

One has only to consider the status of the plywood industry or the automobile and bicycle industries, to realize the truth and force of this observation. Or, as I said before, consider the status of the textiles and ceramics industry, or the chemical industry or the machine tool industry. In industry after industry, the products of well-paid American labor are being pushed out of the market by cheap-labor imports. Our vital American interests are being undermined every day in the name of reciprocal trade.

Mr. President, America must remain strong if she is to keep her position as a leading world power. We must be strong not only spiritually and morally, but also economically, if we are to be strong militarily. We serve best the cause of freedom and global security by husbanding our prime industries and by keeping our people working. A depressed America, with millions unemployed and depending upon foreign industry for survival, is a boon to the Kremlin. We have need to be vigilant regarding the health of our business and industrial systems, if we are to safeguard our agricultural interests.

It was Stalin, himself, who said, "America would be destroyed from within."

The textile industry is an outstanding example of the injury being done America by so-called reciprocal trade. Since 1950, employment in textile concerns in the United States has declined by 344,000 jobs. When we consider the loss of jobs in affiliated and service industries, the total loss is much greater. For instance, the cotton industry alone purchased \$2 billion worth of materials annually from the chemical industry. Let one basic industry get hard hit, and the adverse effects spread throughout the whole economy.

Under existing trade policies, the Japanese cotton industry is able to buy American cotton for 20 percent less than the price the American textile manufacturer must pay. In addition, the Japanese manufacturer has the benefits of modern machinery which our country helped pay for and set up, and the Japanese industrialist has the big advantage of labor that works for one-tenth of the wages paid in the textile industry in the United States.

Armed with these advantages, the Japanese then flood the American market with low-priced products which swamp American-made goods. When confronted with this kind of inequitable competition, the American textile firms naturally feel the pinch. Sales drop off, production is curtailed, and layoffs are effected, from the farm to the sales counters. It is a whole vicious cycle, and all of it adds up to mass unemployment for America. Despite all the fancy claims for it, this is an example of how foreign trade works under the Eisenhower administration; and what is happening in the textile industry is also happening in many other basic industries.

We are the victims of a tremendous plot designed to destroy American industrial and economic might.

While we are discussing this subject, it is a matter of pertinent interest to

note that on September 10, 1955, the administration reduced the tariff rates on many cotton products by varying amounts, in some instances up to 50 percent. This action inflicted further injury on an industry already battling for its economic life.

Advocates of reciprocal trade talk glibly of peril points and protective devices in the legislation; but what meaning do they have when the White House repeatedly and consistently overrules the decisions of the Tariff Commission, decisions soundly made for the protection of American industry?

We would do well to keep in mind that when the late Cordell Hull sponsored the Reciprocal Trade Act in 1934, his basic aim was to better America's export position, not to destroy her industries and jobs. Again I say that, unfortunately, over the years the fine goal of this great American has been lost through maladministration.

Every time we implement policies that give advantage to foreign products over American-made goods, not only are we drying up jobs and curtailing purchasing power at home, but we are also seriously undercutting the base of our military strength.

It is worthy of serious thought that during World War II the United States Armed Forces required more than 10,000 different types of textile items. What happens if the firms that supplied those items lapse into oblivion because they cannot compete with cheap foreign labor? Where are our Armed Forces to turn, in an emergency, if the facilities at home have gone into the discard? I say we cannot afford to let our basic industries lag in the doldrums or languish unattended. The national interest demands that we repair the damage at the earliest possible moment.

The PRESIDING OFFICER. The Chair regrets to inform the Senator from South Carolina that the time allowed him has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from South Carolina may proceed.

Mr. JOHNSTON of South Carolina. Mr. President, we have our heads in the sand if we go along thinking the oceans are going to be free for commerce and supplies in the event of an emergency. We saw what the U-boats did to Allied shipping in World Wars I and II, and we have a general idea as to the maritime threat the enemy could mount in the event of another major war.

Prudence dictates that we have at hand, in America, productive facilities and trained working forces for the items that are indispensable to a healthy national economy which will be adequate to emergency demands. So-called reciprocal trade, that has virtually bankrupted a score of American prime industries, is certainly not promoting the national welfare. On the contrary, it is highly injurious to our Nation and the time has come to call a halt.

Mr. President, the best interests of our country require official changes in our trade policy and development of a program to revive and protect American industry and the jobs of American workers, and to secure the national interest.

The so-called Reciprocal Trade Act does not do this. To the contrary, it does the opposite.

Therefore, Mr. President, when the bill to extend the so-called Reciprocal Trade Act comes before the Senate, I hope the Senate will kill it.

SCIENCE AND GOVERNMENT

Mr. HUMPHREY. Mr. President, on May 5, 1958, I had the honor to appear before the colloquium of the faculty of students of the Massachusetts Institute of Technology. I ask unanimous consent that my address on that occasion be printed at this point in the RECORD.

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

SCIENCE AND GOVERNMENT

Chairman Padelford, and his distinguished friends of the colloquium, your sessions are dealing with one of the major problems of our times—the close and vital relationship of science and government. This is a complicated relationship—it is really a set of relationships. There are many things I might discuss and I had to choose among them. I have decided to divide my remarks in half so that I may devote my time to two major areas, each of them geared to my own recent experiences as chairman of two Senate subcommittees—the subcommittee on reorganization and the subcommittee on disarmament. Let me approach the problem in that sequence—the issues of coordination first and, second, a more intensive glimpse of the problem of government and science in operation in the field of government.

Let me briefly review a few of the problems facing our Government in the vital fields of science and technology. I would like to come straight to the point.

Although we are reported to be the best organized Nation in the world, enjoying the highest standards of living and education, our governmental organization for nonmilitary scientific activities is a mixed up, uncoordinated maze. It is also true that the small amount of money which is devoted to the development of science and technology, when considered in relation to the billions of dollars expended annually by the Government, is positively disgraceful.

As you may know, Government organization for scientific activities is extensive and very complex. Of the approximately 80 departments, agencies, and other bodies which comprise our executive branch, some 38 are engaged, to some extent, in scientific activities. For the most part, these activities result from their efforts to carry out congressionally assigned functions which may be specifically scientific in nature or may require scientific activity incidental to their performance.

Many of these 38 agencies have established elaborate organizational structures for the conduct of their scientific activities. They may have extremely varied research programs encompassing numerous fields and disciplines of science and dealing with fundamental science, basic and/or applied research and technology. Other activities involve the administration and planning of research, expansion of research facilities, dissemination of scientific information, training of scientific manpower, and the collection of general purpose statistics in both the natural and social sciences.

Thus, at the present time, there is no single executive branch agency which is responsible for the planning, coordination, and centralization of all of the civilian, or non-military, scientific and technological activities of the Federal Government. Independent agencies, such as the Atomic Energy Commission, the National Advisory Committee for Aeronautics, and the National Science Foundation, are carrying on their own programs; and numerous components of other departments, such as the National Bureau of Standards, the Office of Technical Services, and the Patent Office are carrying on their work within the Department of Commerce. In addition, the Departments of Agriculture, Health, Education, and Welfare, and Interior maintain their own programs, and departments and agencies have varying programs and responsibilities.

Although efforts at coordination have been made, from time to time, through the creation of science advisory groups and interdepartmental committees, such as the President's Advisory Committee on Science and Technology and the Interdepartmental Committee on Scientific Research and Development, there continues to be an urgent need for better coordination of activities among these agencies and the more than 30 other components of the executive departments and independent agencies which are engaged to some extent in scientific activities.

I submit that there is something which can be done to correct this situation. One such proposal now under consideration provides, among other things, for the creation of a Department of Science and Technology. This approach is incorporated in a bill, S. 3126, which I introduced together with Senators McCLELLAN and YARBOROUGH, early in the present session of the Congress as a proposed Science and Technology Act of 1958. The establishment of such a department would permit a civilian official of Cabinet rank to bring together all of the major non-military, governmental science functions into a single agency. This would enable each service to be fully utilized in the development of a concerted effort in the formulation of scientific programs, including a new component for the development of astronautics and outer space exploration and research, which should be created for that purpose within the proposed department, and not just as another independent agency. It also proposes to coordinate within the department, the functions of other Federal agencies engaged in the promotion of scientific programs, and certain fundamental science functions of other departments.

Now, how is the Congress itself organized to meet its obligations in the scientific and technological fields?

I am sorry to have to report to you that the same lack of coordinated effort and the same diversity of responsibility which is found in the executive branch in the scientific and technological fields also exists in the legislative branch.

Thus, according to a recent study by the staff of the Committee on Government Operations of the Senate, there are at least six standing, legislative committees which deal with these matters in the Senate, in addition to the Appropriations Committee. Thus, the Joint Committee on Atomic Energy and the Committee on Agriculture deal with research and development programs relative to the Atomic Energy Commission and the science programs of the Department of Agriculture. The research and development programs of the armed services are handled by the Armed Services Committee. Some of the programs of the National Science Foundation and the National Advisory Committee on Aeronautics, as well as those of the Patent Office and other components of the Department of Commerce, are handled by various committees, such as Interstate and Foreign Commerce and Labor and Public Welfare.

There is, however, no single standing, special or joint committee which coordinates and evaluates the programs, work and needs of all of the Federal executive agencies and departments which are carrying on scientific activities, or the relationship of one such program to others in the same general field. All of this results in much lost motion, duplication, overlapping, and the other ills which usually accompany lack of coordinated effort.

Although there is some evidence of considerable opposition to certain of the proposals set forth in the proposed Science and Technology Act, I believe that careful consideration should be given to the recommendations of the staff of the Committee on Government Operations.

These recommendations which resulted from more than 6 months of careful and conscientious study also propose to establish in each House of the Congress standing committees on Science and Technology, adequately staffed by competent specialists, vested with the authority to procure the services of consultants in specialized fields as required. These committees would be authorized to exercise legislative oversight with respect to all matters pertaining to non-military governmental scientific and technological activities. This specific recommendation was not incorporated in the bill as introduced for the following reasons: (1) It was felt that consideration should first be given to whether or not a Department of Science and Technology is to be created; (2) leadership determination should be ascertained in both Houses before definite proposals should be considered, in order to effect the necessary rules changes governing majority and minority assignments relative to the number of committees to which a Member may be assigned, and the transfer of the function of the Joint Committee on Atomic Energy to the standing committee; and (3) a determination should be made as to whether such committees should be created to insure coordination of civilian science functions at the legislative level, regardless of whether a new department is established.

We are living in the fastest-moving world mankind has ever had to live in. If we are to survive, we must streamline governmental organization of Federal science activities and establish the necessary governmental machinery, both executive and legislative, to meet the challenge for existence.

The Subcommittee on Reorganization of the Senate Committee on Government Operations, of which I am chairman, began hearings last week on certain provisions of the Science and Technology Act of 1958, and these hearings will continue tomorrow and Wednesday.

These hearings will be the first phase of the committee's study of necessary reorganization of science activities in the Federal Government. The hearings will be limited to consideration of a program for coordination of scientific and technical information. The committee has received various proposals dealing with the important problem of improving the assembling, translating, abstracting, collating, storage, retrieval, and dissemination of technical information from both private and governmental sources, and will endeavor to formulate a coordinated program in which all qualified agencies, both inside and outside of Government, may participate.

While the first objective of these hearings will be to develop information as to the need for further legislation to enable the Federal Government to establish a program to insure the adequate dissemination of scientific and technical information, the immediate need is to provide the Committee on Appropriations with the necessary data as to the fiscal requirements of the Federal Government to properly coordinate its activities, and to effect a cooperative program with private activities in this field.

The bill also contains a number of other vital provisions dealing with science activities, but in view of the fact that most of these relate to matters which are under consideration by the Committee on Astronautics and Space, established by the Senate for this purpose, these matters will be first considered by that committee, and by the Committee on Labor and Public Welfare. Hearings on these aspects of the bill will, therefore, be deferred until a coordinated program can be worked out between these committees and the Committee on Government Operations relative to the development of essential information required for congressional action.

Now, involved in all this is the issue of adequate financing for our scientific and technological programs.

During fiscal year 1957, our Government devoted slightly more than \$3 billion for all research and development activities; the estimate for 1958 is \$3,427,000,000; and the President has requested only \$3,722,000,000 for such programs for fiscal year 1959.

I submit that when our national survival is at stake, certainly the richest nation in the world can afford to devote a little more of its great wealth to the basic and applied research which is not only necessary to our own national survival, but may well enable us to benefit all mankind. The history of science demonstrates that, except for purely military or defense research and development, scientific discoveries, and subsequent technological developments have contributed vast wealth to this Nation and enabled us to aid the free world. If we are to avoid the same lag in our national economy, and thus our ability to aid the free world, as happened in the astronautical and missile field, we must provide the necessary funds to permit our scientists and technologists to retain or regain the world lead in science.

So much for my general view of the organizational and financing problems of the Federal Government in relation to scientific activities. Let me now turn to a few comments on a specific area of relations between science and government in which I have lately been continually and directly involved.

II

Through my work as chairman of the Subcommittee on Disarmament, I have had occasion to experience some interesting relationships of science and government. One of the most significant of these is the detection of nuclear-weapons testing and whether the United States should seek an international agreement to suspend such tests with an inspection system.

Science and scientists enter the nuclear-weapons-test issue because it is science that must give us most of the information on the capabilities of any detection and inspection system. Through no fault of the scientists, the Disarmament Subcommittee had a great deal of difficulty in obtaining information on the nature of an inspection system. We were first told by some of our political leaders that such material was highly classified. Mr. Stassen, when he was the President's disarmament adviser, would give the subcommittee absolutely no information on what his inspection task forces had concluded about the requirements of an inspection system for a suspension of nuclear tests or the inspection system for any other disarmament proposal.

When administration spokesmen, as well as some highly placed scientists associated with the Atomic Energy Commission, began asserting quite definitely that nuclear tests would be conducted secretly, then it became necessary to pursue the detection problem with great diligence.

First, the subcommittee needed to find out what, if anything, the executive branch had developed in the way of an inspection system for the detection of tests. And then the subcommittee had to seek to have the information on detection released to the public.

One of the most frustrating experiences a Member of Congress can have is to receive information which is essential to discussion of a public issue, but, at the same time, be bound not to reveal the information to anyone outside of a few individuals who have been cleared to receive such information. So we had two problems facing us—to get the information and then to work for the release of it.

The subcommittee, after several weeks of preliminary investigation, learned that some information regarding an inspection system had been developed. Upon the decision of the appropriate political leaders, the scientists were permitted to come before the subcommittee and present testimony. The testimony was excellent. The scientists had done a lot of homework and their preparation showed it.

In general, the testimony revealed that the detection of tests was not so simple a problem that we could suspend tests and rely on our present detection system to assure us that nobody was trying to cheat. On the other hand, the testimony also revealed that our scientific instruments were sufficiently developed that with an inspection system inside the Soviet Union the possibility of the Soviets cheating on a test suspension and getting away with it would be highly unlikely.

With the completion of this testimony by reputable scientists the first phase of our problem had been completed. We had some concept of the requirements of an inspection system. The next step was to get the information made public. As a result of holding the executive hearings we had some basis for judging the testimony of other witnesses, particularly those who testified in public session. In addition, from the information available to us the subcommittee was able to circulate a questionnaire to some 37 seismologists around the country to obtain further data on the problem of the detection of underground nuclear explosions. The answers to this questionnaire are almost all in and it is my expectation that the subcommittee will soon have them analyzed, summarized, and published.

I do not mean to suggest by my comments that the subcommittee has finished its examination of the issue of the suspension of nuclear weapons tests. But I do wish to suggest some significant aspects of the work of science on this issue.

Science plays the essential role in developing the techniques by which we could inspect for a suspension of nuclear weapons tests. This is a key function and a necessary role. But once the scientists have submitted their various proposals and have pointed out their advantages as well as their weak points, then it is the responsibility of the political leaders to decide whether to propose that a suspension of nuclear weapons tests should take place, whether it should be unilaterally or multilaterally agreed upon, under an international agreement.

Scientists have a right and obligation to give their opinions on these matters just as any citizen has a right and a responsibility to give his opinions, and these opinions should be based on as much information as can be put into their hands. But it is wrong for the political leaders of government to leave to scientists political decisions.

Scientists cannot decide by themselves whether the United States should propose to the Soviet Union that we should seek an agreement to suspend nuclear weapons tests. They cannot decide because this is not their responsibility or even their capability. They also cannot decide because even on a matter as technical as the detection of nuclear weapons tests there are no absolutes. I believe that when the evidence is in and weighed carefully, it will reveal that the question of whether we should seek to end bomb tests comes down to a choice of risks. In its unanimous report of last September, the

Disarmament Subcommittee stated that "it would be deceiving to the American people and the people of the world to advertise any plan as perfect. Examination of numerous disarmament proposals reveals none that can be said to be absolutely foolproof against evasion." The subcommittee went on to state that "Every proposal entails risks; risks as to the possibility of clandestine evasion and as to military security. The question is not one of finding an ironclad inspection formula but of adopting arrangements that will satisfy the defense needs of the country. In essence, the subcommittee believes that the basic question is to decide whether the risks of doing something to curtail the threat of war by reducing armaments are less than the risks of doing nothing and allowing the armaments race to continue indefinitely."

This conclusion of the subcommittee is especially pertinent to the issue of nuclear test suspension. My position is based on weighing the risks as stated in the subcommittee's report. It is my contention that if we do not take some action soon to slow down the armaments race, the world will eventually become embroiled either in a catastrophic nuclear war or it will become bankrupt trying to keep up with the vastly increasing costs of creating and building new and more modern weapons of attack and defense.

I would like to see the United States propose a suspension of nuclear weapons tests with inspection because I want to know whether the Soviets are really as concerned about the possibility of nuclear war as we are. I would like to know if their slogans about peace really mean peace or whether they are merely a guise to force us to let down our guard and become complacent. I would like to see whether the Soviet Union is sufficiently interested in making a first step toward halting this terrible arms race by paying the price of allowing its closed territory to be opened up just a little to include an inspection system.

I know that if we did eventually obtain a suspension of nuclear weapons tests we would be sacrificing some important aspects of our own weapons development. I think that when we make a decision to suspend tests or when we as individual citizens, or as Members of Congress advocate a test suspension we must do so with full knowledge of the possible consequences. But I submit that the Soviets would also pay a price in weapons development if they stopped. The situation would be, as one of our scientific witnesses stated, symmetrical. Both sides would be similarly affected.

I think a test suspension would need to allow provision for some testing under international supervision or under international auspices to see whether the inspection system is working. It should also allow development and some testing of nuclear explosives for peaceful purposes.

Since there are risks involved, and since there are military, scientific, and political factors that must be weighed, it is the President and his principal political advisers who must decide whether a test suspension is in the national interest. And it may also be the responsibility of the Congress, and particularly the Senate, to decide at some time whether a test suspension agreement should be tried. It is my opinion that a test suspension agreement is in the national interest, if the Soviet Union will agree to the necessary inspection system. I do not understand why the President needs to delay, because the longer he delays the more difficult it will be to reach agreement. We have listened to the scientists and now it is time for the political leaders to make up their own minds.

It is unfortunate that the President and his executive department could not be candid with the public and issue the necessary

reports and facts concerning the detection problem. But, I am thankful that our Government provides for a separation of powers so that the legislative branch can attempt to pry the facts loose.

It is unfortunate that the agencies which are most against a test suspension proposal are the ones which have made important errors of fact or omission regarding our ability to detect tests. Such errors, although they probably were made inadvertently, or at most as a result of negligence or unconcern, raise a large shadow of doubt regarding their reliability as transmitters and reflectors of the truth.

RADIOACTIVE FALLOUT AND NUCLEAR TESTS

Another aspect of the test issue concerns the matter of radioactive fallout. Many of our citizens want nuclear tests stopped out of concern for their health and the health of their progeny. I share this concern. I am the father of 4 children and I want to be as sure as I can be that their health and their children's health will not be jeopardized as a result of nuclear weapons tests.

At the same time, I do not wish to act foolishly and call for the cessation of tests on grounds of health if the health issue is not really an issue. In other words, if the radioactive fallout resulting from nuclear weapons tests is not today and will not in the future cause appreciable damage to the world's populations, then I do not think that the fear of fallout should be used as an argument to end nuclear weapons tests. The arms race and the threat of nuclear war are the main reasons why tests should be suspended. The danger of fallout may be another reason for ending tests but I am not yet convinced that it is. And if it is not, then I do not think that responsible people should cry wolf and scare the American people into thinking that radioactive fallout from tests is threatening and destroying lives.

On the other hand there is a great deal that apparently is still not known about the problem of radioactive fallout. Information regarding the matter has not always been promptly and thoroughly given to us by the executive agencies most knowledgeable on the question. So I would also argue that in the absence of complete information responsible officials should not try to belittle the problem and say the problem of fallout is comparable to wearing a wrist watch. I would only note here that I can decide for myself whether or not to wear a wrist watch. I do not have the power to decide whether the fallout from tests will affect my health and the health of my children. This decision is out of my hands and the hands of millions of people throughout the world. The wrist watch analogy, therefore, is highly misleading.

One principal problem regarding the fallout issue is that the agency which is conducting the tests is the same agency which is reporting on the nature of the fallout hazard. This is making the judge and the defendant the same person. The Atomic Energy Commission apparently is deeply committed to a continuation of testing. The Commission evidently cannot even conceive that a time may arrive when tests will no longer be necessary. If that is the case, then the Atomic Energy Commission should not be the agency which is responsible for reporting on the degree of fallout which results from tests. This is a case where the scientists of the AEC should not be put in the position of defending as well as judging the merits of a continuation of tests and the nature of the fallout hazard. A new group of scientists should have responsibility to study and report on the amount of radioactivity being thrown into the world's atmosphere. This group might originate in the Weather Bureau, the Public Health Service, or the Food and Drug Administration. But wherever it

is, it should be independent of the Atomic Energy Commission. I say this not only because I believe that then we shall be more assured that the information given us is reliable and accurate. I also say it because I think that in all fairness to the scientists who are working for Government, that they should not have to be subjected to conflicting loyalties. In this way science is protected and so are the interests of the American people.

ANNIVERSARY OF THE ADOPTION OF THE CONSTITUTION OF SWEDEN

Mr. HUMPHREY. Mr. President, today the people of Sweden mark the anniversary of the adoption of their liberal constitution in 1809. I think it is entirely fitting and proper that we in the United States send our greetings and congratulations to the liberty-loving people of Sweden on this occasion.

The constitution of 1809 gave Sweden its first formal parliamentary authority to balance the rights of the people against the powers of the king. Respect for constitutional government is deeply held in Sweden. This is a solid basis for democracy there, just as it is in our own country.

We can take great pride in the contributions by Swedes and their descendants to agriculture, business, labor, art, and literature in the United States. I am especially proud that the State of Minnesota has been blessed so generously with the presence of citizens of Swedish origin.

The cultural achievement of August Strindberg in the foundation of modern drama in Europe is matched in our own country by the American poet of the people, Carl Sandburg, a second generation Swede. And we cannot forget the great humanitarian work in the cause of peace by such devoted men as Count Folke Bernadotte and Dag Hammarskjöld, former Secretary-General of the United Nations.

Mr. President, I think all Americans will welcome this occasion to honor and to greet the free and independent people of Sweden on this anniversary of the adoption of the first Swedish Constitution.

ANNIVERSARY OF THE ADOPTION OF THE CONSTITUTION OF DENMARK

Mr. HUMPHREY. Mr. President, it gives me great pleasure to greet the people of Denmark who celebrate today the anniversary of their first constitution, adopted in 1849.

Inspired by the liberal European spirit of 1848, the people of Denmark asked their King for a liberal constitution. King Frederik VII then voluntarily renounced royal absolutism and promised his people a constitution.

A national assembly, elected by the people, drafted a constitution and it was adopted, with the King's approval, on June 5 of the following year. This peaceful evolution from unchecked royal power to liberal constitutionalism is a landmark in the progress of democratic political institutions.

The advanced social legislation which marks the recent history of Denmark has strengthened freedom and democratic institutions. In this spirit of freedom, Denmark is a strong and reliable partner in the North Atlantic Treaty Organization.

Mr. President, the historic friendship between Denmark and the United States is based on a mutual belief in freedom and opportunity for each individual. The presence of many Danish people and their descendants in this country has been a valuable contribution in maintaining the way of life we cherish in the United States. I am sure that all of us join in saluting the heroic people of Denmark on this important anniversary.

THE ADMINISTRATION'S MANAGEMENT OF THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared concerning Senate bill 2990, which would amend Reorganization Plan No. 2 of 1953, as it affects the Rural Electrification Administration; and also an editorial entitled "Doesn't Help REA Cause," published in the Ohio Farmer magazine for April 5, 1958. I commend this editorial to the reading of my colleagues.

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

STATEMENT BY SENATOR CAPEHART

On last Wednesday the junior Senator from Minnesota [Mr. HUMPHREY] made a lengthy speech with insertions in the CONGRESSIONAL RECORD, the purpose of which was to cast discredit on this administration in its management of the Rural Electrification Administration. He took this method in announcing that public hearings would be held starting on June 5 on a bill, S. 2990, which would amend Reorganization Plan No. 2 of 1953 as it affects the REA. This bill was introduced on January 13, 1958. Now hearings are scheduled in the closing days of this session. It is evident that the party of the junior Senator from Minnesota has found they can no longer frighten the farmers of this country with financial disaster. They are, therefore, seeking new issues that they hope will be helpful to them in the coming campaign.

It is regrettable that in this effort, they are making a political football of such a fine institution as the REA.

The Secretary of Agriculture has been responsible under a reorganization plan passed by this Congress in 1953 for the service this agency has provided rural America. Let me quote the Senator's own words concerning the way this splendid institution is meeting its allegations:

"The rural electric systems have a most enviable repayment record. I submit that no other lending agency of the Federal Government can claim as good a repayment record; and this repayment record was made despite the fact that many of the loans were made at a time when the economic conditions were very bad and when the number of customers in the particular areas was limited. Overall, the program is one of the most successful social and economic programs ever initiated by the Federal Government.

"In two decades this program has succeeded in bringing rural America out of darkness. Not only has the farmer benefited from REA, but his improved standard of living brought about by REA has been the

foundation of increased prosperity for the entire business community of the Nation. The electrified farm is a consumer farm. It uses not only electricity but also electrical appliances, steel, petroleum, and rubber products, as well as the many consumer items the prosperous farm family buys.

"Thus the Nation is receiving tremendous dividends, social and economic, on a modest investment."

Why then will the junior Senator from Minnesota in the same speech make such statements as these:

"Meanwhile, his (the Administrator) superiors back in Washington are hatching new schemes for crippling the REA program."

"To put it bluntly, the Eisenhower-Benson drive aims to emasculate REA—one of the most successful social and economic programs ever initiated by the Federal Government."

"Today we can see that Mr. Benson's action in taking over REA was no haphazard by-product of the 1953 reorganization. Instead it is part of a deliberate plan to restrict and to destroy once and for all this thorn in the side of the Power Trust."

I would remind my listeners that the REA has been under the guidance of the Secretary of Agriculture, Mr. Benson, since 1953. We can wholeheartedly concur in the junior Senator's glowing description of this agency. It is regrettable that in the same speech he had to make the derogatory remarks that I have quoted.

The junior Senator makes three charges—to quote from his statement:

"First, is, as I have said, to dominate the actual workings of REA as an efficient Government agency."

"Second, is to raise the cost of financing so that REA borrowers will no longer be a serious factor in the utility business in rural areas."

"Third, is to cut off Federal loans and give private lenders an opportunity to get their hands on the best of the REA business."

In view of the seriousness of the charges that have been made as to the administration of the REA program it is important that we should know the true facts.

REA was created as an independent agency of the Government by the Rural Electrification Act of 1936 (7 U. S. C. 901, 914). Section 1 of the act provided that all of the Administration's powers would be exercised by an Administrator. However, that section was substantially modified by section 5 of President Roosevelt's Reorganization Plan No. 2 of 1939 (5 U. S. C., p. 125), which transferred REA and its functions and activities to the Department of Agriculture and provided that such functions and activities "shall be administered in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture."

I call attention to the fact that it was President Roosevelt's Reorganization Plan No. 2 of 1939 that provided that such functions and activities of the REA shall be administered "under the general direction and supervision of the Secretary of Agriculture."

In 1944 a question arose about the making of allotments as required by the act. The Department took the position, with the full legal approval of its solicitor, that the Secretary's duty to supervise and direct the activities of REA not only permitted him to approve the allotments but made it his duty to do so if desirable for the proper operation of the program.

This conclusion was based on decisions of the courts, notably *Knight v. United States Land Association* (142 U. S. 161), and the decision of the Comptroller General (19 C. G. 400). In the *Knight* case the Supreme Court concluded that the words "direction and supervision" are synonymous with the word "control" and import broad powers including



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org