

activities of the Federal Bureau of Investigation and its Director, Mr. J. Edgar Hoover, and insists that this organization be given the widest possible latitude to continue its invaluable services in protection of our country against its enemies abroad and at home; and be it further

*Resolved*, That this council endorses and congratulates the House Un-American Activities Committee on its diligent and tireless efforts in exposing Communist infiltration in our Government, in the professions and in vital industries, and we demand that this committee be maintained as a standing committee of the House of Representatives until the Communist menace has been permanently removed; and be it further

*Resolved*, That this council views with consternation and dismay the lawless actions of the United States Supreme Court in usurping legislative functions, including the laying down of rules for the conduct of legislative investigations, in contravention of the Constitution; and be it further

*Resolved*, That Isabella Council No. 873 call upon its Senators from New York State and its Representatives in Congress from Kings County to block every effort to tear down our defenses against Communist subversion and, by appropriate legislation, to spell out broadly and in detail the authority and duties of the Senate and House committees engaged in the fight against subversion, and the duties and authority of the Federal Bureau of Investigation, to the end that they may be enabled to function adequately against subversion without hindrance by the Supreme Court; and be it further

*Resolved*, That copies of this resolution be disseminated within our order, to public officials, patriotic and church societies, soliciting the active support of every loyal American in this effort to maintain our present defenses against subversive activities, in the face of current efforts to destroy them.

GEORGE J. NEUMANN,  
*Grand Knight.*  
RICHARD T. GOTTCENT,  
*Recording Secretary.*

#### VICTOR HERBERT DAY— PROCLAMATION

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD a proclamation issued by the Commissioners of the District of Columbia, designating February 1, 1959, as Victor Herbert Day.

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

Whereas Sunday, February 1, 1959, marks the 100th anniversary of the birth of Victor Herbert in Dublin, Ireland; and

Whereas Victor Herbert, after migrating to Germany as a small boy and receiving his education there, chose music as his vocation and the cello as his solo instrument; and

Whereas he came to the United States in 1886, with his wife, the celebrated German soprano Therese Foerster, at the invitation of the Metropolitan Opera Co.; and

Whereas Victor Herbert was not long in our country before he began establishing a reputation on his own—first as a cellist with some of our leading orchestras—then as an assistant conductor; and later as conductor of the Pittsburgh Symphony; and

Whereas his years in Pittsburgh brought the orchestra new stature and enhanced his own reputation as a musical interpreter; and

Whereas by 1904 Victor Herbert had established his own orchestra which he led for many years in New York and other cities, and in being so engaged became an important early recording artist for the Edison and Victor Cos.; and

Whereas through this period of development in the performance of music, Victor Herbert composed a variety of musical works, a list that eventually included not only some of the most popular melodies, but more than 40 operettas, 2 grand operas, orchestral suites, chamber pieces, choral works, and recital pieces for piano, violin, cello, or the voice; and

Whereas Victor Herbert was not only a leader and pioneer in music but, in 1914, largely through his efforts, the American Society of Composers, Authors, and Publishers was formed, and he served as a director and vice president until his death 10 years later:

Now, therefore, we the Commissioners of the District of Columbia, do hereby proclaim Sunday, February 1, 1959, as Victor Herbert Day, in fitting tribute to the memory of the man whom people throughout the world honor as one of the greatest musicians and composers of his time.

ROBERT E. McLAUGHLIN,  
DAVID B. KARRICK,  
A. C. WELLING,

*Commissioners of the District of Columbia.*

#### REPORT ENTITLED "MISREPRESENTATIONS IN THE ADVERTISING OF PROPERTIES" (S. REPT. NO. 39)

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, pursuant to Senate Resolution 223, 85th Congress, I submit a report of that committee entitled "Misrepresentations in the Advertising of Properties." I ask that the report be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed, as requested by the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief press release which I have issued today explaining the contents of the report and the subject matter therein.

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

Senator JOHN L. McCLELLAN, Democrat of Arkansas, chairman of the Senate Permanent Subcommittee on Investigations, stated:

"Mr. President, on behalf of the Government Operations Committee, I submit the report made to it by the Senate Permanent Subcommittee on Investigations on 'Misrepresentations in the Advertising of Properties,' and ask that it be printed.

"On May 22, 1958, Senator KARL E. MUNDT introduced Senate bill 3889, which was cosponsored by me. This bill was directed at Federal control of firms engaged in taking advance fees from property owners and small businessmen in connection with the advertising of their property for sale. I emphasize the fact that these firms are not engaged in the sale of property as such, but merely advertise it for sale. The subcommittee held hearings on this bill in July of 1958. Testimony disclosed that there is a vicious racket in existence by which some 70 firms in the United States have been fleecing small businessmen of an estimated \$60 million annually.

"Basically, the firms enter into contracts with businessmen to advertise for sale the latter's business on a national scale. The salesmen for these firms make use of all types of oral deception, and, through inferences and innuendo, are able to convince the victim that if he signs the contract his

business will be sold in a very short period of time at an inflated price.

"The seller generally pays to the salesman at the initial meeting the contract fee which is 1 percent of the estimated value of his property. The victim feels protected, as he has been led to believe that unless a sale is forthcoming this payment will be refunded. The seller subsequently ascertains that his property has been listed in one or two classified ads in newspapers, or in a catalog put out by the firm. Usually, this is the full extent of the advertising. Sales resulting from such advertising contracts are less than one-half of 1 percent. Rarely, however, is there a refund made to the seller.

"The Federal Trade Commission is spending much time and money in its efforts to combat the advance fee racket, and has been successful in issuing several cease and desist orders. Its effectiveness is limited, however, because when one company is eliminated, several other companies come into existence.

"The National Association of License Law Officials, the National Association of Real Estate Boards, the Better Business Bureau, and various State attorneys general, who testified before the subcommittee, are uniformly in agreement that some type of Federal action is needed to control this type of fraudulent operation. The Post Office maintained that although it has been unable to obtain any prosecutions, jurisdiction in this area falls under mail fraud. It is their claim that it is extremely difficult to obtain proof in this type of fraud. The Department of Justice was of the opinion that existing Federal statutes are adequate and there was no need for Senate bill 3889. Because of the objections raised by these two agencies, this bill was not reported favorably to the floor of this body.

"The subcommittee feels that legislation is necessary to control the operations of advance fee firms. In view of the opinion of the Department of Justice that existing fraud statutes are adequate, future hearings will be held to determine the effectiveness of the present statutes, with a view to formulating new legislation.

"On January 20, 1959, Senator KARL E. MUNDT introduced Senate bill 550, which was cosponsored by me, which again is aimed at Federal control of the firms engaged in this vicious racket. Hearings in connection therewith will be held in the near future by the subcommittee."

#### ANNUAL REPORT OF COMMITTEE ON GOVERNMENT OPERATIONS (S. REPT. NO. 40)

Mr. McCLELLAN. Mr. President, on behalf of the Committee on Government Operations, pursuant to Senate Resolution 223, 85th Congress, I submit the annual report of the Senate Permanent Subcommittee on Investigations, and ask that it be printed. I also ask unanimous consent that there be printed in the RECORD at this point a brief press release which I have today issued explaining the contents of the report.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Arkansas; and without objection, the press release will be printed in the RECORD.

The press release presented by Mr. McCLELLAN is as follows:

Senator JOHN L. McCLELLAN, Democrat of Arkansas, chairman of the Senate Permanent Subcommittee on Investigations, stated:

"Mr. President, on behalf of the Government Operations Committee, I submit the annual report made to it by the Senate

Permanent Subcommittee on Investigations, and ask that it be printed.

"During the past year, the subcommittee's investigations and hearings concerned the operations of many governmental agencies, including the Department of Defense, the Department of the Army, the Department of the Air Force, Department of State, the Department of the Post Office, the Federal Trade Commission, and the International Cooperation Administration. Many of the hearings, which are briefly summarized in this report, were held in executive session and no Senate report was ever made. In several cases various deficiencies, administrative in nature, were brought to the attention of the executive branch involved for corrective action without hearings.

"Hearings were held concerning the relationship of the Air Force to the Civil Air Patrol. The Civil Air Patrol is an official auxiliary of the Air Force. Certain officers in the organization were using the organization's name and prestige for personal enrichment. One lieutenant colonel was seeking donations of large pleasure yachts and selling them and pocketing the proceeds. His operations were uncovered by his superior officer who demanded and received restitution. However, the superior officer then turned around and stole the stolen money. As a direct result of our investigation and hearings, the money has been recouped, the cases involving the two principal offenders will be presented to a grand jury in New York, and extensive changes have been made in the operating relationship between the Air Force and the Civil Air Patrol, which will give the Air Force needed control over certain financial and property affairs of its auxiliary.

"In April of 1958, newspaper stories revealed that an employee of the Library of Congress had taken, without authorization, several hundred classified documents from the Armed Services Technical Information Agency (ASTIA), which was located in the Library of Congress. ASTIA is an executive agency, administratively operated by the Air Force for the purpose of providing an effective flow of scientific information to holders of contracts with the Department of Defense. The hearings disclosed that the guard system was totally inadequate, and this delinquency has been corrected as the guard force has been increased from 3 to 21. The hearings also disclosed that this Agency, which handles hundreds of thousands of classified documents, had no system of intraaccountability. Plans have since been formulated for such an accountability system.

"Hearings were held in connection with Project Sea Weed, which is an Air Force term applied to the prepositioning of war materials at Air Force bases, and concerns the supplies and equipment necessary for immediate defense retaliation strikes in the event of war. Investigation disclosed that little had been accomplished on this project at U.S. Korean airbases due to a lack of concern at all levels, coupled with the shortage of personnel. For example, there were actually assigned to this project one officer and two enlisted men at one air base, who devoted approximately one-third of their time to the program, when there should have been one officer, nine enlisted men, and two civilians working on it full time. As a result of the subcommittee's investigation, substantial progress has been made on this project by the U.S. Air Force.

"In May 1958 there was an explosion of an Army Nike installation at Middletown, N.J. Ten people were killed. The subcommittee held hearings to ascertain the cause of the accident and to review existing safety procedures. Senator JACKSON, who was acting chairman of the subcommittee for this hearing, recommended to the Secretary of the Army that a civilian committee be formed to take a fresh look at all safety features so

as to assure that everything that could possibly be done was being done. As many of you know, these Nike installations surround many of our major cities. The Secretary of the Army heartily concurred with this recommendation, and on August 20, 1958, he established a committee of five distinguished civilian experts to examine the adequacy of safety measures, not only for the Nike Hercules, but for all Army defense systems.

"Hearings were held concerning the receipt of gifts from foreign governments by U.S. Government employees. Although there is a constitutional provision prohibiting the receipt of such gifts without the consent of Congress, the Department of State, on November 13, 1957, issued an instruction stating that if the Department of State employee decided the gift was of minor intrinsic value, he could keep it. This was done despite the Attorney General's rulings and Department of State legal rulings to the contrary. Testimony from officials from other executive branches of the Government indicated that they did not follow this new State Department ruling, and it became apparent there were two different rules of conduct. The subcommittee requested the President of the United States to issue an Executive order clarifying the situation. In a letter of December 12, 1958, we were advised by the White House that a careful and thorough study was being made and it was anticipated that legislative proposals will be submitted to this Congress.

"Public hearings were held in connection with Senate bill 3889, 85th Congress, 2d session, which was introduced by Senator KARL E. MUNDT and cosponsored by me. This bill was directed at the elimination of a vicious racket by which some 70 firms in the United States have been fleecing small businessmen of an estimated \$50 million annually. These firms enter into contracts with businessmen to advertise the business on a national scale when, in fact, the salesman has represented that the business will be sold in a short period of time at inflated prices. Sales resulting from the advertising are less than one-half of 1 percent. Although the National Association of License Law Officials, the National Association of Real Estate Boards, Better Business Bureaus, and various attorneys general testified that Federal legislation is needed to control this type of operation, postal authorities maintained that they have jurisdiction in this type of case but have been unable to secure any prosecutions because of the difficulty of proof. The Department of Justice supported the Post Office Department and felt that existing Federal statutes are adequate. The subcommittee feels that some type of stronger Federal control is necessary. Accordingly, on January 20, 1959, Senator KARL E. MUNDT introduced Senate bill 550.

"Because of my required attendance at the hearings of the Select Committee on Improper Activities in the Labor or Management Field, Senator HENRY M. JACKSON was acting chairman for most of these hearings.

"On January 30, 1957, the Select Committee on Improper Activities in the Labor or Management Field was created by the Senate under my chairmanship pursuant to Senate Resolution 74, and it was continued pursuant to Senate Resolution 221, dated January 29, 1958. Six professional members of the staff of the Senate Permanent Subcommittee on Investigations have been and still are on loan to the select committee. In addition, one clerk from this subcommittee was loaned to the select committee and two clerks worked jointly for both committees. Thus, approximately \$98,000 of the \$200,000, which was appropriated to the Senate Permanent Subcommittee on Investigations, has been expended for purposes connected with the Select Committee on Improper Activities in the Labor or Management Field."

## INVESTIGATION OF CERTAIN MATTERS BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MURRAY. Mr. President, from the Committee on Interior and Insular Affairs, I report an original resolution, to authorize a study of how this Nation should organize its electric-power industry into large, integrated systems for greatest efficiency and economy.

It has been demonstrated that there are great economies in the construction and operation of giant generating plants, with hundreds of thousands of kilowatts capacity. There are savings up to 50 percent in the cost per kilowatt-hour of capacity in building the plants, and further savings in fuel costs in giant, scientifically controlled boilers. Transmission over increasingly long distances has become possible.

Private power companies, once divorced by the Holding Company Act, are making various types of power-purchase contracts and exchange agreements between each other to make possible the construction of giant generating plants—plants too big for a single system to install economically.

Our public power agencies are entering into pooling agreements and interconnecting with other power generators because of the advantages of giant power.

It is not necessary to review how essential abundant, low-cost power is to the Nation. The Paley Materials Policy Commission a few years ago arrayed all the evidence on this and showed that power is not only an essential to all production, its price enters into the price of nearly every product we buy. Especially in the new electrochemical field, the cost of power in a large measure determines the economic feasibility of commercial production of many fine new products, including some of our light metals.

Several years ago the Department of Interior proposed the establishment of a giant power grid in the West, foreseeing that the economy and efficiency of such a system would make it desirable. Russia is already developing such giant transmission systems and has developed ways to send power efficiently for 500 miles on high tension lines.

This Nation cannot afford the present haphazard approach to the development of giant power grids. There needs to be a study of power needs of the Nation by areas; of the most appropriate geographic units to be interconnected so each could have the most dependable, low-cost supplies of thermal and hydroelectric generating capacity and feasible transmission facilities. There needs to be a study of whether existing laws and regulations are impeding desirable interconnection and joint operations of private companies, or of private and public systems, and of many other aspects of the problem.

It is my hope that hearings on the desirability of such a study will give us not only a very clear picture of the scope of the problem, but also the extent to which other committees of the Senate are involved and should participate in the final study.