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Comptroller

28 February 1951

Assistant Comptroller

CIA Leave Policy for Overseas Personnel

1. At a meeting on 21 February 1951 attended by representatives of the Legal, Security and Comptroller's Office (See Tab A) it was recommended that:

a. The Agency should adopt a leave policy for overseas employees which was secure, consistent, and equitable.

b. Since the conditions of service of CIA overseas employees are comparable to the conditions of service of Foreign Service employees, the Foreign Service Leave System should be adopted by CIA.

I was instructed to study the Foreign Service leave regulations, confer with State Department officials regarding the methods of operating this system, and prepare a specific instruction providing for the adoption of this system by CIA.

2. There is attached hereto as Tab B a comparison schedule showing the principal points of difference between the Standard (Civil Service) and the Foreign Service Leave Systems.

3. There is also attached as Tab C a letter from the Assistant Secretary of Defense to the Speaker of the House of Representatives regarding proposed legislation to correct inequity and disparity among the three military departments in the matter of leave of overseas employees. While the leave problems confronting the military agencies are not identical to those confronting CIA it is perhaps significant that their study and review of the general problem resulted in the following conclusions:

a. The existing disparity in leave policies and practices has a depressing effect upon employee morale and efficiency.

b. Employees who are recruited in the U. S. for overseas duty should be permitted to accumulate annual leave to a higher maximum than that which is presently authorized for domestic service in the U. S.

c. The authority to grant duty-status round-trip travel time to mainland recruited employees for the purpose of taking annual leave in the U. S. is desirable for its salutary effect on employees' morale and efficiency.

You will note that the Foreign Service Leave Regulations, attached hereto as Tab D, incorporate the principles outlined above.

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4. I have reviewed with State Department officials the methods employed by the Department in accruing, granting and recording leave under the Foreign Service Leave System, and it does not appear that CIA would experience any unusual difficulties in the practical administration of this system.

5. The Foreign Service Leave System would appear to have the following advantages as compared to the Standard (Civil Service) Leave System:

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[Redacted]

c. would improve employee morale and efficiency by increasing the maximum accumulation of leave that could be used for rest, recuperation, and in emergencies;

d. would be fair and equitable to the employee and the government since it would extend privileges and benefits identical to those approved by the Congress for Foreign Service personnel serving under comparable conditions (as well as ECA personnel and personnel of other government agencies, Commerce, Agriculture, etc., serving with State Department overseas);

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[Redacted]

f. would enable the Agency to withhold the granting of leave when the employee's absence would adversely affect the interests of the service.

6. The Foreign Service Leave System would appear to have the following disadvantages as compared to the Standard (Civil Service) Leave System:

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a. Costs to the Agency would be increased because the excess rate of accrual and the increase in maximum accumulation would result in larger lump sum payments at the time of termination or transfer to a different leave system. [Redacted]

[Redacted]

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b. Presumably the Agency would be deprived of the employee's services for a longer period of time each year because of the increased rate at which annual leave is earned. However, I am informed by State Department officials that restrictions on granting leave under the Foreign Service System are such that as a practical matter the actual leave taken is not as great in proportion as the increased rate of accrual under this system might indicate.

7. Attached hereto as Tab E is a draft of a proposed Administrative Instruction which provides for the adoption of the Foreign Service Leave System as of 1 April 1951. This Instruction is in effect a synopsis of the Foreign Service Leave Regulations, except that paragraph 5 e, paragraph 8 after the word Provided, and paragraphs 9 and 10 contain provisions that are intended to cover contingencies and problems that are peculiar to CIA.

8. If it is decided that the Foreign Service Leave System should be adopted by CIA as of 1 April 1951, the following action would be required:

a. The attached Administrative Instruction should be released on or before 15 March 1951;

b. A copy of the Foreign Service Leave Regulations with an appropriate Agency Notice should be released to all Agency field installations not later than 20 March 1951;

c. The Personnel Division would establish a roster of "Field" employees as of 1 April 1951;

d. The Finance Division would convert the leave of all employees on this roster from the Standard (Civil Service) Leave System to the Foreign Service Leave System as of 1 April 1951;

e. Thereafter the leave of field employees would be accrued, accumulated, granted, and administered in accordance with the provisions of the attached Administrative Instruction and Foreign Service Leave Regulations.



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Attachments

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Comparison of Standard (Civil Service) and Foreign Service Leave Benefits

Standard (Civil Service) Leave BenefitsForeign Service Leave Benefits1. Rate of accrual

- (a) Annual leave accrues at the rate of 26 working days per year. Equivalent to 36 calendar days.
- (b) Sick leave accrues at the rate of 15 working days per year. Equivalent to 21 calendar days.

2. Maximum accumulation

- (a) The accumulated maximum of annual leave which may be carried into a new calendar year (with certain exceptions) is 60 working days. Equivalent to 84 calendar days.
- (b) The accumulated maximum of sick leave which may be carried into a new calendar year is 90 working days. Equivalent to 126 calendar days.

3. Granting of Annual Leave

- (a) An employee has a legal right to take leave which he would otherwise lose, without regard to the needs of the service.
- (b) Any or all leave accumulated may be granted at any time or place. Except that all leave earned in the U.S. in the calendar year 1950 must be taken before 30 June 1951 or forfeited (Public Law 789)

4. Lump Sum Payments for Leave

- (a) Lump Sum payment for accumulated annual leave may be made upon termination or upon transfer to a position under another leave system.

1. Rate of accrual

- (a) Annual leave accrues at the rate of 60 calendar days per year. Equivalent to 42 working days.
- (b) Sick leave accrues at the rate of 15 calendar days per year. Equivalent to 10 working days.

2. Maximum accumulation

- (a) The accumulated maximum of annual leave which may be carried into a new calendar year is 180 calendar days. Equivalent to 120 working days.
- (b) The accumulated maximum of sick leave which may be carried into a new calendar year is 120 calendar days. Equivalent to 86 working days.

3. Granting of Annual Leave

- (a) An employee must take his leave at times and periods when his absence will not adversely affect the interests of the U.S. He does not have the right to take leave without regard to the needs of the service.
- (b) leave is limited to 30 calendar days per year, except that after a full year abroad, and thereafter in alternate years during the course of his tour of duty abroad, an employee may be granted an additional 30 calendar days of annual leave for use only in the U.S. Not more than 60 calendar days of leave may be granted at any one time except in the case of illness or under unusual circumstances.

4. Lump Sum Payments for Leave

- (a) Lump Sum payment for accumulated annual leave may be made upon termination or upon transfer to a position under another leave system.

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things are needed. First, greatly increase size of these ICC orders; second, insist upon immediate compliance with orders; third, extend life of orders beyond expiration date of March 31. Urgency of immediate action on this program cannot be overemphasized.

LUTHER W. YOUNGDAHL,  
Governor of Minnesota.  
NORMAN BRUNSDALE,  
Governor of North Dakota.  
JOHN W. BONNER,  
Governor of Montana.  
SIGURD ANDERSON,  
Governor of South Dakota.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### TELEVISION AND BROADCASTING IMPORTANT HOUSE DEBATES

Mr. JAVITS. Mr. Speaker, the new smash hit on TV is the Senate Crime Investigating Subcommittee in New York. The hearings have hit a Hooper rating of 26.2—more than 1 in every 4 sets is tuned in—in the New York area, a new all-time high and 20 times normal. Yet this is not entertainment. It demonstrates the deep interest of the people in seeing and hearing what goes on in public affairs. I think it fair to say it proves that televising and broadcasting the important debates in the Congress would prove just as popular and just as important. Let us make the fishbowl in which we properly operate as big as the country.

My resolution—House Resolution 42—gives the Speaker full power to control televising and broadcasting of the House sessions to be sure that it is not done with a snooping camera seeking to embarrass. Rather it is a means for extending the House gallery to include the whole country. Those who have been deeply disturbed by the fact that 40 percent of Americans chronically do not vote despite the present crisis for democracy, have their answer in awakening the interest of our people in Government by making them a part of it as TV is doing in New York today.

#### HOOR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### SPECIAL ORDERS GRANTED

Mr. REES of Kansas asked and was given permission to address the House for 10 minutes tomorrow, following the legislative program and any special orders heretofore entered.

Mr. BENDER asked and was given permission to address the House for 20 minutes tomorrow, following the legislative program and any special orders heretofore entered.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Cali-

fornia [Mr. McKINNON] is recognized for 30 minutes.

#### MEDICAL EDUCATION

Mr. McKINNON. Mr. Speaker, the medical education bill which I am introducing today speaks for itself. The average citizen, I am sure, can understand it on the first reading. More important, he will appreciate the soundness of a plan that proposes to safeguard the health of our fighting forces and civilians alike, by the investment of a quarter of 1 cent for every dollar spent on guns, tanks, planes, and ships, in the constructive effort to increase the number of doctors in our country.

There is a critical shortage of doctors in the United States today. In the year 1950 we had fewer general practitioners of medicine than we had in the year 1940. Significantly, while the population of the United States increased about 15 percent in the 10 years from 1940 to 1950, the number of general practitioners decreased over 12 percent in these 10 years. During these years not only did the needs for medical care increase but since the Korean crisis last summer the Armed Forces have announced they will need 17,500 physicians, which is 11,300 additional physicians to care for our expanded force of 3,500,000 in the armed services. The needs of our Armed Forces for additional doctors has already increased the shortage of doctors for the civilian population, and the worst is yet to come. If any crisis should develop, such as an atomic attack upon us, the need for doctors would become desperate—tragically desperate.

Even now the acute shortage of doctors is a critical national problem. Generally, medical education—as well as other forms of education—should be a local community problem. It is the hope that the towns, cities, and States of this country will continue themselves—combined with private effort—to do everything humanly possible to increase the number of well-trained doctors to meet the present emergency needs. But the problem on a Nation-wide scale is today of such an emergency character that the Federal Government should participate over the next 5 years to help finance the training of an adequate number of doctors to meet our national health needs.

It is to be borne in mind that in order to graduate more doctors annually without impairing the level of medicine, we must provide for an expansion of existing medical colleges, particularly as to classrooms and teaching staffs, in addition to the expansion of the hospitals connected with the medical colleges, including clinics and kindred facilities. Yet it is well known that the medical colleges today are experiencing great difficulties in supporting themselves as they are. They, therefore, are in no position to finance a 5-year expansion plan in order to increase the number of doctors for our people.

If we have enough well-trained doctors to meet the health needs of the country, the free competitive system will work so that there will be more doctors available for the rural areas and smaller cities where there exists today a dangerous lack of physicians. With enough well-

trained doctors, we ought to be able effectively to work out an extension of the voluntary hospital plans and other private means for supplying adequate medical care to all the American people.

When we consider what we are spending for guns, planes, ships, and tanks and other weapons of war to prevent war and to safeguard the peace, we ought to be willing to spend one-fourth of a cent for every dollar spent for munitions in order to help preserve life and to safeguard the national health without which we cannot be a strong and vital nation, and a nation capable of securing the peace.

We need to act—and to act promptly—to begin to have enough highly trained doctors, particularly general practitioners, to meet the vital health needs of this country, for it is already later than we think.

Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from North Carolina [Mr. CHATHAM].

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. CHATHAM] for 25 minutes.

#### ORGANIZATION AND OPERATION OF THE DEPARTMENT OF STATE

Mr. CHATHAM. Mr. Speaker, on Wednesday, March 14, the gentleman from Illinois [Mr. BUSBY] made a speech on the floor of this House and said that the Secretary of State, Hon. Dean Acheson, was scheduled to release a directive which, in his opinion, would have a far-reaching effect on our foreign policy and would be more detrimental to our country than anything that has taken place in our entire history. He said that it was by far the most subtle and clever scheme he—the Secretary of State—had ever engineered and that without any Member of Congress having knowledge of it, except for the last few days, he was about to put into effect a so-called amalgamation or integration of the State Department and our Foreign Service. The gentleman further stated that if Congress did not take steps immediately to have Secretary Acheson hold this directive in abeyance until such time as all Members of Congress could thoroughly study the meaning of it and all its implications, it would be too late for us to do anything about it.

I do not know where the gentleman from Illinois got his information, but as chairman of the Subcommittee on the Organization and Operation of the Department of State of the Foreign Affairs Committee I can say that he evidently did not know the true facts of the case. This consolidation has been worked on and talked about for several years, and there has been nothing secret or nefarious or of "clever maneuvering" going on. The gentleman further has charged that the Secretary of State is attempting to make himself a dictator

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gentleman apparently entertains. The gentleman from Illinois said last week that this personnel improvement plan was based on one sentence of the Hoover report. That is not so. On the contrary, the Hoover report on foreign affairs covers this subject thoroughly on eight pages out of their 73-page report. It is interesting to know further that the Hoover Commission task force which made this study was headed, not by Secretary Acheson as Congressman Busby suggests, but by two former Republican Assistant Secretaries of State—James Grafton Rogers and Harvey H. Bundy—with Henry R. Stimson as principal adviser.

To set the record straight, I would like to recall to you that after the Hoover Commission's report was issued a special committee was set up composed of Hon. Robert Ramspeck, who probably knows more about civil service than any other man in the country; Hon. James Rowe, who was a member of the Hoover Commission; and the United States Ambassador to Haiti, Mr. DeCourcy, a veteran of 30 years experience in the career of Foreign Service. This commission endorsed the proposal made in the Hoover Commission report, and the State Department has been working on the matter constantly ever since.

I can reassure the Members of this House that the State Department had no intention of reorganizing its personnel systems before consulting with the Congress. The representatives of the State Department have been trying for some time to set up a meeting with our committee, but our crowded schedules and various other reasons prevented this first meeting until last week. For the information of the gentleman from Illinois I will take personal responsibility for the delay in the meeting which was scheduled to occur at the request of the State Department before his speech on the floor of the House. As chairman of the subcommittee, I asked that the meeting be scheduled with the State Department at the end of our hearings on the proposed grain for India legislation, and a meeting was set for the morning of Wednesday, March 14. I had a long-standing engagement in North Carolina on that date and the following day, the 15th, to speak at the annual Farmers Day in my district, and knowing there was no hurry in the matter I asked the clerk of the committee to postpone the meeting until Friday, the 16th, at which time it was held. The gentleman from Illinois has indicated that a directive was to have been issued by the Secretary of State on March 16. In reply to his telegram to Secretary Acheson asking that he withhold issuance of the directive, he received a message from Assistant Secretary of State Humelsine, as follows:

In reply to your telegrams to Secretary and me. As I advised you in previous conversations, Department does not and never did have any intention of releasing any material on personnel subject until consultation held with appropriate committees of House and Senate.

It has been my understanding that the date of March 16 was set up some-

time ago as a target date by which time the State Department had hoped to have completed its hearings before the appropriate congressional committees.

I think most of us are in favor of a great many of the Hoover Commission's recommendations, and certainly I personally am for consolidating and streamlining the State Department in many respects. The Honorable John Peurifoy did an outstanding job as Assistant Secretary of State working along these lines. He is personally known to a great many of you. The proposed amalgamation of the State Department and Foreign Service personnel has been endorsed by the Board of the Foreign Service, which is an interdepartmental group set up by the Congress in 1946 to advise the Secretary of State on the administration of the Foreign Service. In fact, the Board of the Foreign Service recommended to the Secretary that he issue the directive which has so frightened the gentleman from Illinois. The Executive Committee of the Foreign Service Association, which is a voluntary association of Foreign Service officers, has endorsed this program. They evidently believe that it is going to help their organization rather than "wreck the Foreign Service," as the gentleman from Illinois has alleged.

The whole tenor of the recommendations has pointed out the fact that the amalgamation should take place over a period of several years so as to gradually go into effect and not upset the orderly operation of the State Department. I believe the members of the Foreign Affairs Committee who sat with me last Friday when Mr. Humelsine explained the State Department plan will agree that it is utterly ridiculous to charge that this measure would give the Secretary of State "the absolute power of a dictator" as the Member from Illinois said last week.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Montana.

Mr. MANSFIELD. I wonder if the gentleman at this point would include in his remarks the names of the members of the committee who were present at that meeting?

Mr. CHATHAM. I should be delighted to. At the meeting at which I presided the following members were present: Mr. KEE, Mr. CARNAHAN, Mr. VORYS, Mr. CARROLL REECE, Mr. BATTLE, and Mr. MANSFIELD.

I cannot understand how a perfectly logical, sensible plan of administrative reform can be magnified into a monstrous threat to the traditions and ideals of the Foreign Service.

Let me tell you what the State Department plans to do, then you can see how obviously exaggerated was the cry that this would put an end to the Foreign Service we have known.

For one thing, the State Department plans to have more of its people get experience abroad. This seems like a sensible thing to work toward in an organization that is in the business of foreign affairs. There are several ways by which they expect to accomplish this. First, they will have a number of Foreign Service and civil-service people

switch jobs for a couple of years under a personnel exchange program. That way the civil service careerman will get the benefit of experience working abroad at one of our embassies, while the Foreign Service man learns how things are done here in Washington. Under this exchange system, they will both retain their previous status—Foreign Service or civil service—after the exchange has been completed.

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

Mr. CHATHAM. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Is not what the Secretary of State proposes to do here exactly what the Hoover Commission recommended?

Mr. CHATHAM. It was within the recommendations of the Hoover Commission.

Mr. RICHARDS. It does not go as far as the Hoover Commission went, does it?

Mr. CHATHAM. It does not go as far as yet.

Mr. RICHARDS. Neither does it go as far as the Rowe-Ramspeck-DeCourcy special committee recommended.

Mr. CHATHAM. That is correct.

Mr. RICHARDS. In other words, these changes are very moderate proposals along the lines of the recommendations of the Hoover Commission and the special committee?

Mr. CHATHAM. These changes are in line with the recommendations. As yet they have not gone as far as they have recommended, but they are leading toward the complete recommendation. Whether that will be adopted is up to the State Department and the Congress and the congressional committees.

This program should assure you that the Government would have more experienced Foreign Service officers working in the various departments in Washington and more experienced departmental officers working abroad. It will also assist in keeping our Foreign Service representatives abroad more closely in touch with the trend of things back here at home. I am personally convinced that there is absolutely no danger of weakening the Foreign Service through this process, but that it will be immeasurably strengthened. Civil-service people are not going to be blanketed into the Foreign Service. They are going to be very carefully screened and only the best qualified people will be admitted. The over-all quality of Foreign Service will be improved in this program. From all I have been able to learn the standards of the Foreign Service will be raised, not lowered, under this program. Those chosen, strictly by merit, will be taken according to the provisions of section 517 of the Foreign Service Act of 1946.

I also understand the State Department plans to increase Foreign Service officers' recruitment at the bottom of the scale by taking into the Service a greater number of qualified young men and women by the competitive Foreign Service examination process. This is necessary to build up the strength of the Foreign Service for the years ahead and is in keeping with the Foreign Serv-

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ice Act of 1946. Today's high standards will continue to prevail and only the very best candidates will be accepted. That is the way it has been, the way it should be, and the way it is going to continue under these plans.

Still another improvement is going to be to simplify the various categories of Foreign Service personnel. The Foreign Service staff category will be converted into a technical and clerical group, and the Foreign Service reserve group will be used for temporary appointments.

Other points in the personnel improvement program will eliminate some of the existing inconsistencies in pay, classification and leave systems, and improve the processes of recruitment selection, assignment, training, and promotion of both Foreign Service and departmental employees. I have looked into this matter very carefully, and I am satisfied that the personnel improvement program is intelligent, logical, and a perfectly honest and conscientious attempt to improve the work of this Government in the field of foreign affairs.

The gentleman from Illinois has charged that the Secretary of State is attempting to make himself a dictator in the field of personnel administration, and alleges the plot is to throw wide the doors to patronage and favoritism in making appointments in Foreign Service. He has alleged that by clever maneuvering the Secretary of State has brought his stooges into 19 of the 20 top jobs of the State Department, and I say to you that this charge is reckless, unfair, and has no basis in fact. I would like to list about 30 of the top jobs in the State Department—I will not stop at 20—and let you decide whether these men are stooges of the Secretary. I might remark that outstanding among these top places are outstanding citizens from North and South Carolina, and if Secretary Acheson has maneuvered them into these top jobs, I consider that he has done a most patriotic deed for his country.

I list herewith the top men under the Secretary of State in their ranking order in respect to the gentleman from Illinois' statements that Mr. Acheson had brought this stooges into 19 of the 20 top jobs in the State Department.

First. Hon. James E. Webb, Under Secretary of State: An outstanding citizen not only of North Carolina but until he came into the Government an outstanding success in the business world. You may know of his brilliant achievement in organizing the Sperry Corp., for this company grew from 800 men to 30,000 men, and gained widespread recognition as one of the best organized and operated corporations in America. Jim Webb left his position as vice president of the Sperry Corp. to enter the marines during the war. He served as a marine officer until he was called into the Treasury Department in a high position in 1945, and was brought here by our beloved North Carolinian, Hon. O. Max Gardner. He was next made Director of the Bureau of the Budget, and his work there was proof of his ability. With Jim Webb at the helm the Bureau of the Budget reached an efficiency it had never ob-

tained before, respected inside and outside the Government. He was chosen to be Under Secretary of State during a time of critical international conditions and has provided leadership and enlightened direction in the reorganization of the State Department. I personally believe that Jim Webb has done more to improve the operation of the State Department than any Under Secretary in the history of the Department.

Second. Harrison Freeman Matthews, Deputy Under Secretary: Mr. Matthews is a career Foreign Service officer. He entered the Foreign Service at the bottom in 1923 and served in diplomatic posts-all over the world. During the First World War Mr. Matthews was a naval officer; in the Second World War he served effectively on the important Combined Civil Affairs Committee of the Combined Chiefs of Staff, and as Minister and Counselor of Embassy in London. In 1947, after a long and exceptionally outstanding career as a diplomat capable of handling any assignment in the Foreign Service, Mr. Matthews was confirmed as Ambassador to Sweden. He was recalled from this important post last year to become the Deputy Under Secretary of State charged with coordinating the foreign-political affairs of the Department. Matthews has the well-earned reputation of being one of this country's most knowledgeable and distinguished career diplomats.

Third. Carlisle H. Humelsine, Deputy Under Secretary of State: Mr. Humelsine, after graduating from college, became assistant to the president of the University of Maryland. During the war he was a colonel of the General Staff, serving with distinction in the War Department and two theaters of operation. He was awarded the Distinguished Service Medal. After the war he joined the State Department as Director of the Office of Departmental Administration when Mr. Byrnes was Secretary of State. When General Marshall became Secretary of State, Mr. Humelsine was given the mission of organizing and directing the executive secretariat, which has proven to be one of the most significant organizations of the Department. Mr. Humelsine served as director of the executive secretariat until he became Jack Peurifoy's deputy last spring. He succeeded Mr. Peurifoy as Deputy Under Secretary when the latter became Ambassador to Greece. Mr. Humelsine is as near a career public servant as you can become and still occupy a political job.

Fourth. John Dewey Hickerson, Assistant Secretary, UN Affairs: Jack Hickerson is another career Foreign Service officer, a Texan, and a Republican. He entered the Foreign Service in 1920 as a lowly clerk in the consular service. Through outstanding ability he worked his way up to the position he holds today—Assistant Secretary for United Nations Affairs. Hickerson's experience has been comprehensive and varied. He is an expert in international organizations and international aviation, as well as an authority on Europe, South America, the Near East and Africa.

Moreover, he is a master of the difficult art of multilateral negotiation.

Fifth. George W. Perkins, Assistant Secretary, European Affairs: Mr. Perkins has been in the State Department for less than 2 years. He came to the Department from the business world in which he had distinguished himself for 30 years. Incidentally, he is also a Republican. It takes but a glance at Mr. Perkins' background to confirm that he is eminently qualified for the post he holds. Not only has he held high positions in an impressive number of important business enterprises but he has done much to further educational institutions and has served his country both in uniform and as a civilian. He served in World War I as a second lieutenant, in World War II as a full colonel. Mr. Hoffman prevailed upon him to head the important industries branch of ECA in Paris. He accepted his present post as Assistant Secretary of State for European Affairs at a great financial sacrifice because he felt it his patriotic duty to serve his country in time of crisis once again.

Sixth. Willard Thorp, Assistant Secretary, Economic Affairs: Mr. Thorp, a doctor of philosophy in economics, first entered the Government in 1923. Between that time and 1945, he served in various Government capacities, as a professor, and as a successful businessman. He was appointed Deputy Assistant Secretary for Economic Affairs under Secretary of State Stettinius; Assistant Secretary for Economic Affairs under Secretary of State Byrnes; continued as Assistant Secretary under Secretary of State Marshall and now Secretary of State Acheson. Mr. Thorp is more than one of this country's best economists; he is a skillful negotiator and a far-sighted and astute planner. He is also as much at home with international political problems as he is with the economic problems. Mr. Thorp, by the way, was the Director of the Bureau of Foreign and Domestic Commerce during the Hoover administration.

Seventh. Henry A. Byroade, Director of the Bureau of German Affairs: Colonel Byroade is a Regular Army officer who is on loan to the State Department from the Army. Colonel Byroade has a brilliant war record and was one of the youngest generals in the World War II. His reputation for politico-strategic planning is respected in military and diplomatic circles both in the United States and in other countries.

Byroade has distinguished himself in this country and abroad in his handling of the German problem. He came into the Department when General Marshall was Secretary of State.

Eighth. Thomas E. Cabot, Director, International Security Affairs: Mr. Cabot has been a distinguished Boston businessman for years. He is a former president of the United Fruit Co. and a former member of the board of this company. He has had a great deal of experience in dealing with other countries and has an enviable reputation for getting things done. He was brought into the Department to supervise the NATO operation and to administer the Mutual



Defense Assistance Act—a very tough assignment in view of the requirement to stimulate the enthusiastic cooperation of so many nations. Mr. Cabot, incidentally, is also a Republican.

Ninth. Jack McFall, assistant secretary, congressional relations: Jack McFall was well known to many of us long before he became an Assistant Secretary of State. He is a career Foreign Service officer who, before joining the Foreign Service, was clerk of the House Appropriations Committee.

Tenth. Charles E. Bohlen, counselor: Mr. Bohlen is a career minister in the Foreign Service. He has been a distinguished career officer for 22 years and is one of the foremost experts on the Soviet and world communism. He has held high posts in many of our embassies—including London, Paris, Berlin, and Moscow—as well as in the Department. Bohlen was also counselor when General Marshall was Secretary of State. Moreover, he has been adviser to five Secretaries of State.

Eleventh. George F. Kennan, former counselor: Mr. Kennan is also a career Foreign Service officer of distinction. He is now on sabbatical leave from the Department and is studying at the Institute of Advanced Studies at Princeton. Mr. Kennan is one of the most brilliant thinkers of our time and until recently held the position of counselor in the Department. He is the author of the famous Mr. X article, which depicted the treacherous and sinister nature of Soviet-directed world communism. Under Secretary of State Marshall he became the first Director of the Policy Planning Staff, an organization the general established to assure long-range foreign-policy planning.

Twelfth. Dean Rusk, Assistant Secretary for Far Eastern Affairs: After a most impressive education and university-teaching experience, Mr. Rusk entered the Army in December 1940. His World War II service lasted until early 1946. He distinguished himself in intelligence, operational, and planning assignments in the Burma campaigns and in the War Department. He entered the Department in February 1946, when Mr. Byrnes was Secretary. After serving as a Special Assistant to the Secretary of War in 1946 and early 1947, he returned to the State Department as Director of the Office of Special Political Affairs. A short time later Secretary of State Marshall appointed him Director of UN Affairs, an assignment he executed with exceptional ability. He was made Assistant Secretary in February 1949, and later in March of last year was given the critical Far East post he now holds. Mr. Rusk is one of the most outstanding, truly brilliant men in public service today.

Thirteenth. Adrian S. Fisher, legal adviser: Mr. Fisher has held a series of high legal posts in the Government since 1939. He entered the Department of State in April 1941 when Mr. Hull was Secretary and resigned in May 1942 to enter the Air Force, serving as a combat navigator and a war crimes prosecutor. After World War II he served as Solicitor of the Department of Commerce and general counsel of the Atomic Energy

Commission. He reentered the Department of State as legal adviser in June 1949. Incidentally, Fisher was a Phi Beta Kappa at Princeton and captain of the Princeton football team.

Fourteenth. W. Park Armstrong, Jr., special assistant, Intelligence: After a successful career in the investment banking field from 1929 to 1942 Mr. Armstrong joined the Board of Economic Warfare during the early stages of the war. Shortly, however, he was commissioned in the Army Intelligence, serving with distinction as an Intelligence officer until 1946. He entered the Department of State as an intelligence adviser in July 1946 when Mr. Byrnes was Secretary. He was named to his present post by Secretary Marshall in recognition of his outstanding ability for planning, directing, and coordinating intelligence activities. The post of Special Assistant for Intelligence is comparable to that of an Assistant Secretary of State.

Fifteenth. Edward W. Barrett, Assistant Secretary for Public Affairs: Mr. Barrett entered the Department of State after 20 years of journalistic experience, gained through over 15 years with a leading weekly news magazine and work with newspapers and in radio. He also brought to his present highly important post the experience of several years of top-level work in the Office of War Information and as a member of the Psychological Warfare Branch of the Allied Forces Headquarters in North Africa. He also has considerable experience in the management phase of newspaper and magazine publication. This record of achievement in fields in which he now advises the Secretary of State plus his driving energy and initiative bear witness to his fitness for his State Department job.

Sixteenth. George C. McGhee, Assistant Secretary for Near Eastern, South Asian, and African Affairs: Mr. McGhee, as you may know, is a successful businessman who started his career in the Texas oil fields as a young man without funds but with a determination to succeed. By the time he was 30 he was a phenomenal success. Then he turned to his life-long ambition—to serve his country. So he entered the Government in 1941, working first in the Office of Production Management and then in the War Production Board. Soon he was commissioned in the Navy and rose to the rank of lieutenant commander, serving with distinction in the Pacific operations. When he entered the Department of State on January 2, 1946, as a special assistant in the Office of the Assistant Secretary of Economic Affairs, Mr. Byrnes was Secretary. McGhee's driving energy and pronounced ability soon earned him the position of special assistant to the Under Secretary for Economic Affairs. Later, under Secretary of State Marshall, he undertook, with a degree of success which is a matter of common knowledge to the Congress and the rest of the free world, the direction of the aid programs for Greece and Turkey, in 1947. His appointment to his present job as Assistant Secretary for an area the tremendous political and strategic

importance of which grows daily, is the direct result of the imaginative, forceful and able execution of every assignment Mr. McGhee has been given in the Department. His success in his present position testifies to the wisdom of the choice.

Seventeenth. Edward G. Miller, Assistant Secretary, Inter-American Affairs: Mr. Miller, a lawyer of ability, entered the Department of State in 1941 when Mr. Hull was Secretary of State. He rose through the ranks to become a Special Assistant to Acheson when he was Assistant Secretary under Secretary Stettinius. Later he became Special Assistant to Acheson when the latter was made Under Secretary during Mr. Byrnes' regime as Secretary of State. Mr. Miller reentered private law practice briefly. In June 1949, however, as a matter of patriotic duty in face of the emergency and at considerable financial sacrifice, he returned from the firm of Sullivan and Cromwell to the Department to assume his present post.

Eighteenth. Henry G. Bennett, Administrator of the Technical Cooperation, point 4: Dr. Bennett is known to and respected by many Members of this House. After a distinguished career in secondary and university education in Oklahoma, Dr. Bennett served as president of the Oklahoma A & M from 1928 until he was named to take over the point 4 program some months ago. That Dr. Bennett was named to run the highly important point 4 program augurs well for the administration of this program. That Dr. Bennett accepted this position was a fine thing for the Government and the country, as well as for the Department of State. Henry Bennett got the position he now holds for the reason that he has made a tremendous record over the years as the head of an important land grant college.

#### DEPUTY ASSISTANT SECRETARIES

Now let us look very briefly at the backgrounds of all of the Deputy Assistant Secretaries—the No. 2 men:

Nineteenth. Livingston Merchant, Deputy Assistant Secretary for Far Eastern Affairs: Career Foreign Service officer.

Twentieth. Burton Berry, Deputy Assistant Secretary for the Near East and Africa: Career Foreign Service officer.

Twenty-first. James Bonbright, Deputy Assistant Secretary for European Affairs: Career Foreign Service officer.

Twenty-second. Thomas Mann, Deputy Assistant Secretary for Inter-American Affairs: Career Foreign Service officer.

Twenty-third. Geoffrey Lewis, Deputy Director of the Bureau of German Affairs: Career civil servant.

Twenty-fourth. Durward Sandifer, Deputy Assistant Secretary for United Nations Affairs: Career civil servant.

Twenty-fifth. Ben Hill Brown, Deputy Assistant Secretary for Congressional Relations: Career civil servant.

Twenty-sixth. Howland Sargeant, Deputy Assistant Secretary for Public Affairs: Career civil servant.

Twenty-seventh. Walter K. Scott, Deputy Assistant Secretary for Administration: Career civil servant.

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Twenty-eighth. Fisher Howe, Deputy Special Assistant for Intelligence: Career civil servant.

Twenty-ninth. Jack Tate, deputy legal adviser: Career civil servant.

Thirtieth. Harold Linder, Deputy Assistant Secretary for Economic Affairs: Recently appointed to the Department, Mr. Linder has extensive experience in economics, particularly finance. He was president of an important investment banking house.

Thirty-first. Charles A. Coolidge, Deputy Director of International Security Affairs: Recently appointed to this important post, Mr. Coolidge is widely known as one of New England's most distinguished lawyers.

In passing I should like to call attention to the record of another officer of high position in the Department, especially since this officer is the Secretary's spokesman with the press.

Michael J. McDermott, special assistant to the Secretary of State for press relations: Secretary Acheson is the ninth Secretary of State for whom Mr. McDermott has worked. Mr. McDermott entered Government service, in the War Department and the Executive Office of the White House, in July 1917. He entered the Department of State in August of 1920 when Mr. Colby was Secretary of State, back when they paid junior officers \$1,600. Secretaries Kellogg and Stimson saw fit to promote him. When Mr. McDermott became special assistant to the Secretary on press matters, it was Cordell Hull who named him to this post, and he has held this high position under four Secretaries of State.

Could one conclude from this record that Mr. Acheson is rewarding his friends with State Department posts. If such a conclusion can be drawn, I can only say that the Secretary has a singularly apt group of old friends.

Could one conclude from this record that party patronage has dominated the appointment of Assistant Secretaries and comparable officials. I say such a conclusion would be difficult indeed in view of the overwhelming number of career civil servants, career Foreign Service officers, and Republicans involved.

I hope that the Department's demonstrated policy of selecting the best man for the job will allay the gentleman's concern that the Foreign Service will be emasculated by politics and favoritism.

I would like further to say to the Members of Congress that these proposed changes which can be made under the law as it now stands will be brought before the Committee on Foreign Affairs and the Committee on Foreign Relations of the other body, and any other changes that are proposed will be brought before the Congress if enacting legislation is needed. There is no secret about this thing. It has been talked about and planned, as I have said. It is a logical carrying out, step by step, of the recommendations of the Hoover Commission and of the Ramspeck-Rowe committee, and certainly from all I have seen of it, and from people who are better qualified

than I who know the State Department inside and out, looking at it from an objective standpoint it is an orderly process of improvement.

I would like also to add that I did not include the name of Hon. William D. Pauley, former Ambassador to Brazil, and a native South Carolinian, and who has just returned to the State Department from private business to be a special assistant to the Secretary. He is one of the outstanding career men in this country. If people like that are bringing in stooges, as the gentleman has charged, then I wish to Heaven we had more of them in Government.

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

Mr. CHATHAM. I yield.

Mr. MANSFIELD. I wish to commend the gentleman from North Carolina for the fair statement he has just made. I wish again to call to the attention of the House the fact that the gentleman now addressing this body is the chairman of the subcommittee in charge of this particular aspect of the affairs of the State Department.

(Mr. MANSFIELD asked and was given permission to extend his remarks.)

Mr. MANSFIELD. Mr. Speaker, in the light of recent remarks made by the gentleman from Illinois [Mr. BUSBEY] about the so-called Rowe-Ramspeck report recommending an amalgamation in the Department of State of the Foreign Service and the departmental service and a directive by the Secretary of State on this subject, it is my desire, in the light of certain misconceptions about this matter, to present to the House certain facts concerning it.

I do not wish at this time to state a personal point of view about either the Rowe-Ramspeck report or the Acheson directive because I have not sufficiently studied this old and complex problem to have a point of view.

The gentleman from Illinois has stated that there is a sinister and clever plot to ruin the Foreign Service. If I am correct in my interpretation he even darkly hints that there may be something subversive about it.

If that is so, I think the gentleman from Illinois will be even more shocked when he learns that the most active group fomenting this sinister plot are the leaders of his own party.

He will find, if he cares to explore the subject, that the amalgamation of the Foreign Service with the departmental service in the State Department is being actively pushed by the only living former President of the United States, Herbert Hoover. He will find that a proponent in this House is the Honorable CLARENCE BROWN of Ohio. He will find that in the other House standing foremost among the group supporting this amalgamation are Senator TAFT of Ohio and Senator JOE MCCARTHY of Wisconsin.

I will call the roll of all these names in just a moment. But first for a bit of history.

One of the reports of the Commission on Organization of the Executive Branch, better known as the Hoover Commission, was its report on foreign affairs. The

Vice Chairman of the Hoover Commission at that time was Dean Acheson, who was then in the private practice of law. When he later became Secretary of State he carried out all the recommendations of the Hoover Commission in reorganizing the Department of State with one major exception. That major exception was recommendation No. 20—Foreign Affairs, a report to the Congress by the Commission on Organization of the Executive Branch of the Government, February 18, 1949, page 61—which reads:

The personnel in the permanent State Department establishment in Washington and the personnel of the Foreign Service above certain levels should be amalgamated over a short period of years into a single foreign affairs service obligated to serve at home or overseas and constituting a safeguarded career group administered separately from the general civil service."

The report of the Commission explains at some length why this is a desirable recommendation. Its recommendation was based primarily on the report of the Task Force on Foreign Affairs of the Hoover Commission, which presented a preliminary report on Foreign Affairs and which made exactly the same recommendation.

The gentleman from Illinois will be interested to know that the two members on that task force group were two Republicans who had been Assistant Secretaries of State in the administration of Herbert Hoover.

They were Harvey Bundy, a partner in the conservative Boston firm of Choate, Hall & Stewart, who was also an assistant to the Secretary of War in World War II, and James Grafton Rogers of New York, President of the Foreign Bondholders Council, and a former deputy director of OSS.

The adviser to the task force was the late Henry L. Stimson, Secretary of State under President Hoover and Secretary of War under President Franklin Roosevelt and President William Howard Taft. He endorsed the task force report.

The 12 members of the Hoover Commission were unanimously in favor of this recommendation. Besides Kerbert Hoover and Clarence Brown, there were, among others on the Commission, Former Representative Carter Manasco, of Alabama, Former Ambassador to London Joseph Kennedy, whose views on foreign policy, although he is a Democrat, are probably more acceptable to the gentleman from Illinois [Mr. BUSBEY] than those of Dean Acheson; George Mead, a Republican industrialist and businessman of the Middle West; Senator JOHN MCCLELLAN of Arkansas and Professor James Pollock, a Republican who is chairman of the government department at the University of Michigan and who was appointed to the Hoover Commission by Senator VANDENBERG. Incidentally, it is my understanding that Senator VANDENBERG has been vitally interested in the question of amalgamation.

Despite this impressive background of support, Dean Acheson hesitated to put this recommendation into effect when

he became Secretary of State. I assume he did so because he was disturbed by the possible effect on morale of his employees. Incidentally, the late Secretary of Defense, James Forrestal, a member of the Commission, favored the recommendation but stated he feared the effect on morale of the employees.

Secretary Acheson for many months had the problem carefully studied within the Department. Still dissatisfied he decided to appoint an outside committee to study this and related personnel problems.

It is clear from the appointments that Secretary Acheson attempted to bring several different points of view to the work. Mr. James Rowe, for instance, had been a member of the Hoover Commission. He was not appointed by the administration, but was an appointee of this House. He was nominated by the present minority leader, the Honorable JOSEPH MARTIN, who was, at the time the Hoover Commission was created, the Speaker of the House. He had been recommended to the then Speaker by the leader of the then minority party, the Honorable SAM RAYBURN. He served, therefore, on the Hoover Commission, as I have said, as a representative of this House.

Another member of the State Department Committee was the Honorable Robert Ramspeck who is well known to all of you through his many years of service in this House and who is the new Chairman of the Civil Service Commission. He was selected because of his long background and experience in Government personnel problems.

A third member was William E. DeCourcy, a brilliant Foreign Service officer of more than 30 years' of experience in and devotion to the Foreign Service, whose present post is Ambassador to Haiti.

This committee studied this problem of amalgamation for 6 months beginning in December 1949.

It conducted many separate studies. It held hearings for many weeks, listening to more than 70 experts, including many departmental officials, numerous ambassadors and Foreign Service officers, representatives from other Government agencies concerned with foreign affairs, political scientists and diplomats from other countries. Incidentally, only the United States and Siam have a separate foreign service and a separate home service handling foreign affairs. All other nations have a single service. The Rowe-Ramspeck committee also circulated 2,200 questionnaires to departmental and Foreign Service employees. A large majority of these employees believe a single foreign affairs service is the best thing for the United States.

It submitted its report to the Secretary of State in June 1950. Since that time there has been no action on the report until very recently.

I understand, however, that former President Hoover has seen the Rowe-Ramspeck report and has described it as a fine job. Also, in view of Mr. BUSBEY's previous career in the investment business, I am sure he will be impressed by

the fact that Francis Adams Truslow, who was President of the New York Curb Exchange until 2 weeks ago, appeared before the Rowe-Ramspeck committee last spring vigorously supporting a single service.

It is my understanding that the so-called Rowe-Ramspeck report has been studied since July 1950 throughout the Department by many individuals, both in the Foreign Service and in the departmental service. It has also been studied by the other agencies in the departments of the Government interested in foreign affairs. Whatever their reasons these advisers have convinced the Secretary of State once more that there should be no amalgamation, and despite and misconceptions and statements already made it is clear that the forthcoming directive of the Secretary of State, while it includes a number of personnel reforms, does not, and I repeat not, call for amalgamation.

I do not know whether Rowe and Ramspeck are right or Acheson is right. I am stating only the facts centering around this problem.

There has been one other recent development. Last week, on March 15 a resolution was introduced in the Senate. That resolution is Senate Concurrent Resolution 19. It requests the Secretary of State to submit to the Congress within 90 days after its adoption a plan for amalgamation of the personnel of the departmental service and the personnel of the Foreign Service "into a single Foreign Affairs Career Service, administered separately from the general civil service" as recommended by the Hoover Commission. Two of the sponsors of Resolution 19 are Senator TAFT and Senator JOE MCCARTHY.

Other Republican Senators who are sponsoring this resolution which carries out the recommendation of the Hoover Commission and also of the Rowe-Ramspeck report are DIRKSEN, of Illinois; FERGUSON, of Michigan; IVES, of New York; LODGE, of Massachusetts; DUFF, of Pennsylvania; AIKEN, of Vermont; and SMITH of New Jersey.

Democratic Senators sponsoring the same resolutions are Senators MCCLELLAN, BENTON, DOUGLAS, HUMPHREY, LEHMAN, and O'CONNOR.

It is clear from this nonpartisan list of Senators and from the membership of Herbert Hoover, Joe Kennedy, and Dean Acheson on the Hoover Commission that views on foreign policy do not have anything to do with the resolution on amalgamation.

The Citizens Committee on the Hoover Report, a nonpartisan group, are working actively for a single foreign affairs service.

Secretary Acheson apparently is against amalgamation for two reasons: The departmental employees fear that they will be sent abroad; the Foreign Service personnel fear that their corps will be destroyed. For purposes of morale the Secretary of State apparently agrees with them and opposes the imposing group listed above. Both the Hoover Commission and the Rowe-Ramspeck Committee insist their fears are groundless.

In view of some of the remarks made on this floor, I wish to make a statement about Mr. Rowe, whom I have known for 25 years. The statement speaks for itself.

Mr. Rowe was born in Butte, Mont., in 1909, the son of James H. and Josephine Sullivan Rowe. He attended Santa Clara College, a Jesuit university in California, Harvard College, and Harvard Law School.

After several positions as an attorney in various Government departments he became Administrative Assistant to President Roosevelt early in 1939. After 3 years in the White House he was nominated by President Roosevelt to be The Assistant to the Attorney General, the position now known as Deputy Attorney General, in the Department of Justice, and served there during the first 2 years of World War II. Among other things he was in charge of Alien Enemy Control during part of that period.

In May 1943 he resigned as Assistant Attorney General to become a lieutenant junior grade in the Navy. He spent the rest of the war in the Pacific, serving on three different aircraft carriers, the famous *Essex*, the *Ticonderoga*, and the *Suwanee*. He participated in all the major battles of the Pacific after the Marshalls, including the landings at Hollandia; New Guinea; Saipan, Tinian, and Guam; Halmahera; the battle of Leyte Gulf; Okinawa, and took part in the last 2 months of carrier strikes against the main islands of Japan. When the war ended he was 50 miles off Tokyo with the famous Task Force Fifty Eight.

During the battle of Leyte Gulf his carrier, the *Suwanee*, was struck by the first kamikaze suicide plane of the war. He was later decorated for his conduct at that time in putting out the resulting fire on his ship by taking a fire hose into the middle of exploding ammunition.

As a Naval Reserve officer he is entitled to wear eight battle stars, two Presidential citations, the Naval Commendation Ribbon, the Philippine Liberation Ribbon, the Asiatic-Pacific Ribbon, the American Defense Ribbon, and the Victory Ribbon.

Since the war he has been practicing law in Washington with the exception of his service as a member of the Hoover Commission, on which he sat as a nominee of the House, appointed by Speaker Joe Martin.

In the last Congress he served this House as counsel of its Campaign Expenditures Committee.

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

Mr. CHATHAM. I yield.

Mr. RIBICOFF. As I understand the situation, many of these proposed changes come within the 1946 act and the 1949 act, and those changes that come within the act will be placed into effect in accordance with the provisions of law. Is that correct?

Mr. CHATHAM. That is correct.

Mr. RIBICOFF. There are certain provisions which are recommended, which will require new legislation and under orderly procedure, as I understand the situation, these recommenda-

tions will come before the Committee on Foreign Affairs in the form of various bills and hearings will be held in the Committee on Foreign Affairs and then the bill will be reported to the House. Each and every Member of the House of Representatives will have a chance to study and debate and then vote upon those recommendations, is that correct?

Mr. CHATHAM. That is correct. The gentleman is exactly correct.

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

Mr. CHATHAM. I yield.

Mr. RICHARDS. It is my understanding that these proposals have been or will be brought not only before the Committee on Foreign Affairs of the House, but the Committee on Foreign Relations of the other body as well as the Committee on Appropriations of both House and Senate.

That is my understanding.

There is one other thing, the gentleman mentioned the 1946 reorganization bill. I had the honor of serving on the subcommittee that shaped up the act along with the distinguished chairman, Judge KEE, who was the author of the bill, also the distinguished gentleman from Ohio [Mr. VORYS]. I know of no bill which has come from the Foreign Affairs Committee with more unanimous support on both sides than the Kee Act. This proposal by the Secretary of State is in harmony and in line with the basic principles of the Kee Act.

Mr. CHATHAM. The gentleman is exactly right.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield further?

Mr. CHATHAM. I yield.

Mr. RIBICOFF. I understood, the gentleman from Illinois was complaining about the Department's meticulously following legislative procedure. The reason that the directive was not released publicly was that the Department felt that it was their duty first to disclose and discuss the recommendations with the Foreign Affairs Committee of the House, the Foreign Relations Committee of the Senate, and the proper appropriations subcommittees of both the House and the Senate, and then after that consultation they were going to release this report to the public and make it available to anyone who desired a copy.

Mr. CHATHAM. That is exactly right, and I would add further that had not the State Department acted as they did I think they would have been derelict in their duty under the Hoover report and also the Rowe-Ramspeck Report. They are working it out in a proper manner and I am proud of what is being done. I think it will make for better foreign relations and a more able Foreign Affairs Bureau of the State Department which, of course, is the most important bureau of the State Department.

Mr. RIBICOFF. Mr. Chairman, will the gentleman yield further?

Mr. CHATHAM. I yield.

Mr. RIBICOFF. I think it is worthy of comment that almost everyone gives lip service to the recommendations of

the Hoover Report, and yet every time a recommendation comes down which seeks to put the Hoover report into effect it immediately brings vigorous opposition. Much of the opposition comes from those who shout the loudest about economy.

These recommendations seek to carry out partially the recommendations of the Hoover report. I believe it behooves the House to study this report and pass upon the recommendations not only for the benefit of the economy of our country but also the foreign service of our Nation.

Mr. CHATHAM. I thoroughly agree with the gentleman.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. REED] is recognized for 30 minutes.

Mr. REED of New York. Mr. Speaker—

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Pennsylvania.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of today's RECORD.]

(Mr. REED of New York asked and was given permission to revise and extend his remarks and include extraneous matter and tables.)

#### NATIONAL TAX EQUALITY ASSOCIATION

Mr. REED of New York. Mr. Speaker, an unscrupulous racket, known as the National Tax Equality Association, has been in operation for some time, directing its vicious propaganda against the farm cooperatives. To get contributions from businessmen, this racketeering organization has propagandized businessmen with false statements to the effect that if farm cooperatives were taxed and not exempted the revenue to the Government would amount annually to over \$800,000,000. This is, of course, absolutely false and nothing more nor less than getting money under false pretenses. To spread such falsehood through the United States mails to get contributions for the racketeering outfit is a fraudulent use of the United States mails. This outfit of racketeers known as the Tax Equality Association has led honest businessmen to believe that their contributions were deductible from gross income as an ordinary and necessary business expense with reference to their Federal income-tax return. This has misled contributors to deduct their contributions from their gross income, which, unless the internal-revenue agents check the contributors' income tax returns, the failure to do so will result in substantial amounts of revenue being lost to the Treasury of the United States. As I have asserted, the statement that farm cooperatives and other cooperatives are escaping \$800,000,000 or more in Federal income taxes is false. What are the facts? Let us hear from official sources.

There appeared before the Ways and Means Committee in November 1947

Undersecretary of the Treasury Wiggins who testified as follows:

Question (by Mr. Knutson): It has been frequently suggested that tax exemption now granted certain cooperatives be removed. \* \* \* Assuming that all cooperatives were placed on the same footing as far as taxation is concerned, about how much would that amount to in increased revenue in the Treasury?

Answer (by Mr. Wiggins): It is very difficult to determine that, Mr. Chairman, because of the various devices that might be used, but it would run somewhere, we figure, between ten million and twenty million a year.

At a more recent date Mr. Colin Stam, chief counsel of the Joint Committee on Internal Revenue Taxation, stated to the Ways and Means Committee that in his opinion the loss of revenue from the removal of the exemption of taxation from cooperatives would not exceed \$18,000,000. Secretary Snyder testified on cross-examination following the presentation of the Truman tax bill that the removal of the tax exemption on cooperatives would not exceed \$25,000,000.

The National Tax Equality Association has been sailing under false colors. On November 25, 1947, Ben C. McCabe, then president of the National Tax Equality Association, testified before the Ways and Means Committee and stated:

As you have been previously informed, NTEA is devoted solely to research and educational activities and no deviation from these limitations is permitted either by the association charter or by vote of its directors.

Was this statement true or false? Let the Tax Court answer. The court found as late as November 1, 1950—3 months ago—that—

NTEA was organized and primarily operated from its inception for the carrying of propaganda with the ultimate objective being a revision in the tax structure.

This racketeering NTEA, to get money, led their contributors to believe that the contribution made would be deductible in computing gross income under section 23 (a) (1) (A) or 23 (g) (2) of the Internal Revenue Code.

What motivated the National Tax Equality Association not to register under the Lobbying Act and report quarterly to the Congress during 1947 and 1948 and to defer such compliance under the law until 1949?

Why has the National Tax Equality Association misled and deceived their contributors into believing that they could, under the law, deduct their contributions to NTEA from gross income under section 23 (a) or 23 (g) of the Internal Revenue Code? Because it was thought to be an inducement to businessmen to contribute.

Thus this unscrupulous National Tax Equality Association has caused their contributors to escape payment of taxes to which the Government is entitled. The NTEA that is shedding propaganda crocodile tears over alleged lost revenue has aided and abetted their contributors to escape taxation. What unadulterated hypocrisy in the light of the fact that NTEA is tax exempt.

Now, then, in the trial of the case of Roberts Dairy Co., petitioner, against Commissioner of Internal Revenue, re-

spondent, Tax Court of the United States, November 1, 1950, in which it was held that a contribution of \$750 in 1943 which Roberts Dairy Co., Omaha, Nebr., made to the National Tax Equality Association to be nondeductible in computing gross income, the record shows that Vernon Scott of the firm of Scott & Schuler appeared at the trial in this case as the chief administrative officer of the NTEA since its inception. What was his testimony? He testified that NTEA never did urge anyone to influence legislation.

The outpouring of vicious and inflammatory literature by the NTEA attacking Congress and members of the Ways and Means Committee, because neither would yield to propaganda, is a complete answer to the false statement of Mr. Scott, then chief administrative officer of the NTEA, who testified in court that NTEA never did urge anyone to influence legislation.

In the recent hearings relating to the taxation of exempt farmer cooperatives, the president of the NTEA testified that the organization had collected \$600,000 from businessmen, corporations, and utilities, to carry out the lobbying activities of the NTEA.

I am inserting a list of the contributors and the amount contributed by each one where the contribution was \$500 or more. The contributions of less than \$500 do not appear in the report to the House Select Committee on Lobbying Activities. These contributions of \$500 or more to this racketeering lobby organization cover the years 1947, 1948, 1949, and up to December 18, 1950.

Here is an example of the most brazen attempt yet made by any group of men to destroy a basic industry, viz; American agriculture.

Could any program be devised by Stalin to more effectively weaken our free enterprise system and to eventually destroy our basic economy than the one which has been planned and put into operation by the National Tax Equality Association?

The irony of this drive to destroy agriculture is that it is financed by businessmen and firms who could not prosper were it not for the prosperity of the farmers.

Here is the list of contributors to the National Tax Equality Association in the drive to destroy farm cooperatives:

NATIONAL TAX EQUALITY ASSOCIATION, INC.,  
Chicago, December 18, 1950.  
Congressman FRANK BUCHANAN, Chairman,  
House Select Committee  
on Lobbying Activities,  
Congress of the United States,  
Washington, D. C.

DEAR SIR: Mr. Scott is out of town, so in conformity with his letter of December 6 to you, and in compliance with your request, I am enclosing a list showing the total amount received by National Tax Equality Association from each member making contributions of \$500 or more, from January 1, 1947, to date, together with the amount, date, and purpose of each such contribution.

Yours truly,

ELLEN POWERS,  
Secretary to Mr. Scott.  
1950

The contributions listed below were made for the purpose of supporting the research,

publicity, and general activities of NTEA. Contributions are not made for special purposes. All funds received are used to support the general activities of the organization. None are earmarked for specific purposes.

Date	Amount	Name and address
1950		
Jan. 1	\$1,000	Moore-Handley Hardware Co., Birmingham 2, Ala.
Mar. 3	500	New Orleans Public Service, Inc., 317 Baronne St., Post Office Box 340, New Orleans, La.
Mar. 8	500	
	1,000	
Jan. 4	450	Central Power & Light Co., Corpus Christi, Tex.
4	500	Bridgeman-Russell Co., 1102-1116 West Michigan St., Duluth 1, Minn.
12	500	Gulf States Utilities Co., Baton Rouge 2, La.
Apr. 10	500	
	1,000	
Jan. 9	500	Consumers Power Co., 212 Michigan Ave. West, Jackson, Mich.
10	5,000	Association of Casualty & Surety Co's., 60 John St., New York, N. Y.
11	500	Capital Fertilizer Co., Room 1824, 61 Broadway, New York 6, N. Y.
11	500	Zork Hardware Co., El Paso, Tex.
13	1,000	Charles W. Sexton Co., McKnight Bldg., Minneapolis, Minn.
17	500	Uhlmann Grain Co., 1480 Board of Trade Bldg., Chicago 4, Ill.
19	1,000	International Minerals & Chemical Corp., 20 North Wacker Dr., Chicago 6, Ill.
20	500	Consolidated Gas Electric Light & Power Co., Lexington and Liberty Sts., Baltimore 2, Md.
20	500	Union Electric Co. of Missouri, 315 North 12th Blvd., St. Louis, Mo.
23	500	Louisiana Power & Light Co., 142 Delaronde St., New Orleans 14, La.
Mar. 21	500	
	1,000	
Jan. 23	500	Stockham Pipe Fittings Co., Post Office Box 2592, Birmingham 2, Ala.
24	750	Consolidated Edison Co. of New York, Inc., 4 Irving Pl., New York, N. Y.
30	500	Cincinnati Gas & Electric Co., 4th and Main Sts., Cincinnati 1, Ohio.
30	500	Tex-O-Kan Flour Mills Co., Post Office Box 443, Dallas, Tex.
31	1,000	Fullerton Lumber Co., 918 Roanoke Bldg., Minneapolis, Minn.
Feb. 1	1,250	Nichols Wire & Aluminum Co., 1725 Rockingham Rd., Davenport, Iowa.
1	5,000	Marshall-Wells Co., Duluth, Minn.
6	1,500	Kelly-How-Thompson Co., Duluth, Minn.
9	500	Petroleum Advisers, Inc., 60 Wall Tower, New York 5, N. Y.
10	500	Duquesne Light Co., 435 6th Ave., Pittsburgh 19, Pa.
14	750	Baker & Hamilton, 700-768 7th St., San Francisco 19, Calif.
15	750	Kentucky Utilities Co., Inc., 159 West Main St., Lexington, Ky.
16	500	St. Paul Fire & Marine Insurance Co., St. Paul, Minn.
17	1,000	Marsh & McLennan, Minneapolis, Minn.
23	500	Atlantic Refining Co., 260 South Broad St., Philadelphia, Pa.
Mar. 1	500	Wisconsin Power & Light Co., 122 West Washington Ave., Madison 1, Wis.
2	1,250	Smith-Douglass Co., Inc., Norfolk 1, Va.
2	500	Washington Water Power Co., Post Office Box 1445, Spokane 6, Wash.
3	500	Texas Wholesale Hardware Association, Post Office Box 367, Pearsall, Tex.
9	500	The Colorado Milling & Elevator Co., Equitable Bldg., Denver 2, Colo.
10	1,000	The Postwick-Braun Co., Summit and Monroe Sts., Toledo, Ohio.
10	500	Humble Oil & Refining Co., Humble Bldg., Houston, Tex.
13	1,000	Lumbermen's Association of Texas, Second National Bank Bldg., Houston, Tex.
13	500	Fresh Milk Institute, 1200 South Spring Ave., St. Louis, Mo.

Date	Amount	Name and address
1950		
Mar. 16	\$500	Allison-Erwin Co., 209 East 5th St., Charlotte, N. C.
17	500	St. Paul Live Stock Exchange South St. Paul, Minn.
23	500	Samson Cordage Works, Boston, Mass.
28	500	Carolina Power & Light Co., Box 1551, Raleigh, N. C.
Apr. 3	300	Pacific Gas & Electric Co., 245 Market St., San Francisco, Calif.
27	300	Delaware Power & Light Co., Wilmington, Del.
June 23	500	The Cincinnati Gas & Electric Co., 4th and Main Sts., Cincinnati 1, Ohio.
27	500	Peden Iron & Steel Co., Houston, Tex.
28	2,500	F. H. Peavey & Co., 312 Chamber of Commerce, Minneapolis, Minn.
28	2,500	Van Dusen Harrington Co., 713 Chamber of Commerce, Minneapolis 15, Minn.
29	500	The Rocky Mountain Grain & Commission Co., 1205-1211 Board of Trade Bldg., Kansas City 6, Mo.
30	500	Simonds-Chields-Theis Grain Co., 100 Board of Trade Bldg., Kansas City 6, Mo.
July 5	1,000	Tex-O-Kan Flour Mills Co., Post-office Box 449, Dallas, Tex.
6	1,000	Beknap Hardware & Manufacturing Co., 111 East Main St., Louisville 2, Ky.
7	500	Bowman Dairy Co., 140 West Ontario St., Chicago 10, Ill.
10	500	Public Service Co. of Indiana, Inc., 110 North Illinois St., Indianapolis 9, Ind.
11	500	Columbus & Southern Ohio Electric Co., 215 North Front St., Columbus 15, Ohio.
11	750	Utah Power & Light Co., Salt Lake City, Utah.
12	500	Orgill Bros. & Co., 10 West Calhoun Ave., Memphis, Tenn.
June 6	250	Pennsylvania Power & Light Co., Allentown, Pa.
July 18	500	Montana Flour Mills Co., Box 631, Great Falls, Mont.
21	2,500	Standard Oil Co., 810 South Michigan Ave., Chicago 5, Ill.
24	500	State Loan & Finance Corp., 402 Ring Bldg., 1200 18th St. NW., Washington 6, D. C.
25	300	Moncrief-Lenoir Manufacturing Co., Houston, Tex.
28	250	
July 26	550	Sloss & Brittain, 100 Potrero Ave., San Francisco 1, Calif.
27	900	Texas Electric Service Co., Post Office Box 970, Fort Worth 1, Tex.
28	500	Western Cottonoil Co., Box 521, Abilene, Tex.
28	500	Florida Power & Light Co., Post Office Box 3100, Miami, Fla.
Aug. 2	500	American Hardware & Equipment Co., Charlotte, N. C.
3	5,000	Marshall-Wells Co., Duluth, Minn.
8	500	Montana Elevator Co., Great Falls, Mont.
8	500	Roberts Dairy Co., 2901 Cumming St., Omaha, Nebr.
9	500	New Orleans Public Service, Inc., 317 Baronne St., Post Office Box 340, New Orleans, La.
14	500	The Denver Clearing House Association, Denver, Colo.
15	500	Wilcox Lumber Co., Lock Drawer 651, Detroit Lakes, Minn.
26	500	The Detroit Edison Co., 2000 2d Ave., Detroit 28, Mich.
Sept. 14	500	R. Wallace & Sons Manufacturing Co., Wallingford, Conn.
14	500	Stratton-Warren Hardware Co., Inc., Memphis, Tenn.
15	1,500	The W. Bingham Co., Box 6026, Cleveland, Ohio.
18	1,000	American Cotton Shippers Association, 801 Cotton Exchange Bldg., Memphis 1, Tenn.
18	500	Allison-Erwin Co., 209 East 5th St., Charlotte, N. C.
18	750	Baker & Hamilton, 700-768 7th St., San Francisco 19, Calif.
20	500	Zork Hardware Co., El Paso, Tex.
22	500	Humble Oil & Refining Co., Humble Bldg., Houston, Tex.
25	1,500	Farwell, Ozmun, Kirk & Co., Kellogg Blvd. and Mackson St., St. Paul 1, Minn.
29	500	Gold Seal Co., Bismarck, N. Dak.
30	500	Dunham, Carrigan & Hayden Co., Post Office Box 3024, San Francisco 19, Calif.
3	500	Montana Power Co., Box 1338, Butte, Mont.
3	500	Atlantic Refining Co., 260 South Broad St., Philadelphia, Pa.

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