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Senate

(Legislative day of Monday, January 16, 1956)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, who didst guide our fathers as they laid the foundations of this Republic, who hast entrusted to our hands a sacred heritage, crimsoned by sacrifice and the strength of chastening trials, in these high hours of decision freighted with destiny, grant that those, who here speak for the Nation, may be so true to their high calling, as servants of the common good, that radiant joy may transfigure duty, and that on this and every day which may be granted us, appointed tasks may be met with purity of purpose, without moral compromise or craven fear.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, January 24, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7871) to amend the Small Business Act of 1953; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. RAINS, Mr. WOLCOTT, Mr. GAMBLE, and Mr. TALLE were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1496) for the relief of Leong Ding Foon Quon, and it was signed by the President pro tempore.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. CLEMENTS. Mr. President, I ask unanimous consent that there may be the usual morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, and that any statement made in connection therewith be limited to 2 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF FEDERAL CROP INSURANCE CORPORATION

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report of the Federal Crop Insurance Corporation, for the year 1955, with an accompanying report; to the Committee on Agriculture and Forestry.

REPORT OF RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report of the Administrator of the Rural Electrification Administration, for the fiscal year ended June 30, 1955, with an accompanying report; to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Administrator, General Services Administration, Washington, D. C., reporting, pursuant to law, the overobligation of an appropriation under "Repair, Improvement, and Equipment of Federally Owned Buildings Outside the District of Columbia"; to the Committee on Appropriations.

CONSTRUCTION OF MODERN NAVAL VESSELS

A letter from the Judge Advocate General, Department of the Navy, transmitting a draft of proposed legislation to authorize the construction of modern naval vessels, and for other purposes, with an accompanying paper; to the Committee on Armed Services.

REPORT ON AUDIT OF FUTURE FARMERS' OF AMERICA

A letter from the Chairman, Board of Directors, Future Farmers of America, Washington, D. C., transmitting, pursuant to law, a report on the audit of the accounts of the Future Farmers of America, for the fiscal year ended June 30, 1955, with an accompanying report; to the Committee on the Judiciary.

COORDINATION BETWEEN THE CIVIL SERVICE RETIREMENT ACT AND THE SOCIAL SECURITY ACT

A letter from the Chairman, United States Civil Service Commission, transmitting a draft of proposed legislation to provide a measure of coordination between the Civil Service Retirement Act and the Social Security Act, and for other purposes, with an accompanying paper; to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Board of Supervisors of Maui County, Hawaii, favoring the enactment of legislation to authorize the issuance of public-improvement bonds by the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

A resolution adopted by the delegates to the Hawaii State Constitutional Convention of 1950, relating to the reapportionment of the Legislature of Hawaii; to the Committee on Interior and Insular Affairs.

The petition of Ralph R. Murray, of Collegeville, Pa., favoring the enactment of legislation prohibiting the manufacture and sale of automobiles with power to drive in excess of 40 miles an hour; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Oklahoma Naturopathic and Physiotherapy Physicians Association, at Oklahoma City, Okla., favoring an investigation of the structure, pow-

ers, and policies of the American Medical Association; to the Committee on Labor and Public Welfare.

A letter, in the nature of a petition, from the grand jury, county of San Diego, Calif., signed by Joseph Levikow, foreman, transmitting a resolution adopted by the grand jury favoring an investigation into the administration of aid by the Department of Social Welfare of the State of California (with accompanying papers); to the Committee on Labor and Public Welfare.

A resolution adopted by the board of directors of the Kaweah Delta Water Conservation District, Visalia, Calif., favoring the enactment of legislation to provide funds necessary for the construction of adequate flood-control works on the Kaweah River; to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

S. 2990. A bill to extend through June 30, 1957, the duration of the Poliomylitis Vaccination Assistance Act of 1955; without amendment (Rept. No. 1446).

S. Res. 193. An original resolution to provide additional funds for the Committee on Labor and Public Welfare; placed on the calendar; and

S. Res. 194. An original resolution authorizing the Committee on Labor and Public Welfare to employ four additional temporary clerical assistants; placed on the calendar.

(See the remarks of Mr. HILL when he reported the above resolutions, which appear under separate headings.)

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. Res. 180. Resolution providing additional funds for the Committee on Interstate and Foreign Commerce; without amendment.

By Mr. PASTORE, from the Committee on Interstate and Foreign Commerce:

S. 1456. A bill to amend sections 212, 219 (a), 221 (a), and 410 (a) of the Communications Act of 1934, as amended; with an amendment (Rept. No. 1445).

ANNUAL REPORT OF COMMITTEE ON GOVERNMENT OPERATIONS (S. REPT. NO. 1444)

Mr. McCLELLAN. Mr. President, I submit the annual report of the Committee on Government Operations, and I ask unanimous consent that I may proceed to comment thereon for about 10 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Arkansas may proceed.

Mr. McCLELLAN. Mr. President, the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, pursuant to the Legislative Reorganization Act of 1946, is charged with the duty of studying the operation of Government activities at all levels with a view to determining their economy and efficiency. This task is a huge one, particularly when we consider that this past year the professional staff of the subcommittee consisted of only 11 members. The executive branch, at a cost of over \$53 billion, operates several hundred separate departments, agencies, and independent offices, employing 2,366,075 civilians alone.

One of the first steps taken by this subcommittee at the beginning of last year was to adopt 17 rules of procedure, which rules are set forth in the report beginning on page 1. The purpose of the rules was to enumerate proper procedures; to set forth certain basic rights of witnesses; to define more explicitly the rights and privileges of individual Senators serving on the subcommittee, and yet not hinder the subcommittee in such a way as to prevent it from meeting its responsibilities.

The subcommittee, during this past year, conducted 79 actual investigations and 67 preliminary inquiries. Thirty-six days of open hearings were held and 91 witnesses heard. In addition, there were 12 days of executive sessions at which 28 witnesses were heard.

The subcommittee's hearings extended through the operations of many of the Government agencies, including the Department of the Army and Agriculture, the Foreign Operations Administration, the Air Force, the State Department, Treasury Department, Navy Department, the Interstate Commerce Commission, and the Department of Commerce.

It covered such widespread activities as the Army loyalty security procedures, exemplified by the Peress case; conflict-of-interest matters at Cabinet and other levels, as in the hearings on former Secretary of Air Harold E. Talbott and Hugh Cross, the former Chairman of the Interstate Commerce Commission. Hearings were held on what steps were being taken or could be taken to obtain the release of American nationals held by the Red Chinese Government. It included studies of waste and inefficiency in the procurement and construction of grain bins by the Commodity Credit Corporation of the Department of Agriculture and the deficiencies in this same program of the Naval Inspection Service; possible collusion and fraud in the negotiation for the award for the construction of grain elevators in Pakistan by a consulting engineer hired by the Foreign Operations Administration; fraud and corruption in the procurement of military apparel by the armed services, as illustrated by the hearings on Harry Lev, Marvin Rubin, and others; a study of the infiltration of Communists in the vital areas of defense plants, and the inquiry on redefection of refugees in Europe back to Communist nations, as well as the failure by the Treasury Department to enforce tariff restriction on watches which is alleged to have cost the United States Government many millions of dollars over the period of the past 25 years.

The subcommittee also investigated East-West trade. It was found that our allies' trade with Communist China in 1955 had increased considerably over the previous record year of 1954. The subcommittee feels that our allies, particularly the British, are making major contributions to the Chinese war economy. At least 13 Americans remain imprisoned in China while our allies' trade with China continues to increase. The role of our allies in this matter during the Korean war, and during this unhappy post-war period is a matter of deep distress to

the subcommittee. The subcommittee is vigorously continuing its study of this matter with particular emphasis on the type of goods that are now being sent to Russia and her European satellites, which just a short while ago were felt by our Government to be strategic.

During the year the staff of the subcommittee made a study of the redefection campaign in Europe, which is a concentrated effort of Communist countries to induce people to return to their homelands. It became apparent during 1955 that the problem had become a matter of major significance. Although the number of persons who have actually redefected is unknown, the redefection campaign has had an unsettling effect and the free world is in danger of losing a propaganda advantage which it has thus far maintained.

Legislative investigations to be worthwhile should accomplish a constructive result. In addition to serving as a basis for legislation, they also serve the important function of bringing to light the existence of conditions which need corrective action. All too often instances have been uncovered by legislative committees of failure to abide by the letter and spirit of our laws, rules, and regulations, and it is only after the legislative investigation that effective action is taken to remedy such conditions. The subcommittee believes it has made a very constructive record during the past year.

As a result of the hearings on the Peress matter, the Peress case is finished as a controversial influence on American life, and the Army has taken 19 corrective measures in order to uncover and deal with security cases.

Because of what was uncovered by the investigations and hearings in the domestic grain-bin program, the Department of Agriculture and the Naval Inspection Service have instituted 21 corrective measures.

In the investigation conducted in connection with the procurement of military hats, bribery, perjury, collusion and fraud, and improper inspection were revealed, as well as the method of making large secret profits through deviations at the expense of the Government. As a result of these hearings, claims are now being pressed by the Government for over a half million dollars on these improper profits. Two Army, one Naval, and one Treasury Department employees were dismissed from Government service. An Air Force officer resigned in the face of a court-martial. Twelve persons and corporations were suspended and two others were debarred and placed on the Consolidated List of Debarred, Ineligible, and Suspended Bidders. New procedures were instituted in procurement of patented components which will save the Government in the future hundreds of thousands of dollars. The subcommittee has recently uncovered further evidence of inefficiency and fraud in the purchase and inspection of textile materials by the armed services. Hearings on this matter will be held in the near future.

In the FOA-Pakistan grain-elevator case, the subcommittee, despite being hampered, delayed, and hindered by Mr. Stassen, the then Director of FOA, un-