have to be breached during spring floods as records indicated past flows exceeded 25,000 cubic feet per second every spring. The diversion tunnel with the cofferdam at 1,830 feet had a capacity of 25,000 cubic feet per second. The nominee testified that the flows during the flood season in February 1957, would have breached the cofferdam even if the diversion tunnel had had a capacity of 60,000 cubic feet per second. During February and May 1957, flows exceeded 60,000 cubic feet per second.

The applicant has proposed relocation of the sluiceway, and that change has been under study by Commission engineers since late 1955. The proposed change would require Commission approval before the company could go ahead with actual construction. According to construction reports from the San Francisco regional office, the work at the dam site is proceeding satisfactorily and construction of the job is on schedule.

I think it is readily apparent to Senators that members of commissions and boards cannot be held responsible for having intimate knowledge of vast construction projects. In this case, the Commissioners had no knowledge of the construction details since that duty had been delegated to the regional engineer. It would be unfair to charge any member of the Commission with negligence or failure to exercise due diligence when such matters are incidental to the Commissioner's normal duties. Whenever a change requires their approval, I am certain that the members of the Federal Power Commission will carry out their duties and that they will act whenever required after consideration of all of the facts incidental to each proposed change. In this situation the exact results which were anticipated took place. The flood and washout resulted in a small monetary loss to the company, a part of which was covered by insurance. I wish to point out that the construction of the dam has not been impeded.

Again I commend to Senators the statement with reference to his answering the charges which were leveled against him.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks, Chairman Kuykendall's statement regarding the Olin Gas Transmission Co.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I pointed out in my oral testimony that Olin Gas Transmission Co. had, in the Commission's opinion, sustained a burden of proof, which numerous other companies which I listed had not been able to do. This is, admittedly, a difficult burden, as the Commission has discovered from other cases. The Commission was satisfied that Olin had sustained its case. The facts of the case were unique, as the Commission pointed out, and resulted in this case, in Olin making the requisite proof in a comparatively simple manner. Producers generally have been unable to relate their financial needs for additional exploration and development to the price at which existing reserves should be sold. The thought I was trying to express in testimony before the House committee was that this issue was not raised, and if it had been a closer question would have been present, but that does not mean that the interest of consumers in their need for continuing supplies of gas as well as low prices has not been protected or that the decision is not legally correct. If the Commission had any reason to believe that the record in this case compelled reaching an unfair result, it would have, I know, reopened the record for further evidence. In this case, the Commission has sought to make future gas supplies available by exploration and development at a price less than would be the cost if the needed gas were to be purchased from others.

The unusual facts of the case are briefly indicated by the following quotations from the commission's opinion:

"Olin is the largest individual producer in the field. It has about 50,000 acres of the

field's some 250,000 productive acres and 358 of its 1,868 producing wells. There is no question but that in a few years' time, Olin will be unable to meet its customers' requirements with gas produced by it from the Monroe Field. Without some incentive to produce additional gas for its resale customers, Olin will be required to purchase the needed gas at higher prices from others which will directly result in increased costs to the consumers of gas. If the needed volumes of gas were bought from United Gas Pipe Line Company, for example, which could well be the case, under United's applicable rates as shown in this proceeding, the cost of the alternative supply of gas from United would be, on the basis of a 72 percent assumed load factor for Olin's main line, 15.50 cents per Mcf; and on a 100 percent load factor, 14.10 cents. On the basis of Olin's actual load factor for the year 1954, the cost would be 23.34 cents per Mcf.

"There was convincing testimony on the part of the executive vice president of the company and Olin's principal policy witness, that the amount of the increase above cost sought by Olin was needed to provide it with an incentive to carry on exploration activities in an effort to develop gas reserves in the northern Louisiana area sufficient to maintain supply to its main-line customers as the Monroe Field becomes depleted. Thus this witness testified * * *:

"'We think we can, by exploration and development, deliver our gas to our customers at a cheaper price under the production system.'

"In addition, there was evidence of Olin's present and projected exploration programs. In this connection, it should be kept in mind that present-day costs for exploration and drilling activities are much higher than in the past. For example, it appears that a Monroe Field deep test well today may cost as much as $220,000, compared with the $12,000 or so cost of a shallow well by which the field has been developed. Additionally, there was evidence of increased operational flexibility to the company resulting from ownership of its own production as contrasted with purchasing its gas from others, which would redound to the benefit of the consumer. On consideration of all the factors, on the basis of the record in this case, we conclude that the increased rates proposed by Olin will, while remaining within the bounds of reasonableness, serve the desirable and proper purpose of affording Olin the incentive and, at least to a degree, the means for undertaking the exploration and development which are required in the interest of Olin's customers, to meet their need for continued supplies of natural gas at reasonable rates."

Mr. SCHOEPPEL. Mr. President, I shall not attempt to discuss in detail any of the decided cases which have been reported during Mr. Kuykendall's tenure at the Federal Power Commission. Those cases stand by themselves, and the decision reached is explained by the opinions and orders filed in those cases. In many instances, in cases of first impression, the action of the Federal Power Commission has been upheld when a litigant dissatisfied with the decision of the Commission has appealed the case to our courts. No purpose would be served in going into the details of such decided cases.

I call upon Members of the Senate to confirm the nomination of Jerome K. Kuykendall. In my remarks I have discussed many of the charges and allegations which have been made against him. In my opinion, there has been no evidence which would reflect upon his qualifications to hold the office of Commissioner on the Federal Power Commission. He has been honest and forthright in his approach and candid in his statements to our committee. Probably that is why some objections have been raised against him.

I feel he is a man of great integrity and a credit to the Federal Power Commission. The administration should be glad to have a man of his qualifications and background rendering a public service in this high office. I hope that the Members of this body will share my high opinion of Mr. Kuykendall, and vote to confirm is nomination.

Mr. CARROLL. Mr. President, I do not personally know Mr. Kuykendall. Therefore, what I may say about him is in no sense personal. I desire to raise again an issue which has been raised before in this discussion, namely, whether the Senate should confirm nomination of Mr. Kuykendall.

I am interested in Mr. Kuykendall's nomination because of several multimillion natural gas-rate cases now pending before the FPC. The cases all involve a company called the Colorado Interstate Gas Co.

It will be of interest to my colleagues to know that the Colorado Interstate Gas Co. is a gas producing and transmission company which transports natural gas interstate operating in six States with the bulk of its product being sold in Colorado.

In regard to these Colorado gas-rate cases and in regard to the Kuykendall appointment I should like to read from an article published in the Denver Post of May 9, 1957. This matter relates not only to the nomination before us tonight, but also the whole ethical procedure followed by the Commission.

In Colorado there are pending three gas-rate increases before the Federal Power Commission. Two of the cases have been decided against the Colorado Interstate Gas Co. by a trial examiner. In these cases the trial examiner, in a preliminary decision, subject to review by the Commission en banc, ruled that Colorado Interstate must refund $33 million to consumers.

The headline of the article published in the Denver Post of Thursday, May 9, 1957, reads:

Thirty-three Million Dollars Refund on Gas Rates Seen if Ruling Is Upheld.

The article reads, in part, as follows:

Natural gas users supplied indirectly by Colorado Interstate Gas Co. are entitled to a rate refund of about $33 million under the recommendation of a Federal Power Commission examiner, Wednesday.

About 30 percent of this refund—or about $10 million—would go to Denver area consumers if the examiner's recommendation is upheld by the Commission itself and by the courts.

Mr. President, I shall not read the remainder of the article; I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post of May 9, 1957]

THIRTY-THREE-MILLION-DOLLAR REFUND ON GAS RATES SEEN IF RULING IS UPHELD

Natural-gas users supplied indirectly by Colorado Interstate Gas Co. are entitled to a rate refund of about $33 million under the recommendation of a Federal Power Commission examiner Wednesday.

About 30 percent of this refund—or about $10 million—would go to Denver area consumers if the examiner's recommendation is upheld by the Commission itself and by the courts.

Natural-gas customers additionally would get a reduction of $15 million a year in present prices, in such an event.

Ironically, however, the price of gas will probably go up before it goes down.

Interstate, of Colorado Springs, has filed a new rate-increase request of $3.1 million for its entire system, based on new investment—effective July 1.

The new rates thus could be imposed before the refund issue is settled.

Interstate supplies the Denver area through the Public Service Company of Colorado. It also supplies a number of other natural-gas wholesalers.

The Colorado Springs firm has been collecting rate increases, subject to refund, since January 1, 1954.

FPC Examiner Samuel Binder said in Washington Wednesday the increased rates were excessive. He suggested the firm be limited to a boost of only $4.5 million.

Binder figured the excess revenues at about $2,871,449 for 1954–55 and $15 million annually for the second rate hike imposed February 1, 1955.

This second boost, which has been in effect more than 2 years, would total more than $30 million in itself.

About 30 percent of Interstate's business is done with the PSC in the Denver area.

SEVERAL OBSTACLES

City Attorney John Banks said Thursday the refunds to actual gas consumers could be expected but he noted that there were several intervening obstacles.

He said he expects Interstate to appeal Binder's findings to the FPC itself.

If the case is appealed and if the Commission sustains Binder, the issue undoubtedly will be taken to court in a drawn-out suit.

Binder's recommendation is subject to review by the Commission either upon appeal by Interstate within 20 days or upon the FPC's own motion within 10 days thereafter.

In addition to the PSC, Interstate's customers include the Greeley Gas Co. (Canon City), Citizens Utility Co. (La Junta), Colorado-Wyoming Gas Co., Iowa Electric Light & Power Co. (northeast Colorado), the Plateau Natural Gas Co. (Fountain-Castle Rock), Pueblo Gas & Fuel Co., Pioneer Natural Gas Co. (Amarillo, Tex.) and the cities of Trinidad and Colorado Springs.

Mr. CARROLL. Mr. President, the point I wish to make is that for 4 years there has been in litigation before the Federal Power Commission a matter of public interest to the people of Colorado involving a sum of $33 million, which since the examiners decision in May has grown to $40 million.

Several prominent lawyers appeared in behalf of the Colorado Interstate Gas Co., including James L. White, of New York; William Dougherty, of New York; L. M. Poe, of Colorado Springs; Peter J. King, of Colorado Springs; and John A. Phillips of Colorado Springs. They are all distinguished lawyers and important members of the bar. This array of attorneys is indicative of the importance of these cases.

After the May 8 decision of the trial examiner in this case—involving an overcharge of $40 million to the people of my region—a refund to the consumers would be ordered if the decision of the

trial examiner were sustained by the Commission en banc.

I now come to the practices I find unconscionable, and unethical conduct of a type which I think must be stopped, not only in the Federal Power Commission, but in all regulatory bodies. Immediately after the FPC trial examiner's May 8 ruling we find that Mr. W. E. Mueller, president of the Colorado Interstate Gas Co. came to Washington to the Federal Power Commission—and acting not through his lawyers, but personally, went to the individual members of the Commission and cried on their shoulders, complaining that the decision of the trial examiner would bankrupt the company.

Mr. President, for 4 years prior to that May 8 decision the Colorado Interstate Gas Co. had been using as working capital money which, according to the decision, belonged to the people. Then Mr. Mueller, the president of the company, had the audacity to come to Washington and importune the FPC Commissioners, by personally going to them individually and asking that they reopen and reconsider the case. Subsequently a hearing was held on a formal motion to reopen the case and that motion is now under consideration. If the case is reopened it will be stalled another 4 years, at which time the company will then owe the consuming public $102 million, all of which would be canceled out if somewhere along the line Congress passed the Harris Gas Act. This is the delaying strategy of the company.

Mr. President, whatever I say here is not designed to attempt to influence the eventual outcome or the decision in that case. But I say that when a Federal regulatory body is sitting in judgment on a case which involves millions of dollars of the people's money, the members of the Commission should not permit themselves personal consort with the litigants. There should be no private conferences. No court in this land, no experienced judge who follows the ethics of his profession, would ever let a private litigant come into his chambers and seek to influence his judgment.

Why do we permit these attempts at influence in the case of the regulatory bodies? It has been stated that these are quasi-judicial and quasi-legislative bodies; and it is said that, therefore, they have a right to talk to those who are interested in legislation.

Mr. President, I say to you that when these bodies are sitting in judgment on a case involving millions of dollars of money belonging to the people, their position is not quasi-legislative. It is judicial. They are functioning in a judicial capacity. And there ought to be some ethics, some morals in the regulatory bodies in Washington, D. C., and throughout the land, so far as the Federal Government is concerned.

The record here is clear. The distinguished chairman of the Senate Committee on Interstate and Foreign Commerce, the distinguished senior Senator from Washington [Mr. MAGNUSON], put a series of questions to Mr. Kuykendall on this Colorado Interstate matter. Let us see whether the statement I have made is true, Mr. President; let us examine the record in that connection.

We find that the chairman of the committee [Mr. MAGNUSON] asked the following question of Mr. Kuykendall:

The CHAIRMAN. During the period May 12 to June 3, did Mr. W. E. Mueller, president of the Colorado Interstate Gas Co. visit with you here in Washington?

Mr. President, it was on May 8 that the decision came from the FPC trial examiner. It was only a short time thereafter that we find the president of the company—not its lawyers, not lawyers in the process of filing motions, not lawyers in the process of going to the Commission, but the president of the gas utility company—coming to Washington and personally soliciting the cooperation of the Commissioners of the Federal Power Commission in connection with the Colorado Interstate Rate case. What did he say to the Commissioners? The head of this great gas transmission company said to them, "If your trial examiner's report is sustained, we will be bankrupt." Imagine that, Mr. President. Imagine having the president of the company say that, after the trial examiner had said, "You have been using $37 million of the people's money, and you must refund it."

I read now the answer Mr. Kuykendall gave in reply to the question asked by the distinguished senior Senator from Washington [Mr. MAGNUSON]; the question being in reference to Mr. Mueller's visit to the FPC sometime during the period May 12 to June 3. Again, I emphasize that that was a few days after the trial examiner rendered his unfavorable opinion. I read now Mr. Kuykendall's answer:

Mr. KUYKENDALL. It was probably in that period. He was in after that examiner's decision and asking that the Commission grant his request for oral argument.

The president of the company was asking the Chairman of the Federal Power Commission to reopen the case because, so the president said, if the company had to refund the people the money it owed them it would bankrupt the company.

Mr. Kuykendall said—and I am reading now from page 281 of the hearings the remainder of that particular answer by Mr. Kuykendall:

and representing in a general way that he was in a bad position—

Who, Mr. President? Mr. Mueller, the president of the Colorado Interstate Gas Co.

Mr. Kuykendall said:

he was in a bad position because the company had more financing to do and they were afraid they couldn't do it with that decision outstanding. I guess he talked to all the Commissioners.

That is what Mr. Kuykendall said in referring to the occasion when the president of the Colorado Interstate Gas Co. talked to all the Commissioners.

Then the chairman of the committee [Mr. MAGNUSON] asked the following question:

I think we can clear it up. He did discuss with you and other Commissioners, probably—you can't speak for them—dockets G-2260 and G-2576?

Mr. Kuykendall replied:

Those must be the dockets.

Then Mr. Kuykendall said:

He said they had financing in the offing they had to do, and were afraid they couldn't do it.

In other words, Mr. President, if it had not been for the decision for the FPC trial examiner, the company could have had the use of $37 million of the people's money, could have acquired financing for new pipelines, and could have had its rates increased, not once or twice, but three times. And here we find the president of this large gas utility pleading personally with the Commissioners.

Then we find that the following testimony was given at the committee's hearing:

The CHAIRMAN. Did he suggest the Commission reopen proceedings?

Mr. KUYKENDALL. I think he filed a written application asking for that.

But Mr. Kuykendall was not sure whether the application had been filed; he did not know. He was unable to inform the Senate committee whether the written application had been filed.

Mr. President, it is the function of the company lawyers to file an application to reopen the case; it was not the function of the president of the company to go personally to see the individual Commissioners, and to cry on their shoulders, and to plead that his utility company would be bankrupt, after the trial examiner had said that the $37 million had to be returned to the people.

I read further from the committee hearing.

The CHAIRMAN. Did Mr. Mueller or any other representative of the Colorado Interstate Gas Co. advise the FPC that the company would go bankrupt if forced to return to consumers the excess rates collected?

Mr. KUYKENDALL. No. I don't think he said that. I hope that isn't true.

Mr. President, at this time I wish to read some articles which were published in the Denver Post. The first one which I shall read was published on May 12, 4 days after the trial examiner made his decision. The headline of the article is "Gas Firm Head Says Proposed Rates Mean Bankruptcy."

Mr. President, I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post of May 12, 1957]

GAS FIRM HEAD SAYS PROPOSED RATES MEAN BANKRUPTCY

(By Chares Roos)

President W. E. Mueller of Colorado Interstate Gas Co. said Saturday that refunds and reduced rates recommended by a Federal hearing examiner last week would bankrupt the company.

Mueller made the statement in Colorado Springs where the firm is based. He told The Denver Post by telephone he was mailing a special letter to CIG directors, referring to the findings of a Federal Power Commission examiner, stating:

"If his decision is allowed to stand there is no question in my mind that the company will become bankrupt and will be placed in receivership."

Applying the recommended rates on 1956 volume, he said, shows that the natural gas company would have made only half enough money to pay interest on its bonds. None

would have been available to pay dividends on either preferred or common stock, Mueller said.

Mueller said the examiner's recommendations raised serious questions about planned long-rang financing. CIG has proposed a major expansion of pipelines and other gas supply facilities, dependent in part on long-term financing.

Earlier, J. P. Roetzel, CIG financial vice president, said the recommended rate structure would amount to "confiscation."

REPORT PRAISED

A different view was expressed in Washington, D. C., by United States Senator CARROLL, Democrat of Colorado, who said the examiner's report represented "a great victory for the people of Colorado."

CIG provides natural gas for the Denver area through Public Service Company of Colorado and serves other Colorado cities, including Colorado Springs and Trinidad.

FPC examiner Samuel Binder said Wednesday gas customers supplied by CIG are entitled to refunds totaling about $33 million dating back to 1954 and to a $15-milion-a-year reduction in current rates.

His recommendation was made to the FPC. CIG will file objections as soon as possible, Roetzel said.

NEW BOOST ASKED

The FPC may adopt, modify, or reject the examiner's recommendations.

The Colorado Springs firm has been collecting rate increases, subject to refund, since January 1, 1954. CIG also has applied for a new rate boost, which would be effective July 1.

Roetzel said if the examiner's ruling is allowed to stand, the company will be in desperate need of $10 million. It has about $7 million on hand to pay the refunds, could realize some $10 million to $11 million more in Federal tax refunds and additional refunds of State taxes but still would not have enough to repay customers.

"I don't know where we could get such a sum," he said. "No one wants to lend money to a company that is not making money and has no prospect of making any. That is the position in which we would find ourselves."

THIRTEEN AND ONE-HALF MILLION DOLLARS

In question was CIG's plan for construction, at a cost of $87 million or more, of the so-called Beatrice project.

The project, which would increase the company's physical valuation by 42 percent to $206 million, would include several large pipelines, the major one being a 345-mile, 30-inch line from Kit Carson, Colo., to Beatrice, Nebr. It would deliver gas there for the Chicago area.

Binder ruled that only $13.5 million of $46.7 million in added rates charged by the company since 1954 is justified.

Mr. CARROLL. Mr. President, the Denver Post article quotes Mr. Mueller as saying about the FPC examiner's decision—"If his decision is allowed to stand, there is no question in my mind that the company will become bankrupt and will be placed in receivership."

Of course, with that sort of reckless remarks before the public and with that sort of nonsense going before the Federal Power Commission, even Kuykendall had the common sense to say that in the entire history of the country, no public utility company had ever gone bankrupt. Of course, what the Colorado Interstate Gas Co. wanted was to have the rate increases allowed, so it could use this money to capitalize a great expansion program which eventually would cost the people of Colorado another $3.7 million annually in increased gas rates.

Mr. President, why do I raise this point in connection with the pending nomination? I do so because it seems to me that somewhere—as I have previously indicated—steps must be taken to protect the public interest. I do not know Mr. Kuykendall personally. I have read some of his statements, as they appear in the committee's hearing. They seem to me to show that he has an understanding of what a Federal Power Commissioner ought to do, namely, protect the public interest. But when I read what he said, I observe that although the voice was the voice of Jacob, the hands were the hands of Esau, because I do not find in the actions of the members of the Federal Power Commission an evidence of a desire to protect the public interest. What do I find? I find the staff of the Commission working to protect the public interest, but I find the Commission itself mostly working in the opposite direction.

Mr. President, the time has come to make the Federal Power Commission aware of the purpose for its existence. I suspect that the nomination of Mr. Kuykendall will be confirmed by the Senate this evening. But I wish to make a record, and I wish to warn the other Commissioners that the time has come to establish a proper code of ethical conduct on the part of these regulatory bodies, so that litigants shall not be permitted to come before the Commissioners—whether at a social engagement, or on a golf course, or on a yacht—to influence their judgment on important decisions affecting the economic welfare of the country and, more important, affecting the pocketbooks of millions of Americans.

Lawyers in Washington have said to me that the conduct of the regulatory agencies in this regard is scandalous—and I am not only referring to Mr. Kuykendall's agency, but all the regulatory bodies.

It would seem to me that somewhere, whether it be the Committee on the Judiciary, whether it be the committee which has responsibility for legislation concerning regulatory bodies, whether it be the bar in Washington, or the American Bar Association, someone should begin pointing to the code of ethics to be observed in regulatory agency matters, especially when the pocketbooks of millions of Americans are affected. This lackadaisical and careless and unethical manner of handling legal questions in a regulatory agency would never be countenanced at home in our Colorado State bodies. Why do we permit it in Washington?

That is one of the reasons why this evening I am going to take a firm stand against the confirmation of Mr. Kuykendall's reappointment. I shall take that stand not only because of his nomination, but as a warning to other regulatory commissioners. As a matter of fact, as surely as I stand on the floor of the Senate this evening, if the unethical practices I described continue, one of these days a great scandal will break because of the economically powerful groups that manipulate Government agencies through resources of oil, gas, and power, and because of the tremendous impact they have upon all the agencies of our Government, being permitted as they are to walk willy-nilly into a commission and discuss and attempt to change its decisions. I say we ought to put an end to it. For that reason, I am not going to put my stamp of approval on that sort of conduct by voting for Mr. Kuykendall. I do not know what the outcome is going to be in the case of the Colorado Interstate Gas Co. All we ask for in Colorado is a decision on the merits, under law, by persons who are interested in protecting the public. At the same time we want the utilities to make the fair and reasonable profit which is now guaranteed them under law.

Mr. President, I conclude with this following observation: I have sat here in the Senate this afternoon. I have listened to the very able comments of the Senator from Oregon and of other Senators. I have read transcripts of the very excellent hearings conducted by the senior Senator from Washington. I have seen the fairness with which he put his penetrating questions to Mr. Kuykendall, who, I may add, impressed me personally. He favorably impressed me when I interrogated him on the Idaho fast tax writeoff.

It is a very hard for me to criticize an individual when both Houses of Congress are also sometimes guilty of passing bills against the public interest, when I find the President of the United States establishing policies which I think are contrary to the public interest. It is hard for me to single out one individual and place the whole load on his shoulders.

And I think of the many times I have heard Members criticize the Supreme Court decisions. In the field of economics we have seen the Supreme Court holding the line for the past 10 years. If it had not been for some Supreme Court decisions, certain special interests would have broken through the barrier, at tremendous cost to the consumers of this Nation, and, in my opinion, contrary to the public interest.

I thank the distinguished chairman of the Committee on Interstate and Foreign Commerce for the time he has given me for my remarks.

Mr. President, I shall vote against Mr. Jerome Kuykendall, knowing that the confirmation of the nomination will be approved this evening. But I am hopeful that our opposition votes will sound a warning to other Commissioners. Furthermore I hope that other Members of this body who can deal with greater force and greater influence and greater emphasis with some of the points I have raised this evening, will initiate action to restore ethical and moral norms to the procedures of the regulatory bodies.

Mr. MAGNUSON. Mr. President, first I wish to thank the Senator from Colorado for his very kind remarks about the hearings on the nomination of Mr. Kuykendall. It is true that the Senate Committee on Interstate and Foreign Commerce took a great deal of time in considering the nomination. The rec-

ord of the hearings on Senators' desks comprises only a part of the conferences, exhibits, court decisions, and other matters in the committee files.

A great deal has been said in the Senate—and it has been very eloquently and very well said—about the record of Mr. Kuykendall as Chairman of the Federal Power Commission. What has been said has been well documented. In no case has any witness or any Member of Congress who appeared in opposition to Mr. Kuykendall surmised or concocted any conclusions or set of facts on his own opinions. The conclusions reached by those of us who oppose his confirmation as a member of the Federal Power Commission are based on documented facts, and not, as I say, on surmises or conclusions.

I placed in the RECORD last night, and discussed at some length, much of the documentation of the nominee's record during his period of service as Chairman of the Federal Power Commission.

Last night the distinguished Senator from Utah [Mr. WATKINS] speaking in favor of the nomination, gave us a very illuminating history of the beginnings of the Federal Power Commission. He went back to the days of Gifford Pinchot and Theodore Roosevelt, and kept reiterating that it was the purpose that the Federal Power Commission should be a sort of barrier, not necessarily an obstacle, but some kind of a referee as between the great consuming public of the United States and the utilities that use the God-given resources of the United States for the purposes of serving the public. It was the hope that the Commission would stand between those two groups to see that the utilities did not take too much of the resources, did not grab too many of them, and did not take undue profits out of the hide of the consumer, whether the resource was gas, electricity, water, or any other kind. That is true, Mr. President. The Commission was set up for that purpose. It was not to be unfair to the utilities, but it was hoped that the consumers, through the Federal Power Commission of the United States, would have someone to speak for them. That was the only reason for creating the Federal Power Commission. Any department could issue licenses and put into effect regulatory measures governing the use of our resources, whether for the Government or not, but the Federal Power Commission was instituted in line with Government policy, to stand between the consumer and those who would take our resources in the way of gas, electricity, and water and develop them. It was hoped that the members of the Federal Power Commission, when they took the oath of office, and when they solemnly appeared before a committee of the Senate and said they would uphold that policy, would live up to the oath they took.

The whole truth of the matter is that Mr. Kuykendall has not done so. The consumer of the United States no longer has any voice in the Federal Power Commission. If Gifford Pinchot, Theodore Roosevelt, George W. Norris, or some of the other great men who evolved the Federal Power Commission for that purpose could be listening tonight, they would turn over in their graves, and if they are listening they are probably turning over in their graves, because of the purposes for which the Commission has been used.

I do not know when the Federal Power Commission, under Mr. Kuykendall's leadership, has ever even heard from a consumer. But I know instance after instance the other way. I know it because it is documented. I know of instance after instance where those who would use the Commission for the other purpose—against the consumer—have had their day in court before the Commission any time they picked up the telephone. That is the whole story.

Congress cannot pay attention to all these details.

The Senator from Utah said last night that we were angry because Mr. Kuykendall opposed the Hells Canyon Dam. Frankly, last night I was speaking impersonally. Some of us were. But that is not the whole case. That is only a part of the case.

The Commission has a right to rule on cases, but it has no right to rule on a case when the law creating the Federal Power Commission says if a project is in dispute and it can be developed as a Government dam in the interest of all the people the Commission shall notify the Congress and wait 2 years.

The Commission could rule, but Hells Canyon Dam is only one part of the controversy, as I see it, involving a question of policy.

Mr. Kuykendall appeared before the House committee just before Congress adjourned last year. He was asked if the Power Commission had made a decision, or what was the status of the Hells Canyon project. I shall not take the time to read the testimony. I put it in the RECORD last night. The question was: What is the status of the application of the Idaho Power Co.? And Mr. Kuykendall said that had not been decided, that it was under consideration by the Federal Power Commission. As a matter of fact, Mr. President, it had been decided, and the Commission waited until the Congress adjourned to make the announcement, knowing full well that had the announcement been made before the Congress adjourned, on the day that the case was decided, we would have kept the Congress here for 2 or 3 more months to consider that issue alone.

These are some of the things which makes some of us oppose Mr. Kuykendall.

There is nothing personal about the opposition. It is difficult for me to stand up and oppose Mr. Kuykendall. He comes from my State. I have known him for years. I knew his father. So far as Jerry Kuykendall is concerned personally, I think he is a man of great ability as a lawyer. Probably personally he has high integrity. But he was appointed to a Commission established by the Congress and not by the executive department, and was supposed to carry out the policies of the Congress of the United States. The Federal Power Commission is supposed to be an arm of Congress.

When Mr. Kuykendall was before the committee which considered his first appointment, I was happy that someone coming from my State was to have the position. We in the West have great interest in the Federal Power Commission. I asked him at that time, as the record will show, about the Federal Power Commission being an arm of the Congress, and asked him whether he would consider himself to be under the executive branch or an independent agency of the Government, and he said over and over again he considered the position was under control of the Congress, to prove that he was going to do the proper job.

I think Mr. Kuykendall has gone out of his way time and time again to carry out the policies of the administration and not the policies of the Congress which are intended to protect the consumer.

Do Senators think for one moment that during his tenure of office, if the word were passed from the administration regarding power policies or the gas bill, that Mr. Kuykendall would step in to say, "The consumers have something to say about this." Of course not. Instead of meeting with the consumers, the testimony shows very clearly, as the Senator from Colorado has pointed out, that he met with the gas producers to write a gas bill.

The gas producers have a right to have a gas bill written, and I would have no objection if they all attended a meeting with the Department of the Interior and asked the Solicitor of the Department of the Interior to write the kind of bill they thought they wanted. That comes under the executive department.

The Federal Power Commission is supposed to be an agency to protect the consumer. What chance did the consumer have in the Colorado case?

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CARROLL. It is my hope that the Commission will base its decisions upon the evidence. All we ask is a fair hearing. The trial examiners who conduct the rate hearings are not Colorado trial examiners, they are members of the staff of the FPC.

Against them are some of New York's and Colorado's most able attorneys because $40 million is involved in two of the Colorado gas rate cases. A third rate case involving $3 million a year will come up this winter.

What chance will the consumers have under these conditions? That is the question we in Colorado are asking. That is why I place a stamp of disapproval on conduct I described a few moments ago.

I wonder if the Senator can give me the answer to this problem. Do I suffer because I am new in the Senate? Am I so naive, to believe Government officials should follow an ethical code of conduct? Where millions of dollars are involved in litigation, do private litigants have the right to go to the judges and talk to them personally about the case? Am I naive in my belief? Has that become a matter of custom?

That procedure never could happen at home. That could never happen before a Colorado judge. The judge would disqualify himself immediately, even in a case involving $1,000, $2,000, or $3,000. Yet here we are speaking in terms of hundreds of millions of dollars.

The Senator asked the question: What will the consumers get? I do not know. I do not know. But I agree completely with the statement of the distinguished Senator from Washington. I would almost defy anyone standing on the outside, reading about certain FPC decisions that have come up in the last few years, to come to the conclusion that these decisions have been in the public interest. I doubt that that conclusion could be made.

Mr. MAGNUSON. I thank the Senator from Colorado.

I wish to say, without detaining the Senate much longer, that this all boils down to the basic purpose of the establishment of the Federal Power Commission. Under these circumstances, the Commission might as well be abolished, because it serves very little of its purpose, which is to stand between the consumers and the regulated utilities which furnish the consumers the things they need.

The minority views are short. I think they are concise. I received permission to have excerpts from them printed in the RECORD last night.

It is true that a great majority of the membership of the committee voted for the confirmation of Mr. Kuykendall's nomination. However, no witness appeared in favor of confirmation—not one soul but himself. I think the committee was very fair. We let him hear the testimony from all the witnesses against him, and gave him the right, as a matter of rebuttal, to testify later and say what he had to say.

I do not think his answers were satisfactory. I wish to recite only one incident for the benefit of the Senate. In one of the cases where a gas rate increase was allowed, which will again take from the consumers millions of dollars, Mr. Kuykendall was asked why the decision was made as it was made. He said, "Well, the applicants were very vigorous in their cause, but if someone had appeared in opposition the increase might not have been granted."

That is apparently his conception of the function of the Chairman of the Federal Power Commission. He was supposed to appear in person and stand between the consumer and those who would seek rate increases. I think that shows a philosophy which clearly disqualifies him to hold this office. It does not make him unfit as an individual. Surely no one can criticize him if those are his honest views. But surely he can be criticized for taking a job in which he swore to uphold the purposes for which the act was passed, and for doing exactly the opposite.

For that reason I think the Congress ought to be very much concerned about the reappointment of persons to positions which involve carrying out the intent of Congress. I think the nomination should be rejected on that ground alone.

As I previously stated, Mr. Kuykendall is an able lawyer and a very personable individual. We have been personal friends for a long time. But after watching his operations on the Federal Power Commission during the time he has been its Chairman, I think he has set the purposes of the great leaders mentioned last night by the Senator from Utah when the Commission was created, and the cause of the consumer in the United States, back far beyond the time when the Federal Power Commission was even conceived in the mind of Theodore Roosevelt.

If this philosophy, in which Mr. Kuykendall takes the leadership in the Commission continues, we can just about scrap most of the conservation laws which Congress passed in all seriousness to conserve the great natural resources of the country—resources which should be used, when necessary, for the benefit of the consumer, the consumer to pay only what is reasonable for their use.

We can pass all the laws we like, but when the Power Commission is administered with this sort of philosophy, we may as well forget about the purposes of Congress.

I submit that the nomination should be rejected by the Senate.

Mr. MANSFIELD. Mr. President, I understand that the yeas and nays have been ordered on the Kuykendall nomination.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Economic Conference of the American States in Buenos Aires, Argentina.

The Senator from Missouri [Mr. HENNINGS], is absent by leave of the Senate because of illness.

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting the Senator from Idaho would vote "nay" and the Senator from Indiana would vote "yea."

The Senator from Alabama [Mr. SPARKMAN] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Alabama would vote "nay" and the Senator from Vermont would vote "yea."

I further announce, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The Senator from Colorado [Mr. ALLOTT] is absent because of illness in his family.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate in order to represent the Senate at the Latin American Economic Conference in Buenos Aires and is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Idaho would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is necessarily absent and is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Alabama would vote "nay."

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New York [Mr. IVES], is detained on official business.

If present and voting the Senator from Colorado [Mr. ALLOTT], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], the Senator from Nevada [Mr. MALONE], and the Senator from Maine [Mr. PAYNE] would each vote "yea."

The result was announced—yeas 50, nays 25, as follows:

YEAS—50

Aiken	Ellender	Potter
Barrett	Hickenlooper	Purtell
Beall	Holland	Revercomb
Bennett	Hruska	Robertson
Bible	Javits	Russell
Bricker	Jenner	Saltonstall
Bush	Kerr	Schoeppel
Butler	Knowland	Smathers
Carlson	Kuchel	Smith, Maine
Case, N. J.	Lausche	Smith, N. J.
Case, S. Dak.	Long	Stennis
Cooper	Martin, Iowa	Thurmond
Cotton	Martin, Pa.	Thye
Curtis	McClellan	Watkins
Dirksen	Monroney	Williams
Dworshak	Morton	Young
Eastland	Mundt	

NAYS—25

Anderson	Humphrey	Morse
Carroll	Jackson	Neuberger
Clark	Johnston, S. C.	Pastore
Douglas	Kefauver	Scott
Ervin	Kennedy	Symington
Gore	Langer	Talmadge
Green	Magnuson	Wiley
Hayden	Mansfield	
Hill	McNamara	

NOT VOTING—20

Allott	Frear	Murray
Bridges	Fulbright	Neely
Byrd	Goldwater	O'Mahoney
Capehart	Hennings	Payne
Chavez	Ives	Sparkman
Church	Johnson, Tex.	Yarborough
Flanders	Malone	

So the nomination of Jerome K. Kuykendall was confirmed.

Mr. BRICKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Ohio to reconsider.

The motion to lay on the table was agreed to.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEET THE PRESS INTERVIEW OF SENATOR KERR

Mr. McNAMARA. Mr. President, I ask unanimous consent that the transcript of the Meet the Press television program of last Sunday, August 11, be printed in the body of the RECORD. Our colleague, the distinguished senior Senator from Oklahoma [Mr. KERR] was a guest on this occasion. I have heard considerable comment in the past week on the part of several Senators, expressing interest in the program. Therefore I ask that it be printed in the body of the RECORD at an appropriate point.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

MEET THE PRESS—AUGUST 11, 1957

(Moderator: Lawrence E. Spivak; guest: Senator ROBERT S. KERR, Democrat, of Oklahoma; panel: May Craig, Portland (Maine) Press-Herald; Richard Wilson, Cowles Publications; Jack Bell, Associated Press; William H. Lawrence, New York Times.)

The ANNOUNCER. Our guest today is Senator ROBERT KERR, ranking Democrat of the Senate Finance Committee, who charged that the administration's financial policies are responsible for many of our economic difficulties.

Ready for this spontaneous, unrehearsed conference are four of America's top reporters. Please remember their questions do not necessarily reflect their point of view. It is their way of getting a story for you.

While Ned Brooks is on vacation, here is today's moderator of Meet the Press, Mr. Lawrence Spivak.

Mr. SPIVAK. Our guest today is Senator ROBERT KERR, Democrat, of Oklahoma.

Senator KERR has a reputation in and out of the Senate for his wit, his wealth, and his willingness to take on all comers in debate. He is the ranking Democrat of the Senate Finance Committee which is now conducting one of the most far-reaching investigations into the fiscal affairs and financial policy of the Government in the history of our country.

He made headlines by his questioning of former Secretary of the Treasury George Humphrey in one of the longest and most grueling sessions in committee history.

Senator KERR is one of the most outspoken critics of the Eisenhower administration. He believes that the policy of high interest rates, hard money, and tight credit is damaging the Nation's economy and it is particularly harmful to the small farmer, the workingman, and small business.

A short time ago he brought on a storm of political controversy with his remark that President Eisenhower had no fiscal brains. This week, 48 hours before it happened, he predicted that the Federal Reserve Board would raise its discount rate.

Senator KERR is a living example of an American legend. Born in a log cabin, he has risen to wealth and high position. He was the Governor of Oklahoma before becoming a Senator, and was a candidate for the Democratic presidential nomination in 1952.

And now seated around the press table ready to interview Senator KERR are Richard Wilson of the Cowles Publications, May Craig of the Portland (Maine) Press-Herald, Jack Bell of the Associated Press, and William H. Lawrence of the New York Times.

And now, Senator, if you are ready, we will start the questioning with Mr. Lawrence.

Mr. LAWRENCE. Senator KERR, you asserted in the Senate recently that so far as fiscal matters are concerned, the President of the United States, General Eisenhower, has no brains. These are really pretty harsh words about a man who has been twice elected by the people.

Would you back that up with a bill of particulars?

Senator KERR. Well you know they had a biography of Mamie published just recently. In it it was stated "So Mamie's father trained her in the careful management of money that enabled her to live comfortably on Army officer's pay. It was well he did for Ike had no interest in money matters. From the first he handed Mamie the purse strings."

Now he told you gentlemen of the press a few weeks ago that when he went into this office he turned all of his money over to a committee of businessmen to handle for him and that he had no idea how they were investing it or what they were doing with it.

Now it just seems to me like a fellow who never had any experience even in handling his own salary of $125 a month, and has spent as much time as he has since he went into office as far away from the Treasury as he has, he would have mighty little concept of handling a $275 billion debt and a Government with an income of $70 billion a year, and that much or a little more expenses.

Mr. LAWRENCE. Oh, come now, Senator, you have really mixed up two questions, haven't you? You have mixed up first of all whether a man has any right to his paycheck at all if he is married, and then you have mixed up the President's great desire to get out of any possibility of a conflict of interest by turning over the money he has of several hundred thousand dollars, into an irrevocable trust to other people to invest for him during the period that he is in the White House.

Senator KERR. Well, you know I think if he had known what to do with that deal he wouldn't have called in Randolph Burgess of the National City Bank of New York and turned it over to him. I think if he had known how to handle it himself he would have done so. I think if he had known how to handle it himself, he wouldn't have handled it so it would hurt as many people as it has. I think if he had known how to handle it he wouldn't have permitted the bringing on of the Eisenhower inflation that we have had for the last 18 months which has been the direct result of the fiscal policies of the administration.

Now I will tell you this, when I accused him of that on the Senate floor there were 46 Republican Senators either there or in their offices, and there hasn't been a one yet stand up on the Senate floor and defend President Eisenhower. Not a one of them said I wasn't telling the truth.

CAPEHART jumped up and down and hollered that I ought to be ashamed of myself for telling off on Ike there in front of a bunch of schoolchildren, but he didn't say I wasn't telling the truth.

Mr. LAWRENCE. Well, Senator, you still, it seems to me—you have made the charge the man has no brains.

Senator KERR. No fiscal brains. I was talking about his ability to handle the fiscal affairs of this country. I believed it then and I believe it now and I think I was being kind to the man.

Let me say this to you: I think Eisenhower is a great patriot, I think he is an honorable man, I think he is a great American, but he is not even curious about the fiscal affairs of this Government. I think if he knew anything about it then he would be guilty of perpetrating it on the people. I think that when I said he did it ignorantly that I was doing him a favor, because I would a lot rather if I were in his shape, have it proven that I didn't know what was going on than that I did.

Mr. BELL. Senator, what you actually said in the Senate was that Eisenhower has no brains. The "fiscal" qualification came along later.

Do you think he has any brains in any field?

Senator KERR. Yes, I think he is a great military man.

Mr. BELL. Beyond that does he have any brains in running this Government at all?

Senator KERR. Now you make your own statement about that, Mr. Bell.

Mr. BELL. I am asking you, sir.

Senator KERR. I said I didn't think he had any fiscal brains. And while I didn't put the "fiscal" in front of the "brains" every time I used it, I put it in there often enough that an alert man like you are that doesn't lift stuff out of context but goes ahead and reads what a man says, knows what I was talking about.

Mr. BELL. Well, Senator, I won't accept your indictment on that score because actually you said Eisenhower had no brains and then there was an argument in the Senate over whether you had meant fiscal or not.

Senator KERR. No, Mr. Bell, you are mistaken. I said it before finishing the sentence or sitting down. I do not claim the man has no brains at all. I claim that he is ignorant on fiscal affairs.

Mr. BELL. All right, what else is he ignorant on that this Government needs some thinking about in the White House? I know you don't care much for his farm program.

Senator KERR. He hasn't got a farm program. He got up and made a speech when he was running for President in '52 and announced that he would do a certain thing about the farms and then he turned it over to Ezra Benson and he hasn't done a thing that he promised he would.

Mr. BELL. Well, didn't he turn the fiscal matter over, though, to Secretary Humphrey? Is the President supposed to be Secretary of the Treasury, too?

Senator KERR. No, but he ought to have some idea about what the man is going to do that he puts in there.

Mr. BELL. I think he had an idea, didn't he, Senator, about what the man was going to do?

Senator KERR. I don't think he did. I don't think he had any idea what he was going to do. I don't think he had any idea what he was going to do. I don't see how he could.

He was shooting quail in South Carolina last year when this inflation started and you, yourself, know that they don't get reports on the Treasury out at Burning Tree Golf Course when the thing has been getting worse this summer now, Mr. Bell. Just on the level.

Mrs. CRAIG. Well, now Senator, do you think you have fiscal brains?

Senator KERR. I sure do.

Mrs. CRAIG. Well, now, Senator CAPEHART, with whom you had this little fisticuff on the floor, is a big-business man, a millionaire. Do you think he has no fiscal brains?

Senator KERR. I didn't say that he didn't. If you want to know, I am going to tell you, I don't.

Mrs. CRAIG. You sure implied it.

Senator KERR. I meant to imply it and I have the gravest doubt about it now. Yes, I do.

Mrs. CRAIG. Are you not aware that many of your own party disagree with you that the administration's tight money policy is wrong?

Senator KERR. Well now, I haven't found anybody in my party that is bragging on Eisenhower's tight money policy.

Mrs. CRAIG. Well, sir, there is a subcommittee over in the House headed by Democrat MILLS of Arkansas, and they made a unanimous report that this was good.

Senator KERR. No, they didn't, Miss May. As soon as the press reported that they had endorsed Eisenhower's fiscal policies, WILBUR MILLS wrote a letter to each Member of the Congress and he said, "We are not endorsing the tight money policy of this administration." He said that very plainly.

Mrs. CRAIG. He said tight money pinches, but inflation is worse.

Senator KERR. I wouldn't dispute that inflation is worse, but what I am saying is that his tight money policy has been responsible for the present spiral of inflation.

Mrs. CRAIG. You don't agree, then, with the Republican Secretary of the Treasury that it is better to have the cost of interest go up than the cost of living clear up in the sky?

Senator KERR. I certainly think it would be better if we had to choose between the two to have some increase in the cost of interest rather than a great increase in the cost of living. But if you will look at the charts, Miss May, you will find this: The Federal Reserve Board reported in 1952 that we had achieved stability. Mr. Humphrey himself on June 13 of 1953, a little over 4 years ago, in a review in the U. S. News & World Report said that we have a stable dollar. This inflation started last year just when they put the hardest tight-money policy into effect and started to lifting the interest rates. So instead of what they are doing now to make it tighter and higher interest rates during it, that is what started it and that is what is feeding it.

Mrs. CRAIG. Well, Senator, you say that the Federal Reserve is to blame for this. But Democratic Senator LAUSCHE, of Ohio, says that every citizen has a part to play in the fight, and Congressman CANNON, a Democrat and chairman of the Appropriations Committee says that the fight against inflation begins at the grassroots, but you put it all on the Federal Reserve.

Senator KERR. I am saying to you this, that the Federal Reserve monetary policies, the hard money, tight credit, high interest rates, and the shortage of houses which has raised the rents on the average consumer that was brought about by the hard-money policy are the biggest forces and pressures in the present inflationary spiral.

Mr. WILSON. You paint a rather dark picture of our financial future by what you have said here and what you said in the Senate. Is that right?

Senator KERR. No, sir.

Mr. WILSON. You don't think it is dark?

Senator KERR. No, sir. I think that we have a pinch on, now. I think that it is going to get tighter. In fact, the New York Journal of Commerce said the other day that it looked to them like the Eisenhower monetary boys were deliberately bringing on a slight recession as the only cure to the problems of prosperity.

Mr. WILSON. Well, under conditions like that, do you think it would be a mistake for a man to pay $800,000 for a herd of cattle?

Senator KERR. Well, that would depend entirely on what was in that herd of cattle. I have seen some herds of cattle that weren't worth $800 and I have seen some that were cheap at $800,000.

Mr. WILSON. You apparently had some confidence in the situation when you and your partner bought that herd of 800 purebred cattle.

Senator KERR. We sure did, but for your confidential information we didn't pay $800,000 for it. You oughtn't to go off the deep end like that with an inference on a subject you don't know a thing in the world about.

Mr. WILSON. What did you pay? The Tulsa World said you paid $800,000.

Senator KERR. The Tulsa World didn't say I paid $800,000.

Mr. WILSON. It is right here. They say that you and your partner hinted that you had paid $800,000.

Senator KERR. Oh, it said that we hinted that we paid $800,000. You said we paid that.

Mr. WILSON. What did you pay?

Senator KERR. If they ask me did I pay a lot of money I might indicate that I did. I paid $500,000 for it, Mr. Wilson. What did you pay for that suit of clothes you have on?

Mr. WILSON. I only paid $85.

Senator KERR. I will tell you that herd of cattle comes nearer being worth $500,000 than that suit does to being worth $85.

Mr. WILSON. Well, it shows that you have a lot of confidence in the future when you put up $500,000 for 800 head of cattle.

Senator KERR. Yes, sir, it certainly did, and I still have it.

Mr. WILSON. Then you weren't so worried about inflation after all.

Senator KERR. Yes, sir.

Mr. WILSON. Are the cattle worth more today than when you bought them?

Senator KERR. Yes, sir.

Mr. WILSON. Now they are really worth the money, and that is not an inflated value?

Senator KERR. That is correct.

Mr. SPIVAK. Senator, may I ask you this question: If things are so bad, what do you think would cure them? Do you have a cure—not a long one.

Senator KERR. Now, Mr. Spivak, you have asked me a question that if you will give me 15 minutes I will be glad to answer for you. If you want me to do it in 15 seconds I will just say I have a cure for it but the limitation on time won't permit me to give it to you.

Mr. SPIVAK. Can you give us one simple little suggestion?

Senator KERR. Yes, sir, the first thing I would do would be to ease the tightness of money. I would operate this Treasury so that we wouldn't pay such a penalty to the moneylenders in the form of such a high interest rate which moneylenders in the form of such a high interest rate which is going to cost the American taxpayers and interest payers $15 billion a year penalty if they put it into full effect. I would ease the credit situation on housing so that the shortage of houses could be met which would result in a tremendous increase in the consumption of supplies, household goods and increase in labor.

Mr. SPIVAK. Are you going to stop inflation by easing credit?

Senator KERR. Well, if tightness of credit has brought it on, Mr. Spivak—you know there is not the historic inflation. The historic inflation is where too many dollars are chasing too few products. That is not the situation now. The thing that is short today is credit and houses. And in the credit field we have got too many borrowers competing for a supply that is too small which has forced the cost of this credit up.

Mr. SPIVAK. Well, Senator, if you have more credit you are going to have more stuff made, you are going to have higher wages, and you are going to have more competition for the people, you are going to keep this inflation thing going higher and higher.

Senator KERR. Not at all.

Mr. SPIVAK. This tight credit thing that was just put on the other day is just the beginning, isn't it?

Senator KERR. It wasn't put on just the other day, it was put on in the last of 1955 and it has been getting worse.

Mr. LAWRENCE. Senator, you have dealt with the President in very personal terms, and I wonder if I might ask you a personal question now: You brought up yourself this question of the President placing his stocks in an irrevocable trust so as to avoid the conflict of interest. Don't you think that maybe that is a better policy than for a Senator to introduce and advocate a bill that would free his own company from Federal regulation and thereby add to its profits? I am now referring to the Natural Gas Act.

Senator KERR. No, Mr. Lawrence.

Mr. LAWRENCE. Let's just compare the two things.

Senator KERR. All right, let's just compare the two things.

In the first place I didn't introduce a bill to free any company from regulation. I introduced a bill in the United States Senate to clarify a previous action of the Congress which had freed it from regulation and to free it from the cold, dead hand of a Federal regulatory body that was trying to impose upon it a regulation which had not been authorized by the law.

Mr. LAWRENCE. The court said it had been, though, didn't it?

Senator KERR. No, not at that time. That was held since. You ought to study these cases before you go to asking me about the gas bill and things like that because I know that subject and if you want to know it I will educate you and I want to tell you right now I never saw a man who needed educating on a subject any worse than you do on that.

Mr. LAWRENCE. Well, now, I thank you for the compliment, Senator.

Senator KERR. Fine.

Mr. BELL. Senator, you said in the Senate the other day that the monetary policies of Government of the Eisenhower administration were going to provide grave issues in 1958 and 1960. Is that a suggestion that there may be some political advantage in attacking the administration's monetary policies?

Senator KERR. I think anything a man does here that helps the people enables him to meet his responsibility and I think it is a political advantage. I want to say to you that there is no political question in this country more important to more people than the fiscal policies of the Government.

You know old Baron Rothschild nearly 200 years ago said this: "Permit me to issue and control the money of the Nation and I care not who makes the laws."

Nearly 75 years ago or a little more than that, James A. Garfield said, "Whoever controls the volume of money in any country is absolute master of all industry and commerce." And the fiscal policies affect the economic welfare of the wage earner, the farmer, the home owner, the consumer. Every citizen. And don't you think that they don't know it. And don't you think that it is not going to be a hot political question next year, and in 1960.

Mr. BELL. I agree with you, Senator, it is going to be a hot political question, you are becoming the No. 1 Democratic exponent of that particular view of the thing. It suggests to me that about 5 years ago we had a President who was from Missouri. Now we have a President who is—depending on your viewpoint, either from Kansas or from Texas. That sort of leaves Oklahoma in the middle.

Mr. SPIVAK. Your question, Mr. Bell?

Mr. BELL. I just wondered if you were going to do anything about that in 1960.

Senator KERR. Mr. Bell, I don't aim to do a thing in the world. You never saw a man any better satisfied where he is than I am nor one who had any more completely disappointing experience than I did in 1952 when I tried to run for President and I am not going to—I am like the fellow who tied himself to the 3-year-old bull. He said after about the second jump he said he saw where he had made a terrible mistake.

Mr. BELL. You are cured?

Senator KERR. I am cured.

Mrs. CRAIG. I am surprised that you brought up Mrs. Eisenhower handling the money. Are you not aware, with most of the people in the country, among the young marriages, the wife does handle the money?

Senator KERR. And I think that is wonderful and I think it was a good thing for Ike that Mamie did handle it. I only used that to show you that the man hadn't had any experience, even in handling $125 and $200 a month.

Mrs. CRAIG. Yes. Did your wife handle it when you were first married?

Senator KERR. And does now.

Mrs. CRAIG. Well, then I don't know how you can complain about Eisenhower.

Senator KERR. I am not complaining. I am just showing you that that proves that he has had no experience, himself.

Mrs. CRAIG. Senator, are you for a tax cut?

Senator KERR. Yes.

Mrs. CRAIG. What kind?

Senator KERR. To increase the personal exemption for the taxpayer and his dependents.

Mrs. CRAIG. That will take a great deal out of our revenue and you are complaining about the national debt being so high. Where will we get the money?

Senator KERR. What did I say about the national debt? I just remarked that a fellow who was going in to handle a Government that had a $275 billion debt ought to know something about it.

Mrs. CRAIG. You are always complaining, I believe, about the national debt and the interest it costs us.

Senator KERR. I am complaining about the increase in the interest that it will cost us because of what Ike has done.

You see, when they passed the tax code in 1954 I led the fight to give that relief to the great mass of taxpayers instead of a greater amount of relief that was in that bill for about 10 percent of the taxpayers and I still favor that.

Mrs. CRAIG. How can you replace the tax money if you give a tax cut?

Senator KERR. What we tried to do 2 years ago if you will remember was to take the provision out of the 1954 code that cost the Government something over $2 billion a year from the accelerated depreciation privilege that was given in that bill which is used by about 10 percent of the taxpayers, and rather than to put that in there at a cost of $2 billion a year we tried to give the average taxpayer an increase in his exemption rate that wouldn't have cost as much.

Mr. SPIVAK. Mr. Wilson. Now, let's keep our questions short. We have only a few minutes.

Mr. WILSON. Senator, as I understand it, you are concerned about inflation. Yet many fiscal experts say the tax cut is inflationary. Would you agree with that?

Senator KERR. Well, I don't think so. Now, I remember when the Republicans came into the 48th Congress they gave a tax cut and no less an eminent personage than Robert Taft led the fight and the basis of his fight was that the tax cut would be noninflationary rather than inflationary.

Mr. WILSON. How much of a tax cut total in dollars would this amount to that you are talking about?

Senator KERR. About $2 billion.

Mr. WILSON. Senator, you speak of the administration planning a moderate recession. Why would any administration want a recession?

Senator KERR. Because Mr. Humphrey and Mr. Burgess came before the committee and Mr. Humphrey plainly said that this rolling readjustment looked to him like it was the best way to take the sharp edge off of this price inflation. That is what David Lawrence said they are trying to do.

Mr. WILSON. Well, why do they want it, though?

Senator KERR. Why do they want that?

Mr. WILSON. Yes.

Senator KERR. They admit that they have failed by their policies to stop this Eisenhower inflation, and they think that would stop it.

Mr. SPIVAK. Senator, do you blame this inflation entirely on Republican fiscal policy?

Senator KERR. I do.

Mr. SPIVAK. Don't you know there is inflation going on all over the world; do you blame that too on the Republicans?

Senator KERR. No; I don't. I want to remind you of this, that according to Mr. Humphrey and Mr. Burgess, we had stability in our price level and if you will look at the economic indicator in the Consumers Price Index, you will see it was about level in 1952, 1953, 1954, 1955, and that this present spiral, Mr. Spivak, started in late 1955 through 1956 and 1957. They brought it about after 4 years of a level Consumers Price Index.

Mr. SPIVAK. My memory may serve me wrong, but didn't we have a little inflation under Roosevelt and under Truman and under the Democrats?

Senator KERR. During the war we certainly did and in 1947 and 1948 after the war, after price controls were taken off, after the great pent-up demand following the war, we did have. But I will tell you this, we have had more in the last 18 months, outside of 1946, 1947, and 1948, than in any peacetime period in the history of this Nation.

Mr. LAWRENCE. You said a moment ago, and I wanted to be sure I heard you correctly, that one way you would pick up this gap in revenues by increasing exemptions would be to repeal the accelerated depreciation clause, which I think you said applied to only 10 percent of the economy, is that right?

Senator KERR. The ones in the 1954 code, that is right.

Mr. LAWRENCE. What percentage of the economy is covered by this extraordinary depletion allowance for the oil industry?

Senator KERR. You see the depletion allowance for the oil industry, Mr. Lawrence—and I am glad you asked that, because I love educating you boys who don't know anything about it.

Mr. LAWRENCE. What percentage?

Senator KERR. It applies to oil, gas, minerals, lead, zinc, coal, it applies to about 75 minerals. Now, whatever percent of the population in this country is engaged in the production or handling of all of the minerals produced in this country, including coal, are affected by that depletion factor directly and you are affected by it indirectly. Because of that, this country has built the greatest domestic oil industry of any nation in the world, which enabled us to have the fuel we needed to win World War I and World War II, and develop the great economy that we have got.

Mr. SPIVAK. Senator, I am sorry to interrupt, but our time is up.

Thank you, Senator KERR, for being with us; and now, here is our announcer.

ANNOUNCER. Goodby for Senator KERR and Meet the Press.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 232. An act to amend the Internal Revenue Code of 1954 with respect to the readjustment of tax in the case of certain amounts received for breach of contract, and to restrict the issuance of certificates for rapid amortization of emergency facilities;

H. R. 5168. An act for the relief of William Henry Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham; and

H. R. 5707. An act for the relief of the A. C. Israel Commodity Co., Inc.

DEPARTMENT OF AGRICULTURE

The PRESIDING OFFICER. The clerk will state the next nomination on the calendar.

The legislative clerk read the nomination of Don Paarlberg to be Assistant Secretary of Agriculture.

Mr. KNOWLAND. Mr. President, I ask that the yeas and nays be ordered on the Paarlberg nomination.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement prepared by my colleague, the senior Senator from Montana [Mr. MURRAY], relating to the appointment of Mr. Don Paarlberg to be Assistant Secretary of Agriculture, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY

I submit the following statement relating to the confirmation of the nomination of Mr. Don Paarlberg as Assistant Secretary of Agriculture.

My objection to Mr. Paarlberg is based upon my concern for the farmers of this Nation and my complete disagreement with Mr. Paarlberg's attitude toward the farmers' place in our economy. I have read many of Mr. Paarlberg's public utterances relating to the problems of our farm families, and I am dismayed at the thought of placing in the powerful position of Assistant Secretary of Agriculture a man who has as little sympathy for or understanding of the actual problems of the American farmer as Mr. Paarlberg seems to have.

Mr. Paarlberg advocates that farmers be left to the mercy of the free market. After a good many decades of experience with what happens to the farmers' income and standard of living in Mr. Paarlberg's so-called free market, we have evolved in this country at least a stopgap system of insurance for the farmers' protection, known as the farm price-support program. It is far from perfect, but it is necessary, and the administration of that program is one of the major functions of the Department of Agriculture.

What is the attitude of Mr. Paarlberg toward this price support program? Well, during his confirmation hearing he studiously avoided passing any judgment on it.

But going back to a speech he made in Chicago in October 1950, we get a pretty good idea of his attitudes. The title of his talk was "The Case Against Price Supports." He commented as follows:

"But let us recognize price supports for what they are—a political solution to an economic problem, adding nothing to the net product of the society, costly in terms of administration and use of resources, and involving a certain reduction in the standard of living of us all."

When Mr. Paarlberg speaks of the "reduction in the standard of living of us all," I can only wonder how high he thinks the national standard of living will be if our farm families are to survive at a mere subsistence level or below, caught permanently in the closing vise of falling farm prices and rising farm costs.

Then, later in that same speech, Mr. Paarlberg said:

"First of all, there is much doubt regarding the role of agriculture in a depression and no clear evidence that endeavoring to stabilize agricultural prices would avert a depression."

Well, stabilizing farm prices may not avert a depression if it comes, but I can tell Mr. Paarlberg one thing from well-remembered experience: A failure to stabilize farm prices will certainly make any depression a real rip-snorter. I simply do not know of anything which can be fed to a depression that will give it as much vim, vigor, and vitality as 27-cent wheat.

Mr. Paarlberg has studied the problems of farmers too much in recent years from college campuses and too little on the practical basis of the farms of America. He might benefit greatly from a few months' vacation when he could go out and pull grass with the men who run our farms and get their viewpoint a bit.

I could quote at length from others of Mr. Paarlberg's statements and point out dozens of additional points at which I disagree with him, but I think this would not be profitable. Mr. Paarlberg was questioned at length about many of his views during his confirmation hearing, and his answers are in the printed record for all to see. I simply disagree too heartily with too many of his views to be able to believe that his confirmation would be either in the interest of the farmers of the country or the Nation at large. For this reason I shall vote against the confirmation of his nomination to be Assistant Secretary of Agriculture, and I urge my colleagues to do likewise.

Mr. HOLLAND. Mr. President, as I understand, the nomination of Don Paarlberg to be Assistant Secretary of Agriculture is now before the Senate.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Florida will suspend until the Senate is in order. The Senate will be in order.

The Senator from Florida may proceed.

Mr. HOLLAND. Mr. President, I desire to report to the Senate the outcome of the hearings before the subcommittee and the action in the full committee upon the nomination of Don Paarlberg to be Assistant Secretary of Agriculture.

A subcommittee of five members was appointed by the Senator from Louisiana, the Chairman of the Senate Committee on Agriculture and Forestry, to conduct the hearings on this nomination.

The PRESIDING OFFICER. The Senator from Florida will please suspend and will not continue until the Senate is in order.

Senators will kindly resume their seats. Senators and other persons upon the floor will please refrain from conversation. The Senator from Florida will please suspend his remarks until there is order in the Chamber.

The Senator from Florida may proceed.

Mr. HOLLAND. Mr. President, I was appointed by the chairman of the full committee to be the chairman of the subcommittee to conduct hearings on the Paarlberg nomination. Hearings were held on July 20 and August 7, 1957. A copy of the printed hearings is, I believe, on the desk of every Senator.

The action of the subcommittee, after the hearing was concluded, resulted in 3 votes for confirmation of the nomination, and 2 votes against.

The action of the full Committee on Agriculture and Forestry was taken on August 8, 1957. The full committee reported, at first, on the basis of 8 votes for confirmation of the nomination, and 4 votes against. Later, the absent members of the committee were polled.

Mr. President, if I may be allowed a courteous hearing, I would appreciate it very much.

The PRESIDING OFFICER. The Senator from Florida will suspend and will not continue until there is complete order in the Chamber. The Senate will be in order.

The Senator from Florida may proceed.

Mr. HOLLAND. Upon the first vote, the result was 8 to 4 for confirmation. Upon recording the votes of Senators who, for one necessary reason or another, could not be present at the time of the first vote, the total vote was 10 for confirmation of the nomination and 5 against.

Dr. Paarlberg was nominated to serve as Assistant Secretary of Agriculture to replace the retiring Assistant Secretary, Dr. Earl Butz. He was nominated also to serve as a member of the Board of Directors of the Commodity Credit Corporation. I take it that while this vote is to be upon the first of the appointments, it might be considered as applicable to both appointments. I do not know of any effort to have two separate proceedings on the nominations and I hope there will not be.

Mr. Paarlberg, as is shown on page 1 of the hearings, was born at Oak Glenn, Ill., June 20, 1911.

He grew up on a farm near Crown Point, Ind. I read the following from his biography as printed on page 1 of the hearings:

Active in college extension programs, farm organizations, and rural youth work.

Teaching and research work in the general field of agricultural prices.

Member of the staff of the department of agricultural economics at Purdue University for 6 years.

Economic consultant for various firms dealing in agricultural products.

I do not recall the names of the firms—there were two, I believe—which are shown by the record to have been served by Dr. Paarlberg in that capacity.

He was secretary-treasurer of the American Farm Economics Association in 1951–52.

He was a delegate to the International Conference of the Agricultural Economists at Stresa, Italy, in 1949, and at Helsinki, Finland, in 1955.

He has been assistant to Secretary of Agriculture Benson since January 1953.

Without laboring the matter at great length, I think what I have said might be stated to be a résumé of his business career.

Dr. Paarlberg did not go to college until he was 25 years old. He worked on a farm until that time. As a result of obtaining a scholarship to start his education, he was enabled to attend college at Purdue, where he was graduated with a bachelor's degree. Later he took his doctorate in agricultural economics at Cornell University.

Dr. Paarlberg has served since 1953 in the position he now occupies; and he has frequently appeared before the Senate Committee on Agriculture and Forestry, and has testified on several different measures.

My own opinion of him—formed from listening to him during 4½ years—is very high. I think he is a gentleman of high honor. I think he is well informed in the field of agricultural economics; and, in general, I think he is a very courageous man who is perfectly willing to take his position, even though it may not be in accord with that of the Senators questioning him or even though it may not be in accord with the Secretary who is looking to him for assistance, or regardless of whether it agrees with the opinion of anyone else. His philosophy is very definitely that of the Secretary of Agriculture; and Dr. Paarlberg made that abundantly clear in the course of the hearings. I think the members of our committee have full knowledge of that, by reason of his appearance through the years.

Mr. President, without attempting to meet points which may be advanced—and I realize that there are Senators who do not think Dr. Paarlberg is properly qualified to serve in this position, and I respect their view, and they have every right to take it if they feel that way about it—it seems to me that the principal objection to Dr. Paarlberg is that his philosophy is that of the Secretary of Agriculture, to whom he would be an assistant, in the event his nominations to these two positions should be confirmed.

Two things in particular were held against him in the hearings, and they are the only things I shall mention at this time.

One was that in a speech delivered in Massachusetts to a group of farmers Dr. Paarlberg had made some reference to the fact that the farmers had been "living in a dream world"—or words to that effect—during the war and the immediate postwar period. I requested Dr. Paarlberg to produce the speech referred to; and the full text in reference to that particular quotation may be found on page 4 of the hearings. I shall read it at this time. This is a quotation of a part of the speech in which that particular reference appeared:

Net farm income is down close to 30 percent since the immediate postwar years, it is true. But let us remember that the war and postwar years were the best ones farmers ever had. These were years when our mar-

kets reflected the food needs of war-ravaged Europe.

These were years when automobiles and housing and television sets did not offer as much competition for the consumer's dollar as at present. It was before farmers' costs, such as freight rates and the price of machinery, reflected the full impact of inflation. They were years of good yields, high prices, and low costs, an unusual combination that never occurred previously, to a like degree, and may never occur again.

There was a time during the war and postwar period when many farms were bought and paid for in a fraction of the time it usually takes. There were years, out in the Great Plains, when the value of a single crop exceeded the sale price of the land on which it was grown. This was a dream world, and no one expected it to last. Congress did not expect it to last; legislation was passed to "cushion the shock of readjustment."

Professional economists did not expect it to last; they warned farmers that the recent past was not the new normal. The trade did not expect it to last; for long periods of time prices on the futures markets were low relative to cash prices. Farmers did not expect it to last; they were conservative about land values. They avoided speculation. They paid off debts and accumulated savings.

The point I am making is that the war and postwar years were not normal years; they were the best years we ever had.

Few things look good when compared with the best you ever had.

Mr. President, I cannot find any fault with that statement, even with the inclusion in it of the words "dream world," which seem to have occasioned resentment in some quarters, because it seems to me that it is entirely true that the conditions obtaining in the immediate postwar years were anything but normal, and that they could not have been regarded by anyone as being anything other than fantastic, when viewed against the normal. I have no fault to find with anyone who uses the words "dream world," as applied to that situation.

The other matter about which there were particular complaints was the fact that in a speech delivered in October 1950, before Dr. Paarlberg came to Washington, he made a particular statement with respect to price supports. The speech was entitled "The Case Against Price Supports." Quotations from the speech will be found in the hearings, particularly at page 98, and briefer quotations will be found on pages 99, 100, and following pages. At any rate, Senators can refer to those quotations if they wish.

When questioned about the occasion for the speech, which was delivered before Dr. Paarlberg held any official position, Dr. Paarlberg stated—and now I quote from page 98, where we find that he was asked, "Don't you think that is a little strong about price support, the ethics of one group having its hand in the pockets of another?"; Dr. Paarlberg replied:

Well, I think it is appropriate to raise the question. As the title of that speech indicates, I was giving the case against price supports. That speech did not purport to be a balanced, considered judgment of all the pros and all the cons. I think it is an appropriate question to raise. The language may be a little blunt.

Later, Mr. President, question arose as to where and under what circumstances the speech was delivered. Dr. Paarlberg said that to the best of his recollection at that time, it was delivered while he was teaching at Purdue University, and he thought it was delivered to a conference which was held at Purdue. Later, when he was asked to supply the details in that connection for the record, and after he had access to his notes, he supplied the following explanation, which is to be found on page 104 of the hearings:

(Mr. Paarlberg later supplied for the record the fact that this speech was made to a group of processors who were drying eggs to sell to the Government under the then-current egg price-support program. The speech dealt primarily with price supports for eggs. The meeting was also addressed by men from the Department of Agriculture who explained and defended the price-support program for eggs.)

Mr. AIKEN. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. AIKEN. The Senator from Florida may recall that it was not brought out at the hearings that Dr. Paarlberg was proven completely correct in the assertions he made at that time, because the price-support program for eggs became so ineffective that Secretary Brannan canceled it in the year 1950. It reached the point where it simply was not workable. Some of the eggs which were powdered became contaminated. It was claimed that some persons became sick from eating them; and the armed services would not use the Commodity Credit Corporation eggs in the field, because the armed services did not dare risk the health of the soldiers. Thus it may be recalled that Secretary Brannan canceled the entire egg-buying program.

So the situation was even worse than Dr. Paarlberg said it was.

Mr. HOLLAND. At any rate, that is the background—at least as it is shown by the hearings—of the occasion for the speech and of the nature of the presentation, which was ex parte, and was issued in planned opposition—as Dr. Paarlberg says in his explanation—to statements made by representatives, at that time, of the Department of Agriculture. The men who explained and defended, as Dr. Paarlberg states, the price-support program for eggs may still be in the Department of Agriculture. I do not know who they were.

Mr. AIKEN. Evidently it was a panel, where one side undertook to make out the strongest possible case for price supports; and the other side, represented by Dr. Paarlberg, undertook to make out as strong a case as possible against them; and I suppose the discussion went on from there.

Mr. HOLLAND. I would judge that was the case. When Dr. Paarlberg stated very clearly, in the beginning, he was making a case against price supports, and it had been assigned to him and it was made 3 years before he came to the Department, I was not particularly concerned with it, and I think the explanation should satisfy practically anyone who wishes to look at it.

Mr. AIKEN. Inasmuch as it was not brought out in the hearings, I believe, there should be placed in the RECORD the fact that the egg-purchase program referred to was canceled by Secretary Brannan as a completely unworkable program.

Mr. HOLLAND. Of course, the Senator is correct about that. The Senator from Florida and the Senator from Louisiana [Mr. ELLENDER] offered an amendment shortly before that to knock out the price-support program for Irish potatoes. We had eggs scheduled for the next treatment. Before we got back to consider it again, the Secretary himself had knocked out egg supports.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from North Dakota.

Mr. YOUNG. My own impression is that Dr. Paarlberg has been opposed to all kinds of price supports. Can the Senator point to any speech in which he said he was in favor of price supports of 75 percent or 85 percent or 90 percent, or any kind of price supports?

Mr. HOLLAND. I have not checked any speeches except those brought out at the hearing. I may say Dr. Paarlberg was very explicit when questioned on this subject, stating he did favor price supports. His idea of price supports is not in accord with that of those who want high, rigid price supports. To the contrary, I suspect Dr. Paarlberg is guilty of the high crime of feeling about as the Senator from Florida feels on the question of price supports for all basic commodities except tobacco. If he be guilty of high crimes and misdemeanors in adopting that attitude—which, by the way, is following his chief—the Senator from Florida would have to plead guilty to that crime also, as would the American Farm Bureau Federation, which has taken that position for a long, long time.

Mr. YOUNG. My understanding is that the Republican Party is on record as favoring flexible price supports from 75 to 90 percent. I do not believe could be found anywhere a statement showing that Dr. Paarlberg ever defended that kind of program. He wanted supports to be lower than that.

Mr. HOLLAND. I would not know about the position of the Republican Party. I may say to my distinguished friend I thought Dr. Paarlberg made it rather clear, in responding to direct questions, that he did favor price support programs and that they were necessary under present conditions; but his idea of price supports levels and methods do not agree with those of my distinguished friend. The Senator from North Dakota and I do not agree on it, but I do not think he is anything less than the best friend of agriculture. In my experience I do not know of anyone who has worked harder for agriculture. We differ on those matters. I do not feel that the mere fact that Dr. Paarlberg in his philosophy agrees with the Secretary whom he is appointed to serve can be urged as a sound reason for opposing him. In the course of my rather brief membership in the Senate I have approved the nominations of men for higher positions than the one under consideration, for instance, as Secretary

of the Interior and as members of the Cabinet, under both President Truman and President Eisenhower, with whose personal views I did not agree. However, I feel that the people decide at the general elections what kind of philosophy they want to prevail. Whether they decide the question rightly or not, the men who are elected to high office are entitled to have in their official families men who agree with their philosophies. I shall never oppose an honorable and a trained man, who I think is qualified otherwise, simply because his philosophy is different from mine, if he is qualified to hold the position and to discharge it as a subordinate of the man whom he is appointed to help. I think my duty in that regard is discharged when I have found out that he is honorable, that he is courageous, that he is experienced, and that he is well trained. I shall not fall out with him about his philosophy.

Mr. President, I had agreed to yield to the Senator from Missouri.

Mr. SYMINGTON. I think the distinguished senior Senator from Florida knows how anxious we both are to have the RECORD clear.

Mr. HOLLAND. That is correct.

Mr. SYMINGTON. With respect to the statement made that Dr. Paarlberg's talk was made in a debate, let me say that we have investigated the matter to the best of our ability. We find no evidence of any debate. The talk in question was made at the Sherman Hotel in Chicago on October 1.

Mr. HOLLAND. Of what year?

Mr. SYMINGTON. 1950. To the best of our knowledge, Dr. Paarlberg was the only speaker. Nor did he, in the talk, confine himself to eggs. The implication might be given that it was a speech about eggs. Let me quote the speech itself:

> Price supports for farm products are based on the assumption that a dollar is worth more in the pocket of a farmer than in the pocket of anyone else.

"Price supports for farm products," he said, not price supports for eggs. He said further:

> I do not intend to inquire into the merits of this assumption, though I have many doubts concerning it. In any case, we are engaged in the process of transferring dollars from pocket to pocket, even though a considerable amount of change is lost in the process.
>
> There are two aspects to this process of transferring dollars. One is the short run effect, which is a net gain to the farmer and a net loss to the consumer. The other is the long run effect, which, I maintain, is a net loss to all groups. The short run effect is understood by all; the long run effect is more subtle, but is perfectly clear to those who are willing to try to understand it. I shall discuss price supports for the commodity eggs as an example; much of what I shall say can be applied to other commodities.

I say to the distinguished Senator from Florida this was not a talk limited in content or application to the subject of eggs.

The Senator mentioned that a reason why he thought it would be a good idea for the Senate to confirm the nomination was that Mr. Paarlberg fully supported the theories of Secretary Benson. In the remarks I shall make later, I shall take issue with my able friend from Florida because, in my opinion, the record proves that Secretary Benson's thoughts were not considered nearly so radical, in connection with the reduction of farm supports, as were those of Dr. Paarlberg. I shall later read into the RECORD some of the things Dr. Paarlberg said in that connection.

Mr. HOLLAND. I thank the Senator from Missouri. My position is simply this, Mr. President and Senators: I think this man is a clean man, an honorable man, a qualified man. I think he has comported himself with great ability in his dozens of appearances before our committee. I could not possibly feel he is disqualified to serve in this important capacity. To the contrary, I think Secretary Benson is thoroughly within his rights in choosing a man who has been loyal to him and loyal to the same ideas he, as Secretary, espouses. I certainly would want a showing different from that produced in this RECORD before I would consider seriously voting against the confirmation of his nomination.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say I would concur in what the Senator from Florida has said about Dr. Paarlberg as an individual. I think he is a clean man. I think he is an intelligent man. I am sure he supports the policies of Mr. Benson, and I gather he supports the policies of the President.

Having said that he is a man of good character, honor, and integrity—which I believe he is—and that he is intelligent, my only comment is that his judgment on agricultural matters is not quite so good as his intelligence.

The only thing I hold against Mr. Paarlberg, in fact—and I want to be quite clear about it—is that he has been the economic architect of the economic policies of the Department of Agriculture. I know that the Senator from Florida believes, as I generally believe, that the President has a right to select his own appointees, unless we find something grossly wrong with them.

Mr. HOLLAND. Within the limitations I mentioned.

Mr. HUMPHREY. I think the limitations mentioned by the Senator were what would generally be considered to be fair and proper limitations.

The issue, however, as to the confirmation of Mr. Paarlberg's nomination—and I say this so that my position may be quite clear about it, though I am sure it is clear to the Senator from Florida—is simply whether we should once again ratify not only the man but ratify one who has been a philosopher in the Department, an economist in the Department, and one of its most articulate spokesmen, with whose philosophy I cannot agree, whose economics I think would lead to grave economic trouble, and whose general attitude on agricultural policies I feel is not sound.

I am not going to debate the issue tonight with any venom or vitriol, because we had a wonderful opportunity to visit with Dr. Paarlberg. He was a good witness. He answered our questions. He came at the request of the committee.

I feel that tonight Senators are going to be called upon not only to pass judgment on a man but to pass judgment again on a policy.

Mr. HOLLAND. Mr. President, the Senator from Minnesota is very fully and courteously stating the position he stated at the time of the hearings. I shall quote the record, because I think it is so completely in accord with what the Senator from Minnesota has stated at this time.

> Senator HUMPHREY. I want to say, Dr. Paarlberg, that I for one would never contest your courage.

Earlier some Senator—I believe it was the senior Senator from Minnesota [Mr. THYE]—asked Mr. Paarlberg if he had the courage to stand up for his convictions. A little bit later the Senator from Minnesota [Mr. HUMPHREY] had this to say:

> Senator HUMPHREY. I want to say, Dr. Paarlberg, that I for one would never contest your courage. You have great courage and you have a sense of personal integrity which I think is most admirable and your views as I have heard them revealed here and as I have read them are in support of administration policies on agriculture.
>
> I must confess that in my mind that doesn't help you as to my reaction to your confirmation but this has no personal reflection upon you, sir, for your sense of personal integrity and your courage and your ability to defend your position. You do a very good job of it.
>
> Mr. PAARLBERG. Thank you.
>
> Senator HUMPHREY. I personally have some disagreement over the point of economics involved.
>
> Mr. PAARLBERG. I understand that and I have thorough respect for your view, Senator, and for your view, Senator SYMINGTON. I do indeed feel that there are honest differences of viewpoints that have been very effectively expressed around this table today.

I may say that the hearing was a most pleasant one for an onlooker, and the Senator from Florida was for the most part an onlooker. The exchanges between both Senators and Dr. Paarlberg were most pleasant and most cordial. I think there were some similar words used, though I shall not attempt to quote them, in which the Senator from Missouri [Mr. SYMINGTON] expressed, though not quite so forcefully or fully, his view that the trouble with Dr. Paarlberg was his philosophy.

I think the Senator from Florida very fully, and I hope fairly, has stated the situation. He does not question the right of the Senator from Minnesota, the Senator from Missouri, or any other Senator to adopt a different position, but the Senator from Florida throughout the years has found that it is not his philosophy which has to be satisfied when important appointments come before him. Questions as to integrity, as to experience, as to character, as to training, as to intelligence, as to aggressiveness and as to courage are involved. When one goes beyond that, speaking about executive department appointments, such as we are now considering, one must yield some freedom to those in authority to choose men of like

points of view. I certainly do accord that freedom.

As I say, I frequently have been called upon to act on appointments about which I had some question. I could mention certain instances, but that might be regarded as simply being disagreeable. I do not think it is necessary. I have been frequently called upon to vote to confirm nominations of persons who, I thought, did measure up to the standards I have mentioned, although their points of view were not in accord with mine but were satisfactory to the appointive power.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Vermont.

Mr. AIKEN. There seems to be something of a misunderstanding, Mr. President. When the Senator from Missouri and the Senator from Minnesota very openly and pleasingly commended Mr. Paarlberg because he would not yield from his belief and he would not state that he would do things differently if his nomination were confirmed, it appears that the Senator from Missouri and the Senator from Minnesota are indicting the policies which Mr. Paarlberg is undertaking to carry out. It may be that Secretary Benson and Dr. Paarlberg have some belief about those policies and would like to make some changes in them, but I wish respectfully to point out that the policies which they are carrying out were laid down by a majority of both Houses of the Congress, and not by the administration. In fact, the administration did not approve 100 percent all the policies laid down by the Congress.

In practically every case, so far as I know, Dr. Paarlberg is undertaking and will undertake to carry out the policies laid down by the Congress, even though he may think they could be improved in some respects. Possibly they could be improved upon. I, myself, think so.

So the indictment should not be against Dr. Paarlberg. The indictment should be against Congress.

Mr. HOLLAND. Mr. President, I may say that I yield to every Senator the right to make indictments as he sees fit, but I see the matter as does the Senator from Vermont. I am not finding fault with my friends who feel otherwise.

Mr. HUMPHREY. Mr. President, will the Senator yield for a brief observation?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. The point is that in a presidential appointment such as this we are asked to give advice and consent. My advice to the Senate is, "Do not confirm him." And, so far as my consent is concerned, I say, "Never, never."

I do not believe Mr. Paarlberg's nomination should be confirmed. He is not only what one might call a loyal and trusted servant of the administration, but this man is an able man. Make no mistake about that. I respect his ability. Not only does he say that he will administer the policies which are laid down, but he also would like to change them. From what I hear about the changes, they would not help much.

I must say the one vote in my public career I should like to withdraw, if I could, would be the vote I cast to support the philosophy laid down by our good friend, the Senator from Florida, with regard to the Secretary of Agriculture. As I recall, I was one of those misguided souls who voted to confirm his nomination.

The distinguished junior Senator from North Dakota [Mr. YOUNG] did not become involved in that kind of of misinformation and misguided attitude. He took a firm position at the beginning. I want to pay tribute to the Senator. I have learned from him. Tonight as he has again asked some penetrating questions I have felt that he is a great teacher looking over at the students to say, "This time stand firm. Be like those Spartans at the Pass of Thermopylae." I want to say that if Mr. Paarlberg is a Persian, he is going to have a tough time getting through.

Mr. HOLLAND. Mr. President, the tone of this meeting is as pleasant as was the tone of our hearing. In fact, it is going along the same line.

I hope the Senator from Minnesota will not feel too guilty about casting the vote which he mentions, because if he were in my State and counseled with the people of my State, he would find it very popular, because the people there strongly support, in the main, the policies of the present Secretary of Agriculture.

Mr. President, there are two other things I should mention. I apologize to the Senator from Missouri [Mr. SYMINGTON] for taking more time than I had intended.

The first item is that I do not believe I mentioned the fields of service which Dr. Paarlberg would handle as an Assistant Secretary. One of them is the Foreign Agricultural Service. The second, related to that, is Public Law 480.

I believe it appears in the RECORD that both distinguished Senators who have been on their feet in opposition have stated their very strong approval of the attitudes of Dr. Paarlberg with reference to Public Law 480 and his administration of that law in the event it should be entrusted to him.

The other fields which he would handle are the fields of Agricultural Marketing Service and the statistical department of the Department of Agriculture. He would not be directly in the price-support field; and that seemed to me to be yet another reason why we should not be too greatly concerned with his attitude on the price-support question.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. Would the Senator care to insert in his remarks at this point what Dr. Paarlberg said relative to Public Law 480?

Mr. HOLLAND. Where is it to be found?

Mr. AIKEN. On page 130 of the hearings. The Senator from Minnesota was questioning Dr. Paarlberg.

Mr. HOLLAND. I am glad to follow the suggestion of my able friend from Vermont. The Senator from Minnesota asked this question:

> Senator THYE. Dr. Paarlberg, as to Public Law 480. We of course from time to time are faced with the question of whether to extend Public Law 480. What is your attitude toward Public Law 480?
>
> Mr. PAARLBERG. I am in favor of Public Law 480. I think it is a good law. I think that it has accomplished a good deal for agriculture. It has been generally wisely administered. Its achievements have been more favorable than I anticipated.

There is more to the same effect. There was direct questioning on the same subject by the Senator from Missouri and the Senator from Minnesota. As I remember, the junior Senator from Minnesota questioned Dr. Paarlberg more in this particular field than did any other member of the committee, and then expressed his very warm appreciation of Dr. Paarlberg's attitude on the subject.

Mr. President, I believe that is all I care to say. I have simply tried to state the facts as they were brought out before the committee and to state my own feelings about Dr. Paarlberg's record, his showing, and his entitlement, as I see it, to speedy confirmation by the Senate of his nomination.

I hope the nomination will be confirmed.

Mr. President, I yield the floor.

Mr. SYMINGTON. Mr. President, in the discussion between the able Senator from Florida [Mr. HOLLAND], and the able Senator from Vermont [Mr. AIKEN], there was defense of a talk made in 1950 by Dr. Paarlberg, the nominee. Back in 1954, in a talk at Cornell University, before the Cornell Economics Seminar, Dr. Paarlberg made some statements which it would be very difficult, if not impossible, to defend on the same grounds that have been used in an attempt to defend his earlier statement. I shall quote from that speech.

In referring to the role of the economists in the Department of Agriculture in the drafting of the Agricultural Act of 1954, Dr. Paarlberg said:

> Definite limits were imposed on our work from the start.
>
> There was the Republican platform, there were the campaign promises, and there was the Secretary's policy statement.

Mr. President, it is obvious from that remark that Dr. Paarlberg does not agree with Secretary Benson. He believes that the administration should have gone further in lowering price supports than it did. He said, speaking of the limitations which he mentioned:

> These were subject to interpretation, within politically acceptable limits.
>
> But they nevertheless set boundaries within which the recommendations coming from our studies were required to fall.
>
> We had to come up with a program that gave a substantial amount of price support.

He said later in the speech:

> How much economic commonsense is there in this program?
>
> Perhaps as much as the political climate would allow; the extremely narrow margin by which it passed the Congress is evidence of that fact.
>
> Certainly it involves a change in direction toward more reliance on the forces of the market.

It provides a beachhead of price flexibility which may in time be enlarged.

Certainly it is fair for us to conjecture what that means. Inasmuch as the Secretary of Agriculture has now backed a bill which could bring cotton supports down to zero, an enlarged beachhead on cotton might well be no price supports at all.

Dr. Paarlberg continued, on the same subject:

This accomplishment was noteworthy, coming as it did in an election year, with declining farm prices, and in the face of repeated warnings that farmers would punish at the polls those who would vote lower price supports.

So I appraise it as a victory for economic commonsense, though not so decisive a victory as many of us would have liked.

What is it that Dr. Paarlberg is appraising as a victory for economic commonsense? The answer is clear and obvious—lower price supports. Therefore the next phrase of his speech is even more interesting:

So I appraise it as a victory for economic commonsense, though not so decisive a victory as many of us would have liked.

Mr. President, it would be interesting to note what Dr. Paarlberg's program would be today if he had not been restrained "by the Republican platform"; if he had not been restained by "the campaign promises of President Eisenhower"; and if he had not been restrained by the "Secretary's policy statements."

Note well this latter statement. Dr. Paarlberg is on the record that he would go farther than Mr. Benson if he had not been limited.

Most farmers in America can shudder at the thought of what this decisive victory would have meant to their incomes.

Mr. President, this is the record.

I shall continue later with a few further remarks on this subject.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I shall be glad to yield, but before doing so, I congratulate the able junior Senator from North Dakota for his splendid remarks on this subject. As all of us know, he is one of the authorities on the farm programs of the United States, and his actions are always in the best interests of the family-sized farms.

I now yield to my distinguished colleague from Washington.

Mr. JACKSON. I take this opportunity to express to the distinguished junior Senator from Missouri my appreciation for the very able work he did in the Committee on Agriculture and Forestry in bringing out the facts with reference to this important nomination.

I compliment the distinguished and able junior Senator from Missouri for the excellent presentation he is making on the floor of the Senate in connection with the nomination.

It is obvious that the philosophy of this nominee, who apparently is a very fine man personally, is not in the best interests of the American farmer and the family-sized farm. The able Senator from Missouri is rendering a great public service in bringing out these facts on the floor of the Senate this evening.

Mr. SYMINGTON. I thank the distinguished Senator from Washington for his kind remarks. I am deeply grateful for his honoring me by the statement he has just made.

Mr. President, the Senate is being asked to confirm, for high administrative office, the nomination of Dr. Don Paarlberg, Chief Economic Adviser to Secretary of Agriculture Benson, for the position of Assistant Secretary of Agriculture in charge of marketing and foreign agriculture.

After carefully studying the record of this gentleman, I oppose this nominee, not on the basis of his personal character, but because it is clear that his philosophies are against the best interests of most farmers—the people he is supposed to represent.

If administrative experience is important for good government, then I believe a vote for Dr. Paarlberg is a vote against good government—and the record proves it is a vote against the family size farmer, as well as the small town which that type of farm supports.

In passing, there is not a single argument that can be made to justify the continuation of small business which cannot also be made to justify the continuation of the family size farm; and vice versa.

We are all in this farm program together.

Dr. Paarlberg has had no managerial experience whatever; therefore, it appears wrong to me for the Senate to approve his nomination for a high position in a Department already riddled with management problems.

In addition, Dr. Paarlberg is generally considered the leader of the current brain trust in the Department of Agriculture; therefore, he is one of those primarily responsible for the policies of that Department in recent years.

Dr. Paarlberg has publicly stated that his recommendations "have been influential in the position that the Secretary and others have taken."

There are those who say, "If Dr. Paarlberg believes in the philosophies of Secretary Benson, why not let the latter have him?"

But if one believes the policies of Mr. Benson are wrong, I plead with him to give consideration to the fact that the record proves Dr. Paarlberg's aversion to support of the farmer is far greater than that of Mr. Benson.

Dr. Paarlberg has even stated that his recommendations had to be watered down to meet political limitations, and an examination of his speeches proves conclusively that this is true.

Such an analysis of his talks, plus his recent testimony, may not show what he is for. But they do show what he is against—the family-size farmer.

Let us look at the record of what his policies have done to the American farmer.

In 1952, the year prior to that in which the Benson-Paarlberg group, in effect, obtained control of the destiny of the American farmers, parity for those farmers was 100.

Those who know and understand parity know that 100 percent of parity is 100 percent justice—no more, no less.

Last year it was 83—a drop of 17 percent from the 1952 average—the last year with an average parity as high as 100.

Total farm income, after inventory adjustments, has dropped from $15.1 billion in 1952 to $11.6 billion in 1956—a decline of 23 percent.

Average per capita net farm income from all sources—that includes the income from off the farm by those who could not support themselves on the farm—was $953 in 1952. Last year it was down to $902.

In other words, in my State, and in the States of many other Senators, there are men who work all day on the farm and then go into town at night and work at whatever jobs they can obtain. Then they go home and start working on the farm again at great physical strain. Many such cases have come to our attention in Missouri. Despite the small amount of additional money they have made by working off the farm—incidentally following the advice of Secretary Benson to get some work in town—their income has dropped from $953 in 1952 to $902 in 1956.

At the same time the average per capita net income of the nonfarm population increased from $1,833 to $2,018.

Many believe that these are planned policies—planned to reduce the number of American farmers; and in that way give more prosperity to those who remain.

Mr. KERR. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. KERR. A few days ago I was discussing the farm problem with one of the high officials of the Treasury Department. The discussion came up in connection with the administration's fiscal policies and their effect, and the monetary control policies and their effect, upon the economy, particularly upon the American farmer.

The gentleman looked at me with a very straight face and spoke just as seriously as if he were talking about the business of eating, sleeping, or exercising, or the matter of food and shelter.

He said, "Senator, don't you know that we have far too many farm families in America, and that the uneconomic farm unit has to go?"

I said, "My friend, do you realize you are talking about human beings—American men, women, and children?"

He said, "So what? If they are an uneconomic unit, there is no place for them in this economy."

In view of what the distinguished Senator from Montana has just said about what appears to be the program of this administration, I presume referring, in part, to the Department of Agriculture—namely:

Many believe that these are planned policies, planned to reduce the number of American farmers; and in that way give more prosperity to those who remain.

Would not the Senator consider it to be a fact that such a policy is a well-known and established fact when members of even another department of the executive branch of the Government frankly and boldly make the statement that there are too many farm families

in this country, and that the uneconomic farm unit has to go?

Mr. SYMINGTON. There is no question about the accuracy of the distinguished Senator's statement. I remind him of the remark which was made by the present Under Secretary of Agriculture several years ago, when he said that the marginal farms should be turned over to grass or fallow. That was when the great senior Senator from Georgia [Mr. RUSSELL] said that he felt the difficulty would be they had not yet taught the farmers' children how to digest grass.

Mr. KERR. I thank the Senator.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. JOHNSTON of South Carolina. Is it not true, also, that the Department of Agriculture has been successful in putting many small farms out of business?

Mr. SYMINGTON. The answer to that is based on their own record. In the last 4 years, under the program of the present administration of the Department of Agriculture for the elimination of the family-sized farm by their own figures we have lost more than 470,000 farm families. I have been told by the able Senator from Oklahoma [Mr. KERR] that those figures actually are considerably larger than 470,000.

Mr. JOHNSTON of South Carolina. Is it not also true that a limitation has been made, namely, that no loan will be made unless the farmer produces a certain amount of cash crop, and the amount has been fixed at $2,000?

Mr. SYMINGTON. That is correct.

Mr. JOHNSTON of South Carolina. Does not that prevent a great many of the small farmers from obtaining loans from the Department of Agriculture?

Mr. SYMINGTON. There can be no question about that. It is simply another part of the planned elimination of the small farmer.

Mr. JOHNSTON of South Carolina. We know the farmer grows many things which never are turned into cash. Therefore, those things are not included in figuring the cash crop.

Mr. SYMINGTON. Of course.

Mr. KERR. Mr. President, will the Senator from Missouri yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. SYMINGTON. I yield to my able colleague from Oklahoma.

Mr. KERR. I should like to ask about two things. First, is it not a fact that today the average income per farm family is very little, if anything, above $2,000 a farm?

Mr. SYMINGTON. The average income per capita, today, in the case of farmers——

Mr. KERR. I am talking about the income per farm unit.

Mr. SYMINGTON. I cannot answer as to that. But the average per capita income of farmers today is just over $600 from the farm.

Mr. KERR. From the farm?

Mr. SYMINGTON. That is correct.

Mr. KERR. The Senator referred to a statement by the Under Secretary of Agriculture who, I believe, is Mr. Morse.

Mr. SYMINGTON. Yes, Under Secretary True D. Morse.

Mr. KERR. As I recall his statement, it was that the marginal farmer must be eliminated.

Mr. SYMINGTON. Let me read Mr. Morse's statement, which a member of my staff has just handed to me.

This was said on April 24, 1953, just as this group began to go to work to eliminate the family-size farm:

> Under Secretary True D. Morse said price-support programs tend to keep the inefficient farmer in business, instead of allowing the normal, healthy adjustment which should take place in agriculture—

Which is just what the distinguished senior Senator from Oklahoma says he was told a few days ago in the Finance Committee.

Under Secretary Morse is further quoted as follows:

> Inefficient producers may either be forced out of business or else "farm the life out of their farms" to pay the bills. He felt it would be better if the marginal farmer got out of farming and into industry—

At that point I should like to ask, where are the jobs for them in industry, in view of the fact that layoffs in industry are now occurring by the tens of thousands?

I read further:

> and then his land should be turned over to grass or trees or other soil-conservation practices.

That caused the remark by the senior Senator from Georgia.

Mr. KERR. I am glad to have the exact words. As I remembered them, he had indicated that his judgment was that marginal farmers should be eliminated.

Is it not a well-known fact that the Department of Agriculture has succeeded in putting that policy into successful operation?

Mr. SYMINGTON. I would answer that partially "Yes" and partially "No," because even though the Department of Agriculture has applied its policies in order to get rid of the small farmers, in order that the remaining farmers would be wealthier, the actual facts are that in 1952, when the present administration came into power, the average per capita net farm income was $953; but after the administration and the Department of Agriculture eliminated 470,000 farm families—in other words, millions of people—in order that the remainder would have more income, nevertheless, under those policies the income dropped to $902 a year.

Mr. KERR. The latter are 1956 dollars, which are approximately 5 percent less in value than the 1952 dollars.

Mr. SYMINGTON. The Senator from Oklahoma, who is a great authority on the entire financial structure of the Government, would know that better than I do. But I am sure the reduction is at least that much.

Mr. KERR. Very well. I believe the Senator's answer to my question is that in the case of the purpose of the present administration and the Department of Agriculture to eliminate the marginal farmers, they have been eminently successful.

Mr. SYMINGTON. That is correct.

Mr. KERR. Is it not a fact that after they have succeeded in a big way in the elimination of the marginal farmers they found when they came into power, their policy has resulted in the creation of many more marginal farmers than the number they have thus far been able to eliminate?

Mr. SYMINGTON. Oh, yes; the able Senator from Oklahoma makes a conclusive point. The proof is that the ones who are left are now worse off than were the ones they eliminated in 1953.

Mr. KERR. I thank the Senator from Missouri.

Mr. AIKEN. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to my friend, the distinguished senior Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. I am sure the Senator from Missouri wishes to state the correct source of the information in connection with the statements he has been making. I do not recall that any official of the Department of Agriculture recommended the elimination of so-called family-sized farms. I know that the Senator from Missouri will find that the recommendation was made by an organization known as the Committee for Economic Progress, which was sponsored by Mr. James Patton, Mr. M. W. Thatcher, Mr. Walter Reuther, and several other persons, who made the recommendation for the liquidation of 950,000 farms the income of which was less than $2,500 a year. That recommendation was made in a report issued a year ago last spring. It was not generally distributed, but I shall be glad to show the Senator from Missouri the report, if he would like to see it.

Mr. HUMPHREY. I have a copy of the report here, and I should like to have the Senator read the material in it.

Mr. AIKEN. They recommended the elimination of 950,000 small farms, over a 4-year period.

Mr. SYMINGTON. Mr. President, I do not know who were the ones who suggested elimination of the family-size farms. I do know of the actions of this administration in eliminating them. What we are discussing now is the practical application of governmental authority to eliminate the family-size farms—the exercise of such authority by the persons who currently are in control of the Department of Agriculture.

Mr. AIKEN. Let me identify the author of the report to which I have referred. He is Mr. Leon Keyserling. I am sure the Senator from Missouri will agree that Mr. Leon Keyserling is a very able economist, and that he probably made a very worthwhile and able report at the time.

Mr. SYMINGTON. I cannot agree with a proposal to eliminate 950,000 family-size farms.

Mr. AIKEN. I disagree emphatically with Mr. Keyserling, Mr. Patton, Mr. Thatcher, and Mr. Reuther in that recommendation.

Mr. SYMINGTON. I believe we are getting a little off the subject, when we

begin to quote from statements by Mr. Reuther about farms. I never knew he was as much of a farm expert, as he is an expert regarding conditions in the cities.

But regardless of who talked about eliminating the family-size farms, the fact is that when the present administration came into power they did not merely talk about it, they went ahead and did it

Mr. KERR. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I yield.

Mr. KERR. Mr. Reuther is not being considered by the Senate of the United States for appointment to the position of Assistant Secretary of Agriculture; is he?

Mr. SYMINGTON. No. But I am quite sure—based on my knowledge of Walter Reuther—that if he were nominated and confirmed to be Secretary of Agriculture, he would have a great deal more sympathy for the farmer than the present Secretary of Agriculture has shown in his policies.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. KERR. Just a moment, please. I wish to say to the distinguished Senator from Missouri that I thoroughly agree with him in that regard. Let me say that I would prefer to put the fate of the family-size farms of Oklahoma in the hands of Walter Reuther or Jim Patton or Leon Keyserling and trust them, when operating without a law, rather than to have the fate of the family-size farms of Oklahoma placed in the hands of Mr. Paarlberg and Mr. Benson, when operating with a law.

I desire to ask this question: Does not the distinguished Senator from Missouri believe that today it would be impossible to find as many as 1 million farm families in the United States with an average income of $2,500 per farm?

Mr. SYMINGTON. There is no question about that.

Mr. KERR. It would be difficult to find that many, certainly.

Mr. SYMINGTON. Let me reply by stating that in my own State, in many counties the average farm gross income is less than $1,000 a year.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to my friend, the distinguished junior Senator from Minnesota [Mr. HUMPHREY], who is a very able expert in all aspects of agriculture.

Mr. HUMPHREY. I thank the Senator from Missouri.

The study to which reference has been made is entitled "Full Prosperity for Agriculture—Conference on Economic Progress." The study was authored by Leon Keyserling, one of the great economists. The study is based upon Government statistics, and it presents a rather comprehensive program. Let me say that if the program were enacted, the agricultural income situation today would be decidedly improved.

For example, this is one of the captions of one of the paragraphs in the study:

> The family-type farm should be further strengthened by improved credit facilities, and by encouragement of farm cooperatives.

Another subheading:

> Essential public services should be vastly expanded in farm areas, with increasing resort to the principle of equalization.

Another subheading:

> Programs to reduce farm poverty, improve farm income distribution, and strengthen the family-type farm. The Government's immediate and long-range 1956–60 objectives for expanding farm income should contain specific targets and programs for the reduction of farm poverty and for strengthening the family-type farm.

Another subheading:

> Farm price supports and income payments should help to narrow the gap between poverty and high incomes in agriculture, and to strengthen the family-type farm.

With the policies presently being pursued, it was said there would be a migration of agricultural workers. The report said that if such migration should take place, there should be employment provided, and it should be full-time, rather than part-time employment.

I think what we are concerned with is healthy agriculture, and whether it consists of 15 million farm families or 13 million farm families—whatever the number may be—the families in agriculture ought to be able to make a living in agriculture. That is what we are talking about.

To be sure, some persons are going to leave the farm. There is no law to keep them there. With farm production up, some persons are going to leave the farm because of modern technology. It is one thing for persons to leave farms because they want to, because it is their own free choice; it is another thing for persons to be driven off the farms because of uneconomic policies and policies which cause persons to leave the farm because of attrition, rather than because of free choice.

If persons wish to go to the cities by their own free choice, when the alternatives are good living in the city or poor living in the country, that is their choice; but for the Government of the United States to have policies, which it pursues relentlessly, to work out programs of attrition in driving persons from the land, cannot be condoned. That is what the Senator is talking about.

I recommend this booklet for the reading of Senators who feel that Mr. Paarlberg ought to be Assistant Secretary of Agriculture. After they get through reading it, they will not want to cast only one vote against the confirmation, but two votes, which, of course, they cannot do.

Mr. SYMINGTON. The Senator from Minnesota did not say two votes for Dr. Paarlberg, did he?

Mr. HUMPHREY. No. I will repeat—two votes against confirmation.

Mr. KERR. Mr. President, will the Senator yield so that I may ask a question of the very distinguished Senator from Minnesota?

Mr. SYMINGTON. I yield with the understanding that I do not lose my right to the floor.

Mr. KERR. Would the Senator from Minnesota think it might be a good thing for the distinguished Senator from Vermont [Mr. AIKEN] and the country at large if the Senator from Vermont evidenced an attitude of support of the entire thesis of that book, instead of only a limited part of it, drawn from context?

Mr. HUMPHREY. I would say if the present administration would accept as its economic program for agriculture the proposition, the principles, and the statistical formula laid down in this study, the American farmers would indeed be entitled to a day of rejoicing. They would think it was one of the happiest moments in the history of the Republic.

Mr. KERR. Would such a program as the administration has established have any relationship to the program of which the Senator from Vermont is the principal architect?

Mr. HUMPHREY. If so, it would be strictly by coincidence or accident.

Mr. SYMINGTON. I thank the Senator. Jim Patton is my friend. I admire his efforts to help the farmers of our country, but I did not think it was necessary to comment on any remarks which, even by implication, would tend to give the thought that he was not primarily interested in bettering the family-sized farm.

It is true there are hundreds of thousands less farmers; but those remaining, those who have been fortunate enough to hold out, are nevertheless making less money.

They are making less, despite the fact that other segments of the economy are making a great deal more.

Let us compare the average hourly earnings in agriculture with other segments of the economy.

In 1952, the realized return per hour to all farm labor and management—after allowance for capital investment—was 82.5 cents.

In 1956, it had declined to 70.3 cents—down 17 percent.

During the same period, wages in manufacturing rose from $1.67 to $1.98 per hour—up 20 percent.

From 1952 to 1956, the average of all wages increased 22 percent.

Wage rates normally rise with an increase in productivity. This has not been the case in agriculture; and that in itself should have been a warning to the Department that something was very wrong with their policies and programs.

The red light was ignored, however. The Department initiated policies which have resulted in lower farm prices, lower farm income, and, therefore, lower farm wage rates.

The records of the Department detail what has happened.

In recent years, millions of Americans have left the farm. From 1952 to 1956, the number of farms in the United States has decreased 460,000.

This is according to Mr. Benson's own figures. Some informed people believe the number is actually much higher.

In the past 4 years, the farm mortgage foreclosure rate has increased 40 percent.

The more one looks into his philosophies, as carried out in the current programs of the Department of Agriculture, the more one has the right to believe that this Agriculture administration can be called an administration of paradox.

Compensatory payments, a method of farm support involving the least cost to

the consumer, are wrong—unless they are right.

They are wrong for cotton or wheat or livestock, but right for wool.

They are right for wool, so as to increase production. But last year wool production decreased.

Price supports to nonconformers in grain programs are right in one year, but wrong in another year.

In 1956 soil-bank payments on corn were justified on the ground these payments would reduce production; yet we ended up with 220 million more bushels of corn.

I am not necessarily criticizing these policies in any one case; I am attempting to show the completely paradoxical position in which the Department of Agriculture has placed the American farmer through its policies.

Assistance is wrong for needy farmers in some disaster areas, but right for wealthy farmers in other disaster areas. Based on facts originally uncovered by the distinguished senior Senator from Delaware, everyone now knows that is the present way the management of the Department of Agriculture has been handling the drought program.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD at this point an article from a great Missouri newspaper, the St. Joseph Gazette, of Friday, August 9, 1957, entitled "Drought Help Squandered—Senator Says Some Firings Are in Order."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DROUGHT HELP SQUANDERED—SENATOR SAYS SOME FIRINGS ARE IN ORDER

WASHINGTON, August 8.—Senator JOHN WILLIAMS, Republican of Delaware, called today for immediate dismissal of Federal drought relief administrators who he charged have squandered $3,600,000 through mismanagement.

The Delaware Republican said that under the leadership of Kenneth L. Scott, drought program director, there has been "widespread mismanagement of the drought relief program," established in 1953 to aid farmers in the arid Southwest.

He urged a thorough Senate Agriculture Committee inquiry into the handling of drought funds.

THREE ACCUSATIONS

WILLIAMS charged that—

(1) More than $2 million in Federal funds was misused to buy ineligible feed and pay book accounts.

(2) More than $1 million was thrown away because drought program administrators mismarked shipments of cottonseed meal sent to plants for pelleting, and failed to take advantage of low freight rates.

(3) The Commodity Credit Corporation paid $600,000 to railroads for retroactive freight charges for a period in which the railroads had agreed to reduce rates by 50 percent. The Comptroller General has reprimanded the CCC for this action and has urged it to reclaim the funds.

TEARS INTO PAYMENTS

Referring to the $1 million in unnecessary freight charges, WILLIAMS declared: "This represents one further example of the inexcusable negligence surrounding the administration of this drought relief program, and the official or officials responsible for this action should be fired."

He said the $600,000 payment to the railroads "is just another instance indicating the widespread mismanagement of the drought relief program under Mr. Kenneth L. Scott and further emphasizes the need of a thorough examination of this program by the Senate Agriculture Committee."

Mr. SYMINGTON. Mr. President, that Senator was the distinguished senior Senator from Delaware [Mr. WILLIAMS].

Regimentation of the farmer is wrong in some programs, but right in others.

Many farmers have failed after having been given the freedom of "the right to go broke"; whereas others, through marketing orders that involve almost complete regimentation by the Department of Agriculture, have been given the right to prosper.

In these latter cases, note that the regimentation so often criticized by Dr. Paarlberg nevertheless extends to the point where many thousand American farmers are now criminally liable if they do not obey Secretary Benson when he orders them to sell a certain specified amount of a certain specified product at a certain specified time in certain specified containers to be shipped to certain specified markets.

Even a cursory examination of various recent hearings before the Senate Agriculture Committee shows the Department to be in desperate need of additional administrative experience.

It is true there are small oases in the desert of the farm economy. Let us look at what has happened to the rest of the farmers. As I mentioned before, Dr. Paarlberg has absolutely no managerial experience of any kind whatever, yet if his nomination for this position is confirmed, he will have about 10,000 people working for him and he will supervise programs incident to the distribution of $1,661,000,000 of the taxpayers' money.

Dr. Paarlberg's lack of managerial experience makes this important, because the cost of running the Department of Agriculture is rising so rapidly.

How many people realize that whereas in the fiscal year 1952, the last full year of the previous administration, the Department of Agriculture's net expenditure was just over $1 billion, for the fiscal 1958 the estimated net expenditure for the Department of Agriculture is almost $5 billion—five times as much.

Even more incredible are the following figures:

During the 20-year period prior to the present control, the average farm price-support cost per year was 35 cents per person.

In the fiscal year 1956, this price support cost rose to $3 per person—and for the first 11 months of the fiscal year 1957, it rose further, to $7 per person.

Mr. JOHNSTON of South Carolina. What was the total cost?

Mr. SYMINGTON. In money?

Mr. JOHNSTON of South Carolina. In money.

Mr. SYMINGTON. Let me say to my distinguished colleague, the very able farm expert from South Carolina, that the average cost for all price-support activities during the 20-year period prior to the present control of the Department was 35 cents per citizen a year.

Mr. JOHNSTON of South Carolina. Has the Senator stated how many million dollars it cost?

Mr. SYMINGTON. I did not, but I shall.

Mr. JOHNSTON of South Carolina. Proceed, please.

Mr. SYMINGTON. During the 20 years prior to this management obtaining control of American agriculture, the total losses—all commodities—which resulted from farm price supports were $1,110,137,000.

Let me say to the distinguished senior Senator from South Carolina, that figure includes a loss of nearly a half-billion dollars on potatoes. Actually, the cost of the 6 basics in that period of 20 years was only about $20 million, or about one-third of 1 percent per person a year.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. If I may, I should like to finish these figures for the RECORD, and then I shall be happy to yield.

Under this same program, in the 4½ years that this administration has been directing the price support operation, the loss to the American taxpayer on price support operations, up to May 31, 1957, was $3,347,000,000. On the basics during the same period, the total was $1,459,000,000.

In other words, under the current theories, which we all know are the theories of Dr. Paarlberg, the American taxpayer has already lost over three times as much money in 4½ years as he did in the previous 20; and on the basics he has lost more than 70 times as much in 4 years as he did in 20.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my friend, the Senator from Minnesota.

Mr. HUMPHREY. The reply to the Senator from Missouri will undoubtedly be that this administration inherited a "mess." I am sure the Senator has heard that expression before.

Mr. SYMINGTON. I have heard much about that.

Mr. HUMPHREY. I think the answer should be given now. The truth is that the cost of the farm program to the taxpayers has gone up each year this administration has been in power.

In other words, the cost in 1953 was greater than the cost in 1952. The cost in 1954 was greater than the cost in 1953. After 1954, the administration had its own law exactly the way it desired, but the cost in 1955 was greater than the cost in 1954, and the cost in 1956 was much greater than the cost in 1955. The cost in 1957 is an Eisenhower record. It really went right on through, just as was done with interest rates. The administration broke the 3-percent barrier, and then broke the 4-percent barrier.

The administration has now broken the $5 billion barrier in the expenses of the Department of Agriculture, though some persons used to talk about Truman being a spendthrift. Harry Truman in 1952 had a Department budget of $1,045 million, but in 1956, 2 years after the administration's own farm law went into

effect, there was a net budget of—let me get the exact figure—$4,956 million.

Only this administration can do that, because it is planned that way. This could not happen by accident. This is one of those well-organized, properly planned, businesslike methods of losing almost $3½ billion in 4 years. One simply cannot do that by accident; one has to work at it.

Mr. SYMINGTON. The Senator is correct. One would think, based on these tremendous losses, losses 70 times as high in the 4 years as occurred in the previous 20 years, there would be something to show for it. Has it resulted in more income for the farmers? It has not. Farm income has dropped 23 percent. I ask Senators: Does this not prove the danger of adding another fox to those already in charge of the hen house?

And these figures are only part of the story.

When Mr. Benson took over the Department of Agriculture in January 1953, it had 67,000 employees. That was when the so-called business administration came into power.

By January 1957 it had 82,000—an increase of 23 percent. And it is still rolling—because today there are 87,000.

In other words, under these first 4 years of Mr. Benson's administration and Dr. Paarlberg's advice, it took 23 percent more employees to reduce farm income 23 percent.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. May I say that the Senator is now pointing out accomplishments of the administration? These are the positive achievements. I want to add one other achievement, because everything this administration has done in agriculture has not resulted in reductions.

For example, take farm indebtedness. In 1952 it was $14,600,000,000. This administration has been doing something about that. By January 1956, the administration got the figure up to $18,900,000,000. So the administration gets some things up. It got farm prices down, farm income down, and farm parity down, but it got the indebtedness up.

Mr. JOHNSTON of South Carolina. And do not forget about the interest, too.

Mr. HUMPHREY. Yes. It got the interest rate up.

There is one other factor which the administration increased. The total value of Commodity Credit Corporation inventory on hand as of June 1953, was $3,476,330,000. The next year it was $5,005,511,000; in 1955, $7,069,277,000; in 1956—going up—$8,257,308,000. Then we gave them $2 billion under Public Law 480, to sell farm surpluses, and they reduced the inventory to $7,645,075,000 in 1957. In other words, in 4½ years, they were able to add almost $4 billion to Commodity Credit Corporation inventories. They were able to increase the storage price of wheat from 7 cents a bushel to more than 12 cents a bushel. They were able to get interest rates up too, from 4 percent to an average of 5½ percent, and to increase indebtedness from $14 billion to $18,900,000,000.

There is no way to make a record like that without working at it. Dr. Paarlberg has been one of the architects, one of the carpenters in the economic workshop for the destruction of agriculture.

Mr. SYMINGTON. Year after year in this administration the costs have gone up and farm income down. They have planned and carried out the bankruptcy of the Department of Agriculture. In private business, after one has bankrupted a business he is usually relieved from office. Tonight we are being asked to promote one of the authors of the policies that have caused the bankruptcy.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I wish to repeat, so that no one can misunderstand me, that I do not accuse the administration of merely letting these things happen. That would be really unfair. It could not make so great a mistake. It had to be planned. Such planning required an economic philosopher. It required someone with an economic formula. The only trouble with Dr. Paarlberg's economics is that they are wrong. They lead only in one direction. They lead down. They are the same kind of economics that were pursued by the Government in the 1920's and the early 1930's. There is no doubt about it.

Mr. Paarlberg was asked whether his point of view had changed since he came to Washington. He said that it had not been changed, but had been refortified.

What was his point of view before he came to Washington? It was not in favor of price supports. His point of view was that there were too many farmers, too many people on the farm.

His point of view was that price supports were uneconomic, as will be seen from the statements which the Senator from Missouri has quoted. He himself said that the members of the administration could have done something about the situation, but they had made some political commitments.

Mr. SYMINGTON. They were restrained by the Secretary of Agriculture, by the Republican platform, and by the campaign promises of the President.

Mr. HUMPHREY. Those are mighty weak restraints. Anyone who could not get away from those restraints was practically anemic.

Mr. KERR. Mr. President, will the Senator yield to me to make a suggestion to the Senator from Minnesota?

Mr. SYMINGTON. I am glad to yield.

Mr. KERR. The Senator from Minnesota was speaking about the great accomplishments in the realm of failure, and in the growth of the inventory of the Commodity Credit Corporation from $3,476,330,000 in 1953 to $7,645,075,000 in 1957.

Does the Senator take into account the difference in the unit value of what was in that inventory, and what the value really would be in 1957 if that which was in the inventory had the same value as it did in 1953, when the total was $3,476,330,000?

Mr. HUMPHREY. The Senator's point is very well taken. The point that should be stated here is that there was a difference of about eight points in parity.

Mr. KERR. There was a much greater difference than that.

Mr. HUMPHREY. The 1953 parity ratio was about 92. It is down to about 82 at the present time.

Mr. SYMINGTON. It is 84, as of this month.

Mr. HUMPHREY. That is a difference of 8 or 9 points. In percentage it would be equivalent to about a 17-percent decrease in price. So it would be fair to say that that would represent more than $9 billion in Commodity Credit Corporation inventory at 1952 price levels.

Mr. KERR. Does the Senator know any other field of American production in which this administration has succeeded in reducing value to so great a degree as has been accomplished in the field of the value of farm products?

Mr. HUMPHREY. The only other field is that of Government bonds. The administration has succeeded very well in reducing their value.

Mr. KERR. I thank the Senator for that suggestion, which is pertinent and correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the Senator from North Dakota.

Mr. LANGER. For the RECORD, how many members are there on the Committee on Agriculture and Forestry?

Mr. SYMINGTON. I believe there are 15.

Mr. LANGER. And the majority of them are Democrats, are they not?

Mr. SYMINGTON. The majority of them are Democrats.

Mr. LANGER. And they have endorsed this nominee for this position, have they not?

Mr. SYMINGTON. Initially the vote was 4 Democrats against; 3 for approval. Later when the absent members were polled the vote became 4 for and 4 against. I say that with considerable sorrow——

Mr. LANGER. Were they familiar with the facts?

Mr. SYMINGTON. From the standpoint of the future of the American farmer, especially the family sized farm, they were.

Mr. LANGER. The committee knew that this nominee was against the small farmer, did it not?

Mr. SYMINGTON. The final vote record shows the Democrats on the committee split 4 to 4. There were 4 Democratic votes against the nomination and 3 Democratic votes in favor of the nomination at the committee meeting. But when the absent members were polled the vote became 4 to 4.

Mr. KERR. So there was not a majority of the Democrats on the committee in favor of the nomination.

Mr. SYMINGTON. That is correct. If I may respectfully say so, the showing of interest in the family-sized farm on

the part of Democrats on the committee was considerably better than that on the other side of the aisle.

Mr. LANGER. I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I think it would be fair to say that after our friends on the other side of the aisle hear of the fine address the Senator from Missouri is making, and after they have an opportunity to digest it for a few moments, they will join with those of us who wish to see the nomination rejected. There are many good friends of the family-sized farm on the Committee on Agriculture from the other side of the aisle. When they realize that this issue is not merely a question of being courteous to a Presidential appointee, but a question of whether or not we are to entrust a whole section of the Department of Agriculture, with a budget of $1,600,000,000 to Mr. Paarlberg, I cannot believe that any Senator will allow his feeling of loyalty to Mr. Benson—I know they would not let that happen—make him vote for Mr. Paarlberg; or that Senators will allow their feeling of respect for Mr. Eisenhower to compel them to vote for Mr. Paarlberg. A Senator can respect Mr. Eisenhower and still vote against Mr. Paarlberg.

I am confident that President Eisenhower has never examined Dr. Paarlberg's record. I know that he could not have done so and still say that Dr. Paarlberg believes in the farm program which President Eisenhower advocated in campaign speech after campaign speech in 1952, and even in 1956.

Mr. SYMINGTON. Anyone who believes that managerial experience is important to a very high managerial position in the Government cannot approve this nomination, because Dr. Paarlberg has no previous managerial experience.

Senators do not have to take my word for the fact that Dr. Paarlberg is against any real support for the family-sized farm. All I ask Senators to do is to take Dr. Paarlberg's word.

There has been a major effort on the part of some people to explain away his famous remark that the farmer is in "a dream world—and no one expected it to last."

Let us not dwell on that incredible statement.

But I now list some even more definite expressions of the doctor's philosophy during recent years.

On October 1, 1950, before the semi-annual meeting of the National Egg Products Association at the Hotel Sherman in Chicago, Dr. Paarlberg, then associate professor in the department of agricultural economics at Purdue University, stated, in a speech entitled "The Case Against Price Supports":

> Price supports for farm products are based on the assumption that a dollar is worth more in the pocket of a farmer than in the pocket of anyone else.
>
> I do not intend to inquire into the merits of this assumption, though I have many doubts concerning it.
>
> In any case, we are engaged in the process of transferring dollars from pocket to pocket, even though a considerable amount of change is lost in the process. * * *
>
> We leave unanswered the question regarding the ethics of one group having its hands in the pockets of another.

In all sincerity, I ask, How can anyone vote to confirm the nomination of a man for a high position in the Department of Agriculture who has that kind of opinion of the American farmer?

And then Dr. Paarlberg let his hair down about what he really thinks of any price supports, when he said in that same speech:

> A wealthy nation like the United States can afford a certain amount of this foolishness.

Mr. President, Congress has expressed its will that farmers should have some form of support just as other segments of our economy have. Do we want to put into high administrative office in the Department of Agriculture a man who believes that the price-support program is foolishness?

He continued:

> But let us recognize price supports for what they are—a political solution to an economic problem, adding nothing to the net product of the society, costly in terms of administration and use of resources, and involving a certain reduction in the standard of living of us all.

Is it not true, that one can say exactly the same thing about a tariff or a minimum-wage law?

Do we want to put into high administrative office, as the farmers' representative, a man who believes that price supports put the farmer in the position of picking the pockets of other citizens? That, in effect, is what he said.

Do we want a man promoted to this high office, who asserts that price supports are "a political solution to an economic problem, adding nothing to the net product of society, costly in terms of use of resources, and involving a reduction in the standard of living of us all"?

Could not these same arguments be used against any tariff; against any minimum-wage law; against any accelerated tax writeoff; against any special depletion allowances; against any cash subsidy to such industries as shipping corporations or airlines; against higher prices than the world price for domestic mines?

A few days ago from the president of the New York Cotton Exchange, I received an article which had been published in the New York Times. He sent it to me to show that the Government had just closed a contract for $500 million worth of ships for a large shipping line. How much of that $500 million do Senators think the taxpayers are going to put up? They will put up $200 million of it.

Mr. KERR. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. KERR. Is the Senator aware of the amount of the Post Office Department's deficit?

Mr. SYMINGTON. I am not aware of that amount. I would appreciate the Senator telling us what the amount is.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. MONRONEY. Last year it was $650 million. The estimate is that it will be close to $1 billion for the coming year.

Mr. KERR. Mr. President, will the Senator from Missouri yield, so that I may ask a question of my distinguished colleague from Oklahoma?

Mr. SYMINGTON. I am glad to yield for that purpose.

Mr. KERR. Is it not a fact that much of that deficit is in the form of a subsidy to certain users of the mail, whose publications and other matter are carried through the mail at a loss to the Government?

Mr. MONRONEY. It has been repeatedly testified before the Committee on Post Office and Civil Service that the first-class mail carries its own freight, so to speak.

Mr. KERR. That is the letter mail.

Mr. MONRONEY. That is the letter mail.

Mr. KERR. That is the mail that everyone uses and pays for.

Mr. MONRONEY. That being true, then the deficit is chargeable to the subsidies which are paid on the magazine mail—the slick-paper magazines, largely—and on the newspapers which go outside county circulation, and the so-called junk mail, which is mail that is sent out en masse; as well as parcel post, to some degree.

Mr. KERR. In other words, that would be a subsidy to the few.

Mr. MONRONEY. The Senator is correct.

Mr. KERR. While we resent and deny the charge that the farm program is a subsidy, even if it were a subsidy it would have the redeeming feature of being something that goes to the many, instead of to the few, which is now the situation with reference to the hundreds of millions of dollars of subsidy paid to a limited percentage of our people, who are getting the benefit of a rate which amounts to a subsidy to them.

Mr. SYMINGTON. The able Senator is eminently correct.

Actually, could not these same arguments be used against unemployment insurance?

At this point, Mr. President, I ask unanimous consent to introduce into the RECORD an editorial in the August issue of a great farm magazine, Capper's Farmer, entitled "Why Not Help Agriculture, Too?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHY NOT HELP AGRICULTURE, TOO?—TELL YOUR CITY FRIENDS THE TRUTH

> Slapping subsidies is fast becoming a popular parlor game. But curiously, and unfortunately, it's a game played with unusual ground rules. The idea, apparently, is to slap only farm giveaways. Other subsidies, direct and indirect, are by inference just, proper, and in the public interest.
>
> It would be deplorable enough if the folks who instituted the game and set up the restrictive rules were merely misinformed. But it's reprehensible when they represent responsible segments of the American economy, including agriculture itself.

Who is slapping farm subsidies? Almost everyone, including some spokesmen for agriculture and some farm organization leaders. And their views make quick headlines in big city newspapers and mass circulation magazines.

No wonder the American consumer, whose knowledge of farming begins and ends at well-stocked supermarket counters, is confused. No wonder he looks upon farmers as public charges with a master key to the United States Treasury.

The farm bloc is split asunder, farm organizations apparently are incapable of presenting a united front for agriculture. So we think it's high time to sort the facts out of clouded half-truths and innuendoes.

Capper's Farmer does not defend the present farm program. We've criticized it loud and clear. But we do defend some safeguards for the industry that produces our food and fiber. For agriculture is an unorganized industry, particularly vulnerable to forces beyond its control.

We do think that farmers—and the Nation—have something to gain in using the ideas inherent in the parity principle until we find a newer and better substitute. And we believe subsidies intelligently used make sense as a means of bolstering segments of the economy for the general welfare of all people.

America's Founding Fathers apparently believed so, too. Historically, the subsidy principle is one of the building blocks of our country. The first Congress of the United States, as its second official act, created a subsidy in the form of a tariff bill.

Subsidies have built our great industries, our transportation systems, our institutions of learning, our science and art. Today nearly all industry is being helped, directly or indirectly, by taxpayers' dollars. For example:

Labor: Government gifts include unemployment insurance, public employment offices, social security.

Maritime industry and airline companies: Subsidies go a long way to help keep our merchant and passenger ships afloat and our airplanes aloft.

(For example: The superliner *United States* cost $76,800,000 to build, $40,000,000 of that was a Federal subsidy.)

Industry: Fast tax writeoff programs give industry, in effect, an interest-free loan in the amount of the deferred taxes. According to the Office of Defense Mobilization, 22,000 companies of various types have received benefits of fast tax writeoffs since the program started during the Korean war in 1950.

Mineral interests: Mineral depletion allowances are another indirect, but nonetheless very real, subsidy. Since mineral production depletes the wealth of the property, the owner is allowed to deduct, for his net profit, a percentage as depreciation costs.

In the case of sulfur mines, it is 23 percent; for oil and gas wells, 27.5 percent; for certain nonmetals, 15 percent, and so forth.

In a 1955 report of the Congressional Joint Economic Committee, a study of 24 large petroleum companies showed that they paid an average of 22.6 percent of their net income for Federal income tax. The average paid by all corporations was 48.1 percent.

This is an incomplete list. But it is enough, we think, to illustrate that if farmers are riding a "gravy train," they share a pretty crowded seat.

However, it is not our intention to "point the finger." Rather, this is a plea for reason, good common sense, for a fair evaluation of agriculture's position.

We must not blindly condemn the parity principle, the basic concept of a healthy agriculture, merely because the current attempt at an action program is admitted to be unworkable. Our plea is for a workable program to carry out the parity concept.

A sound, healthy agriculture is indispensable to our economy—present and future. It is vital to our national defense. Petty squabbling, name calling, and finger pointing only confuse and divide. And we never needed clear thinking and unity more.

You and your neighbors are salesmen for agriculture. It is up to you to defend your business. Tell your city friends the truth. Write your Congressmen and the leaders of your farm organizations.

If you do not do your part, if you do not rise to the defense of your business, then you must share the blame when all farm programs are killed.

THE EDITORS.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent that excerpts from another article in the same issue of this magazine, with a title which just about sums up much of what we are talking about, namely, "They Are Trying To Kill Price Supports," be inserted at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THEY ARE TRYING TO KILL PRICE SUPPORTS—EFFORTS TO AROUSE PUBLIC RESENTMENT AGAINST GOVERNMENT SUPPORTS ARE ENDANGERING THE WHOLE FARM PROGRAM

Farm price supports you've known since the war are in danger of being eliminated completely. Supports gradually have been discredited to the overwhelming majority of nonfarming Americans. It could be only a matter of time until the program's back is finally broken.

The administration is out to remove Government pricing as an income-supporting device. It wants supports only at disaster-protection levels. Beyond this, the administration has outlined no constructive program for the future.

We think there is much evidence that the drive to kill price supports could succeed.

The rising demand by city lawmakers to do away with all their so-called farm handouts comes at a crucial time—when the farm bloc is completely disorganized. In the words of one antisupport official, "the timing couldn't be better."

These are conclusions drawn from our study of official actions and public statements over the last 5 years. Secretary Benson's request for full 0-to-90-percent-of-parity flexibility is the latest evidence.

There is no question that the battle between high fixed supports and flexibles is dead. That, however, does not mean no price program at all. Congress is more likely to approve same kind of substitute program than to permit full flexibility alone. This may be a two-price system, or production payments, or a combination. In the meantime, Secretary Benson says he wouldn't lower supports below 50 percent.

The hunt is on for a substitute program. Congressmen from farming areas are devoting their time to finding new programs, not defending the present one. The fight is boiling down to a choice between no Government income protection, except possibly under disaster conditions, and an entirely new approach.

Is Secretary Benson out to remove all supports if he can? After most surpluses are gone, yes. But while surpluses last, he wants to dwindle supports.

Here's his record on supports:

He asked for and got power to reduce basic support to 75 percent of parity. He has reduced props under surplus crops to about that level—77 percent of parity for corn and cotton this year, 75 percent for wheat in 1958. He now labels that "Step No. 1" in line with his policy of gradualism.

The next step, Benson says, is to get almost blank-check authority to lower supports to zero.

What the third step will be he hasn't said. But while he says supports wouldn't drop below 50 percent right away, he leaves no doubt that they would be cut that far.

For wheat, 50 percent of parity means about $1.25 a bushel, compared with 1957's $2. For corn, 90 cents a bushel, compared with this year's $1.36. For cotton, 19 cents a pound. It was 28 cents in 1957.

When would supports be dropped? Not on 1957 crops. Nor on 1958 crops—although basics which haven't been cut to the present 75-percent report floor are likely to go to that level. Tipoff is the announced 75-percent level for 1958 wheat.

How is the rug being pulled from under public acceptance of supports? By relentless public education and calculated official action, as the record reveals it.

USDA officials make speeches discrediting present programs without setting up any eventual goal except freedom. Thus, the talks undercut supports, and make the farmer look like the country's conniving poor relation.

This device has been so effective that the giant national magazine, Life, was prompted to say: "If enough Americans squawk, something will be done to stop this silly business."

A talk by Assistant Secretary Earl Butz, popular speaker in business circles, hammering at the dairy program, is an example. It doesn't give farmers enough free enterprise, says he.

Butz told the recent milk marketing conference at East Lansing, Mich., that he opposes the use of Federal milk marketing orders as price-supporting devices. He favors gradual but realistic price adjustment, as production and marketing efficiencies permit.

The shooting opened up as soon as Benson took office in 1953, when he publicly damned USDA as a swollen bureaucracy. (USDA now has 25 percent more employees, 100 percent more assistant secretaries, plus more programs, than when Benson took office.)

Surpluses are put forward as the proof that supports won't work. But many prominent economists, including some at USDA, say this is mostly tilting at windmills. The problem just isn't as bad as it's painted, they say, and could be controlled by effective action under present laws.

A relatively new USDA official, Assistant Secretary Marvin McLain, recently said that, while we do have a substantial surplus problem, we need certain quantities of reserve in case of war or crop failure.

McLain says the wheat surplus is closer to 500 million bushels. This is in contrast to the total carryover of 1 billion bushels much publicized in official speeches. About 500 million is a legally required reserve.

Put on the same basis, the cotton surplus is only 7 million bales, not the 12 million generally advertised. As to corn, there actually is no real surplus. The billion-bushel carryover (4 months' supply) needed as a reserve is usually cited as surplus.

Benson's critics point out that for several years until Congress forced him, he refused to sell surplus cotton competitively on the world market. The cotton-sales program now is hailed officially as a sensational success.

Further, his career economists told the Secretary several years ago that acre allotments—which he only recently condemned—could not alone control production. In 1954, he announced cross-compliance, which his economists said would work, but later canceled this plan.

The presidentially appointed 18-man Agricultural Advisory Commission, composed largely of nonfarmers, looks more like a willing rubberstamp than an advisory body. And when the group doesn't see eye-to-eye with USDA brass, its recommendations for the most part are ignored.

You get an idea of the Commission's role from this interview with one of its members:

"No, the members never take out any homework to do. We just come here (Wash-

ington) for the meeting and find out what it is we are to advise on at that time."

"How do you know, then, what you are advising on?"

"We don't. We just shoot from the hip. Then they do what they want to do anyway."

Accusations that Secretary Benson is "trying to kill price supports" resulted from his no-support-floor plan. However, he denies that it is "our purpose to scrap farm programs or subject farm people to the unrestricted forces of the free market."

A clue to the Secretary's thinking is his early declaration: "No real American wants a subsidy." Later, in 1954, when he got his 75 to 90 percent flexible law—which he now says is inadequate—he said:

"It is my hope that ultimately flexible supports will be able to effect all the production adjustment necessary. * * *" "This," he said, "would restore greater freedom of operation to farmers as well as providing greater opportunities for higher income."

Comments at a recent press conference are revealing. After stating he didn't think he'd put supports below 50 percent, the Secretary was asked why he had requested full 0-to-90 percent flexible discretion.

The reporter asked: "If you don't need it (support below 50 percent), why do you want it—I mean full discretion?"

Benson: "Because we have it on other commodities and it's working."

The Secretary has full discretion on 188 other commodities. Of these only nine are supported this year, including the feed grains, oilseeds, dry edible beans, and pine gum. He is required to set supports for only 12 commodities, the 6 basics plus butterfat, milk, wool, mohair, honey, and tung nuts.

Referring to Government programs in general at a recent press conference, President Eisenhower remarked there are probably only a very few of them that should be dropped. He cited the farm program and water pollution as things of that character that the Government can do without.

A week later, Eisenhower made a remark which had the effect of whipping the farmer in public.

He told reporters: "At present you must remember that about half the income of the farmer is from Federal subsidy. * * *" He said he believes this averages over a thousand dollars a farm family that the United States is paying in some form of subsidy. He added that not all of that "I think * * * gets right into the hands of the farmer."

Before Benson cleared up the statement for the White House later, it touched off a countrywide explosion of indignation against the farmer. By then every newspaper reader and radio-TV listener in the country had been led to believe that each farmer gets a subsidy of $1,000 a year from the Treasury.

Mr. SYMINGTON. Mr. President, I ask unanimous consent to insert in the RECORD a short editorial entitled "It's Time To Speak Up," by the editors of Capper's Farmer, at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT'S TIME TO SPEAK UP

Capper's Farmer doesn't want to see the loan program killed before we have some better plan for improving farm income. Such action would be disastrous to agriculture and dangerous to our whole economy.

Now is the time for you, as a farmer, to speak out in your own behalf. If you want a sound workable farm program, it's high time to say so. Silence may be interpreted by Congress as disinterest.

THE EDITORS.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the junior Senator from Oklahoma.

Mr. MONRONEY. Did I understand the distinguished and able Senator from Missouri to say that that speech was made in Chicago in 1951 or 1952?

Mr. SYMINGTON. One of the speeches was made in Chicago.

Mr. MONRONEY. The one on the case against price supports, I mean.

Mr. SYMINGTON. The case-against-price-supports speech was made on October 1, 1950, at the Sherman Hotel in Chicago.

Mr. MONRONEY. That was when the charge was made that the farmer had his hand in the taxpayer's pocket.

Mr. SYMINGTON. That is when Dr. Paarlberg implied that the farmer was picking the pocket of the rest of the economy.

Mr. MONRONEY. The distinguished Senator from Missouri has given the total subsidy over a 20-year period on the 6 basics as amounting to $20 million. Is that correct?

Mr. SYMINGTON. About $20 million was the total loss on the 6 basic crops between 1933 and 1953.

Mr. MONRONEY. At the time that Dr. Paarlberg made his speech in Chicago, price supports on potatoes which had caused $500 million loss had been discontinued by Congress. Is that correct?

Mr. SYMINGTON. The able Senator is correct.

Mr. MONRONEY. Many of the other costs of the subsidies and price supports were for tung oil and various substitute commodities, such as vegetable oils and peanuts, and several others, which had to be provided during the war period to give us essential supplies for the war effort. Is that correct?

Mr. SYMINGTON. Again the Senator is correct.

Mr. MONRONEY. Yet here we are considering for promotion a man who was the principal adviser to the Secretary of Agriculture, who did not see fit to give statistics which were readily available in his statement of the case against price supports.

Mr. SYMINGTON. The Senator is correct.

Mr. MONRONEY. He withheld vital and effective information from his audience in that speech, although he had the opportunity to give the information. Is that correct?

Mr. SYMINGTON. I wish to be very fair about this. The record of Dr. Paarlberg, as I said—which he admits—is so appalling, in view of the position we are considering him for tonight, that I will say I am not certain—although I have read the speech—that the Senator is entirely correct on that point. However, I believe he is.

Mr. KERR. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. KERR. Does the Senator know the occupation of Dr. Paarlberg in 1950, when he made that address?

Mr. SYMINGTON. Dr. Paarlberg at that time, in 1950, was associate professor in the department of agricultural economics at Purdue University.

Mr. KERR. Does the Senator know where he got the title "Doctor"?

Mr. SYMINGTON. Yes; he has a degree of doctor of philosophy.

Mr. KERR. In what field?

Mr. SYMINGTON. I believe it is in the field of agriculture.

Mr. KERR. I wonder if it could possibly have been in the field of agricultural economics.

Mr. SYMINGTON. The able Senator is generally correct, and this is no exception. His degree is that of a doctor of philosophy in agricultural economics.

Mr. KERR. I thank the Senator; because after the recitation of economic accomplishments of this administration, it occurred to me that the impact of what we really felt must have been caused by the inspiration of the man who had to be at least a doctor of philosophy in agricultural economics in order to achieve such a high degree of success in the planning and execution of the slow extermination of American agriculture. No one less than a doctor of philosophy, who had devoted a lifetime to the development of that kind of knowledge, and that quality of economics, could have done what has been so eloquently described by the distinguished Senator from Missouri and outlined by the distinguished Senator from Minnesota.

Mr. SYMINGTON. I thank the Senator from Oklahoma, who places his finger on the nub of the problem.

Mr. KERR. Is it a fact, or not, that there is a doctor of philosophy in the family of the Chief Executive? If the Senator does not know, I would not want him to speculate.

Mr. SYMINGTON. I understand there is a doctor. I do not know in what field.

Mr. KERR. He is not a dentist or a physician.

Mr. SYMINGTON. No. I believe he is the president of a great university.

Mr. KERR. Does the Senator suppose it is possible that he also is a doctor of philosophy?

Mr. SYMINGTON. My able friend from Oklahoma is probably more knowledgeable concerning that particular branch of the official family than I am.

Mr. KERR. As I have thought about the discussion of the Senator from Minnesota and the Senator from Missouri a while, the thought came to me with the impact of an inspiration that Paarlberg must be a doctor of philosophy. As I think about it, I am constrained to believe that no single nondoctor of philosophy, even though he had that high degree of knowledge, could have made such a record of accomplishment.

Mr. SYMINGTON. I thank the Senator for his contribution.

Surely it is wrong to see the loan program killed before we have some better plan for improving farm income; and surely such action would be disastrous to agriculture and dangerous to our whole economy.

But let us see what Dr. Paarlberg thinks about that concept. In the same Chicago talk, he stated:

It may be said that price supports will serve to forestall a farm-led and farm-fed depression.

First of all, there is much doubt regarding the role of agriculture in a depression and

no clear evidence that endeavoring to stabilize agricultural prices would avert a depression.

There are many persons who are saying that, since farmers comprise only 13 percent of the population and receive only 5 percent of the national income, it does not really make much difference what we do or do not do about the farmer. Dr. Paarlberg continues:

Secondly, economists are aware of other methods of averting depression—taxing and borrowing policy and management of the monetary system—which are much more promising of success in the attainment of economic stability than supporting the price of peanuts and turkey gobblers.

Leaving aside this cynical comment about peanuts and turkey gobblers by the gentleman whose nomination for a position of authority over the farmers of the United States we are asked tonight to confirm, it may be that Dr. Paarlberg is right. But do we want as Assistant Secretary of Agriculture a man who is unsympathetic with the current problems of the farmers—those whom he would be supposed to represent?

Mr. KERR. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my friend from Oklahoma.

Mr. KERR. What Paarlberg and Benson have done to the farmers, even though it has brought them to the brink of disaster in terms of dollars, is peanuts compared with what those now managing the monetary system of this country have done to the American people for the benefit of the lenders of this country

It might be that Dr. Paarlberg was talking about the borrowing policy and the management of the monetary system, and realizing the extent of the reward which could be siphoned off from the pockets of the many into the pockets of the few, he had a basis to conclude that, insofar as the amount of dollars was concerned, what he could do to the farmers would be peanuts compared with what was being done to all the people for the benefit of the few by the managers of the monetary policy of this administration.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. HUMPHREY. I am delighted that the Senator from Missouri first yielded to the able and very learned Senator from Oklahoma, who again has given to the Senate a dissertation on monetary policy which is needed day after day.

Mr. SYMINGTON. That is correct.

Mr. HUMPHREY. The interesting part of the matter is that Dr. Paarlberg is not against all price supports. He is for price supports. Make no mistake about it, whether it be price supports for peanuts or turkey gobblers, or whether it be price supports for money to increase the interest rates. Indeed, he is for more than that. As the Senator has pointed out, Dr. Paarlberg said:

First of all, there is much doubt regarding the role of agriculture in a depression, and no clear evidence that endeavoring to stabilize agricultural prices would avert a depression.

The converse of that is that economists are also aware of methods whereby the economy can be destroyed, methods which may bring on a depression. One way is through a misguided monetary and borrowing policy.

Dr. Paarlberg may feel that "there is much doubt regarding the role of agriculture in a depression." He may feel that there is "no clear evidence that endeavoring to stabilize agricultural prices would avert a depression."

I say to Dr. Paarlberg and all his followers and supporters that if, first, the administration ignores what happens to farmers, and second, plans and designs policies which wreak their havoc upon farmers and the farm economy, and then leads us, on top of that, to a borrowing policy and a monetary policy which extracts literally billions of dollars from the taxpayers of the country for the benefit of the favored few, there will be a depression.

Mr. SYMINGTON. Mr. President, may we please have order so we may all hear the distinguished Senator?

The PRESIDING OFFICER. The Senate will be in order. Senators will please refrain from audible conversation. Those who must converse will please retire to the cloakrooms.

Mr. HUMPHREY. There will be a depression if the matters which we are discussing tonight go unattended, and if they go in the manner in which they are going under the leadership of this administration.

There are Senators who ought to remember that for more than 10 years, from 1920 to 1930, the Republicans in the Department of Agriculture and in the Treasury Department were saying, "Do not worry about farm prices. Do not worry. There will be no depression. Do not worry, because agriculture cannot drag us down into a depression."

In those 10 years from 1920 to 1930 farmers were losing their shirts, their homes, their barns, their farms, and literally their self-respect.

But add what happened to the farmers during those same years to the monetary and borrowing policies which are now being pursued and which were then pursued in that decade, and see what the result is.

I do not say we are headed for a depression, because before that happens the American people will awaken and will turn the reins of government over to people who will see to it that a depression does not happen. But if the present course continues, with farmers being driven from the land, and those who are left on the land having ever-rising income taxes and ever-rising costs, with ever-lowering income and ever-increasing interest rates, with credit being tightened, and small business squeezed, this country will be in trouble. The administration can go around pretending that it will not be. They can dream and dream, and have even Paarlberg dreams. It will still happen. The business of smoking political opium, hoping it will make people feel better and see better, even if things are not better, may be something in which some people like to indulge, but sometimes it is better to face up to the facts. The facts are that this administration is pursuing a course of monetary policy, borrowing policy, and agricultural policy which is bound to lead to trouble far beyond anything that has been contemplated up to this hour.

Mr. KERR. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I yield.

Mr. KERR. I should like to ask the able Senator from Minnesota—if the Senator from Missouri will yield for that purpose—whether it is not a fact that no other combination of policies of which there is any record has been so highly successful in creating depressions as has the continued and uninterrupted application of the policies now in effect by this administration.

Mr. HUMPHREY. The Senator from Oklahoma is historically accurate. His prophecy should frighten every man, woman, and child in the United States, because if that course is pursued by this administration we are bound to have a recurrence. History does not always repeat itself, but history tells men of judgment that they had better learn something from the lessons of the past. There is nothing wrong with the Republican leadership except they are like the old Bourbons: they never forget anything; but they never learn anything, either.

Mr. KERR. Mr. President, the Senator from Minnesota is getting on dangerous ground, as the Senator from Oklahoma can relate on the basis of experience, when he refers to the lack of knowledge on the part of anyone at the top of this administration. [Laughter.] There are well-known facts which are scandalous in nature, and libelous if generally indulged in repetition. I wish to say that the Senator from Minnesota is getting on dangerous ground when he begins to tell the truth about what the heads of this administration do not know. [Laughter.]

Mr. HUMPHREY. Mr. President, I wish to say to the Senator from Oklahoma that, as one who has been a warrior in the battle to explain the fiscal and agricultural truth to the Members of the Senate, I respect his judgment. If he believes I am getting almost "to the brink," even though this is not a demonstration of "brinkmanship," still I wish to point out that I never said the Bourbons did not know anything; I merely said they never learned anything.

Mr. KERR. Well, Mr. President, if they do not know anything and if they never learn anything, it adds up to zero, in my book. [Laughter.]

Mr. SYMINGTON. Mr. President, I thank both able Senators for their contribution in respect to analyzing the philosophy of the gentleman we are discussing tonight as the possible overlord of the farm program under Secretary Benson. I wish to read again the nominee's statement, as follows:

Economists are aware of other methods of averting depression—taxing and borrowing policy and management of the monetary system—which are much more promising of success in the attainment of economic stability than supporting the price of peanuts and turkey gobblers.

Mr. President, let me present a little more of this gentleman's philosophy.

After he had become Assistant to Secretary Benson, Dr. Paarlberg addressed the 33d annual conference of the American Country Life Association, at East Lansing, Mich., on September 15, 1954. In a speech entitled "Problems of Low Income Farmers and How They May Be Met," Dr. Paarlberg asserted:

The number of farmers needed to supply our food needs is decreasing.

High rates of reproduction, plus the decreasing number of needed farms, means that approximately half our young people must find nonfarm employment. * * *

Human beings are not readily mobile, like the fictitious "economic man."

Hence there is a piling up of excessive human resources in agriculture.

Dr. Paarlberg has not changed. Three years later—it was only a few weeks ago—in a hearing before the Senate Agriculture Committee this July, I asked him, "Do you believe there are too many farm families in America?"

He replied:

If I could impose my own value judgments on large numbers of people in agriculture, my answer would be "yes."

If he is promoted to this office, he will be able to impose his own value judgments. And, of course, that means that he will go to work, with great authority, to throw even more people off the land.

More of Dr Paarlberg's philosophies were expressed in a speech delivered in December 1954, at Cornell University, before the agricultural economics seminar.

At that time, when referring to the role of the economists in the Department of Agriculture in the drafting of the Agricultural Act of 1954, he made the following frank and almost unbelievable statements:

Definite limits were imposed on our work from the start.

There was the Republican platform, there were the campaign promises, and there was the Secretary's policy statement.

So he said there were those limitations and restrictions. Inasmuch as he said that, how can anyone dispute the fact that he goes further than Secretary Benson did in his "Root, hog, or die" policies with respect to the farmer.

Then Dr. Paarlberg said:

These were subject to interpretation, within politically acceptable limits.

But they nevertheless set boundaries within which the recommendations coming from our studies were required to fall.

We had to come up with a program that gave a substantial amount of price support. * * *

How much economic commonsense is there in this program?

Perhaps as much as the political climate would allow; the extremely narrow margin by which it passed the Congress is evidence of that fact.

Certainly it involves a change in direction toward more reliance on the forces of the market.

It provides a beachhead of price flexibility which may in time be enlarged.

This accomplishment was noteworthy, coming as it did in an election year, with declining farm prices, and in the face of repeated warnings that farmers would punish at the polls those who would vote lower price supports.

So I appraise it as a victory for economic commonsense, though not so decisive a victory as many of us would have liked.

Mr. President, it would be interesting to know what Dr. Paarlberg's program would be today if he had not been restrained "by the Republican platform" if he had not been restrained by "the campaign promises of President Eisenhower," and if he had not been restrained by the "Secretary's policy statements."

Mr. HUMPHREY. Mr. President, at this point will the Senator from Missouri yield?

Mr. SYMINGTON. I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to make this final observation, in view of the Senator's splendid and well documented address to the Senate: If, when Dr. Paarlberg was not Assistant Secretary of Agriculture, he believed that he was restrained by the Republican platform and that he was restrained by the campaign promises of President Eisenhower and that he was restrained by the policy statements of the Secretary of Agriculture—if Dr. Paarlberg felt then that they were the reasons why he could not do some of the things he wanted to do—then, in light of the existing situation, and in view of the new strength which Mr. Paarlberg will have as Assistant Secretary of Agriculture, he will be able—Samson-like—if it is required, to overcome those restraints, because anyone who could not overcome those restraints could not fight his way out of a paper bag. Consider the Republican platform a restraint.

Mr. SYMINGTON. Certainly the Senator from Minnesota is correct.

Mr. President, Dr. Paarlberg is on record as having said he would have gone further than Secretary Benson did, if he had not been "limited."

Most farmers in America can shudder at the thought of what this decisive victory would have meant to their incomes.

Mr. President, this evening we have had a debate about this appointee. At times the colloquy has been amusing.

But the facts are that under the policies of this man, more than 470,000 farm families—comprising millions of Americans—have gone bankrupt. I have seen that situation in my own State. It is not pleasant to watch farm families go down the road and have to sell everything they own for whatever they can get for it.

For some time I carried around with me a check for $1.70, which was all that was offered to a farmer in southwest Missouri for his cow.

Mr. President, tonight the Senate will reach a decision. Senators who are satisfied with a continuation of the present tragic conditions in much of rural America can vote for confirmation of the nomination of Dr. Paarlberg, because he is the economic adviser who is primarily responsible for these policies.

But those of us who believe in the family-sized farm, and the small towns of America supported by such farms, have the opportunity tonight to vote against the confirmation of Dr. Paarlberg.

Mr. President, I yield the floor.

Mr. YOUNG. Mr. President, a little more than 4 years ago I voted against confirmation of the nomination of Ezra Taft Benson to be Secretary of Agriculture. I did so at that time because I believed that his views were not in accord with the Republican policy, or the platform on which the President and other Republicans campaigned during that election year. I did so because I believed that his policies were not good for agriculture or for the Nation as a whole.

I shall vote against confirmation of the nomination of Dr. Paarlberg for the reason that I do not believe his views are in accord with the views of the Republican Party in the last campaign.

Dr. Paarlberg has never, to my knowledge, made a speech in support of any price-support program, whether it be 90 percent, or 75 to 90 percent of parity.

Dr. Paarlberg honestly does not believe in any price-support program. I am sure he is an honorable and able person, and I know there are millions of people in America who subscribe to his views. However, the Republican Party did not subscribe to them in the last election, and certainly in my State, the Republican Party does not subscribe to them. His policies, if carried forward, would have a far worse effect on agriculture in America than we have had up to now, with the result that agriculture itself would be in a far worse condition than it is today.

Many adverse farm statements have come out of the Department of Agriculture, and many adverse articles have been written and published in various magazines.

I believe that many such stories have emanated from the Department of Agriculture, perhaps even from people like Dr. Paarlberg. At least I have never heard him defend any farm program which had to do with price supports.

Only this week, in the current issue of Time magazine, there appears one of the most vicious antifarm articles I have ever read. Let me quote from it briefly:

In a year of bountiful crops, the Agriculture Department will spend a record $5 billion, largely in an effort to cope with surpluses.

The article goes on to state that the $5 billion, appropriated to the Department of Agriculture, will be spent largely for price support and surplus farm programs.

Nothing could be further from the truth than that statement. It is true that the programs are becoming more expensive—and the time may soon come when we will have to try other kinds of price support programs. However, the alternative to a no-price-support program—and Dr. Paarlberg apparently believes in a no-price-support program—would definitely mean bankruptcy for farmers and our Nation as a whole.

Let me quote further from the article—and I might say that this article is typical of what Dr. Paarlberg or people like him would write—and this article, as I said, appeared in this week's Life magazine:

In coping with a commodity in oversupply, e. g., wheat, Benson would lower the support price bit by bit. Gradually, farmers would shift wheat fields to more profitable crops.

Mr. President, if the price support on wheat were lowered, and the farmer were to shift to another crop from wheat, to what crop could the farmer shift? What field crop is profitable now? They are all in a surplus situation.

Mr. President, 96 percent of all the wheat produced in the world today is produced under some form of price support program. Let me read a few of the countries which have price support programs on wheat. These are the latest figures available from the Department of Agriculture. I should like to read some of the figures from "Foreign Agricultural Circular," a Department of Agriculture publication:

Algeria, $2.64 a bushel; Argentina, $2.72 a bushel; Australia, $1.41 a bushel; Austria, $2.63 a bushel; Belgium, $2.56 a bushel; Canada, $1.40 a bushel; Chile, $4.50 a bushel.

We then go down to France, where it is $2.64 a bushel. Since the publication of these figures the price support in France has been increased.

Italy, $3.05 a bushel. Presently the price support program in Italy is higher than it was at the time of the publication of these figures. The price support in the United States is $2 and next year will be $1.78 per bushel.

Mr. President, I ask unanimous consent to have the entire list printed in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Summary of 1954–55 wheat price supports and wheat production in specified countries

Country	1954–55 support price		General comment	1954–55 wheat crop
	In local units	Equivalent per bushel		
		Dollars		*Bushels*
Albania	(1)	(1)	Information lacking but price secondary to aims of economic plan	(1)
Algeria	3,400 francs per quintal	2.64	Basic fixed price, average quality, at collection points. Premiums and discounts provided for quality.	44,830,000
Argentina	50 pesos per quintal	2.72	Guaranteed minimum, No. 2 semihard in bags, f. o. r. ports	272,000,000
Australia	12 shillings 7 pence per bushel	1.41	Guaranteed minimum, fair average quality, f. o. r. ports	166,610,000
Austria	250 schillings per quintal	2.63	Average fixed price per bushel of 60.6 pounds test weight, delivered at mills. Includes allowance for farm storage.	16,700,000
Belgium	470 francs per quintal	2.56	Basic "directional" price per bushel of 56.7 pounds test, delivered mills. Additional allowance for farm storage.	20,800,000
Brazil	320 cruzeiro per 60 kilogram	(2)	Fixed price, per bushel of 60.6 pounds test, delivered ports	25,000,000
Bulgaria	(1)	(1)	Price secondary to aims of Communist plan	(3)
Canada	$1.40 per bushel	1.40	Guaranteed minimum, No. 1 Northern in store Fort William/Port Arthur or Vancouver.	298,909,000
Chile	1,818 pesos per quintal	4.50	Average fixed price, average quality, delivered at collection points	38,270,000
Czechoslovakia	(1)	(1)	Price secondary to aims of Communist plan	(3)
Egypt	4.30 Egyptian pounds per ardeb	2.18	Government purchase price, average quality. Free market price somewhat lower.	60,000,000
Finland	33.30 markkas per kilogram	3.95	Average fixed price, average quality, delivered collection centers. Includes an allowance for farm storage.	10,000,000
France	3,400 francs per quintal	2.64	Fixed price, average quality, delivered collection points. Additional allowance for farm storage.	386,500,000
West Germany	420 to 436 marks per quintal	2.72–2.83	Average guaranteed price range, average quality, delivered market points. Includes allowance for farm storage.	105,600,000
Greece	3.4 drachmas per oka	2.40	Government purchase price, average quality, delivered collection points. Free market price somewhat lower.	45,000,000
Hungary	(1)	(1)	Price secondary to aims of Communist plan	(3)
India	10 rupees per maund	1.52	Government purchase price, average quality, delivered collection centers. Free market price somewhat higher.	290,900,000
Iran	2,930 rials per ton	0.97	Average Government purchase price, average quality, delivered market centers. Free market price somewhat higher.	77,000,000
Ireland	89 shillings per barrel	2.39	Fixed price, 60-pound test, delivered market centers. Additional allowance provided for farm storage.	15,900,000
Israel	(1)	(1)	There is a fixed price for average quality delivered at collection points, but level unknown.	(3)
Italy	7,050 lire per quintal	3.05	Average Government purchase price, average quality, delivered market centers. Free market prices for domestic wheat somewhat higher.	264,000,000
Japan	(1)	2.61	Fixed price, average quality, delivered collection points	55,700,000
Luxembourg	565 francs per quintal	3.02	Fixed price (including direct payment), 55.9 pounds test, delivered collection centers.	1,500,000
Mexico	91.30 pesos per quintal	1.99	Average Government purchase price, average quality, delivered collection centers.	30,300,000
Morocco	3,400 francs per quintal	2.64	Fixed price, standard quality, delivered state silos	45,560,000
Netherlands	26.00 guilders per quintal	1.86	Average "directional" price, average quality, delivered collection centers. Includes allowance for farm storage.	14,590,000
New Zealand	11 shillings 6 pence per bushel	1.59	Fixed price, average quality, delivered collection centers	4,600,000
Norway	90 øre per kilogram	3.43	Basic fixed price, average quality, delivered collection centers	1,480,000
Peru	1.28 soles per kilogram	1.83	Approximate price resulting from compulsory utilization and Government controls over flour trade and prices.	6,100,000
Poland	(1)	(1)	Price secondary to aims of state plan	(3)
Portugal	300 lire per quintal	2.85	Fixed price, average quality, delivered market centers	27,470,000
Red China	(1)	(1)	Price secondary to aims of Communist plan	(3)
Rumania	(1)	(1)	do	(3)
Spain	390 pesos per quintal	2.73	Basic fixed price, average quality, delivered market centers. Additional allowance for farm storage.	180,000,000
Sweden	44.75 kroners per quintal	2.35	Guaranteed minimum, average quality, delivered collection points, Apr. 1, 1955.	37,870,000
Switzerland	66.00 francs per quintal	4.19	Fixed price, type II, delivered collection centers	9,370,000
Syria	200 Syrian pounds per metric ton	1.54	Average Government purchase price, average quality, delivered designated markets.	31,200,000
Tunisia	3,400 francs per quintal	2.64	Fixed price, average quality, delivered collection centers	22,410,000
Turkey	25.6 kroners per kilogram	2.49	Fixed price, for ordinary white type, average grade, delivered collection points.	180,000,000
Union of South Africa	53 shillings 10 pence per 200-pound bag	2.25	Fixed price, class A, grade II, f. o. r. producer's station	19,760,000
United Kingdom	30 shillings 9 pence per hundredweight	2.30	Guaranteed price, average quality, delivered millers	104,160,000
United States	$2.24 per bushel	2.24	National guaranteed average minimum, average quality, farm basis, Mar. 31, 1955.	969,781,000
U. S. S. R.	(1)	(1)	Price secondary to aims of Communist plan	(3)
Uruguay	16.50 pesos per quintal	2.96	Fixed price, average quality, delivered Montevideo. Additional allowance for farm storage.	26,310,000
Yugoslavia	24 dinars per kilogram	2.16	Government purchases, basis preharvest contracts, average quality, delivered collection centers.	(3)
Other countries				2,916,414,000
World total				6,825,000,000

[1] Not available.

[2] Impossible to convert internal price of wheat to a dollar equivalent because of inflation in Brazil, the country's complicated system of foreign exchange control and the fact that no existing exchange rate can be applied for computing the local price in dollars of a homegrown product that is retained for consumption within the country.

[3] Estimate included in other countries.

Source: Based on information from United States agricultural attachés and from official and trade publications of foreign countries.

Mr. YOUNG. Mr. President, Dr. Paarlberg believes that under price-support programs, as he stated in a speech a few years ago, money is taken from one pocket and put into another. He inferred that the farmers were lifting money from somebody else's pocket.

I have placed in the RECORD a list of the countries which have higher price supports than our own.

Shortly there will come before the Senate a foreign-aid bill appropriating money for many of these countries, and sizable amounts of money will be granted to these countries. The United Kingdom, for example, will get $550,000 under the foreign-aid program. France will get $44,022,000. Italy will get $38,335,000. Turkey, which has a high price-support program, will get $210,666,000. Of that amount $58,346,000 will be in the form of economic aid.

We are supporting countries which have a higher price-support program than we have. In effect we are helping pay for their price-support programs. Yet it is inferred by Dr. Paarlberg that the price-support program permits the farmers to take money out of somebody else's pocket.

Farmers would be delighted to have any other kind of program which would assure them some semblance of fair income, a program which would improve farm income which is far out of line with respect to the income of labor or of industry. I, for one, would be in favor of abolishing all price-support programs if all advantages organized labor enjoys were abolished and if industry were denied its ability of establishing prices at a high level and maintaining for itself the highest profit in all history, and at a time when most industries have a surplus.

I cite, for example, oil. Gasoline prices rose recently when there was a surplus of gasoline and despite the fact that there was no reason for an increase. All of these increased prices are passed on to the farmer and he is helpless to do anything about it.

There are some people who say that we would have a solvent farm economy if we lowered the price supports or did away with them entirely. I do not know of anything that could be further from the truth.

As I said concerning the article in Time magazine, in the preparation of which or for its inspiration, Dr. Paarlberg may well have had a part—at least to my knowledge he has never defended the farmers—it is stated that the Department of Agriculture spent $5 billion to support farm prices. It should be remembered that about $1,300 million of that amount, according to the Department of Agriculture, is represented by the price-support program. That is large enough, of course. It may be time that we should adopt some other kind of program. Personally, I believe the costs would have been far less if we had had in the Department of Agriculture more people who would have been more sympathetic to the price-support program than Dr. Paarlberg.

Some of the officials in the Department of Agriculture are very competent men. I remember James McConnell, Assistant Secretary of Agriculture. He was a very able person. He and I disagreed on many policies, but one could work with him. Dr. Butz, who left recently, is another one with whom I disagreed on many farm problems, but he was an able man, and one could work with him, too. There are others, good, able people in the Department. and they have very a kindly feeling toward farmers.

Other of the appropriations, such as the Sugar Act and Wool Act, are for largely self-financing programs. The operations under Public Law 480 cost $1,257 million. We received, under that program, foreign currency and strategic materials. So we recovered most of those expenditures. However in the Time magazine article these amounts are listed as expenditures of the Department of Agriculture. There is also the $375 million school-lunch program. Then there is the $610 million that was loaned to the REA. They have one of the best repayment records of any people in the entire United States.

All of these and many more are typical of the unfairness of this article. I am against Dr. Paarlberg's nomination too because he missed many opportunities to defend the farmers of this Nation.

I admire Secretary of Labor Mitchell, because he has always defended the laboring people of this Nation. I have always admired Sinclair Weeks, Secretary of Commerce, because he has always defended the businessmen of America. I would like to see someone in the Department of Agriculture who would defend the farmers of this Nation. I shall never vote to confirm any top-level person in the Department of Agriculture who is not wholeheartedly for the farmers of this Nation, who will do as much for the farmer as Sinclair Weeks will do for the businessman or Secretary Mitchell will do for the laboring man.

Again I should like to say Dr. Paarlberg is a very able person. In any other position in the Department of Agriculture he would do an excellent job, but I will not vote to confirm him to the position to which he has been nominated. In the two positions to which he has been nominated he would have even more influence than he now has in determining policy on price-support programs. I would be very happy to vote to confirm him for some other important position in the Department of Agriculture, but not for the ones for which he has been nominated.

Mr. JOHNSTON of South Carolina. Mr. President, we have before us this evening a very serious proposition. Personally, I think that we have gone far off on a tangent with regard to confirming the nominations of certain persons. I think we have looked at it from the wrong direction, and I wish to commend to the reading of Senators an article which appeared in the Washington Post and Times Herald of Tuesday, August 13, 1957, written by George E. Sokolsky. He tells us that we have failed to look into the matter of confirmations as we should. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GLUCK JUST DOESN'T FIT

(By George E. Sokolsky)

The unfortunate Gluck appointment does not lead to the conclusion that all diplomatic assignments should go to careermen. Many ambassadors and ministers taken out of business and the universities have represented the United States admirably. Walter Hines Page, for instance, made one of the most distinguished records as Ambassador to the Court of St. James's. He was a book publisher.

Clare Booth Luce surprised even her friends and admirers by her rare ability while Ambassador to Italy. Paul S. Reinsch and Jacob Gould Schurman, both out of the universities, did remarkably well in China.

One could go on and on detailing excellent representation by businessmen, bankers, lawyers and professors, many of whom made astonishingly notable careers in the diplomatic service. Others, of course, were duds.

The Gluck appointment created a furor because there was no reason for appointing him. He does not possess the background, the manner or the personality for this particular task, although that is no reflection on the man.

I am sure that the thousands who are not able to direct a symphony orchestra would not regard themselves as lesser human beings; on the other hand, if they tried to direct, let us say, Beethoven's Ninth because they had successfully earned enough money to make an excessive contribution, perhaps in violation of the Hatch Act, to a political party, they would produce catcalls and insults and possibly a strike on the part of the musicians. It is the old story of shoemaker stick to your last.

Maxwell Gluck ought not to go to Ceylon. Being an associate of Benjamin Javits will do him no good in the East of Asia. The new Asiatic countries are very proud of their achievements. Those who head their governments are educated men, often men trained in British universities who speak European languages in cultured tones and whose familiarity with world affairs represents years of study. A high school education in Farrell, Pa., is not sufficient educational or cultural background for such an assignment.

The United States cannot afford to be represented in the East of Asia by a man who cannot possibly have the status essential for the task. Some of the career diplomats now in those countries are not of the best, but that is an internal problem in the State Department which John Foster Dulles said he would solve before he became Secretary of State, but he apparently has been too busy for it.

I will cite Chester Bowles as an example of what can happen. Bowles started life as a huckster and made his fortune in partnership with William Benton. But Bowles came of the distinguished Bowles family of Springfield, Mass., newspaper publishers. He studied at Yale. He had a long career as a public official during Warld War II and after. He served a term as Governor of Connecticut and then was appointed Ambassador to India and Nepal, where he served with unusual distinction.

He became a close friend of Nehru and undoubtedly played some role in holding Nehru in neutrality at a time when personal predilection and the pressure of events in China could have driven Nehru into the arms of Mao Tse-tung, if not Stalin.

Gluck's statement that he could not pronounce the word "Nehru" represents sheer

ignorance. Nehru is as well known to literate human beings as Roosevelt, Stalin, Churchill, or even Hoffa. While it is possible for a man to sell goods and not know the word "Nehru," it is impossible for him to represent his country in the east of Asia.

The fact that Gluck came well recommended by Jacob Javits, Benjamin Javits, and, as some say, Sherman Adams, is no warrant for this particular type of appointment. He should quit. He should resign. He should do whatever is necessary to serve his country patriotically by removing himself from the temptation of embarrassing Uncle Sam in Asia.

Mr. JOHNSTON of South Carolina. Mr. President, I am strongly opposed to the nomination of Dr. Don Paarlberg to be Assistant Secretary of Agriculture, because I believe he is a man dedicated to principles that are in direct conflict with the intent and purpose of Congress and the laws of this Nation intended to assist farmers.

Bear in mind that if he takes this position, he will be able to make rules and regulations within the Department to carry out his philosophy and his way of thinking. We must also bear in mind that he is an expert in the field of promoting programs to run small farmers out of business.

Dr. Paarlberg is the creator of the expression that whenever the farmer gets into a favorable era of income he is living in a "dream world." He holds to the theory that farmers should live under handicapped conditions and should receive no help from Government.

While industry may get 300 percent of parity for its products, Dr. Paarlberg thinks the farmers should get sliding parity without regard as to how low it slides. In fact, I think he eventually will be in favor of eliminating all price supports completely, whether or not he would admit it when he was testifying before our committee.

I think that his actions in the past speak louder than any words he might have uttered in our committee.

Dr. Paarlberg is labeled the "brains behind Benson," and most programs and policies in the Agriculture Department are attributed to his genius.

Last spring, for example, there were literally thousands of farmers in South Carolina being turned down for small loans for fertilizer and seed for the first time in recent years. These farmers have no great capital and the local banks cannot possibly take care of their loans, as much as they would like to. In fact, the small bankers of my State were among the first to ask that I get the Agriculture Department to do something to loan these small farmers money so they could plant crops and continue to be taxpaying, self-sufficient citizens. At every turn the Agriculture Department turned them down and declared a policy of refusing to loan money to farmers who made less than $2,000 a year on their cash crops. These small farmers needed loans of only $200 to $500. The farmers had been making these loans year in and year out from the Agriculture Department and had been paying the Department back each year.

That shows how the rules and regulations prescribing how loans shall be made, which rules and regulations penalize the small farmers of the Nation, are set up.

The Agriculture Department was their sole source of loans. But the Agriculture Department, which I presume is run by Mr. Paarlberg, with Mr. Benson's blessing, cut off these loans this year.

Mr. President, the policy of lending procedures in the Department of Agriculture even went this far: The Department said when farmers paid back loans from the year before, they would not be eligible to get a new loan this year. But if they had not paid back their loans from the year before, they would be eligible for loans this year. That was the rule the Department made.

In other words, if one kept faith with his Government and conducted his farm in such a way that he made enough money to pay off his loan, he was penalized for doing so. But if he still owed the Government money, the Department would lend him more to go after that which he still owed. The economic lesson being taught by Dr. Paarlberg in that instance was that one should be negligent in paying back what he owes his Government in order to secure loans for the future. That is what such a policy would lead to.

At any rate, Mr. President, we held conferences on this loan situation, and 2 days before the planting deadline the Department succumbed to the pressure from Capitol Hill, and reversed most of its orders, and made the loans available for some of the same small farmers in my State.

I presume, however, we shall have the same fight on our hands again next year when these small farmers come forth for their annual loans, for if Dr. Paarlberg's nomination goes through, he will be that much more powerful. In fact, when the loans were made this year, the implication was that this would be the last year the loans would be made.

There is an ironic twist to this situation, Mr. President, that should be brought out. I would conservatively say that more than 75 percent of the small loans made in my State went to Negro farmers. Most Negro farmers in my State are small farmers who take great pride in their property ownership, regardless of how small it is. They love the land and want to work the soil for a livelihood.

During the fight to get the small loans from the Department, the fact that most of the loans were being made to Negro farmers was brought to my attention by the Department of Agriculture. I stated then, and I state now, I do not care whether they are Negro or white farmers. If they are farming citizens who are trying to earn an honest living and be taxpaying citizens instead of wards of the State, then the Department of Agriculture should utilize loan programs authorized by Congress and help these farmers to keep going regardless of race or color. They seek loans from the Government not as a handout, but because there is insufficient capital available to meet their needs at the planting time of year.

I did not hear of President Eisenhower issuing orders to help these Negro citizens of my State. I did not see the National Association for the Advancement of Colored People rushing to the Washington scene to help the Negro farmers of South Carolina procure these loans from the Republican-controlled Agriculture Department. The so-called civil-rights Senators did not trounce on the issue and render assistance to the Negro farmers of my State.

I heard no remarks from the great administration spokesmen and alleged champions of Negro rights chastising the administration or declaring that it was a sad day for the history of agriculture.

Neither did the distinguished minority leader in the Senate, to my knowledge, render his great influence within the Agriculture Department to secure economic rights for the Negro citizens of my State.

No, Mr. President, it was the Senators and Congressmen from South Carolina who pushed and struggled with the Republican Department of Agriculture to get loans for the small farmers of South Carolina, white and Negro alike.

Mr. President, if the great liberals of the Senate wish to help secure the economic rights for all of the farmers of this Nation of every status, they should join me in opposing the nomination of Dr. Don Paarlberg who, in my opinion, is more responsible for the tight money policy and sliding parity programs within the Department of Agriculture than any other person outside of Mr. Benson himself, except for Milton Eisenhower, brother of the President, who seems to have an iron grip over the Department of Agriculture, and with whom Dr. Paarlberg undoubtedly will cooperate.

Dr. Paarlberg's record in the Department of Agriculture is clear. I do not question the man's integrity, nor his character. As far as I know and as far as I am concerned, his character is high and his integrity is pure. But I am violently opposed to his philosophy and his policies within the Department of Agriculture.

It has been said that we should not oppose a man because of his philosophy and policies if his character is good. This is an unsound argument, for why else would his nomination be subject to the advice and consent of the United States Senate. I believe if we stamp approval to the nomination of these men who spend their time finding ways and means to circumvent the intent of programs passed by Congress, then we are just as guilty of the policies they lay down upon our farmers as these nominees are.

For that reason, I think we should look into the policies of this nominee, and his philosophy of life. If we want to let the people of this Nation know our stand, we have an opportunity tonight to vote upon this nomination, and to vote for this man if we believe we should do away with all the little farms in this Nation.

If we do not believe in those policies and philosophies which we know he advocates and which we know he possesses, then why should we confirm his

nomination? That is the only way we, as Senators, can let the people know how we feel and how we intend that the Department should be operated. If we follow blindly Mr. Benson and his philosophies in the field of agriculture, we are sure not only to fail to increase the net income of the farmers, but we will help force it down, down, down, year after year.

As Senators already know, the farm income has decreased since Mr. Benson has been in office, in 4 years, from $15.1 billion to $11.6 billion. How much is that? That is $3½ billion. I warn Senators this evening that if we permit those policies to continue, without putting up any fight in the Senate about them, we will have to say that the farmers in America are doomed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. I rise to commend the Senator from South Carolina for his fine address on this important subject of agriculture and, of course, for his comments in opposition to the confirmation of the nomination of Dr. Paarlberg.

Let the RECORD show that the Senator from South Carolina is always a true, sturdy, persevering and courageous friend of the family farmer of America.

Having served on the Committee on Agriculture and Forestry with the Senator, it gives me a sense of strength and a sense of real courage to have a man so dedicated to the interests of the family farmer leading the struggle time after time for what at times almost seems to be the forgotten people of our economic life.

I commend the Senator.

Mr. JOHNSTON of South Carolina. I thank the Senator.

Mr. HUMPHREY. I wish to say the Senator has summarized what the issues are, and what he has had to say are the very words I wish I had said, as well.

Mr. JOHNSTON of South Carolina. I thank the distinguished Senator from Minnesota for his remarks.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Missouri.

Mr. SYMINGTON. I should like to associate myself with the remarks made by the distinguished Senator from Minnesota. The able Senator from South Carolina has fought the battle for the small farmers and the family-sized farms as hard and as well as any Member of the Senate.

The Senator mentioned a minute ago a reduction of $3½ billion in income of farmers in the last 4½ years.

Mr. JOHNSTON of South Carolina. That is a net reduction, also, as the Senator will remember.

Mr. SYMINGTON. The Senator is correct. It is true, is it not, that at the time this tremendous reduction in farm income has taken place, wages have gone up 22 percent, corporate profits after taxes have gone up 33 percent, and the New York common-stock price index has gone up 77 percent.

Mr. JOHNSTON of South Carolina. I wish I had at my fingertips the figure showing the rise in value of the stock of General Motors and some of the other corporations, as well as the figure for the increase in their net profits.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Minnesota and the distinguished Senator from Missouri with reference to the able Senator from South Carolina. I am fortunate to serve with the Senator on the Judiciary Committee and on the Post Office and Civil Service Committee. I want to say that the rank-and-file men—whether laboring men, postal employees, or farmers—have no greater friend in the Senate than the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator from North Dakota. I can say, with regard to the Senator from North Dakota, that we can always count on him to help the farmers and the laboring people.

Mr. President, I ask unanimous consent to have printed in the RECORD certain letters which I have in my possession, the result of correspondence I have carried on with the Department of Agriculture.

I ask unanimous consent first, Mr. President, to have printed in the RECORD a letter to Mr. K. L. Scott, dated January 4, 1957. Senators will observe from reading the letter that I take up the problem of obtaining some relief for the small farmers of my State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 4, 1957.

Mr. K. L. SCOTT,
Director, Agricultural Credit Services, Department of Agriculture, Washington, D. C.

DEAR MR. SCOTT: I wish to thank you for your letter of December 28 to me in which you outlined the Agriculture Department's policy on special emergency loans (Public Law 728, 83d Cong., as amended). In your letter you state that before the Department can designate an area eligible for these loans that it must be determined, among other things, that there is a widespread need for agricultural credit which cannot be met through the regular programs of the FHA and other lending agencies. You further state that you are in touch with the situation in South Carolina and the information you have available does not indicate a widespread need for loans as contemplated by the law. I would like to call to your attention that nowhere in the law, to my knowledge, does any requirement for widespread need of credit mentioned appear. The law states in simple terms that the Secretary of Agriculture shall make loans wherever a need exists in any area. The intent of Congress was not to qualify this to be applied only where a widespread need may exist nor did Congress indicate how large or how small a farm must be nor how large or small the loan. The intent of the law was to fill a need.

I do not wish to question the information or advice which you have received regarding this situation in South Carolina, but it is imperative that I call to your attention that there is a real emergency existing in my State in which the small farmers are hard-pressed and are unable to find credit needed to fertilize and plant their 1957 crops. I would like to use one county for an example since this county is one of the most hard-pressed in the State. This is Clarendon County. I have very authentic information which has been brought to my attention by Mr. Charles N. Plowden of that county, president of one of the only two existing banks in that county and who is a former chairman of the South Carolina House of Representatives Ways and Means Committee, and a former director of the State development board. Mr. Plowden, who testified at length before the Senate Agriculture hearings in Columbia last year and whose testimony I enclose for your information, advised me yesterday that the economic plight of small farmers in that area, coupled with the almost complete absence of all loan facilities in that area, will mean these small farmers will be unable to plant this year and will probably go out of business. He advises that between 300 and 500 farmers in Clarendon County alone urgently need immediate small emergency loans. Undoubtedly there are thousands in similar condition in other areas of South Carolina. As I stated before, it is urgent they receive these loans now for fertilizer and seed purposes. These farms have exhausted every possible private source of loans. It is my considered opinion that these farmers will end up on the relief rolls of South Carolina if they do not receive emergency loans from the Department of Agriculture.

I realize that South Carolina has had what is generally considered to be a good crop year and that no emergency exists from the standpoint or sense of an emergency created by nature; but there is a manmade emergency existing in my State caused by several things: reduced parity received by farmers for what they are growing; shrinking acreage; increased cost of farm operations, and the higher cost of living. Unless credit is extended to these small farmers to tide them through the adjustment period—income rising to meet costs of production and living—then they are doomed to bankruptcy or relief rolls. It has been said by some spokesman in Washington that these farmers should seek part-time work in industries and even find new means of livelihood in adjacent cities. This is quite impossible for they have no industries to turn to for such employment in the rural lower part of South Carolina, and their very plight is creating a minor depression in some of the areas of South Carolina which depend upon their purchasing power to keep main street business going. I firmly believe the situation existing in Clarendon County and in other areas of South Carolina is exactly what Congress anticipated the law to cover under Public Law 727, 83d Congress, as amended.

I urge that immediate consideration be given this matter because any further delay will seriously affect these small farmers even if they do obtain the loans.

Thanking you for your consideration in this matter and hoping for an early reply, I am

Sincerely,

OLIN D. JOHNSTON.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD the reply to my letter, which is from Mr. D'Ewart, and is dated January 15, 1957.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C., January 15, 1957.

Hon. OLIN D. JOHNSTON,
United States Senate.

DEAR SENATOR JOHNSTON: Reference is made to your letter of January 4 concerning

the designation of South Carolina and particularly Clarendon County as an emergency disaster area eligible for emergency loans under Public Law 727.

Under date of January 3, the Director of Agricultural Credit Services, Mr. Kenneth L. Scott, wrote you concerning emergency loans in South Carolina and his letter contains some of the information you requested.

It is the thinking of the Department that credit can be made available under normal procedures. If experience demonstrates such credit cannot meet the needs of South Carolina or funds are exhausted, then the normal credit can and will be supplemented under Public Law 727 or other emergency credit.

Sincerely yours,

WESLEY A. D'EWART,
Assistant to the Director, Agricultural Credit Services.

Mr. JOHNSTON of South Carolina. Also I took up the matter with Mr. L. M. Belk, State director of the Farmers Home Administration, in Columbia, S. C. To bear out the statements which I make, I ask unanimous consent to have printed in the RECORD a telegram which I sent to him, together with his reply, showing what difficulties were being experienced in South Carolina in obtaining funds for the program.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

FEBRUARY 1, 1957.

Mr. L. M. BELK,
State Director, Farmers Home Administration, Columbia, S. C.:

Understand many South Carolina farmers applying for disaster and production loans are being advised no such funds available this year. Many farmers who borrowed in 1955 and in 1956, and who have paid back these loans, need another loan this year. Although South Carolina may not have been an area suffering from widespread disaster this year, some areas are still feeling effects from previous hardship years and need these loans to overcome this past disaster. I shall appreciate your giving immediate consideration of this matter which is extremely critical. Would you kindly advise me (1) is it true no funds for such loans are available to South Carolina farmers; (2) how many South Caroline farmers have either directly applied for loans or have been advised, verbally or in writing, by FHA not to apply, because they cannot get these loans, and (3) what loans, if any, available to these farmers through FHA for disaster or production purposes.

Best regards.

OLIN D. JOHNSTON.

Hon. OLIN D. JOHNSTON,
United States Senator:

First. Production emergency (disaster) funds are available to such indebted borrowers when it appears an additional loan is necessary to protect the Government's interest and borrower cannot get funds to operate from other sources. Production emergency funds are not presently available to upper farmers.

Second. As of February 1, there are 54 written applications on hand. No record of number of oral inquiries; however, local authorities indicate substantial number.

Third. No production emergency (disaster) funds authorized for farmers not indebted on such loans. Operating loan funds are available to eligible full-time family-type farmers. Also limited number part-time farmers.

L. M. BELK, Jr.,
State Director.

Mr. JOHNSTON of South Carolina. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter to me from H. C. Smith, Administrator of the Farmers Home Administration, in Washington, D. C., showing what was taking place at the time of that letter, which is dated February 8, 1957.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D. C., February 8, 1957.

Hon. OLIN D. JOHNSTON,
United States Senate.

DEAR SENATOR JOHNSTON: Because of your previous interest, we are glad to inform you that we have recently authorized our State Director for South Carolina, Mr. Luther M. Belk, at Columbia, to make additional emergency loans in 1957 to those borrowers who received and repaid such loans in connection with their farming operations last year, but have not recovered sufficiently to obtain their credit from other sources. It is believed that this will enable us to meet the needs of most farmers in whom you are interested.

Sincerely yours,

H. C. SMITH,
Deputy Administrator.

Mr. JOHNSTON of South Carolina. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated March 5, 1957, which I wrote to Mr. K. H. Hansen, Director of the Farmers Home Administration, in Washington, D. C.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 5, 1957.

Mr. K. H. HANSEN,
Director, Farmers Home Administration, Department of Agriculture, Washington, D. C.

DEAR MR. HANSEN: For some time I have been trying to straighten out the loan situation for small farmers in my State. On February 8 I was advised by your Deputy Administrator that the policy for emergency loans had been reversed for South Carolina and that all farmers eligible for these loans in 1956 would become automatically eligible for the loans again this year.

At the same time I was advised that there was no change in the policy regarding annual loans being made in my State. However, during the month of February I received many complaints from South Carolina regarding small farmers who said they had received in 1956 and in previous years annual loans and/or emergency loans, but this year were being denied these loans.

On the basis of this, I called for a meeting between one of my staff and your Deputy Administrator on Thursday, February 28, at which time this entire matter was gone over.

My staff member was advised the policy of FHA in South Carolina was to this effect:

If a farmer had received loans either emergency or annual in previous year, that despite what I had been told they would not again be made available this year unless the FHA office in South Carolina, in its opinion, considered the loan would place the farmer in a position of either being self-sustaining in future years or at least in a position to obtain credit from private sources. At the same time it was admitted in Berkeley County alone over 1,500 farmers need credit which is not available from private sources. In two more adjacent counties similar situations exist. For your information, in Berkeley County there are only two banks and the same is true for nearby Clarendon County. Private banking in the area just cannot meet these needs for these farmers.

On Friday, March 1, your Deputy Administrator advised he was requesting the State director of FHA to go into the counties in question and resurvey loan needs and would "do everything possible to serve the credit needs of the people in that area."

Today I received urgent calls from farmers in Berkeley and Clarendon Counties advising your FHA representative was not making these loans and that several hundred farmers would go unserved because they do not qualify for either annual or emergency loans. These farmers are in desperate circumstances and must be served within the next week. Any delay beyond that point will place these farmers on relief rolls of South Carolina.

I urge you to intervene in this situation and help these small farmers obtain credit so they may remain industrious taxpaying citizens and not become wards of our Government.

The Senate Agriculture Committee, of which I am a member, is deeply interested in this situation and if it does not improve it is my intention to call for an investigation to see what has caused a reversal of policy in this field of agricultural financing.

I sincerely hope you can take action in this matter immediately and advise me as quickly as possible—time is of the essence.

With best wishes, I am

Sincerely yours,

OLIN D. JOHNSTON.

Mr. JOHNSTON of South Carolina. Mr. President, I also ask to have printed in the RECORD at this point, as a part of my remarks, Mr. Hansen's reply to me, dated March 7, 1957. Bear in mind that this correspondence started in January, and it was March 7 when the Administration decided to do something for the small farmer. This correspondence shows, in black and white, what was taking place at that time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D. C., March 7, 1957.

Hon. OLIN D. JOHNSTON,
United States Senate.

DEAR SENATOR JOHNSTON: This will reply to your telegram of March 5 and confirm our telephone call on March 7, 1957, informing you that the Acting Secretary of Agriculture, Mr. True D. Morse, has authorized the making of emergency loans in Berkeley and Clarendon Counties, South Carolina, pursuant to Public Law 727, 83d Congress, as amended, through June 30, 1957.

The designation of these counties was made primarily for the purpose of providing a source of credit for operators of farms smaller than family-type who have previously received other types of loans through this agency but are no longer able to qualify for such loans and are unable to obtain needed operating credit from normal sources serving their area. It is felt that this authority will enable us to meet the credit needs of the farmers in whom you are interested.

A leaflet outlining the purposes, terms, and eligibility requirements for emergency loans under Public Law 727 is enclosed.

Farmers desiring further information about these loans or other types of assistance available through this agency should get in touch with the local office of the Farmers Home Administration serving their county.

We appreciate your interest in this matter and shall be glad to hear from you at any time we can be of service.

Sincerely yours,

K. H. HANSEN, *Administrator.*

Mr. JOHNSTON of South Carolina. Finally, I ask unanimous consent to have printed in the RECORD a letter, dated April 1, 1957, addressed to me by Mr. H. C. Smith, Administrator of the Farmers Home Administration, in Washington, D. C., declaring that certain sections were in distress.

The situation was called to his attention early in January. This letter shows that the time for planting corn in my State had already passed when the administration decided to give the relief which was necessary.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D. C., April 1, 1957.

Hon. OLIN D. JOHNSTON,
United States Senate.

DEAR SENATOR JOHNSTON: This will confirm our telephone call informing you that the Acting Secretary of Agriculture, Mr. True D. Morse, has authorized the making of emergency loans pursuant to Public Law 727, 83d Congress, as amended, through June 30, 1957, to eligible applicants in the following counties of South Carolina:

Chester, Chesterfield, Fairfield, Georgetown, Greenville, Kershaw, Laurens, Pickens, Richland, Spartanburg, Williamsburg.

The designation of these counties was made primarily for the purpose of providing a source of credit for operators of farms smaller than family-type who have previously received other types of loans through this agency but are no longer able to qualify for such loans and are unable to obtain needed operating credit from normal sources serving their area.

A leaflet outlining the purposes, terms, and eligibility requirements for emergency loans under Public Law 727 is enclosed.

Please call on us whenever we can be of service.

Sincerely yours,

H. C. SMITH,
Acting Administrator.

Mr. JOHNSTON of South Carolina. Mr. President, I yield the floor.

Mr. KERR. Mr. President, I wish to express my appreciation and commendation of the distinguished Senator from Missouri [Mr. SYMINGTON], the distinguished Senator from South Carolina [Mr. JOHNSTON], the distinguished Senator from Minnesota [Mr. HUMPHREY], the distinguished Senator from North Dakota [Mr. LANGER], my distinguished colleague from Oklahoma [Mr. MONRONEY], and my distinguished and esteemed colleague from North Dakota [Mr. YOUNG], for their very great contribution in bringing light to the subject under discussion and making a case against confirmation of the nomination of Dr. Paarlberg to the position to which he has been appointed in the Department of Agriculture.

I think this is one of the important votes Senators will cast during this session of the Congress. I do not know of many opportunities which are left to strike a blow for the welfare of agriculture in America, and especially the family-size farm operator. I would feel that I had been derelict in my duty to my constituents in Oklahoma if I did not add my voice of protest to those of other Senators who have voiced their sentiments in far more eloquent words than I can command, in opposition to the confirmation of the pending nomination.

I have not a word to say against the integrity or character of the nominee. In fact, I think his honesty and frankness place an added challenge before every Member of this body. He has told us frankly what he has favored, what he has done, and what he will do; and if we now confirm his nomination we must share the responsibility with him for the unhappy effect which the confirmation of this nomination will have upon the farm people of our State and of the country.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. YARBOROUGH. I know that the distinguished senior Senator from Oklahoma is a student of history. He has already stated that he has taken this position on behalf of agriculture, and particularly of the family-type farm.

In the light of the history of Rome, I ask the Senator whether or not it was when the family-type farm fell to pieces that the landless came into Rome; and in the light of the history of England, whether, between 1780 and 1860, the small farmer, the yeoman class of England, disappeared. Are those events not indicative of what can be expected in America if we liquidate the family-type farm? In speaking for the small farmer, therefore, is the Senator not speaking for the safety of the Nation?

Mr. KERR. I thank the Senator for his observation and question. In reply, let me tell the Senator that of all the economic crimes which have been committed or will be committed by the Eisenhower administration, that which will hold it up in infamy for decades to come has been its program of elimination of the marginal farmer, and impoverishment of the family-sized farm operator.

The distinguished Senator from Texas referred to ancient Rome. I can hear the echoing voice of old Cato, ringing down through the ages. He is remembered most for having repeatedly declared "Delenda est Carthago." That had to do with the security and survival of his country.

But I can also hear the echo of his ringing declaration that the safety of Rome was best protected at the hands of her farmer-soldiers.

We have the greatest country on earth, and the contributions of all our citizens have been of a high order. However, none, whether in the tasks and burdens of peacetime responsibility, or in the throes and dangers of war, has risen to a higher degree of consecrated patriotic service, whether on the farms or on the battlefields, than the youth who have come from our farm families.

I can hear the words of inspired poetry coming down from our early days, telling us of the embattled farmers who stood and fired the shot heard around the world.

There a nation was born. There a foundation was laid by the embattled farmers at Concord, who fired the shot heard around the world.

To my mind tonight come early recollections of the story of the father of his country—on his knees at Valley Forge, presiding over the deliberations and sessions of the Constitutional Convention, and at the helm of his country as its first President. The character which carried him through those trials, and which made him the great leader and patriot that he was, was developed on his farm. So far as I know, while he rendered important services as a surveyor in the service of an early Virginia governor, his lifelong profession was that of farmer.

Mr. President, this administration has liquidated the family farm. The administration started to do it, and it has succeeded in doing it. The casualties of that program are displaced persons, who have been deprived of the environment in which they could make a living on the farm, and who are unable to find another place in the economy.

A woman on one of the farms in southern Oklahoma wrote to Mr. Benson early in his administration, complaining about his policies, and what they were doing to the welfare of her family. He wrote back and told her she should adjust.

She wrote back to Mr. Benson and said, "I was born on a farm, and I have lived on a farm all my life. I am 56 years old. I can milk cows and I can take care of poultry, and I can even run a tractor. That is all I know how to do, Mr. Benson. If I am deprived of the opportunity to do that, to make a living, into what can I adjust?"

Mr. President, there is not a group of people in America that has made a greater contribution to the building of America than has the group who live on family-sized farms.

We can go anywhere we like—among the ranks of our greatest soldiers, among the ranks of our fighting men, in the great stream of trade and commerce, in which industry and the agricultural economy of the Nation have gained supremacy in all the world—and we will not find a group that has made a greater contribution to the development and the building up of our country than the generation after generation of youth who have been raised in the rugged environment of the family farm. It was there at the altar, where the father and mother and family gathered around the fireside in the evening, that they learned reverence for their God, and rugged independence and self-reliance, which saw them through their crises and enabled them to make the contribution they have made to the development of this country and its strength and our way of life.

That environment is now all but destroyed.

Yet we are asked tonight to confirm the nomination of a man who is the leading apostle of the program of the destruction of that great institution.

I am not going to vote to confirm his nomination, Mr. President.

An administration which has devoted itself to increasing the price supports under interest rates on money 100 percent, and to destroying every semblance of price supports under the value of farm products, has committed the two unpardonable economic crimes.

The greatest of these, insofar as human suffering is concerned, and

damage to human dignity is concerned, has been the policy: Let the marginal farmer be eliminated.

As I reminded the distinguished Senator from Missouri a little earlier, a few weeks ago I was talking to a high official in the Treasury Department, and I told him that the fiscal policy of the administration was having a bad effect on the economy of the farmer. He said, "Senator, we have too many farmers, and the uneconomic farm unit has got to go."

Paarlberg is the No. 1 architect of that farm program.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. YARBOROUGH. With the knowledge the distinguished senior Senator from Oklahoma shows of the subject, particularly of the qualifications of the nominee, Mr. Paarlberg, I should like to ask the senior Senator from Oklahoma whether, from his study of Mr. Paarlberg's statements and his many statements against farm subsidies, the senior Senator from Oklahoma has ever found any speech made by Mr. Paarlberg in which he said he was against a shipping subsidy, an airline subsidy, railroad subsidies, any fast tax write-offs, or any type of business subsidy?

Mr. KERR. No; I have not once, to my knowledge, heard him say anything like that or seen anything written by him along that line. That apostle of ruin to the American farmer has never so much as whispered opposition to the other forms of subsidy to which the Senator from Texas has referred. If he had, the hierarchy of the Eisenhower administration would have run him out of town with a tin cup on his tail and the scourge of repudiation on his back as he loped over the rise of the horizon leaving this vicinity.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HUMPHREY. I should like to say to my friend from Oklahoma that the description which he has just given of what would happen to Dr. Paarlberg were he to respond in the affirmative to the questions which were posed by the junior Senator from Texas is most illuminating and enlightening and convincing. However, I wish the Senator to know that there are those who have very strongly recommended the confirmation of the nomination of Dr. Paarlberg.

As the Senator knows, Dr. Paarlberg was once a teacher at Purdue University. The distinguished senior Senator from Indiana [Mr. CAPEHART] gave us a very strong recommendation for Dr. Paarlberg, and I gathered that there were other Senators who rather strongly recommended him. In line with what has transpired in the Senate from time to time, in terms of economic philosophies and discussions, is it not very obvious that those who have supported the confirmation of the nomination now before the Senate, and have recommended it to the Senate, are the very people who have endorsed the hard money policy, the tight credit policy, the high interest policy, and subsidies for every other element of the American economy, but have always opposed any form of support for the family farmer or for small business. Will the Senator from Oklahoma give his observations on that point?

Mr. KERR. I should like to say to my good friend from Minnesota that only by favoring a program of economic improvement for the farmer can a man in the present administration become an economic heretic. I should like to give the Senator an alternative. Only if a man favors improving the economic welfare of the farmer or if he opposes special privileges for other groups in the economy can he be blackballed by the Eisenhower administration with equal intensity and ferocity and frequency. That will happen to him either for favoring the American farmer or for failing to be in favor of special privileges for certain other groups.

Mr. HUMPHREY. The Senator from Oklahoma has commented upon the price-support program of this administration. We have had many arguments whether the price-support program ought to be 90 percent of parity, which is 10 percent less than fair, anything but high, though approximately reasonable, or whether it should be a flexible price-support program of from 75 to 90 percent of parity. I think I am correct in saying that that has been the main argument which has been carried on in the Senate year after year.

Is the Senator aware of the fact—and I am sure he is—that the Secretary of Agriculture, Mr. Benson, who has been receiving his economic instruction regularly from his economic adviser——

Mr. KERR. Does the Senator mean the doctor of philosophy?

Mr. HUMPHREY. The doctor of philosophy in agricultural economics. The Senator is aware, I am sure, that Mr. Benson is quoted in that agricultural publication of the New York pavements, the New York Wall Street Journal, as follows: "Benson's strategy: He aims to win voters, then ask lower supports." But there is a little note which says: "Opposition is strong." The Secretary of Agriculture appeared in the State of Minnesota. He made an address there. In fact, he made several of them. One of the comments I have from a local newspaper in my State is to the effect that while he was in Minnesota, Mr. Benson subscribed to the theory that price supports might well run between zero and 90 percent of parity.

Does the Senator from Oklahoma recall the administration advocating in the last election, or does the Senator recall the President of the United States advocating at the time we had the farm price-support bill up in 1955, a zero to 90-percent ratio of parity?

Mr. KERR. I do not recall that such a program was pressed at that time by the apostles of Benson in the Senate. I think they were taking the farmer down by degrees, feeling that if he was about to drown, and had been under only twice, there would be no use to become overly exercised about it; wait until he went down the third time and did not come up, and then give him a decent burial. [Laughter.]

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. The record of Dr. Paarlberg is so appalling as to what he has actually said concerning his contempt for the farmer—statements which I have read into the RECORD tonight—that I felt obligated to bring it to the attention of the Senate.

Is it not true that a Senator who votes tonight to confirm the nomination of Dr. Don Paarlberg to be Assistant Secretary of Agriculture is voting against the family-sized farm and the small towns of America which are supported by those farms?

Mr. KERR. I could not be more sincere than I am now when I say to the Senator from Missouri that the answer is, "Yes." A Senator who votes to confirm the nomination of Paarlberg tonight must bear a part of the responsibility for what he will inflict upon the family-sized farm.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. KERR. I yield.

Mr. HUMPHREY. I think the point needs to be made tonight that we are approaching another juncture in the process of economic attrition of American agriculture. The truth is that the Secretary of Agriculture has been campaigning up and down the United States since January of this year. The truth is that, as chairman of the Subcommittee on Reorganization of the Committee on Government Operations, I have been unable to get the Secretary of Agriculture to come before the subcommittee. I have sought, time after time, not only through my office, but through the staff director of the Committee on Government Operations, to obtain any date when the Secretary of Agriculture would appear to discuss with us some of the alleged revisions in the REA loan program; but to no avail.

The Wall Street Journal published another article which I think should be brought to the attention of the Senate. The headline of the article is:

> Farm Chief's Campaign for Lower Price Props Wins Backing in Cities. Letters Spur His Hope for Urban Uprising; He Gets Few Pats From Farmers.

The substance of this article—and it is here for any Senator to read—is that the Secretary has been going to the cities and spreading disillusionment, spreading what I consider to be, at least in my opinion, a misrepresentation of the facts of agriculture, so as to try to induce the urban voters, who are in the vast majority, to be in opposition to what have been sound farm programs.

Only recently the Secretary of Agriculture, before a committee of the other body, testified to the effect that it was his desire to have zero to 90-percent leeway or flexibility clear down the chute; no safety platforms, but all the way down the chute. That is exactly the objective to which the program about which we are speaking tonight is leading. Dr. Paarlberg endorses that kind of economic philosophy.

I say to my colleagues that they can take a position on 75 to 90 percent of

parity. They can say that there is at least a minimum floor at 75 percent—a safety net. The farmer may fall to 75 percent. He may sprain his back. He may break his leg. But we will not be letting him break his neck.

What is the economic philosophy which is directed to zero to 90 percent of parity? I submit that when the Secretary of Agriculture found out, for example, that the Nation's cotton supplies were diminishing under the use of Public Law 480, he started to complain about the fact that because of the formula in the law he had to raise the price supports, since supplies were diminishing.

Is this not the evidence? The evidence merely is that this administration is unwilling to raise the support levels. This administration is refusing even to use the mechanism at its control to support agricultural income.

I say it is not the law—we do not have much difference of opinion about the law—but what is worse it is the maladministration or the misadministration in the Department of Agriculture. I do not believe the situation will be improved by the confirmation of the nomination of a man of the type and character of Dr. Paarlberg, because, as the Senator from Missouri has said, Dr. Paarlberg has had no managerial experience. He has been an economic adviser to the advocates of the Benson-Eisenhower farm policies. If he is placed in a position of greater responsibility and power, we will have lots of what we already have, and we will have more of it.

I commend the Senator from Oklahoma, although I do not need to; his speeches speak for themselves. What he says about agriculture is exceeded only by what he has been pointing out concerning the economic mismanagement of the monetary policies of this administration.

Mr. KERR. I thank the Senator from Minnesota.

Mr. President, I will say this about Benson and his absenteeism from Washington. I remind the Senator from Minnesota that much as Benson has been away from Washington, he has not spent as much as 1 hour on a golf course. I wish the President would teach him golf. If he could teach Benson golf and persuade him to spend his time on the golf course, he would do much less damage to the American farmer than by devoting his full time to trying to destroy the farmer's economic welfare and income.

Mr. Paarlberg has another plank in his platform. During the last campaign, Mr. True D. Morse came to Oklahoma and made two speeches, one of them to the chamber of commerce in our largest city, and the other to the Rotary Club in our second largest city. He made farm speeches to both groups.

He said, "Your farmers do not need to have any economic assistance. There is not one of them who does not live within reach of an industrial job. I do not believe there is a farm family in Oklahoma which cannot survive if they will let only one member of their family work 40 hours a week in some industry, and contribute that income to the requirements of their living."

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. Is the Senator saying that Under Secretary of Agriculture Morse made that statement in the Senator's State?

Mr. KERR. Yes; he made it in one city to a great chamber of commerce, and in another city to a Rotary Club. Dr. Paarlberg said the same thing to the Committee on Agriculture and Forestry.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MORSE. I want to make certain that the Senator understands that the Under Secretary of Agriculture is no relative of mine. I think his first name is a misnomer. [Laughter.]

Mr. KERR. I thank the Senator; I do, indeed.

I remind Senators that Dr. Paarlberg subscribed to the same theory in his statement and answer to questions asked by the Senator from Missouri. He said:

> Now, another qualification I would make of your comment is that many of these farm people are not going into the cities to take employment. Many of them are continuing to live on their farms, and to take part-time employment in an adjoining city, or in a factory out in the country, driving 10, 20, or 30 miles to work, continuing their farming operations.

Now listen to this:

> In many cases they are improving and increasing their farm operations while they add this additional source of income.
>
> It is to a degree another form of diversification, and provides them, I think, with a very good economic position in that they are not completely dependent on employment for their income.

"They are farmers," he said in effect, "and I want to give them the comfort they can have in the knowledge that as farmers they are not completely dependent upon their income, as is a laborer in industry."

Just imagine, Mr. President. Mr. Paarlberg said that their great security lies in this fact: "They have one foot on the land, you might say, and another foot in industry."

Mr. President, the fact that the industry was 30 miles away from the land did not seem to raise any difficulty in the fertile imagination of Mr. Paarlberg as to their capacity to have one foot on the land and another foot in industry.

What he forgot is that the farmer's position was made untenable by the fact that he had one of Mr. Paarlberg's feet in the middle of his back and both of Mr. Benson's feet on the back of his neck. [Laughter.]

Mr. President, today the American farmer is in the midst of an economic depression. Farm people and the communities dependent upon their economic welfare are today in an economic depression. Mr. President, can you imagine the bleakness of the outlook the farmers face when the only word that comes to them from Washington is, "Be of good cheer; fear not. Paarlberg is coming." [Laughter.]

Mr. President, I wish to say to you that the warning that Paul Revere gave out in ringing tones that New England night—"The redcoats are coming"—was an announcement of insignificant effect and materiality, as compared to the stern warning which will be sounding over the airways, the television, the news, and the morning newspapers, if the farmer has to receive the message, "Paarlberg is coming." [Laughter.]

Mr. President, the American farmer has no unemployment compensation, unless he has that "one foot in industry." The farmer has the most hazardous of all American occupations.

This last year in Oklahoma, the farmer has suffered drought, flood, insects, and disease of his livestock. Right now in four northeastern Oklahoma counties the dread scourge of anthrax is stalking abroad on the farms.

Mr. President, you would think that was enough penalty for this wonderful group of people to have to bear. But I wish to say to you that all those inflictions, if wrapped up into one bundle, would be as nothing compared with the fact that for 5 long years they have had Benson inflicted upon them. And now, to add insult to injury, are they going to have to endure Paarlberg, too?

Mr. President, I read in Holy Writ these beautiful words:

> Faith, hope, charity * * *; but the greatest of these is charity.

Mr. President, I shall not indulge in a comparison of those three great virtues. I wish to say that faith in the human heart, the substance of things hoped for, the evidence of things not seen, is a great reinforcement in the age in which we live. Even the great Apostle said that "the greatest of these is charity."

Mr. President, hope stands high amid the blessings that come to the human heart. America has long been the land of hope. Yonder on the magnificant statue in New York Harbor—the Statue of Liberty—are engraved these words:

> Give me your tired, your poor,
> Your huddled masses yearning to be free,
> The wretched refuse of your teeming shore,
> Send these, the homeless, tempest-tossed to me.
> I lift my lamp beside the golden door.

What a message of promise. What an inspiration of hope.

But, Mr. President, if the nomination of Mr. Paarlberg is confirmed by the Senate, where will be the golden door for the American farmer? Where can those homeless, tempest-tossed look? Who will lift to them again the opportunity of hope, and who will say, "Send these to me. I lift my lamp beside the golden door."

Ah, Mr. President, I wish to tell you it is tough when economic losses fasten the chains of depression and poverty around the necks and the welfare of the members of an American family, when drought and the scourge of floods invade and destroy, when economic hardship stalks abroad in the land, and, no matter where the people turn, they find no avenue of improvement. But, Mr. President, in addition to that stern reality of hardship, if the door is closed to hope, I wish to say that then the final and unpardonable sin has been committed.

The American farmers are more than economic figures on an economic chart.

They are human beings; they are men, women, and children. They are entitled to have more consideration from their Government than to be only the basis of more economic charts and economic trends.

Mr. President, I wish to say to you that a government that has no more regard for its people than that, is preparing for them a sepulcher. And I say to you that as I look at the Benson and Paarlberg combination, I say—those whited sepulchers. Those resting places of hope. I am not going to be a party to the crime of voting for the confirmation of this nomination.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, I had intended to speak tonight on behalf of confirmation of the nomination of Dr. Paarlberg. But I shall not do so. The attacks which have been made upon him have recommended him to the office for which he has been nominated far more eloquently than could any speech which I might possibly make in his behalf.

So, Mr. President, I simply wish to call the attention of the Senate to the fact that the question on which the Senate is to vote tonight is, not whether the present farm policies are sound, or not whether those which may be proposed in the future will be better; but the question on which the Senate will vote tonight is this: Whether the President of the United States, who is charged with carrying out the policies and programs laid down by the Congress, shall be permitted to choose as assistants those who will be loyal to him.

That is all I have to say.

Mr. WATKINS. I think the statement made by the distinguished Senator from Vermont should be compelling and conclusive in this matter. All the oratory we have heard here should not change the situation one iota. I had prepared a statement on the nomination. Instead of reading it, I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

I urge the Senate to approve the nomination of Don Paarlberg to be Assistant Secretary of Agriculture.

I have had the Senate Agricultural Committee hearings, held July 27 and August 7, reviewed very carefully, since I thought inasmuch as four members of the Senate committee voted against his confirmation, that the hearings would contain allegations that Mr. Paarlberg was not qualified for the position to which he has been nominated by the President of the United States.

Such definitely is not the case. Rather, the hearings reflect an apparent determination on the part of a minority of the committee to vote against Mr. Paarlberg's nomination because they disagree with the Eisenhower-Benson farm program.

The skill with which Mr. Paarlberg handled the questions dealing with the operation of our farm-price support and other programs, indicates that he is indeed qualified to give good services in the position to which he has been nominated.

His answers were factual, concise, and to the point. They were informative, and qualified in nature when the question suggested the need for qualification. This is to his credit, and a sign of good judgment.

Not only does Mr. Paarlberg have a doctor of philosophy degree in agricultural economics but he has had actual farm experience. He grew up on a farm near Crown Point, Ind. As a youth and as a young man he was active in rural youth work, farm-organization activities, and in college-farm programs.

During his academic training he has been able to accumulate 6 years' experience as a staff member of agricultural economics at Purdue University. The esteem with which Mr. Paarlberg is held by his professional colleagues, I believe, is evidenced by the fact that during 1951–52 he was elected to serve as the secretary-treasurer of the American farm Economic Association. In addition, he has contributed numerous articles to professional journals in the field of agricultural economics.

If my memory serves me correctly, there have been few individuals nominated for the position of Assistant Secretary of Agriculture who have come before the Senate for confirmation with as well-rounded and extensive a background as that enjoyed by Mr. Paarlberg. I urge speedy confirmation of his nomination.

Mr. JENNER. Mr. President, I, too, also ask unanimous consent to place in the RECORD a statement I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JENNER

Mr. Don Paarlberg has an excellent background of education and experience and is exceptionally well qualified to be Assistant Secretary of Agriculture.

We hear a lot of talk these days about attracting capable persons into key positions in the Federal Government. Mr. Paarlberg is an outstanding example of a dedicated public servant who has already proven his ability as economist for the Department of Agriculture. There should be no question about the approval of this man who is ideally equipped for the challenges he will encounter as Assistant Secretary.

Mr. Paarlberg grew up on a farm near Crown Point, Ind., where he was active in farm youth organizations and knows from personal experience both the satisfactions and the problems of making a living from the soil.

He earned a bachelor of science degree from Purdue University in 1940 and a doctor of philosophy in agricultural economics from Cornell University in 1946. He served as a member of the staff of the department of agricultural economics at Purdue University for 6 years. He has done considerable research work and teaching in the general field of agricultural prices.

He was elected secretary-treasurer of the American Farm Economic Association in 1951–52. He also served as a delegate to the International Conference of Agricultural Economists at Stresa, Italy, in 1949, and at Helsinki, Finland, in 1955.

He is a member of the American Farm Economic Association, the International Conference of Agricultural Economists, and the American Statistical Association.

Mr. Paarlberg is the joint author with Mr. F. A. Pearson of a book dealing with feed and has also written extensively in the field of agricultural prices.

Mr. Paarlberg is married and has two sons.

An insight into his character is evidenced by the fact he has for many years been active in the Methodist Church, serving in various capacities including Sunday school superintendent.

Mr. Paarlberg is most certainly a capable and outstanding authority in the complex field of agriculture. If some members of this body might differ in their philosophy of agriculture, this should never stand in the way of their voting for the confirmation of Mr. Paarlberg as Assistant Secretary of Agriculture.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Don Paarlberg, of Indiana, to be an Assistant Secretary of Agriculture?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Economic Conference of the American States in Buenos Aires.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

On this vote the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting the Senator from Idaho would vote "nay" and the Senator from Indiana would vote "yea."

On this vote the Senator from Alabama [Mr. SPARKMAN] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting the Senator from Alabama would vote "nay" and the Senator from Vermont would vote "yea."

I further announce that if present and voting the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

The Senator from Colorado [Mr. ALLOTT] is absent because of illness in his family.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate in order to represent the Senate at the

Latin American Economic Conference in Buenos Aires and is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Idaho would vote "nay."

The Senator from Vermont, [Mr. FLANDERS] is necessarily absent, and is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Alabama would vote "nay."

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from New York [Mr. IVES] and the Senator from Kentucky [Mr. COOPER] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from New York [Mr. IVES], the Senator from Kentucky [Mr. COOPER], and the Senator from Maine [Mr. PAYNE] would each vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from Nevada would vote "nay."

The result was announced—yeas 42, nays 32, as follows:

YEAS—42

Aiken	Dworshak	Potter
Anderson	Eastland	Purtell
Barrett	Ellender	Revercomb
Beall	Hickenlooper	Saltonstall
Bennett	Holland	Schoeppel
Bricker	Hruska	Smathers
Bush	Javits	Smith, Maine
Butler	Jenner	Smith, N. J.
Carlson	Knowland	Stennis
Case, N. J.	Kuchel	Talmadge
Case, S. Dak.	Martin, Iowa	Thye
Cotton	Martin, Pa.	Watkins
Curtis	Morton	Wiley
Dirksen	Mundt	Williams

NAYS—32

Bible	Johnston, S. C.	Monroney
Carroll	Kefauver	Morse
Clark	Kennedy	Neuberger
Douglas	Kerr	Pastore
Ervin	Langer	Russell
Gore	Lausche	Scott
Green	Long	Symington
Hayden	Magnuson	Thurmond
Hill	Mansfield	Yarborough
Humphrey	McClellan	Young
Jackson	McNamara	

NOT VOTING—21

Allott	Flanders	Malone
Bridges	Frear	Murray
Byrd	Fulbright	Neely
Capehart	Goldwater	O'Mahoney
Chavez	Hennings	Payne
Church	Ives	Robertson
Cooper	Johnson, Tex.	Sparkman

So the nomination of Don Paarlberg to be Assistant Secretary of Agriculture was confirmed.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Illinois [Mr. DIRKSEN].

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the next nomination on the calendar.

The legislative clerk read the nomination of Don Paarlberg, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Don Paarlberg, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation? [Putting the question.]

The nomination was confirmed.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PRODUCTION OF STATEMENTS AND REPORTS OF WITNESSES—WITHDRAWAL OF REPORT

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Wyoming [Mr. O'MAHONEY], I ask unanimous consent to withdraw Senate Report No. 569, accompanying the bill (S. 2377) establishing procedures for the production of Government records in criminal cases in United States courts, and submit in lieu thereof an amended report, and ask that it be given a new report number.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. CLARK. Mr. President, reserving the right to object, I wonder what is the purpose of the motion? This is a most important bill. I wonder why we are going to have a fourth version of it and then vote on it tomorrow.

Mr. MANSFIELD. I am not at all certain we shall vote on the bill tomorrow. We shall discuss the bill tomorrow. What I am doing is carrying out a responsibility which was entrusted to me by the Senator from Wyoming, which I assume is in accordance with the latest version, or the fourth version, of the particular proposal, which may come from the Judiciary Committee.

Mr. CLARK. Mr. President, I shall not object, but I should like to have the record show that in my judgment this ill-considered legislation is being rushed through the Senate without an adequate opportunity for all Senators to understand its real purport. I hope we shall have ample opportunity to discuss the bill tomorrow, before we pass it in a hurry.

Mr. MANSFIELD. I assure the Senator that, so far as I am concerned, he will have ample opportunity to discuss the measure.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

The Chair hears none, and without objection the report (No. 569) will be withdrawn and the amended report (No. 981) will be received, and be printed, as requested by the Senator from Montana.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow at 11 a. m. there be the usual morning hour for the transaction of routine business only, with a limitation on statements of 3 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 815, S. 2674, a bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2674) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

THE BURKE AIRPORT SITE

Mr. THYE. Mr. President, there appeared in the Washington Evening Star of this date an editorial, which refers to the Burke Airport site, entitled "No More Studies, Please."

Mr. President, I fully concur that there should be no further studies and no further delay, and I believe we should make a decision. There is great need for another airport for Washington, and a decision is long overdue.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO MORE STUDIES, PLEASE

Senator BYRD, in opposing a Burke site for a new Washington airport, suggested a further study by the Civil Aeronautics Administration of possible sites, including the Chantilly region. He told the Senate Appropriations Committee that he thought the Chantilly area should be investigated fully. Apparently the Virginia Senator has not been adequately informed on the CAA search for a suitable airport site. For it is a matter of record that the CAA, over the past several years, has conducted a diligent and comprehensive study of every available airport site in the Washington area, that it has reinvestigated a number of sites previously rejected and that it still is convinced that the best site is at Burke, Va.

President Eisenhower based his request for a supplemental appropriation for the Burke project on the expert advice of the CAA, after its long studies of the whole region. The House accepted this authoritative advice in approving the President's request for $12.5 million to enlarge the Government's holdings at Burke and start construction. To require the CAA to conduct further investigations of sites would be a useless duplication of effort by the Federal Agency—a costly waste of the sort that Senator BYRD has fought so vigorously and well as an economy advocate.

No more studies, no more stalling tactics of any kind, should be permitted by Congress or the administration in this vital airport matter. There have been too many studies and too much stalling already. Meanwhile, air congestion is increasing and the danger of accidents correspondingly is rising. Public safety demands action now to assure an auxiliary airport for Washington. The Senate should face up to this responsibility and end the risky and pointless dillydallying with the Burke project.

THE BUENOS AIRES CONFERENCE

Mr. SMATHERS. Mr. President, today in Buenos Aires delegates from the 21 American Republics gather for the first session of the Inter-American Economic Conference.

The United States and our Latin American neighbors have substantial impact on each other's economies. Last year Latin America spent over $3.8 billion in the United States, purchasing about 22 percent of total United States nonmilitary exports. These purchases encompassed the entire range of our national production. For instance, Latin America bought 28 percent of our exports of industrial machinery; 32 percent of our exports of electrical machinery; 51 percent of our exports of automobiles, parts, accessories, and service equipment; 40 percent of our exports of paper and paper products; and 48 percent of our exports of medical and pharmaceutical preparations. Nor was the industrial sector of our economy the only beneficiary from our trade with Latin America. Of our agricultural exports, the American Republics bought 26 percent of our dairy products, 36 percent of our lard exports, 20 percent of our rice exports, and 23 percent of our exports of vegetable oils and fats.

The immense impact which the United States has upon the prosperity of Latin America by purchasing Latin America's products is well-known. Last year we spent more than $3.5 billion in buying about 43 percent of the total exports from the American Republics. They depend on these dollars earned by sales to the United States to purchase many of the vital necessities of life which they cannot or presently do not produce at home.

When we remember that Latin America's population of more than 187 million already exceeds that of the United States, and promises to be double that of the United States and Canada combined within the next 50 years, it takes little imagination to foresee the increasing importance to all participants of inter-American trade.

Commerce, prosperity, and friendship go hand-in-hand. It is my fervent hope that the Conference now convening in Buenos Aires will result not in mere speeches, but in specific developments leading to a reduction in trade barriers, to increased opportunities for an exchange of goods and ideas, and to strengthening the ties of friendship among the sister republics of the Western Hemisphere.

PROHIBITION OF SERVICE OF ALCOHOLIC BEVERAGES ABOARD CERTAIN AIRCRAFT — AMENDMENTS

Mr. SMATHERS submitted amendments, intended to be proposed by him, to the bill (S. 4) to prevent the service or consumption of alcoholic beverages aboard commercial passenger aircraft and military aircraft, which were referred to the Committee on Interstate and Foreign Commerce and ordered to be printed.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate now adjourn until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 27 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, August 16, 1957, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate August 15, 1957:

NAVY DEPARTMENT

Richard Jackson, of Massachusetts, to be Assistant Secretary of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 15, 1957:

FEDERAL POWER COMMISSION

Jerome K. Kuykendall, of Washington, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1962.

DEPARTMENT OF AGRICULTURE

Don Paarlberg, of Indiana, to be an Assistant Secretary of Agriculture.

COMMODITY CREDIT CORPORATION

Don Paarlberg, of Indiana, to be a member of the Board of Directors of the Commodity Credit Corporation.

ATOMIC ENERGY COMMISSION

John S. Graham, of North Carolina, to be a member of the Atomic Energy Commission for the term expiring June 30, 1959.

John Forrest Floberg, of Illinois, to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1962.

UNITED STATES DISTRICT JUDGE

Edwin R. Hicklin, of Iowa, to be United States judge for the southern district of Iowa.

UNITED STATES ATTORNEYS

Laughlin E. Waters, of California, to be United States attorney for the southern district of California for a term of 4 years.

James W. Dorsey, of Georgia, to be United States attorney for the northern district of Georgia for a term of 4 years.

Frank O. Evans, of Georgia, to be United States attorney for the middle district of Georgia for a term of 4 years.

William Cozart Calhoun, of Georgia, to be United States attorney for the southern district of Georgia for a term of 4 years.

Krest Cyr, of Montana, to be United States attorney for the district of Montana for a term of 4 years.

John C. Crawford, Jr., of Tennessee, to be United States attorney for the eastern district of Georgia for a term of 4 years.

Millsaps Fitzhugh, of Tennessee, to be United States attorney for the western district of Tennessee for a term of 4 years.

John Strickler, of Virginia, to be United States attorney for the western district of Virginia for a term of 4 years.

William B. Bantz, of Washington, to be United States attorney for the eastern district of Washington for a term of 4 years.

COAST AND GEODETIC SURVEY

The following nominations for permanent appointment to the grade of captain in the Coast and Geodetic Survey, subject to qualifications provided by law:

A. Newton Stewart	Robert A. Earle
Max G. Ricketts	Harry F. Garber
Clarence A. George	Karl B. Jeffers

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 15, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art daily blessing us so abundantly, hear us as we now approach Thy throne of grace with prayers of supplication and intercession.

We thank Thee that we may commend and commit unto Thy gracious providence not only our own personal and individual needs and longings but those of all the members of the human family.

Humbly and penitently we confess that we are doing so little to make the struggle of life less difficult for others. We are eager to get and possess the good things of life but reluctant to give and to share them. We have been severe in our criticizing of our fellow men but so lenient and indulgent with ourselves.

Forgive us for being indifferent to the pitiful appeals of the poor and lowly, the weary and heavy ladened, the worried and anxious, and the less privileged who are the victims of adversity and trying circumstances.

Grant that we may abound in the spirit of charity and benevolence, of sympathy and service, of kindness and good will, and may we always be willing