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LEGISLATIVE HISTORY

Public Law 304--79th Congress

Chapter 33--2d Session

S. 380

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Digest of Public Law 304

EMPLOYMENT ACT OF 1946. Declares a national policy to foster employment, production, and purchasing power, etc. Declares that it is the responsibility of the Government to use all practical means to provide for "maximum employment." Provides for an annual Economic Report from the President to Congress, for a Council of Economic Advisers in the Executive Office of the President, and for a Joint Committee on the Economic Report to assist Congress in studying the President's proposals each year.



Index and Summary of History on S. 380

- January 22, 1945 S. 380 introduced by Senator Murray and Others, and referred to the Senate Committee on Banking and Currency. Print of the bill as introduced.
- January 29, 1945 Senator Murray inserted departmental reports (including one from Agriculture) in Congressional Record.
- February 15, 1945 H. R. 2202 introduced by Rep. Patman and referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Companion bill).
- May 14, 1945 Senator Wagner discussed S. 380 and inserted the Budget Bureau's favorable report.
- June 4, 1945 Remarks of Senator Wagner and Rep. Outland favoring S. 380 and H. R. 2202. Also Judge Vinson's report on S. 380.
- June 11, 1945 Editorials and comments by Sen. Tunnell and Rep. Hook.
- June 19, 1945 Letter inserted in Congressional Record by Sen. Wagner.
- July 5, 1945 Rep. Outland urged consideration of pending legislation.
- July 12, 1945 Editorials and comments of Sen. Wagner and Rep. Outland.
- July 23, 1945 Amendments proposed by Senator Morse and Others to S. 380. Print of the Amendments.
- July 30, 1945 Hearings: Senate, S. 380.
- August 1, 1945 Remarks of Rep. Murdock, favoring full-employment.
- September 6, 1945 Senator Byrd urged consideration of pending legislation. Also petitions favoring the bill.
- September 10, 1945 Extension of remarks of Senators Wagner, Thomas, Taft and Schwabe.
- September 14, 1945 Rep. Outland urged consideration of pending legislation.
- September 22, 1945 Senate Committee on Banking and Currency reported S. 380 with amendment. Senate Report 583. Print of the bill as reported.



- September 24, 1945 Senate Report 583, Pt. 2, Minority Views. Amendments proposed by Senators Taft and Radcliffe. Prints of the amendments.
- September 25, 1945 Hearings: H. R. 2202 (House)
- Senate began debate on S. 380. Amendments proposed by Senators Fulbright, Radcliffe and Wickerlooper. Prints of the amendments.
- H. R. 4181 introduced by Rep. LaFollette and referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Similar bill).
- September 26, 1945 Debate on S. 380 continued in Senate.
- September 27, 1945 Debate on S. 380 continued in Senate. Remarks of Rep. Douglas. Amendments proposed by Sen. Tydings. Prints of the amendments.
- September 28, 1945 Senate debate on S. 380 concluded. Passed Senate with amendments.
- October 1, 1945 S. 380 referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as referred to the Committee.
- October 10, 1945 Extension of remarks of Representatives Outland and Wook on full-employment.
- November 3, 1945 Extension of remarks of Representatives Cossett, Patman and Short on pending legislation.
- December 5, 1945 House Committee on Expenditures in the Executive Departments reported S. 380 with amendments. House Report 1334. Print of the bill as reported.
- December 6, 1945 House Resolution 449 reported by Rules Committee for the consideration of S. 380. House Report 1342.
- December 13, 1945 House began debate on S. 380.
- December 14, 1945 House debate concluded. Passed House as reported.
- December 15, 1945 Senate Conference appointed. Extension of remarks of Reps. Kefauver, Ware, and Robinson.





December 17, 1945      House Conferees appointed.

February 5, 1946      House received Conference Report. House Rept. 1520.

February 6, 1946      House agreed to Conference Report. Remarks of Rep. Powell.

February 8, 1946      Senate agreed to Conference Report.

February 20, 1946     Approved. Public Law 304.







79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 380

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## IN THE SENATE OF THE UNITED STATES

JANUARY 22, 1945

Mr. MURRAY (for himself, Mr. WAGNER, Mr. THOMAS of Utah, Mr. O'MAHONEY, Mr. MORSE, Mr. TOBEY, Mr. AIKEN, and Mr. LANGER) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

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## A BILL

To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. This Act may be cited as the "Full Em-  
4 ployment Act of 1945".

5 DECLARATION OF POLICY

6 SEC. 2. The Congress hereby declares that—

7 (a) It is the policy of the United States to foster free  
8 competitive enterprise and the investment of private capital in

1 trade and commerce and in the development of the natural  
2 resources of the United States;

3 (b) All Americans able to work and seeking work have  
4 the right to useful, remunerative, regular, and full-time  
5 employment, and it is the policy of the United States to  
6 assure the existence at all times of sufficient employment  
7 opportunities to enable all Americans who have finished their  
8 schooling and who do not have full-time housekeeping respon-  
9 sibilities freely to exercise this right;

10 (c) In order to carry out the policies set forth in sub-  
11 sections (a) and (b) of this section, and in order to (1)  
12 promote the general welfare of the Nation; (2) foster and  
13 protect the American home and the American family a  
14 the foundation of the American way of life; (3) raise the  
15 standard of living of the American people; (4) provide  
16 adequate employment opportunities for returning veterans;  
17 (5) contribute to the full utilization of our national re-  
18 sources; (6) develop trade and commerce among the several  
19 States and with foreign nations; (7) preserve and strengthen  
20 competitive private enterprise, particularly small business  
21 enterprise; (8) strengthen the national defense and security;  
22 and (9) contribute to the establishment and maintenance of  
23 lasting peace among nations, it is essential that continuing  
24 full employment be maintained in the United States;

25 (d) In order to assist industry, agriculture, labor, and

1 State and local governments in achieving continuing full  
2 employment, it is the responsibility of the Federal Govern-  
3 ment to pursue such consistent and openly arrived at eco-  
4 nomic policies and programs as will stimulate and encourage  
5 the highest feasible levels of employment opportunities  
6 through private and other non-Federal investment and  
7 expenditure;

8 (e) To the extent that continuing full employment  
9 cannot otherwise be achieved, it is the further responsi-  
10 bility of the Federal Government to provide such volume  
11 of Federal investment and expenditure as may be needed  
12 to assure continuing full employment; and

13 (f) Such investment and expenditure by the Federal  
14 Government shall be designed to contribute to the national  
15 wealth and well-being, and to stimulate increased employ-  
16 ment opportunities by private enterprise.

17 THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

18 SEC. 3. (a) The President shall transmit to Congress  
19 at the beginning of each regular session the National Pro-  
20 duction and Employment Budget (hereinafter referred to  
21 as the "National Budget"), which shall set forth in sum-  
22 mary and detail, for the ensuing fiscal year or such longer  
23 period as the President may deem appropriate—

24 (1) the estimated size of the labor force, including  
25 the self-employed in industry and agriculture;



1           (2) the estimated aggregate volume of investment  
2           and expenditure by private enterprises, consumers, State  
3           and local governments, and the Federal Government,  
4           required to produce such volume of the gross national  
5           product, at the expected level of prices, as will be neces-  
6           sary to provide employment opportunities for such labor  
7           force (such dollar volume being hereinafter referred to  
8           as the "full employment volume of production") ; and

9           (3) the estimated aggregate volume of prospective  
10          investment and expenditure by private enterprises,  
11          consumers, State and local governments, and the Federal  
12          Government (not taking into account any increased or  
13          decreased investment or expenditure which might be  
14          expected to result from the programs set forth in such  
15          Budget).

16          The estimates and information herein called for shall take ac-  
17          count of such foreign investments and expenditure for exports  
18          and imports as affect the volume of the gross national product.

19          (b) The extent, if any, by which the estimated aggre-  
20          gate volume of prospective investment and expenditure for  
21          any fiscal year or other period, as set forth in the National  
22          Budget in accordance with paragraph (a) (3) of this sec-  
23          tion, is less than the estimated aggregate volume of invest-  
24          ment and expenditure required to assure a full employment  
25          volume of production, as set forth in the National Budget in



1 accordance with paragraph (a) (2) of this section, shall for  
2 the purposes of this title be regarded as a prospective defi-  
3 ciency in the National Budget. When there is a prospective  
4 deficiency in the National Budget for any fiscal year or other  
5 period, the President shall set forth in such Budget a general  
6 program for encouraging such increased non-Federal invest-  
7 ment and expenditure, particularly investment and expendi-  
8 ture which will promote increased employment opportunities  
9 by private enterprise, as will prevent such deficiency to the  
10 greatest possible extent. The President shall also include in  
11 such Budget such recommendations for legislation relating to  
12 such program as he may deem necessary or desirable. Such  
13 program may include, but need not be limited to, current  
14 and projected Federal policies and activities with reference  
15 to banking and currency, monopoly and competition, wages  
16 and working conditions, foreign trade and investment, agri-  
17 culture, taxation, social security, the development of natural  
18 resources, and such other matters as may directly or  
19 indirectly affect the level of non-Federal investment and  
20 expenditure.

21 (c) To the extent, if any, that such increased non-Fed-  
22 eral investment and expenditure as may be expected to result  
23 from actions taken under the program set forth in accordance  
24 with subsection (b) of this section are deemed insuffi-  
25 cient to provide a full employment volume of production,

1 the President shall transmit a general program for such  
2 Federal investment and expenditure as will be sufficient to  
3 bring the aggregate volume of investment and expenditure  
4 by private business, consumers, State and local government,  
5 and the Federal Government, up to the level required to  
6 assure a full employment volume of production. Such pro-  
7 gram shall be designed to contribute to the national wealth  
8 and well-being, and to stimulate additional non-Federal in-  
9 vestment and expenditure. Any of such programs calling for  
10 the construction of public works by the Federal Government  
11 shall provide for the performance of the necessary construc-  
12 tion work by private concerns under contracts awarded in  
13 accordance with applicable laws, except where the perform-  
14 ance of such work by some other method is necessary by  
15 reason of special circumstances or is authorized by other  
16 provisions of law.

17 (d) If the estimated aggregate volume of prospective  
18 investment and expenditure for any fiscal year or other  
19 period, as set forth in the National Budget in accordance  
20 with paragraph (a) (3) of this section, is more than the  
21 estimated aggregate volume of investment and expenditure  
22 required to assure a full employment volume of production,  
23 as set forth in the National Budget in accordance with para-  
24 graph (a) (2) of this section, the President shall set forth  
25 in such Budget a general program for preventing inflationary

1 economic dislocations, or diminishing the aggregate volume  
2 of investment and expenditure to the level required to assure  
3 a full employment volume of production, or both.

4 (e) The programs referred to in subsections (b),  
5 (c), and (d) of this section shall include such measures  
6 as may be necessary to assure that monopolistic practices  
7 with respect to prices, production, or distribution, or other  
8 monopolistic practices, will not interfere with the achievement  
9 of the purposes of this Act.

10 (f) The National Budget shall include a report on the  
11 distribution of the national income during the preceding fiscal  
12 year, or such longer period as the President may deem ap-  
13 propriate, together with an evaluation of the effect upon  
14 the distribution of the national income of the programs set  
15 forth in such Budget.

16 (g) The President may from time to time transmit  
17 to Congress such supplemental or revised estimates, infor-  
18 mation, programs, or legislative recommendations as he  
19 may deem necessary or desirable in connection with the  
20 National Budget.

#### 21 PREPARATION OF NATIONAL BUDGET

22 SEC. 4. (a) The National Budget shall be prepared in  
23 the Executive Office of the President under the general di-  
24 rection and supervision of the President, and in consultation

1 with the members of his Cabinet and other heads of depart-  
2 ments and establishments.

3 (b) The President shall transmit to the several depart-  
4 ments and establishments such preliminary estimates and  
5 other information as will enable them to prepare such plans  
6 and programs as may be needed during the ensuing or  
7 subsequent fiscal years to help achieve a full employment  
8 volume of production.

9 (c) The President may establish such advisory boards  
10 or committees composed of representatives of industry, agri-  
11 culture, labor, and State and local governments, and others,  
12 as he may deem advisable for the purpose of advising and  
13 consulting on methods of achieving the objectives of this Act.

#### 14 JOINT COMMITTEE ON THE NATIONAL BUDGET

15 SEC. 5. (a) There is hereby established a Joint Com-  
16 mittee on the National Budget, to be composed of the chair-  
17 men and ranking minority members of the Senate Com-  
18 mittees on Appropriations, Banking and Currency, Educa-  
19 tion and Labor, and Finance, and seven additional Members  
20 of the Senate, to be appointed by the President of the Senate;  
21 and the chairmen and ranking minority members of the House  
22 Committees on Appropriations, Banking and Currency,  
23 Labor, and Ways and Means, and seven additional Members  
24 of the House of Representatives to be appointed by the  
25 Speaker of the House of Representatives. The party repre-



1   sentation of the Joint Committee shall reflect the relative  
2   membership of the majority and minority parties in the  
3   Senate and the House of Representatives.

4       (b) It shall be the function of the Joint Committee—

5           (1) to make a study of the National Budget trans-  
6           mitted to Congress by the President in accordance with  
7           section 3 of this Act; and

8           (2) to report to the Senate and the House of Rep-  
9           resentatives, not later than March 1 of each year, its  
10          findings and recommendations with respect to the  
11          National Budget, together with a joint resolution set-  
12          ting forth for the ensuing fiscal year a general policy  
13          with respect to such National Budget to serve as a guide  
14          to the several committees of Congress dealing with  
15          legislation relating to such National Budget.

16       (c) Vacancies in the membership of the Joint Com-  
17       mittee shall not affect the power of the remaining members  
18       to execute the functions of the committee, and shall be filled  
19       in the same manner as in the case of the original selection.  
20       The committee shall select a chairman and a vice chairman  
21       from among its members.

22       (d) The Joint Committee, or any duly authorized sub-  
23       committee thereof, is authorized to sit and act at such places  
24       and times; to require by subpoena or otherwise the attendance  
25       of such witnesses and the production of such books, papers,

1 and documents, to administer such oaths, to take such testi-  
2 mony, to procure such printing and binding, and to make  
3 such expenditures as it deems advisable. The cost of steno-  
4 graphic services to report such hearings shall not be in excess  
5 of 25 cents per hundred words. The provisions of sections  
6 102 to 104, inclusive, of the Revised Statutes shall apply in  
7 case of any failure of any witness to comply with any sub-  
8 pena, or to testify when summoned, under authority of this  
9 section.

10 (e) The Joint Committee is empowered to appoint and  
11 fix the compensation of such experts, consultants, technicians,  
12 and clerical and stenographic assistance as it deems neces-  
13 sary and advisable, but the compensation so fixed shall not  
14 exceed the compensation prescribed under the Classification  
15 Act of 1923, as amended, for comparable duties. The com-  
16 mittee may utilize such voluntary and uncompensated serv-  
17 ices as it deems necessary and is authorized to utilize the  
18 services, information, facilities, and personnel of the depart-  
19 ments and establishments.

20 (f) The expenses of the Joint Committee shall be paid  
21 one-half from the contingent fund of the Senate and one-half  
22 from the contingent fund of the House of Representatives  
23 upon vouchers signed by the chairman or vice chairman.

24 **RATE OF EXPENDITURES**

25 **SEC. 6.** (a) The President shall review quarterly

1 all Federal investment and expenditure for the purpose of  
2 ascertaining the extent to which the current and anticipated  
3 level of non-Federal investment and expenditure warrants  
4 any change in the volume of such Federal investment and  
5 expenditure.

6 (b) Subject to such principles and standards as may  
7 be set forth in applicable appropriation Acts and other  
8 statutes, the rate of Federal investment and expenditure may  
9 be varied to whatever extent and in whatever manner the  
10 President may determine to be necessary for the purpose of  
11 assisting in assuring continuing full employment, with due  
12 consideration being given to current and anticipated varia-  
13 tions in savings and in investment and expenditure by private  
14 business, consumers, State and local governments, and the  
15 Federal Government.

#### 16 AID TO COMMITTEES

17 SEC. 7. The heads of departments and establishments  
18 shall, at the request of any committee of either House  
19 of Congress, furnish such committee with such aid and  
20 information with regard to the National Budget as it may  
21 request.

#### 22 INTERPRETATION

23 SEC. 8. Nothing contained herein shall be construed  
24 as calling for or authorizing—

1           (a) the operation of plants, factories, or other pro-  
2           ductive facilities by the Federal Government;

3           (b) the use of compulsory measures of any type  
4           whatsoever in determining the allocation or distribution  
5           of manpower; .

6           (c) any change in the existing procedures on  
7           appropriations; or

8           (d) the carrying out of, or any appropriation for,  
9           any program set forth in the National Budget, unless such  
10          program shall have been authorized by provisions of law  
11          other than this Act.









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## A BILL

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To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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By Mr. MURRAY, Mr. WAGNER, Mr. THOMAS of Utah, Mr. O'MAHONEY, Mr. MORSE, Mr. TOBEY, Mr. AIKEN, and Mr. LANGER

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JANUARY 22, 1945

Read twice and referred to the Committee on Banking and Currency





DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued January 30, 1945, for actions of Monday; January 29, 1945)

(For staff of the Department only)

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1. NATIONAL SERVICE. Began debate on H. R. 1752, the May bill (pp. 580-7,590-607). This bill amends the Selective Training and Service Act as follows: Imposed upon registrants between 18 and 45 a liability to perform work in war production, in support of the national health, safety, or interest, or in an agricultural occupation or endeavor essential to the war effort, designated by the Director of War Mobilization and Reconversion or an agency named by him. Prohibits such registrants from leaving jobs in a designated activity unless their local boards find this in the best interest of the war effort. Provides that if "freezing" and voluntary recruitment do not meet the needs of designated activities, local boards may order registrants to apply for employment in a designated activity, with a reasonable choice of employers for whom to work. Makes willful violations of these provisions subject to the same fine and imprisonment as for violations of selective-service orders, but provides more liberal defense grounds. Makes available to such registrants certain reemployment and other benefits. Limits application of the legislation to the duration of the war or such earlier time as Congress may determine. Does not affect the Tydings amendment regarding farm labor.
2. INVESTIGATIONS. Agreed to resolutions providing funds for various committee investigations, as follows:

  - Civil Service Committee, H. Res. 110 (p. 574).
  - Special Committee on Post-War Economic Policy and Planning, H. Res. 111 (p. 574).
  - Select Committee to Investigate Acts of Executive Agencies, H. Res. 113 (pp. 574-5).
  - Select Committee on Conservation of Wildlife Resources, H. Res. 97 (pp. 572-3).
  - Committee on Un-American Activities, H. Res. 109 (pp. 573-4).
  - Select Committee to Study and Investigate National Defense Program in its Relation to Small Business, H. Res. 112 (p. 574).



3. COMMITTEE ASSIGNMENTS. Rep. Pickett, Tex., resigned as a member of the Irrigation and Reclamation Committee (p. 572).  
Rep. Knutson, Minn., was appointed to the Joint Committee to Investigate Nonessential Federal Expenditures (p. 572).  
Reps. LeFevre, N. Y., and Simpson, Ill., were appointed to the Special Committee on Post-War Economic Policy and Planning (p. 572).

SENATE

4. A. A. A. ALLOTMENTS. Passed as reported S. 338, which authorizes the cotton or wheat acreage allotment of any farm to be protected, even though such crops may not have been planted thereon for the last three years, if the normal history of the farm has been upset because of war-crop production or because the owner or operator has been serving in the armed forces (p. 552).
5. INVESTIGATIONS. Agreed to resolutions to continue various special investigations, as follows:  
Special Committee on Post-War Economic Policy and Planning, S. Res. 33 (p. 542).  
Military Affairs Committee, to investigate war-mobilization problems and war-contracts matters, S. Res. 46 (p. 542).  
Irrigation and Reclamation Committee, to investigate the supply and distribution of hydroelectric power, S. Res. 31 (p. 543).  
Judiciary Committee, to investigate the issuance of Executive orders and departmental regulations, S. Res. 16 (p. 543).  
Special Committee to Study and Survey Problems of Small Business, S. Res. 28 (pp. 543-9).  
Special Committee to Investigate the National Defense Program, S. Res. 55 (pp. 549-50).  
Special Committee to Investigate the Conservation of Wild Animal Life, S. Res. 43 (p. 550).  
Special Committee to Investigate Petroleum Resources, S. Res. 36 (p. 551).  
Special Committee to Investigate the Production, Transportation, and Marketing of Wool, S. Res. 58 (p. 551).
6. FARM LABOR; SELECTIVE SERVICE. Sen. Butler, Nebr., inserted letters opposing the drafting of farm labor (pp. 539-40).
7. RIVERS-HARBORS BILL. Passed with amendments this bill, S. 35 (pp. 552-7).

8. FULL-EMPLOYMENT BUDGET. Sen. Murray, Mont., inserted departmental reports (including one from Agriculture) on the proposed full-employment budget (pp. 557-9).
9. LATIN AMERICA; POST-WAR PLANNING. Sen. Chavez, N. Mex., discussed the possibilities of developing relations with Latin America in the post-war world (pp. 568-70).
10. STRATEGIC MATERIALS. The report of the Army and Navy Munitions Board on strategic materials was ordered printed as S. Doc. 5 (p. 570).
11. ADJOURNED until Thurs., Feb. 1 (p. 571).

BILLS INTRODUCED

12. DRAINAGE. S. 422, by Sen. Eastland, Miss., to provide for improved agricultural land utilization by assisting in the rehabilitation and construction of drainage works in humid areas. To Agriculture and Forestry Committee.



Projects contained in rivers and harbors bill, S. 35—Continued

Project	Document No.	Federal first cost
Crescent City Harbor, Calif., and the construction of an inner breakwater.	(9)	\$200,000
Cheleo River, Oreg.	H. 817, 77th Cong.	190,000
Coquille River, Oreg.	H. 672, 76th Cong.	(4)
Umpqua Harbor and River, Oreg.	S. 86, 76th Cong.	55,000
Umpqua River, Oreg.	S. 191, 77th Cong.	34,000
Yaquina Bay and Harbor, Oreg.	S. 119, 77th Cong.	162,000
Depoe Bay, Oreg.	H. 350, 77th Cong.	214,000
Salmon River, Oreg.	H. 551, 76th Cong.	5,000
Bayocean Peninsula, Oreg.	(5)	120,000
Willamette River, Oreg.	H. 544, 75th Cong.	3,600,000
Snake River, Oreg., Wash., and Idaho.	H. 704, 75th Cong.	58,625,000
Columbia River at Bonneville, Oreg.	(6)	50,000
Columbia River and tributaries above Celilo Falls to the mouth of Snake River, Oreg., and Wash.	S. 28, 76th Cong.	39,000
Do.	H. 324, 77th Cong.	30,000
Columbia River, Oreg. and Wash.	H. 704, 75th Cong.	49,470,000
Columbia River between Vancouver, Wash., and Bonneville, Oreg.	H. 218, 76th Cong.	45,000
Columbia and Willamette Rivers below Vancouver, Wash., and Portland, Oreg.	H. 341, 77th Cong.	12,000
Do.	H. 630, 77th Cong.	81,000
Baker Bay, Columbia River, Wash.	H. 443, 76th Cong.	170,000
Willapa River and Harbor, Wash.	H. 481, 76th Cong.	30,000
Grays Harbor and Chehalis River to Aberdeen, Wash.	(9)	160,000
Quillayute River, Wash.	H. 218, 78th Cong.	(4)
Port Angeles Harbor, Wash.	H. 331, 77th Cong.	10,000
Olympia Harbor, Wash.	H. 399, 76th Cong.	88,000
Tacoma Harbor, Wash.	H. 124, 76th Cong.	160,000
Stillaguamish River, Wash.	H. 286, 77th Cong.	35,000
Lake Crockett, Wash.	H. 303, 77th Cong.	225,000
Metlakatla Harbor, Alaska.	H. 138, 76th Cong.	120,000
Craig Harbor, Alaska.	H. 558, 76th Cong.	80,000
Meyers Chuck Harbor, Alaska.	H. 222, 76th Cong.	25,000
Wrangell Harbor, Alaska.	H. 244, 76th Cong.	189,000
Wrangell Narrows, Alaska.	H. 260, 76th Cong.	2,731,000
Sitka Harbor, Alaska.	Mar. 14, 1944 <sup>3</sup>	385,000
Skagway Harbor, Alaska.	Apr. 11, 1942 <sup>3</sup>	16,000
Petersburg Harbor, Alaska.	H. 670, 76th Cong.	80,000
Port Alexander, Alaska.	H. 578, 76th Cong.	31,000
Gastineau Channel, Alaska.	H. 325, 77th Cong.	155,000
Elfin Cove, Alaska.	H. 579, 76th Cong.	38,000
Seldovia Harbor, Alaska.	H. 702, 76th Cong.	50,000
Keeki Lagoon, Oahu, T. H.	H. 379, 77th Cong.	(4) <sup>9</sup>
Port Allen Harbor, T. H.	H. 180, 77th Cong.	75,000
San Juan Harbor, P. R.	(8)	(4) <sup>9</sup>
Ponce Harbor, P. R.	May 21, 1942 <sup>3</sup>	400,000
Fajardo Harbor, P. R.	H. 286, 76th Cong.	211,000
Total, 291 projects.		381,968,332

<sup>1</sup> Listed geographically as in the bill.  
<sup>2</sup> Document and Congress; "H" indicates House; "S" indicates Senate.  
<sup>3</sup> Date of report of Chief of Engineers, which was not printed.  
<sup>4</sup> Maintenance only.  
<sup>5</sup> In accordance with report on file in the Office, Chief of Engineers.  
<sup>6</sup> No additional cost to the United States.  
<sup>7</sup> River and Harbor Act, Aug. 30, 1935.  
<sup>8</sup> Reduction of \$2,100 in cost.  
<sup>9</sup> Work already accomplished in the interest of the war effort.

Mr. OVERTON. Mr. President, at the appropriate place in the bill the Senator from South Carolina [Mr. MAYBANK] desires to offer as a preliminary survey item the amendment which I send to the desk and ask to have read. I have no objection to it.

The PRESIDING OFFICER (Mr. PEPPER in the chair). The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert in section 5, following the item on Cooper River, S. C., on page 49, after line 6, the following:

Channel from the ocean through St. Helena Sound or through Port Royal Sound to Beaufort, S. C.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendments to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 35) was ordered to be engrossed for a third reading, read the third time, and passed.

FULL EMPLOYMENT

Mr. MURRAY. Mr. President, following my remarks I ask unanimous consent to have printed in the RECORD a series of letters which I have received during the past few weeks commenting upon the proposed full employment bill, recently introduced by the senior Senator from New York [Mr. WAGNER], the senior Senator from Utah [Mr. THOMAS], the senior Senator from Wyoming [Mr. O'MAHONEY], and myself.

These letters are from the following officials: Leo T. Crowley, Administrator, Foreign Economic Administration; Edward R. Stettinius, Jr., Secretary of State; Frances Perkins, Secretary of Labor; Claude R. Wickard, Secretary of Agriculture; Chester Bowles, Administrator, Office of Price Administration; John B. Blandford, Jr., Administrator, National Housing Agency.

I should particularly like to call the attention of the Senate to the following statement on the bill made by the Honorable Leo T. Crowley, Administrator of the Foreign Economic Administration:

In accordance with our traditional economic concepts the initial burden of achieving continuing full employment is placed upon private, non-governmental sources. Government participation is limited to encouraging and creating the optimum conditions conducive to the meeting of this burden by private enterprise alone. But, if private enterprise cannot alone meet this burden, direct Government investment and expenditures which not only will assure full employment but will add to the wealth of the Nation must, as the bill provides, be undertaken.

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Is there objection?

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

FOREIGN ECONOMIC ADMINISTRATION,  
 January 24, 1945.

DEAR SENATOR MURRAY: In your letter of December 16, 1944, you ask me for my views on a proposed bill to establish a national policy and program for assuring continuing full employment.

The proposed bill requires that the President shall transmit to Congress at each regular session a report on the estimated number of jobs needed to insure continuing full employment for the coming fiscal year or years, the estimated amount of investment and other expenditures which will provide such

jobs, and the estimated volume of prospective investment and expenditures. If prospective investments and expenditures are less than the amount necessary to assure full employment, the President is required to recommend a program for encouraging non-Federal investment and expenditures. To the extent that such expenditures are insufficient to take up the lag the President is required to recommend a program of Federal investment and expenditures.

I am wholeheartedly in favor of the objectives sought to be attained by the bill and the approach taken toward that end. Every American able and willing to work has the right to a useful and remunerative job and it should be, as section 2 declares, the responsibility of the Government to guarantee that right by creating conditions which will tend to bring about continuing full employment.

In accordance with our traditional economic concepts the initial burden of achieving continuing full employment is placed upon private, nongovernmental sources. Government participation is limited to encouraging and creating the optimum conditions conducive to the meeting of this burden by private enterprise alone. But, if private enterprise cannot alone meet this burden, direct Government investment and expenditures which not only will assure full employment but will add to the wealth of the Nation must, as the bill provides, be undertaken.

The right to individual economic security, no less than the right to engage in private enterprise, is an indispensable component of a vigorous and healthy democracy. Mass unemployment and the resulting economic insecurity breed the very evils which endanger private enterprise and all other democratic institutions. It is the duty of government to be prepared to meet any threats to its existence from enemy attack it should be no less its duty to be prepared to meet any threats which may arise from economic conditions. The proposed bill recognizes and undertakes to discharge that very obligation.

I have been advised that the Bureau of the Budget has no objection to the submission of this report.

Sincerely yours,  
 LEO T. CROWLEY,  
 Administrator.

DEPARTMENT OF STATE,  
 January 22, 1945.

MY DEAR SENATOR MURRAY: With reference to your letter of December 16, 1944, enclosing a copy of your bill "to establish a national policy and program for assuring continuing full employment," I am happy to make the following comments on this measure, which I understand has not yet been introduced in Congress.

As you know, my associates and I are most interested in the development of an effective program for full employment in the United States. Such a program is intimately related to our general efforts to build a secure and prosperous world in the post-war period. Therefore, it is essential that the specific methods which are employed to promote high and stable levels of productive employment should be formulated with a view to their international implications.

It would be particularly unfortunate if the measures taken by this, or any, government were such as to hinder, rather than assist, the efforts of other countries in dealing with this problem. It should be recognized that in case of a serious threat of unemployment there is likely to be a strong pressure for the use of methods which would attempt to create employment at the expense of other nations. These methods would clearly be self-defeating in character, and tend ultimately to worsen, rather than improve, the employment situation in all countries.



Because of the necessary impact of a domestic full employment program upon our foreign economic relations, there are certain principles which I think should be borne in mind in the drafting of any final legislation on this subject, and in the working out of a specific program. For instance, attempts to create full employment at home, by the stimulation of uneconomic production, would clearly lessen the volume of beneficial foreign trade which we might otherwise enjoy. Similarly, if a full employment program is to provide the maximum material well-being for our people, it should rely substantially on foreign trade and investment as a means of providing employment opportunities. Finally, it would be unfortunate if a domestic full employment program should introduce added rigidities into our economy and thus lead to new restrictions and controls on foreign trade. As you realize, other nations in the past have attempted to further domestic economic programs by resorting to exchange controls, import quotas, and other devices destructive of international economic collaboration.

You will be interested to know that the Executive Committee on Economic Foreign Policy is now studying the international aspects of the full employment problem, including the effect of various possible types of domestic full employment programs upon our foreign economic relations.

The Department has not been informed as to the relationship of the proposed legislation to the program of the President.

Sincerely yours,

EDW. R. STETTINIUS, Jr.

DEPARTMENT OF LABOR,  
December 29, 1944.

MY DEAR SENATOR MURRAY: As requested in your letter of December 16, I have examined the draft bill to establish a national policy and program for assuring continuing full employment (Confidential Subcommittee Print No. 1, dated December 11, 1944) and have given thought to the approach taken therein. I hope that my comments, which are set forth below, may prove helpful to you in the development of a bill for the consideration of the next Congress.

Permit me to congratulate you on having initiated and given impetus to the legislative effort to deal with the formidable problem of involuntary unemployment. There has developed a realization that it is the responsibility of governments to provide an economic framework which will minimize the dislocations that lead to depression and to intervene directly to maintain employment opportunities when other measures fail. At the International Labor Conference in Philadelphia the United States Government accepted and sponsored the principle that each government recognizes its duty to maintain a high level of employment. All other governments present, as well as the worker and employer delegates, joined in voting for a resolution that this principle should be incorporated in the peace settlements. Although there has been an increasing public recognition of this responsibility in the United States, there has not yet been sufficient legislative consideration of the problems involved to result in the framing of legislation.

Much of the structure and content of the bill under consideration appears to me to be highly commendable. The introduction of the concept of the National Production and Employment Budget, with its primary emphasis upon the level of total expenditure necessary to buy the total volume of goods and services that would be produced at the levels of employment contemplated, I consider a constructive contribution. I believe the proposal to establish a joint committee on the Budget, composed of members from

six existing Senate and House committees concerned with financial matters, is fully deserving of congressional study. Many other passages in the proposed measure seem to me to be admirably conceived.

The relatively brief period of time available for study of your bill has not been sufficient to enable me to formulate and prepare for you final comments. I am attaching, however, a memorandum prepared for me by A. F. Hinrichs, Acting Commissioner of Labor Statistics, which sets forth a number of considerations germane to the problems dealt with by your proposal which may be of value to your committee. Your immediate objective appears to be to open the problem and its means of solution for discussion. This the introduction of your bill accomplishes. Any reservations I may have would not be germane to the next step which I presume will be taken, namely, a series of hearings and studies of the devices that can be used to achieve the main objective, maximum employment.

Please call freely upon me and the staff of the Bureau of Labor Statistics for assistance. The Department of Labor exists "to foster, promote; and develop the welfare of the wage earners of the United States, to improve their working conditions and to advance their opportunities for profitable employment." No measure could possibly contribute as much to this objective as an act which would assure "continuing full employment."

Due to the limited period of time afforded me for the preparation of these comments I have been unable to ascertain the relationship of your proposal to the legislative program of the President.

Sincerely,

FRANCES PERKINS.

DEPARTMENT OF AGRICULTURE,  
December 28, 1944.

DEAR SENATOR MURRAY: Your draft bill "to establish a national policy and program for assuring continuing full employment" is a proposal of real importance and significance. Any proposal to relate our Federal fiscal policies to our national economy in such a way as to maintain full employment and insure high levels of business activity is worthy of our deepest consideration. Such a proposal is of equal significance to all segments of our economy, including agriculture.

As I have stated many times before congressional committees and elsewhere, the first essential to solving post-war farm problems is maintaining full industrial production and employment of workers, because farmers sell and will continue to sell most of what they produce on the domestic market. Only through full employment at good wages can they have plenty of customers able to pay fair prices for their products.

The consequences of widespread unemployment in this country in the post-war period could well prove to be detrimental not only to the welfare of our citizens who are unemployed, but would be most costly to the rest of our people and to the Federal Government itself. As a matter of fact, another depression might strike at the very foundation of our entire political economy.

We have not had time to make a detailed analysis of your proposed bill. However, insofar as the objectives and the general approach of the bill are concerned the proposal offers possibilities with which we are in complete sympathy. It is my hope that you will perfect and introduce this bill in order that it may be given fullest consideration. At a later date we will be happy to testify or present evidence based upon our further study and analysis of the measure.

Sincerely yours,

CLAUDE R. WICKARD,  
Secretary.

OFFICE OF PRICE ADMINISTRATION,

January 9, 1945.

DEAR SENATOR MURRAY: I have studied with unusual interest the draft bill "to establish a national policy and program for assuring continuous full employment."

When the war is over all of us will turn our hands and minds to the creation of a new and vastly more prosperous America. Full employment at good wages, a better income and a better life for farmers, reasonable profits for businessmen, and security and opportunity for all—these will be the things toward which all of us will work.

The world we live in when the peace finally comes will be an unsettled world—potentially a revolutionary world. If we in America are to carry our full share of responsibility for stability in international affairs, we must have a strong and prosperous economy here at home.

We must make our system work effectively and efficiently in the interests of all of us. We must fully employ all our resources and all our manpower to raise our standards of living, to provide good jobs, vastly improved housing, medical care, and education for every family in the land. If we fail to do this, our system will have failed, and America will have failed to carry out its full responsibility for world economic leadership.

Much the greatest opportunity for expanding production and employment rests with free private enterprise. I am sure that the leaders of industry, labor, and agriculture will do everything within their power to bring about the fullest possible employment of our labor and other resources. But, in the last analysis, only the Federal Government, I believe, can assure the conditions under which free private enterprise can operate most effectively.

I therefore strongly favor the assumption of this responsibility by the Federal Government through legislation carefully drawn and fully debated by the Congress. The draft bill to establish a program for assuring full use of our resources of productive power and of manpower seems to me to be intelligent and practical steps toward carrying out this principle.

The construction of a national production and employment budget for our economy would, I think, represent an important advance in governmental and business planning and policy determination. The proposal to estimate each year the full employment capacity of the Nation and to set off against that capacity the consumption, investment, and normal governmental expenditures which actually are expected in that year is an excellent means of determining the required additional expenditures, private and governmental, which are needed to assure full employment. This method, I believe, is more practical than any proposal to set rigid limits upon the volume of aggregate investment expenditure which would balance our savings at full employment, year in and year out.

The National Budget principle also has the merit of focusing the attention of Congress and the executive agencies, as well as business and the general public, upon the several types of program by means of which aggregate expenditures on goods and services can be increased. I particularly like the provision that programs having the effect of increasing consumption and private investment should be thoroughly canvassed before additional Federal expenditures are resorted to.

Business investment should be stimulated in every reasonable way. New ventures should be encouraged, while monopolies should be sharply curbed.

Unless our businessmen are encouraged to move out aggressively to create new industries, to modernize old industries, and to seek expanding markets, both at home and



abroad, we cannot expect our economy to function fully in the public interest.

However, under the best of circumstances there will be occasions when the full investment necessary to provide full use of our productive capacity will not be forthcoming from private and normal governmental sources. Under these circumstances, the firm assurance that the Federal Government will provide the necessary additional expenditures to maintain markets is essential. For this reason, I am glad to see that the commitment of the Government to step in during the years when private expenditures fall short is clear and unambiguous.

All enterprises undertaken by the Government should, of course, be projects useful in their own right. There should be no unnecessary leaf raking or boondoggling. There are, however, almost unlimited projects of obvious social value which could be included in a long-range public-works program.

A firm commitment by Government to devote to useful public projects any portion of our national resources which would otherwise run to waste in idleness should actually minimize the contribution which the Federal Government will have to make to keep total national expenditures, public and private, up to full employment levels.

It will do this, I believe, by inducing consumers to spend more freely because of greater assurance of stability of jobs and income; by inspiring confidence on the part of business in the adequacy and stability of its future markets; and by assuring State and municipal governments dependable and growing bases on which to finance desirable improvement projects.

The success of such a program requires, of course, that the Federal Government shall have planned well in advance a useful program of public projects, carefully integrated with State and local public works, which could, if necessary, be set in motion on short notice. It would also require vastly improved reporting of the volume of actual and prospective private and State and local government capital expenditure. In this connection, it appears desirable to give closer attention than is explicitly provided in the bill to regional distribution of employment and expenditures.

I hope the bill will be fully discussed by the Congress. Public hearings, with testimony by Government officials and representatives of business, agriculture, and labor, and by other interested persons should contribute greatly to public understanding of the problems which lie ahead of us in peacetime and the best means of their solution.

Sincerely,

CHESTER BOWLES,  
*Administrator.*

NATIONAL HOUSING AGENCY,  
December 29, 1944.

DEAR SENATOR MURRAY: Let me acknowledge your letter of December 16, asking for my comments about subcommittee print No. 1 of a draft bill "to establish a national policy and program for assuring continuing full employment." This will also supplement the acknowledgment of even date of Commissioner Ferguson of the Federal Housing Administration to your letter to him of December 22 on the same subject.

Upon reading this interesting bill, its contents seem to me to lie within that area of broadest general policy where the Congress itself is best equipped to make judgments. If the bill were to be enacted, its operations would, of course, affect the Government as a whole and the country as a whole; but the bill contains no technical materials presently which are peculiar to the problems and experience of the National Housing Agency.

Subject to the foregoing limitations, and

reiterating that the content of the bill is within the realm of high policy, my comment, briefly, is as follows:

The objective of full employment, sought first and primarily through the medium of private enterprise, secondly, through public stimulation and assistance to private enterprise, and thirdly, by useful and necessary supplementary programs financed in whole or in part by the Government, is an objective upon which there is now fairly common agreement. It will interest you to know that the National Housing Agency, in its thinking about post-war housing, is pursuing these three lines of approach in the order and emphasis listed. Of course, our estimates of post-war housing need are based upon the consumer need for housing as well as upon the amount of housing construction required to contribute appropriately toward full employment.

Practically all of the policies and activities of the Government, as defined by law, have some direct or indirect effect upon the success of the country in achieving the objective of full employment under our present system of democracy and initiative. Therefore, machinery designed to focus governmental activity more clearly and dramatically upon this objective and to coordinate it more thoroughly toward this end at the highest policy level, seems to me very desirable. It also seems to me that the kind of focus and coordination at the high policy level, which the draft bill emphasizes, is even more important than detailed reorganization of existing governmental agencies.

In short, the draft bill deals with our most important problem next to winning the war and the making of a permanent peace, and I think that the provisions of the bill are well thought out. As to whether the mechanics of operation which the draft bill contemplates are the best available methods for the accomplishment of the objective, that would seem to me to be a matter within the province of the Congress and the Chief Executive rather than mine.

The Bureau of the Budget has advised me that it has no objection to the submission of this report on the draft bill.

Thanking you for the request that I comment upon this draft bill, I remain,

Sincerely yours,

JOHN B. BLANDFORD, Jr.  
*Administrator.*

#### DUMBARTON OAKS PROPOSALS AND WORLD PEACE

Mr. LANGER. Mr. President, the subject upon which I am about to speak is one I have approached with extreme caution and gravity, realizing fully my role as an American legislator charged with the most solemn duties in what may be the most solemn hour of our Republic. For what is being done and written today concerning a post-war organization of the world by which the peace is to be kept will determine more than any other one thing the fate of our great country. And it is certain to determine the extent of our prosperity, the type of institutions we are to have, and whether in the years to come millions of American mothers are again to weep over the memory of brave sons buried on foreign battlefields their graves marked only by a white cross.

Mr. President, I shudder—and I use the word advisedly—I shudder to think what will happen to the United States and to civilization itself if the present effort to build a community of nations within the framework of a durable peace does not

succeed. I refer to the efforts now being made to create what in effect will be a new League of Nations as symbolized by the discussions at Dumbarton Oaks.

I say these things with the deliberation of a man who is much saddened by the need that forces him to speak. For, Mr. President, we are not on our way to peace. We are following a formula which will lead to certain and even more terrible wars in the future.

Dumbarton Oaks, I believe, or any agreement drawn up on similar premises, is ultimately doomed to failure. I state this not as a personal opinion. It is simply a matter of inevitable cause and effect, based on equally inevitable facts.

I believe, on the other hand, that there is a program which, in this modern world, can succeed, and may maintain the peace. This, too, is not stated as a personal opinion. It is a studied conclusion, again based on an objective analysis of the facts, facts which, if anyone wishes to read them in complete detail, can be found in the brilliant work, *The Gentlemen Talk of Peace*, by William B. Ziff, a work to which I shall again refer.

I feel that the Dumbarton Oaks proposals are the product of a noble and humanitarian point of view. I think it will be accepted by his friends and foes alike that this effort by the President of the United States to create a world organization of peace-loving nations is the product of a desire to see a final end to this terrible business of war. As loyal patriots in this crisis, we have followed our Commander in Chief and have given his program every opportunity to prove itself. Those of us who have been in the Republican opposition feel that on this most important of all issues there has been no other choice to make, and that the President of the United States must in this emergency face the world equipped with a single American mandate—with a united nation behind it.

When in the course of events it becomes clear, however, that the proposals espoused by the President of the United States and the American State Department are based on a totally mistaken estimate of events, and that the result will be to lessen rather than to increase the security of this country in the world of the future, then it becomes equally necessary that we demand a new course, a course in which a proper and judicious mixture of realism is intermingled with the elements of hope and of humanitarian doctrine.

That time may now have arrived. There is little use in deluding ourselves further. The set of ideas on which the Dumbarton Oaks proposals is based cannot succeed. I, for one, hope that they will succeed, and that I am wrong in this estimate, but for reasons which I shall shortly outline for the consideration of Senators, I am prepared to say now that the Dumbarton Oaks proposals not only cannot succeed, they will never be placed into effect even provisionally. This is now perfectly clear to those who can read the signs of the times which are emblazoned on the very heavens. They are as plain as a pikestaff to those with eyes



to see that we are now at what may be the greatest turning point in human history.

I should like to caution the Members of the Senate that this is no longer a matter of party view. It is no longer a matter of saving face for those who may have mistakenly espoused a program which now turns out to be a sorry illusion. It is a matter, fellow Senators, of national life or death.

This is not an academic question concerned with protocol or questions of ordinary political maneuver. This is a question which has already been written in the blood of over half a million American boys and may yet be sealed with the blood of hundreds of thousands more. It is a question which involves the destruction of our property, the wastage of our national resources, and the blasting of the very nature of the institution by which our Republic is to be governed.

In the last World War 10,000,000 men met death on the battlefield. Another 21,000,000 were wounded, in addition to other millions who were listed as missing. Wartime conditions brought about as many as 30,000,000 of other deaths among the civilian population.

The economic and physical costs of this terrific orgy of blood-letting have been estimated as high as \$338,000,000,000.

These figures are appalling enough, but they are minor in comparison to what is now occurring. Let me quote from Mr. Ziff's work:

In addition to the millions who will have been killed on the battlefields when the present struggle is terminated, untold legions will have been permanently crippled, great masses of men will emerge maimed in mind and spirit as well as in body. In military casualties the Germans alone have lost close to 5,000,000 men; the Russians, perhaps 7,500,000; the Chinese, 4,500,000; and the Japanese, somewhere around 2,000,000. The civilian deaths due to the war are upwards of 13,000,000 for China and 11,000,000 for the Soviet Union. Over 3,000,000 Jews have been exterminated by Germany in the abattoirs of Poland. The Poles must have lost among all classes of citizens as many as 4,000,000. At least 40,000,000 people of all nationalities have been torn up by their roots in Europe and perhaps as many as 30,000,000 in Asia. Uncounted millions will have been destroyed by epidemics and disabled by wounds or starvation. The figures of those afflicted with soul-sicknesses and dangerous psychoses will dwarf completely those of any other war in history.

It is pointed out that—

Without taking into account imponderable losses of economic destruction, the actual cost of the present war was probably over \$500,000,000,000 by the beginning of 1944. The United States alone was spending money at the rate of \$276,000,000 a day.

In the over-all global cost, World War No. 2 will probably run into the fabulous sum of two thousand billion dollars. Even in these days of astronomical figures this amount staggers the imagination. It is not merely a figure, Mr. President, but it represents steel and coal and oil, chemicals, and a vast accumulation of human energy and effort. It represents a wastage of what should be the inalienable possession of the peoples of the world and the heritage of our unborn children. It spells for the next gen-

eration the heavy threat of financial ruin, and promises them the economics of scarcity instead of plenty. It does not take into consideration unseen costs which are virtually measureless. How shall we replace, for example, the minerals from our soil which are now sent so freely to Europe and Asia in the shape of food products, plastics, and other materials derived from agriculture?

A study of these appalling facts should make it clear to anyone that we can no longer dally with the present emergency. We cannot dance after some new Pied Piper of Hamelin.

Impassioned zealots, no matter how noble their motives, may in this emergency prove dangerous to our Republic despite—and I say this after studied thought—despite the fact that they are situated in high places.

Within a short time the President of the United States will again meet in discussion with the Prime Minister of the British Empire and with our other ally, Marshal Stalin, head of all the Russias.

Let us cut away the obscuring cover of fine phrases which hides the real object of this meeting from view. That real object is plain to all of us—it is how to save the peace after it has been won, how to keep the United Nations still united when the war is over.

The misgivings with which the future may well be faced are pointedly brought to our attention by the situation in Europe, for the principal members of the United Nations are now following policies which have little to do with that mutual cooperation so desperately required by humanity which has already endured far more war and blood-letting than it can stand.

The meeting between the three great statesmen is not intended as a pleasant session of routine discussions. It is intended as a desperate effort to mend differences which are now all but unbridgeable.

If this meeting does not succeed, and it appears to me perfectly clear that it will not, then we must start all over again in our efforts to find a basis for a common peace.

Let us survey the Dumbarton Oaks proposals and look into the practical and realistic reasons why they fly in the face of fate.

No matter how one looks at it, the plan is for a new League of Nations—only this time a league with teeth in it. This means we must have a world set-up embracing some 66 independent states and several more, such as Iraq, which are presumed on their way toward independence.

Of these three-score and six independent states, only four are in a position which could possibly enable them to meet the problems of the present century. Great Britain, unfortunately, is not one of these four. The four are the United States of America, the Union of Socialist Soviet Republics, the Republic of China, and the United States of Brazil. I include the latter country in the category of potential masters of the globe since it fits the circumstances by which tomorrow's power pattern is to be measured. All Brazil lacks today is people.

I remind the Senate that it was Mr. Ziff who wrote that other great realistic work which so strongly influenced our Nation at another critical moment early in the war. It was called *The Coming Battle of Germany*. His new work is, I think, of even greater importance to the American people. My attention was called to it some 5 months ago when together with others I had the privilege of seeing it in galley form. We can judge the future by the past. During these months I have stood by and waited to see the developments and have been literally amazed to note with what exactness the forecasts made by him have come true. He stated, for example, that the Atlantic Charter would not be backed up by its authors and would be quietly abandoned; that the Soviet Union would install the Lublin committee by unilateral action as the rule of Poland; that our foreign policy would force De Gaulle into the lap of the Soviet Union. He described the situation in Greece in detail and predicted with accuracy the subsequent struggle which has taken place there between the ELAS resistance forces and the British.

Almost in the words subsequently used by Prime Minister Churchill, he forecast that the United Nations would seek to compensate Poland for the territory lost to the Soviet Union by giving her East Prussia and those portions of the Reich east of the Oder and Neisse Rivers, and that the Germans would be removed from these territories by a great population exchange. He forecast the view of the War Crimes Commission set up by the United Nations, which has now finally declined to carry out the previous threats to try German leaders criminally. His statement of the Chinese situation and other situations generally have been coming true day by day with uncanny accuracy.

My attention was further called to all this by a large number of editorials which have been appearing day by day in the various newspapers throughout the country, as well as in my own section. These newspaper editorials have emphasized the things which I have noted and which I express here. Among them is an editorial from a newspaper which has won the Pulitzer prize for the excellence of its editorials, namely, the *Bismarck (N. Dak.) Tribune*, which not only typifies the highest standard of journalism throughout the Nation but also the way the people of our section of the country are beginning to think. In one of these editorials to which I refer the *Bismarck Tribune* states that unless we elect to do something now, there most certainly will be another war. It calls attention to the fact that "the nature and extent of that war is indicated with probable accuracy by William B. Ziff in his new book, *The Gentlemen Talk of Peace*."

I have noted the editorials of such representative newspapers as the *Fort Wayne (Ind.) News-Sentinel*, the *Jackson (Miss.) News*, the *Evansville (Ind.) Courier*, the *Topeka (Kans.) State Journal*, the *Pontiac (Mich.) Press*, the *Denver (Colo.) Post*, the *Greenville (Miss.) Delta Democratic Times*, the *Birming-*







79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2202

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 1945

Mr. PATMAN introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

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## A BILL

To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Full Employment Act  
4       of 1945".

5                                       DECLARATION OF POLICY

6       SEC. 2. The Congress hereby declares that—

7       (a) It is the policy of the United States to foster free  
8       competitive enterprise and the investment of private capital

1 in trade and commerce, and in the development of the  
2 natural resources of the United States;

3 (b) All Americans able to work and seeking work  
4 have the right to useful, remunerative, regular, and full-time  
5 employment, and it is the policy of the United States to  
6 assure the existence at all times of sufficient employment  
7 opportunities to enable all Americans who have finished their  
8 schooling and who do not have full-time housekeeping respon-  
9 sibilities freely to exercise this right;

10 (c) In order to carry out the policies set forth in sub-  
11 sections (a) and (b) of this section, and in order to (1)  
12 promote the general welfare of the Nation; (2) foster and  
13 protect the American home and the American family as  
14 the foundation of the American way of life; (3) raise the  
15 standard of living of the American people; (4) provide  
16 adequate employment opportunities for returning veterans;  
17 (5) contribute to the full utilization of our national re-  
18 sources; (6) develop trade and commerce among the several  
19 States and with foreign nations; (7) preserve and strengthen  
20 competitive private enterprise, particularly small business  
21 enterprise; (8) strengthen the national defense and security;  
22 and (9) contribute to the establishment and maintenance of  
23 lasting peace among nations, it is essential that continuing  
24 full employment be maintained in the United States;

25 (d) In order to assist industry, agriculture, labor, and

1 State and local governments in achieving continuing full  
2 employment, it is the responsibility of the Federal Govern-  
3 ment to pursue such consistent and openly arrived at eco-  
4 nomic policies and programs as will stimulate and encourage  
5 the highest feasible levels of employment opportunities  
6 through private and other non-Federal investment and  
7 expenditure;

8 (e) To the extent that continuing full employment  
9 cannot otherwise be achieved, it is the further responsi-  
10 bility of the Federal Government to provide such volume  
11 of Federal investment and expenditure as may be needed  
12 to assure continuing full employment; and

13 (f) Such investment and expenditure by the Federal  
14 Government shall be designed to contribute to the national  
15 wealth and well-being, and to stimulate increased employ-  
16 ment opportunities by private enterprise.

17 THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

18 SEC. 3. (a) The President shall transmit to Congress  
19 at the beginning of each regular session the National Pro-  
20 duction and Employment Budget (hereinafter referred to  
21 as the "National Budget"), which shall set forth in sum-  
22 mary and detail, for the ensuing fiscal year or such longer  
23 period as the President may deem appropriate—

24 (1) the estimated size of the labor force, including  
25 the self-employed in industry and agriculture;

1           (2) the estimated aggregate volume of investment  
2           and expenditure by private enterprises, consumers, State  
3           and local governments, and the Federal Government,  
4           required to produce such volume of the gross national  
5           product, at the expected level of prices, as will be neces-  
6           sary to provide employment opportunities for such labor  
7           force (such dollar volume being hereinafter referred to  
8           as the "full employment volume of production"); and

9           (3) the estimated aggregate volume of prospective  
10          investment and expenditure by private enterprises,  
11          consumers, State and local governments, and the Federal  
12          Government (not taking into account any increased or  
13          decreased investment or expenditure which might be  
14          expected to result from the programs set forth in such  
15          Budget).

16          The estimates and information herein called for shall take ac-  
17          count of such foreign investments and expenditure for exports  
18          and imports as affect the volume of the gross national product.

19          (b) The extent, if any, by which the estimated aggre-  
20          gate volume of prospective investment and expenditure for  
21          any fiscal year or other period, as set forth in the National  
22          Budget in accordance with paragraph (a) (3) of this sec-  
23          tion, is less than the estimated aggregate volume of invest-  
24          ment and expenditure required to assure a full employment  
25          volume of production, as set forth in the National Budget in



1 accordance with paragraph (a) (2) of this section, shall for  
2 the purposes of this title be regarded as a prospective defi-  
3 ciency in the National Budget. When there is a prospective  
4 deficiency in the National Budget for any fiscal year or other  
5 period, the President shall set forth in such Budget a general  
6 program for encouraging such increased non-Federal invest-  
7 ment and expenditure, particularly investment and expendi-  
8 ture which will promote increased employment opportunities  
9 by private enterprise, as will prevent such deficiency to the  
10 greatest possible extent. The President shall also include in  
11 such Budget such recommendations for legislation relating to  
12 such program as he may deem necessary or desirable. Such  
13 program may include, but need not be limited to, current  
14 and projected Federal policies and activities with reference  
15 to banking and currency, monopoly and competition, wages  
16 and working conditions, foreign trade and investment, agri-  
17 culture, taxation, social security, the development of natural  
18 resources, and such other matters as may directly or  
19 indirectly affect the level of non-Federal investment and  
20 expenditure.

21 (c) To the extent, if any, that such increased non-Fed-  
22 eral investment and expenditure as may be expected to result  
23 from actions taken under the program set forth in accordance  
24 with subsection (b) of this section are deemed insuffi-  
25 cient to provide a full employment volume of production,

1 the President shall transmit a general program for such  
2 Federal investment and expenditure as will be sufficient to  
3 bring the aggregate volume of investment and expenditure  
4 by private business, consumers, State and local governments,  
5 and the Federal Government, up to the level required to  
6 assure a full employment volume of production. Such pro-  
7 gram shall be designed to contribute to the national wealth  
8 and well-being, and to stimulate additional non-Federal in-  
9 vestment and expenditure. Any of such programs calling for  
10 the construction of public works by the Federal Government  
11 shall provide for the performance of the necessary construc-  
12 tion work by private concerns under contracts awarded in  
13 accordance with applicable laws, except where the perform-  
14 ance of such work by some other method is necessary by  
15 reason of special circumstances or is authorized by other  
16 provisions of law.

17 (d) If the estimated aggregate volume of prospective  
18 investment and expenditure for any fiscal year or other  
19 period, as set forth in the National Budget in accordance  
20 with paragraph (a) (3) of this section, is more than the  
21 estimated aggregate volume of investment and expenditure  
22 required to assure a full employment volume of production,  
23 as set forth in the National Budget in accordance with para-  
24 graph (a) (2) of this section, the President shall set forth



1 in such Budget a general program for preventing inflationary  
2 economic dislocations, or diminishing the aggregate volume  
3 of investment and expenditure to the level required to assure  
4 a full employment volume of production, or both.

5 (e) The programs referred to in subsections (b),  
6 (c), and (d) of this section shall include such measures  
7 as may be necessary to assure that monopolistic practices  
8 with respect to prices, production, or distribution, or other  
9 monopolistic practices, will not interfere with the achieve-  
10 ment of the purposes of this Act.

11 (f) The National Budget shall include a report on the  
12 distribution of the national income during the preceding fiscal  
13 year, or such longer period as the President may deem ap-  
14 propriate, together with an evaluation of the effect upon  
15 the distribution of the national income of the programs set  
16 forth in such Budget.

17 (g) The President may from time to time transmit  
18 to Congress such supplemental or revised estimates, infor-  
19 mation, programs, or legislative recommendations as he  
20 may deem necessary or desirable in connection with the  
21 National Budget.

22 PREPARATION OF NATIONAL BUDGET

23 SEC. 4. (a) The National Budget shall be prepared in  
24 the Executive Office of the President under the general di-

1 rection and supervision of the President, and in consultation  
2 with the members of his Cabinet and other heads of depart-  
3 ments and establishments.

4 (b) The President shall transmit to the several depart-  
5 ments and establishments such preliminary estimates and  
6 other information as will enable them to prepare such plans  
7 and programs as may be needed during the ensuing or  
8 subsequent fiscal years to help achieve a full employment  
9 volume of production.

10 (c) The President may establish such advisory boards  
11 or committees composed of representatives of industry, agri-  
12 culture, labor, and State and local governments, and others,  
13 as he may deem advisable for the purpose of advising and  
14 consulting on methods of achieving the objectives of this Act.

15 JOINT COMMITTEE ON THE NATIONAL BUDGET

16 SEC. 5. (a) There is hereby established a Joint Com-  
17 mittee on the National Budget, to be composed of the chair-  
18 men and ranking minority members of the Senate Com-  
19 mittees on Appropriations, Banking and Currency, Educa-  
20 tion and Labor, and Finance, and seven additional Members  
21 of the Senate, to be appointed by the President of the Senate;  
22 and the chairmen and ranking minority members of the House  
23 Committees on Appropriations, Banking and Currency,  
24 Labor, and Ways and Means, and seven additional Members  
25 of the House of Representatives to be appointed by the

1 Speaker of the House of Representatives. The party repre-  
2 sentation of the Joint Committee shall reflect the relative  
3 membership of the majority and minority parties in the  
4 Senate and the House of Representatives.

5 (b) It shall be the function of the Joint Committee—

6 (1) to make a study of the National Budget trans-  
7 mitted to Congress by the President in accordance with  
8 section 3 of this Act; and

9 (2) to report to the Senate and the House of Rep-  
10 resentatives, not later than March 1 of each year, its  
11 findings and recommendations with respect to the  
12 National Budget, together with a joint resolution set-  
13 ting forth for the ensuing fiscal year a general policy  
14 with respect to such National Budget to serve as a guide  
15 to the several committees of Congress dealing with  
16 legislation relating to such National Budget.

17 (c) Vacancies in the membership of the Joint Com-  
18 mittee shall not affect the power of the remaining members  
19 to execute the functions of the committee, and shall be filled  
20 in the same manner as in the case of the original selection.  
21 The committee shall select a chairman and a vice chairman  
22 from among its members.

23 (d) The Joint Committee, or any duly authorized sub-  
24 committee thereof, is authorized to sit and act at such places  
25 and times, to require by subpoena or otherwise the attendance

1 of such witnesses and the production of such books, papers,  
2 and documents, to administer such oaths, to take such testi-  
3 mony, to procure such printing and binding, and to make  
4 such expenditures as it deems advisable. The cost of steno-  
5 graphic services to report such hearings shall not be in excess  
6 of 25 cents per hundred words. The provisions of sections  
7 102 to 104, inclusive, of the Revised Statutes shall apply in  
8 case of any failure of any witness to comply with any sub-  
9 pena, or to testify when summoned, under authority of this  
10 section.

11 (e) The Joint Committee is empowered to appoint and  
12 fix the compensation of such experts, consultants, technicians,  
13 and clerical and stenographic assistance as it deems neces-  
14 sary and advisable, but the compensation so fixed shall not  
15 exceed the compensation prescribed under the Classification  
16 Act of 1923, as amended, for comparable duties. The com-  
17 mittee may utilize such voluntary and uncompensated serv-  
18 ices as it deems necessary and is authorized to utilize the  
19 services, information, facilities, and personnel of the depart-  
20 ments and establishments.

21 (f) The expenses of the Joint Committee shall be paid  
22 one-half from the contingent fund of the Senate and one-half  
23 from the contingent fund of the House of Representatives  
24 upon vouchers signed by the chairman or vice chairman.



## RATE OF EXPENDITURES

1  
2       SEC. 6. (a) The President shall review quarterly  
3 all Federal investment and expenditure for the purpose of  
4 ascertaining the extent to which the current and anticipated  
5 level of non-Federal investment and expenditure warrants  
6 any change in the volume of such Federal investment and  
7 expenditure.

8       (b) Subject to such principles and standards as may  
9 be set forth in applicable appropriation Acts and other  
10 statutes, the rate of Federal investment and expenditure may  
11 be varied to whatever extent and in whatever manner the  
12 President may determine to be necessary for the purpose of  
13 assisting in assuring continuing full employment, with due  
14 consideration being given to current and anticipated varia-  
15 tions in savings and in investment and expenditure by private  
16 business, consumers, State and local governments, and the  
17 Federal Government.

## AID TO COMMITTEES

18  
19       SEC. 7. The heads of departments and establishments  
20 shall, at the request of any committee of either House  
21 of Congress, furnish such committee with such aid and  
22 information with regard to the National Budget as it may  
23 request.

## 1 INTERPRETATION

2 SEC. 8. Nothing in this Act shall be construed as calling  
3 for or authorizing—

4 (a) the operation of plants, factories, or other pro-  
5 ductive facilities by the Federal Government;

6 (b) the use of compulsory measures of any type  
7 whatsoever in determining the allocation or distribution  
8 of manpower;

9 (c) any change in the existing procedures on  
10 appropriations; or

11 (d) the carrying out of, or any appropriation for,  
12 any program set forth in the National Budget, unless  
13 such program shall have been authorized by provisions  
14 of law other than this Act.

15 (e) the disclosure of trade secrets or other informa-  
16 tion, the publication of which might have a harmful  
17 effect upon the firm or person supplying such information.









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# A BILL

To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted effort of industry, agriculture, labor, State and local governments, and the Federal Government.

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By Mr. PATMAN

FEBRUARY 15, 1945

Referred to the Committee on Expenditures in the  
Executive Departments







12. WILDLIFE. Both Houses received an Ill. Legislature resolution urging passage of H.R. 2081, to permit the use of live decoys in the taking of ducks (pp. 4651, 4577).
13. MILITARY TRAINING. Received an International Assn. of Machinists (D.C.) resolution opposing compulsory peacetime military conscription. To Military Affairs Committee. (p. 4578.)
14. TAXATION. Received a Hawaii Legislature resolution urging amendment of H.R. 534 relative to taxation of Federal employees in territories. To Finance Committee. (p. 4578.)
15. PRICE CONTROL. Sen. Capper, Kans., inserted a Kansas Farm Bureau resolution urging the termination of price controls as soon as possible. To Banking and Currency Committee. (p. 4579.)
16. EDUCATION. Sen. Hill, Ala., inserted a Mont. Education Assn. letter favoring S. 181 and H.R. 1296, which provide Federal aid for education. To Education and Labor Committee. (pp. 4579-80.)
17. APPROPRIATIONS Committee reported with amendments H.R. 2907, the naval appropriations bill, 1946 (S. Rept. 266). (p. 4580.)
18. LANDS. Agriculture and Forestry Committee reported without amendment S. 660, transferring certain lands in Rapides Parish, La., to the La. State Univ. and A. & M. College (S. Rept. 268) (p. 4580).
19. BUREAUCRACY. Sen. Bilbo, Miss., criticized the "autocratic and dictatorial regulations and intimidations that have been resorted to" on agricultural programs, including a Miss. Federated Cooperatives' letter on the subject (pp. 4581-3).
20. STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND THE FEDERAL LOAN AGENCY APPROPRIATION BILL, 1946. Agreed to **conference report** on this bill, H.R. 2603 (pp. 4610-11). This bill will now be sent to the President.
21. NOMINATION. Sen. Stewart, Tenn., inserted statements by Sen. McKellar, Tenn., and himself, opposing the nomination of David Lillenthal to be one of the members of the Board of Directors of the TVA (p. 4611).
22. FOOD SUPPLY. Sen. Hickenlooper, Iowa, inserted Chicago Tribune Press Service and Des Moines Register clippings criticizing OPA's handling of the butter situation (p. 4612).
23. FULL-EMPLOYMENT BUDGET. Sen. Wagner, N.Y., discussed S. 380, the full-employment bill, and inserted the Budget Bureau's favorable report (pp. 4583-5).
24. REHABILITATION. Sen. LaFollette, Wis., inserted the President's Proclamation declaring the week of June 2 as National Rehabilitation Week, together with a Federal Security Administration statement (pp. 4585-6).
25. COMMODITY CREDIT; COTTON. Sen. Eastland, Miss., commended the CCC on handling of the cotton stocks and urged legislation "to prevent accumulation in the future of another great price-depressing cotton surplus" (p. 4587).



26. EXTENSION WORK. Extension of remarks of Rep. Gillis, Ind., favoring H.R. 1690 to provide for the further development of cooperative agricultural extension work (p. A2433).
27. ECONOMY. Rep. Bilbo, Miss., inserted an article, "United States Plans 10-year \$4,600,000,000 Campaign to Give Economic Stability to Cotton South - Would Let Domestic Price of Fiber Sink to World Level, Cushioned by Subsidies" (pp. A2429).
28. CONGRESSIONAL ORGANIZATION. Rep. Harris, Ark. inserted his statement to the Congressional Joint Committee on the Organization of Congress (pp. A2445-46).
29. FOOD SUPPLY. Extension of remarks of Rep. Pittenger, Minn. criticizing OPA and urging new food administrator (pp. A2442).  
Rep. Jenkins, Ohio, inserted Rep. Martin's (Mass.) report on the sugar situation (pp. A2437-8).  
Extension of remarks of Rep. Hill, Colo., on the sugar situation and including a Longmont Times-Call article on the Colorado-Big Thompson Diversion project (pp. A2441-2).
30. FOREIGN TRADE. Rep. Reed, N.Y., inserted Tariff Commission's table showing tariff reductions in major imports of products under the reciprocal trade-agreements program (pp. A2418-20).  
Rep. Reed, N.Y., inserted Tom Linder's statement before the Ways and Means Committee on reciprocal trade agreements (pp. A2447-9).
31. GOVERNMENT AGENCIES. Rep. White, Maine, inserted Sen. Hawkes' (N.J.) address, "Getting Along with the Government Agencies" (pp. A2415-7).
32. MILITARY TRAINING. Rep. Kopplemann, Conn., inserted a Conn., Legislature resolution urging passage of universal military training legislation (p. A2443).
33. EMPLOYMENT; POST-WAR PLANNING. Sen. Hoey, N.C., inserted his radio address on post-war planning relative to full employment and economic stabilization (pp. A2430-1).
34. ST. LAWRENCE WATERWAY. Rep. Pittenger, Minn., inserted a Duluth (Minn.) Herald editorial relative to Rep. Pittenger's criticism of the White Engineering Corp. report which overlooked the possibilities of the St. Lawrence Waterway (p. A2440).
35. MISSOURI VALLEY AUTHORITY. Rep. Judd, Minn., inserted an Upper Miss. and St. Croix River Improvement Commission opposing the establishment of an MVA (pp. A2438-9).
36. WATER UTILIZATION. Rep. Lenke, N. Dak., inserted B. Ashton Keith's article denouncing "waste of public funds for so-called flood control" and discussing the utilization of these flood waters (pp. A2420-1).

## BILLS INTRODUCED

37. TRANSPORTATION. H. R. 3203, by Rep. Case, S. Dak., and S. 992, by Sen. Ball; Minn., et al, to direct payment of highway use and other taxes in the operation of any system of commercial transportation taken over and operated by an agency of the Federal Government. To Interstate and Foreign Commerce and Interstate Commerce Committees. (pp. 4649, 4580.)



will have so many different agricultural agencies with employees running about over the Nation trying to carry out various programs, that we will have chaos and confusion rather than a soundly planned and developed program.

Very truly yours,

CHARLIE MCNEIL,  
General Manager.

FULL EMPLOYMENT AFTER THE WAR—  
REPORT FROM BUREAU OF THE BUDGET

Mr. WAGNER. Mr. President, as America looks forward to its post-war problems, increasing thought is being given to the problem of the large national debt which has been created by the war. More and more people are coming to realize that the post-war debt burden will be exceedingly troublesome unless we are able to maintain full employment and a steadily expanding national income.

The relationship between full employment and the national debt is discussed in the report on the full-employment bill, S. 380, which, as chairman of the Committee on Banking and Currency, I have received from Mr. Harold Smith, Director of the Budget Bureau. In this report, Mr. Smith makes the following statement:

Servicing the national debt will be easier with a high than with a low national income. State and local governments will be better able to discharge their responsibility in the fields of education, health, and other services. A full-employment national income provides a broad tax basis from which the Government can raise tax revenue with the least hardship to the taxpayer.

The Budget Bureau report also includes certain suggestions for improving the bill, together with a staff memorandum describing procedures that might be used, under the full-employment bill, in estimating employment and production.

Mr. President, I ask unanimous consent that the report of the Budget Bureau, to which I have just referred, be printed at this point in the RECORD in connection with my remarks.

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

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., April 4, 1945.

Hon. ROBERT F. WAGNER,  
United States Senate.

MY DEAR SENATOR WAGNER: I have your letter of March 3 in which you ask for preliminary comments on four questions related to S. 380, a bill "To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State, and local governments, and the Federal Government." I have expressed my sympathy with the general objectives of the full employment bill in a letter to Senator MURRAY of January 4, a copy of which is enclosed. This bill raises questions of great importance for our Government and the people, and I am glad that you have given me an opportunity to discuss the questions posed in your letter.

You requested preliminary comments on your questions. I should like to emphasize, indeed, the preliminary and incomplete character of my answers. A full exploration of the questions raised by your letter was not possible within the short time available.

Question No. 1: If we were assured of continuing full employment after the war, what

might the effect be on the sectors of our economy with which your agency is concerned?

If governmental and private programs succeed in achieving full employment, many of the Government's most difficult problems would become more manageable. Government programs which contribute to assuring full employment have social implications very different from those which are required to relieve unemployment and economic distress. Full employment means an expanding economy, increasing opportunity, and rising incomes. Unemployment and nonutilization of resources mean that pressure groups struggle for larger slices of a smaller-sized pie. Democratic government will face grave problems—domestic and international—in the period of post-war reconstruction. The prospects of their solution are the brighter if our policies promote full employment rather than struggle with the task of mitigating the evils of unemployment. If full employment is assured by means of maximum private activities, certain expenditures of Federal, State, and local governments could be avoided or reduced.

To be more specific, with full employment, unemployment compensation can take care of the period between jobs; emergency measures to relieve general unemployment would not be needed. Full employment would not remove the need for expanded social-security programs but would make the attainment of adequate social standards more feasible. The reabsorption of veterans into civilian employment can be accomplished with less friction if we have full employment than under conditions of mass unemployment. Full employment brings with it a high demand for agricultural products and, consequently, the need for farm price support and programs for the disposal of surplus farm products would be reduced or eliminated. A policy of promoting competition and lower prices to consumers can be better pursued when business expects to make profits in expanding markets. Under conditions of full employment opportunities, labor will enjoy a higher standard of living and will be more willing to abandon restrictive practices. Servicing the national debt will be easier with a high than with a low national income. State and local governments will be better able to discharge their responsibility in the fields of education, health, and other services. A full employment national income provides a broad tax basis from which the Government can raise tax revenue with the least hardship to the taxpayer.

On the other hand, it must be recognized that a full employment policy means new peacetime responsibilities for business, labor, agriculture, and government. Full employment does mean that the Government must watch possible upward pressures on prices and wages which may conflict with the requirements of economic stabilization. The responsibilities of Government in maintaining a stable price level will depend very largely on the willingness of business, agriculture, and labor to assume their share in the responsibility for a general policy of economic stabilization.

The Bureau of the Budget is not directly concerned with any one sector of the economy. It has responsibilities with respect to all agencies of the executive branch of the Government and is, therefore, concerned with the economy as a whole. I feel sure that its responsibilities could be much more effectively met if the policy of the Government resulted in full and stable employment than if we were plagued by periods of mass unemployment.

QUESTION NO. 2: "IF S. 380 WERE ENACTED BY THE CONGRESS, WHAT MIGHT BE THE ROLE OF YOUR AGENCY IN HELPING ACHIEVE CONTINUING FULL EMPLOYMENT?"

The full employment bill obliges the President to transmit to Congress a "national pro-

duction and employment budget (national budget)." The President shall include in this national budget:

Statistical estimates and forecasts.

A program of Federal policies and activities designed to encourage increased non-Federal investment and expenditures or a program of anti-inflationary measures.

Programs of Federal investment and expenditures.

The bill does not say explicitly which agency shall prepare the National Budget for the President. It states, section 4 (a), that: "The National Budget shall be prepared in the Executive Office of the President under the general direction and supervision of the President \* \* \*" and that, section 4 (b): "\* \* \* the several departments and establishments \* \* \* [shall] prepare such plans and programs as may be needed \* \* \*." Thus the bill implies that the National Budget, including the estimates, policies, and the programs of investment and expenditures, is to be prepared in the Executive Office of the President on the basis of recommendations and estimates supplied by the various departments and establishments. The bill leaves it to the President to assign the responsibility for this work.

The coordinating functions now performed by various agencies in the Executive Office, including the Bureau of the Budget, are similar to the coordinating responsibility placed upon the Executive Office under this bill. Under present practices, the Bureau of the Budget would have to assist the various operating agencies in planning those administrative and statistical functions that are required by the full-employment bill. The bill would, I believe, have the effect of intensifying, enlarging, and making mandatory certain of the functions already being performed in the Executive Office. The President has emphasized in Budget messages and other addresses the need to develop a coordinated approach to the problems of economic policy. I think it is wise for Congress to define the coordinating job to be done and to permit the President to work out, with respect to the formulation of an integrated program, the particular assignment of functions within the Executive Office.

I shall discuss in the subsequent paragraphs the functions of the Executive Office of the President under the full employment bill, irrespective of the specific agency or agencies in the Executive Office which will be charged with these responsibilities.

*Statistical estimates and forecasts*

The bill contemplates that the President shall transmit, under section 4 (b), to the several departments and establishments preliminary estimates and other information that will enable them to prepare their own plans for submission to the President. I take it that this procedure calls for a communication similar to that which the Bureau of the Budget sends out for the President in July of each year, giving the agencies general directives for working out their own budgetary requests. I assume that section 4 (b) relates not only to the preparation of policy and programs, but also to the preparation of estimates of the National Budget.

In preparing the estimates and forecasts required by the bill, the Executive Office of the President should make full use of all the data and information available in the various agencies and establishments of the Federal Government and State and local governments, and also in private organizations of consumers, business, labor, and agriculture. It seems to me essential that there should be a widespread understanding throughout the country of the estimates that go into the National Budget, and that all interested groups inside and outside the Federal Government should have an opportunity to contribute to these estimates. Enlightened



economic policy by the Government depends largely on an informed public opinion. By making groups throughout the country aware of the problems involved in formulating the Nation's Budget, the Federal Government can contribute greatly to this process of enlightenment.

I am attaching in an appendix a sketch of a possible procedure for the compilation of the statistical estimates and forecasts. This is a staff memorandum submitted merely as an illustration of how various Government agencies and interested groups of the population could be drawn into the formulation of estimates for the National Budget. (With reference to the statistical programs, see the staff memorandum of February 6, 1945, which I submitted to Senator MURRAY on February 14, 1945. A revised version of that memorandum is attached to this letter.)

*A program of Federal policies and activities designed to encourage increased non-Federal investment and expenditures or a program of anti-inflationary measures*

In case the prospective total of expenditures by business, consumers, and government falls short of the total required for full employment, the Federal Government under the bill is obliged to propose programs that would stimulate private investment and increased consumers' expenditures. Contrariwise, when such expenditures are expected to exceed the full-employment level, an anti-inflationary program is to be developed.

The policies and programs enumerated in the bill which fall in this area include banking and currency, monopoly and competition, wages and working conditions, foreign trade and investment, agriculture, taxation, social security, and the development of natural resources. Policies in these various fields and others would have to be combined in such a manner as to accomplish as much of a desired additional expansion in private expenditures as possible. Industry, labor, agriculture, and other groups and individuals will have an opportunity to make suggestions to the departments concerned. These, in turn, will analyze the suggestions and pass their recommendations on to the Executive Office. The President, assisted by his staff in the Executive Office, would integrate the policy recommendations submitted by the various departments and establishments under the provisions of the bill. Before transmission to Congress, these recommendations would thereby be tested for consistency and completeness.

The function to be performed by the Executive Office under this bill is similar, particularly in its procedural aspects, to the legislative reference function performed by the Bureau of the Budget under present practice. The experience gained by the Bureau of the Budget, as well as by agencies such as the Office of Economic Stabilization and the Office of War Mobilization and Reconversion, in coordinating wartime programs, will be useful in devising the coordinating procedures required under the full-employment bill.

*Programs of Federal investment and expenditures*

The development of Federal investment and expenditure programs under the bill would, no doubt, require the use of many existing budgetary procedures and the expansion and redirection of others. The bill provides that the President shall submit the National Budget at the beginning of each regular session of Congress. I think it wise that the bill does not limit the period covered by the National Budget to a fiscal year. It is especially important that the policies and programs recommended in the National Budget be outlined each year for a period considerably longer than the ensuing fiscal year. A procedure for long-range planning, at least in the field of public works, was first established on the basis of the Employment Stabilization Act of 1931. More recently it

was the objective of Executive Order No. 9334 to establish a procedure under which the Director of the Budget was to submit to the President an over-all advance program of public works and improvement projects prepared by the various agencies for a period of several years.

Full-employment policy, if it is to be fully implemented, requires the development of long-range programs in all fields in which governmental action is deemed to be appropriate. Flexible long-range programs in the field of developmental expenditures must serve as a background for the determination of an annual budget of investment and expenditures that takes account of the possible deficiency in the Nation Budget and the expected success in stimulating non-Federal expenditures. The Executive Office and the various departments and agencies would have to prepare and revise such programs on a continuing basis for submission by the President to the Congress.

With long-range programs outlined in advance, annual determinations as to the scope and content of the Federal expenditures program for shorter periods would fall into proper focus.

Under Section 6 (a), the bill calls for a quarterly review of Federal investment and expenditures in the light of revised estimates of non-Federal investment and expenditures. This provision calls for a continuous appraisal by the Executive Office of the factors entering into the national budget so as to permit revisions in the light of current trends. Such an appraisal would presumably be made on the basis of statistical and other information collected by the various operating agencies and submitted to the executive office. Action taken by the President to vary the rate of expenditures within the limits prescribed by Congress, as authorized under Section 6 (b), would thus be designed to meet current developments. In this connection, it may be noted that the method of quarterly apportionment combined with the reporting procedure under Executive Order 8512 could provide the President with the fiscal controls necessary for the implementation of section 6 (b).

QUESTION NO. 3: "IN THE PRESENT PLANNING OF YOUR AGENCY'S POST-WAR ACTIVITIES, WHAT ASSUMPTIONS, IF ANY, HAVE YOU MADE WITH REGARD TO THE POST-WAR LEVEL OF THE GROSS NATIONAL PRODUCT, THE NATIONAL INCOME, AND EMPLOYMENT?"

The Bureau has not made any single assumption as to post-war level of the gross national product, the national income and employment. It has, however, attempted to develop certain goals and to delineate the range of possible developments which should be envisaged in planning Federal activities.

The work of the Bureau in preparing the Federal budget normally calls for estimates of expenditures for a fiscal year ending 18 months ahead. Revenue yields and certain expenditure items such as aids to agriculture and unemployment relief depend on the level of national income. The Bureau, therefore, has found it necessary to make estimates of income and employment for the period covered by the budget for the ensuing year.

However, to perform its functions adequately, the Bureau cannot confine its attention merely to the period covered by the budget. It is necessary to make various hypothetical estimates for several years in advance. Such estimates have been attempted both for the transition period and for a "typical" post-war year.

These estimates are of two types. In the first place, estimates have been made of what may be termed income and employment goals for the next few years. These estimates are similar to those required under section 3 (a), (1) and (2) of the bill. During the transition period these goals are necessarily something other than what might be regarded as full employment in a normal year. During the transition there will necessarily

be large-scale shifting of jobs, and this will mean that unemployment will necessarily be greater than it needs to be when the labor force is distributed according to the requirements of peacetime production.

The second type of estimate consists of projections of national income and employment under various assumptions as to future congressional action with respect to expenditure programs, tax, and other policies. Alternative assumptions also were made concerning the rate of private capital formation. These projections are similar in nature to those required under section 3 (a), (3) of the bill, but resulted in various alternative sets of estimates of income and employment. Though furnishing some indication of possible deviation of the national budget from what is required for attaining full and stable employment, they do not constitute any definite forecast as to the postwar level of income and employment.

Question No. 4: "What specific improvements in S. 380 might be considered by the Banking and Currency Committee?"

I have already expressed by sympathy with the objectives of the full employment bill. My comments are largely concerned with details. Section 2 makes a commendable effort to define specifically what is intended to be regarded as full employment. I feel, however, that the formulation could still be improved.

Section 3 (a) and (f) specifies in considerable detail the estimates and information which the President shall include in the national budget for transmission to Congress. I recognize that the details called for are formulated in the light of the best available technical knowledge at the present time. The specific provisions in the statute may, however, become a handicap in the future when experiences may suggest a somewhat different form. Particularly, I propose that in the first paragraph of section 3 (a) the words "which set forth in summary and detail" be changed to read, "which set forth in summary and such detail as the President deems necessary. \* \* \*"

Section 3 (c) has been frequently misinterpreted as proposing that Federal investment and expenditure programs should be determined simply by the need for making up deficiencies in the national budget. The wording of the second sentence of section 3 (c) (p. 6, lines 6 to 9) should dispel such misinterpretation. I suggest that the bill give a fuller expression to the intention that the Federal investment and expenditure programs be determined on the basis of their intrinsic merits, that is, their contribution to the national wealth and well-being. The timing of these expenditures—the amount to be spent in any particular year—should be determined with consideration given to expected deficiencies in the national budget. This distinction between the long-range aspect of Federal expenditure and investment programs on the one hand, and the timing of these expenditures in view of economic necessity, on the other hand, could be emphasized in the bill if it includes a special paragraph dealing with the long-range aspect. Such a paragraph could provide that the President make recommendations for enabling legislation and also recommendations for a long-range public works and developmental expenditure program. This paragraph might precede the present section 3 (c). In this case, in the second line on page 6, after "Federal investment and expenditures," add the words: "authorized by existing law or by legislation as proposed in the preceding section."

Section 3 (c) has also been misinterpreted as suggesting that full employment really is to be accompanied by additional Federal expenditures and that only lip service is paid to the various policies enumerated under 3 (b). The true intent of the bill could be expressed more unequivocally by adding the words: "In combination with the other meas-



ures recommended in the national budget," after the words "as will be sufficient," on page 6, line 2. I also wonder whether it might not be appropriate to insert the word "deemed" before the word "sufficient" on page 6, line 2.

The last sentence in section 3 (c) might be interpreted as indicating that the bill considers public works construction programs as the most important item in the Federal investment and expenditure programs. If this is not the intention, the text might be clarified by referring also to other than public works expenditures in the same paragraph.

The bill places considerable emphasis on planning Federal expenditures as a means to promote full employment. Tax policy is mentioned only as one of the various policies enumerated by way of illustration in section 3 (b). I wonder whether it would not be desirable to give greater emphasis to the effect that tax policies may have on employment.

Very truly yours,

HAROLD D. SMITH,  
Director.

#### APPENDIX

##### A POSSIBLE PROCEDURE FOR THE DEVELOPMENT OF ESTIMATES FOR THE NATIONAL BUDGET UNDER S. 380

Section 3 (a) of the full employment bill requires two main types of estimate: (1) The volume of aggregate expenditures required to produce full employment; and (2) the prospective volume of expenditures, not taking into account any increased or decreased investment or expenditures which might be expected to result from the programs set forth in the Budget.

The procedure for preparing these estimates should assure that all available information of the agencies of the Federal Government, of State and local governments, and of private organizations be utilized. It is also essential that the procedure be kept as flexible as possible so that revised estimates can be made available to Congress whenever changing conditions require.

A first tentative summary of the two types of estimates to be included in the National Budget would be prepared in the Executive Office of the President in consultation with experts from a few Federal Government agencies particularly concerned with over-all projections, such as the Department of Commerce, the Department of the Treasury, the Department of Labor, the Department of Agriculture, and others.

The summary statement would then be broken down into its component parts. With the aid of research facilities available in such agencies as the Departments of Commerce, Labor, and Agriculture, estimates of such details would be made which are implied in, and are consistent with, the over-all estimates prepared in the first round. It would be shown, for example, with respect to the goal as well as to the projections, what amount of residential construction, automobile production, railroad transportation, what wage developments, hours of work, exports and imports are implied in the over-all estimates.

These detailed estimates would then be used as a basis for discussion with experts outside the Federal Government in industry, agriculture, labor, finance, State and local governments, and other fields. They would be asked to comment on the estimates for those specific fields with which they are mainly concerned. Contact with industrial experts, for instance, would be established through the Department of Commerce, with labor experts through the Department of Labor, with agricultural experts through the Department of Agriculture, etc. These Departments would analyze the comments made by these various nongovernmental experts. A similar method would be used for contacting State and local governments through an agency designated for this purpose. Utilizing

these comments and analyses, a revised draft of the over-all projections would be prepared in the Executive Office of the President, again in consultation with the experts of the Federal agencies particularly concerned. Thus the final revised set of National Budget goals and projections would be developed for submission to the President.

The procedure for compiling these estimates would have to start probably in July or August in order to have the final estimates available in December as material for the National Budget to be transmitted by the President.

The bill provides, section 3 (g), for supplemental or revised estimates whenever necessary. Therefore the projections included in the estimates should be currently reviewed for possible revision. The agencies should be in frequent contact all through the year with the non-Federal experts who have checked the original estimates. They should bring to the attention of the Executive Office any revision that might become necessary. In the Executive Office certain over-all indexes of economic development should be watched in order to detect changes in business conditions.

##### RECORD OF WORK IN KANSAS AIRCRAFT FACTORIES

Mr. CAPPER. Mr. President, I ask to have printed in the RECORD the following telegram from Lloyd A. Wilson, general manager of the Wichita Chamber of Commerce:

We thought you might like to insert in the CONGRESSIONAL RECORD the fact that absenteeism in the four Wichita aircraft factories engaged in vital war production—Beech, Boeing, Cessna, and Culver) was lower on VE-day, May 8, than for the month of April. You already know absenteeism in these plants has been considerably less all along than the national average. All Wichita plants met their production schedules on VE-day.

Mr. President, I and all other citizens of Kansas take great pride in the records of production in the Wichita and other Kansas war industries. Their unit production has been high, their costs low, their absenteeism rate lower than the average, and there has been a noticeable lack of labor troubles during the war. I am glad to place Mr. Wilson's telegram in the RECORD, and to extend my congratulations to the people of Wichita on the enviable records they have made, and which I am sure they will continue to make.

##### PROCLAMATION OF NATIONAL REHABILITATION WEEK AND STATEMENT BY FEDERAL SECURITY AGENCY

Mr. LA FOLLETTE. Mr. President, on May 7 the President of the United States issued a proclamation designating the week of June 2 as National Rehabilitation Week. I ask that the proclamation and the statement issued by the Federal Security Administrator in connection with the proclamation may be printed in the RECORD as a part of my remarks.

There being no objection, the proclamation and the statement were ordered to be printed in the RECORD, as follows: NATIONAL REHABILITATION WEEK—BY THE PRESIDENT OF THE UNITED STATES OF AMERICA, A PROCLAMATION

With the attention of the Nation rightly focused on the welfare of men and women returning from service in the armed forces and the emphasis placed on benefits provided

for them through congressional action, we must not let our interest flag in discharging our obligations to the increasing thousands among our civilian population who through accident, disease, or congenital conditions are unable to hold a place in the ranks of the American working force. Even in the midst of war their condition calls to us for renewed effort to bring about their restoration that they, too, may maintain their self-respect through self-supporting work.

On June 2, our nation-wide program for the vocational rehabilitation of such disabled men and women will have been in operation a quarter of a century. Less than 2 years ago, the Congress expanded this program by amending the Vocational Rehabilitation Act of 1920. The new law—the Barden-La Follette Act, passed in 1943—makes it possible for the Federal and State Governments, working as a team, to bring to the mentally disabled and the blind and all other groups of the disabled, the many services necessary to make them employable, including physical restoration, vocational training, and placement in suitable employment.

Over the past 25 years it has been demonstrated that this program for the restoration of disabled men and women is paying dividends, not only in humanitarian terms but in dollars and cents. Thousands of men and women annually apply to the rehabilitation service for help. Because of disabilities they are able to contribute little to the national income. Many of them are forced to accept public aid. Refitted for work, they begin to pay their own way. No longer then are they tax consumers; they are taxpayers.

That we may not fail to discharge our obligation to help every man and woman who needs vocational rehabilitation services in order to become self-supporting, it appears appropriate at this time that I should urge the able-bodied citizenry of the United States to unite in a concerted effort to bring about wider knowledge and use of the services for physical and mental restoration of the handicapped provided under the Barden-La Follette Act, which applies to all civilian disabled.

Now, therefore, I, Harry S. Truman, President of the United States of America, do hereby declare the week beginning June 2, 1945, as National Rehabilitation Week.

And I urge all churches, educational institutions, health and welfare services, civic organizations, chambers of commerce, boards of trade, industry, labor, public-spirited citizens, and the radio and press throughout the United States to observe National Rehabilitation Week, to the end that handicapped men and women throughout our Nation may be located and advised of the benefits to which they may be entitled.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 5th day of May in the year of our Lord 1945, and of the independence of the United States of America the one hundred and sixty-ninth.

[SEAL]

HARRY S. TRUMAN.

Specially arranged clinics for the examination and treatment of disabled men and women will be held throughout the country between June 2 and 8, the period designated by President Truman as National Rehabilitation Week, Federal Security Administrator Paul V. McNutt announced today.

He stated that Michael J. Shortley, Director of the Federal Security Agency's Office of Vocational Rehabilitation, has called upon all cooperating State agencies to unite in this concentrated effort. The purpose, he said, is to locate the physically and mentally handicapped and take the preliminary steps necessary to restore them to employability.

"We welcome the opportunity to do our part," the Administrator said, "in answering the President's call. He has asked—and will



receive—the support of public and private organizations and of the people generally in behalf of the State-Federal program for the rehabilitation of the civilian handicapped. I know of no more effective way for the Vocational Rehabilitation Service to contribute its share in the Nation-wide observance of National Rehabilitation Week than by intensifying and concentrating all our efforts during that period on locating and aiding the handicapped."

Speaking for the Federal and State rehabilitation agencies, Director Shortley joined with the Administrator in endorsing the holding of rehabilitation clinics. He pointed out that estimates indicate there are 1,500,000 disabled persons who could be benefited by services available through these State services and that to this number are added annually many thousands disabled by accident, disease, or congenital conditions.

The Government-sponsored effort in behalf of the civilian disabled, Mr. Shortley said, was begun just a quarter of a century ago but the legislation making possible the many services now available to the handicapped was enacted less than 2 years ago.

"These services," he said, "will continue year after year, since we will probably never devise ways to eliminate all accidents and crippling diseases."

The Federal Security Administrator's decision to recommend the holding of rehabilitation clinics throughout the country was based, Mr. Shortley added, on reports he had received through the Office of Vocational Rehabilitation on the success of such efforts already made in many communities. The clinics, which will be held during rehabilitation week, he explained, will be organized by States and communities, following the general pattern of those already held. Notice will be given that on certain days physicians and surgeons will examine every disabled person who asks for help. If his disability can be removed or reduced, medical care or surgery will be provided. If the applicant cannot afford to pay for such service the costs will be borne by the State. Hospitalization, up to 90 days, will also be provided if necessary.

The work of the medical men will be supplemented by that of vocational experts who will talk with applicants about the kind of work they can do or want to do. The final step, Mr. Shortley pointed out, is to get a job for each handicapped worker.

#### HOSPITALIZATION OF WAR VETERANS IN NEBRASKA

Mr. BUTLER. Mr. President, on April 5 I addressed to General Hines of the Veterans' Bureau a communication containing considerable data with reference to hospital facilities in the State of Nebraska, and a few days ago I received a letter from Reed O'Hanlon, commander of the American Legion, department of Nebraska, covering the same subject. I ask to have inserted in the body of the RECORD at this point a quotation from the letter I wrote to General Hines, his reply to me, and also the communication I received from the commander of the American Legion, Department of Nebraska, enclosing a resolution.

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

APRIL 5, 1945.

It would seem that Nebraska has been bypassed in the matter of being provided with hospital beds for veterans in need of hospitalization. In comparing the number of hospital beds to the number of men dis-

charged from World War No. 1, it would seem that every State which borders on Nebraska has been favored in the expansion of hospitals program over Nebraska.

The State of Wyoming had 12,348 men in World War No. 1 and today has 745 hospital beds available in Veterans' Hospitals, serving both general medical and mental cases. This would give the State of Wyoming 62 beds for each 1,000 veterans.

The State of Kansas had 81,724 men in World War No. 1 and at the present time has approximately 2,369 hospital beds, plus the new facility that is to be opened at Camp Phillips, Salina, Kans., of about 2,000 beds. This will give the State of Kansas approximately 53 beds per each 1,000 veterans and the facilities are for general medical, mental, and domiciliary care.

The State of South Dakota had 32,017 men in World War No. 1. At the present time they have approximately 2,632 beds available for general medical, tubercular, and domiciliary care. In addition to the above there is to be a new hospital built at Sioux Falls consisting of 150 beds. Without the new hospital at Sioux Falls, South Dakota has approximately 87 beds for each 1,000 veterans.

The State of Iowa had 114,292 men in World War No. 1 and have approximately 1,655 hospital beds at the present time for mental and general medical cases, or approximately 15 beds for each thousand veterans.

The State of Colorado had 43,421 veterans in World War No. 1 and have 805 hospital beds at this time for mental cases, or an average of 19 beds for each 1,000 veterans.

The State of Nebraska had 57,329 veterans in World War No. 1 and have at the present time 280 general medical beds available or a total of 5 beds per each 1,000 veterans of World War No. 1. In addition, approximately 11,000 men have been returned to Nebraska from the present war which makes the immediate potential load approximately 68,000 veterans and would mean that we only have 4 beds available for each 1,000 veterans. Should the war terminate suddenly and the total of 115,000 veterans be discharged, they would immediately become a potential hospital load and Nebraska would have for each 1,000 veterans only 1.6 percent beds available. Before the present war the Lincoln facility had hundreds of men on the waiting list at different periods. It would seem that no definite provisions have been made for the expansion of the Lincoln facility to take care of this potential load upon the discharge of the men from the service. Steps should be taken immediately to double the present capacity and eventually to increase it to 750 beds.

VETERANS' ADMINISTRATION,  
Washington, D. C., April 20, 1945.

Hon. HUGH BUTLER,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR BUTLER: Further reference is made to your letter of April 5, 1945, which forwarded a copy of a memorandum that you received from a friend in Nebraska relative to the hospitalization of war veterans.

It is noted that the study is based on the estimated veteran population of each State. The Veterans' Administration, however, in determining the number of hospital beds required, does not consider the number of veterans residing in any State but those veterans residing in the area that is closer to a hospital of a given type than to any other hospital of the same type. In other words, veterans who reside within Nebraska now have general medical and surgical facilities available to them at the Veterans' Administration hospitals at Lincoln, Nebr.; Cheyenne,

Wyo., and Hot Springs, S. Dak. The new hospital that has been authorized for Sioux Falls, S. Dak., will serve those veterans residing in northeast Nebraska. Hospitalization for nervous and mental cases for that area is provided at Knoxville, Iowa; Fort Meade, S. Dak.; Wadsworth, Kans., and Fort Lyon, Colo.

Of the 95 Veterans' Administration hospitals now in operation, 13 are predominantly for the care of tuberculous cases; 31 for neuropsychiatric cases, and 51 for general medical and surgical cases. Our hospitals are augmented by the utilization of beds in approximately 40 Army, Navy, and Marine hospitals.

Our policy has been to provide hospital services for all types of cases to veterans in any part of the country within reasonable distances of their homes, and to have hospital services equally available in all parts of the country. It will be recognized, however, that reasonable distances cannot be the same in sparsely populated areas as in the large metropolitan centers.

Our over-all hospital requirements are now being reviewed and you may be assured that careful consideration will be given to the providing of adequate facilities for the Nebraskan veterans.

Very truly yours,

FRANK T. HINES,  
Administrator.

THE AMERICAN LEGION,  
DEPARTMENT OF NEBRASKA,  
Blair, Nebr., May 9, 1945.

Hon. HUGH BUTLER,  
United States Senate,  
Washington, D. C.

DEAR SENATOR BUTLER: I have been directed by the executive committee of the American Legion, Department of Nebraska, to forward for your consideration a resolution passed at their meeting of May 2, 1945, concerning the urgent need for an additional veterans' hospital in Nebraska. Unless some definite action authorizing the construction of at least one additional hospital in this State is taken in the near future, the delay before actual construction can be completed is going to cause a serious situation in this State.

The Department of Nebraska has no direct interest in the location of such additional facilities, feeling that this should properly be left to proper authority. We are deeply concerned, however, with the delay in the Veterans' Administration, notwithstanding congressional authorization, for additional facilities. It is our hope that you will find time, busy as you are, to personally urge General Hines to make a definite commitment.

Sincerely,

REED O'HANLON.

#### RESOLUTION

Whereas it is the belief of war veterans of Nebraska that the construction program for Veterans' Administration hospitals has been conducted along entirely too conservative lines, especially in view of the anticipated need for new hospitals and new beds, which should be in readiness before any emergency occurs; and

Whereas experience in the past has proven that the present veterans' hospital facilities in Nebraska are inadequate even for the veterans of wars prior to World War No. 2, as we have seen long waiting lists of men desiring hospitalization and in need of it; and

Whereas a comparison of Veterans' Administration facilities available to veterans of Midwestern States shows that the Nebraska veterans are the victims of unjust discrimination in respect to the facilities provided for them, as shown by the following table:



casualty. Collisions between Coast Guard vessels and private ships in peacetime are so rare that I doubt that this is any real problem; but, should such collisions occur, I wish to make it abundantly clear that I shall do everything in my power to insure that the Coast Guard will never use those governmental powers to secure any advantage as against private parties. To me it is beneath the dignity of the Government and smacks of downright chicanery for an agency of the United States to use the subpoena power and the great investigatory weapons, which Congress has granted for use in behalf of the public welfare, for the purpose of gaining a pecuniary advantage or to escape the consequences of culpable action. I assure you that I will have no part of it.

Closely connected with this matter, is the question of making available to all parties in interest the records of formal marine casualty investigations undertaken pursuant to section 4450 of the revised statutes. We all realize that military security sometimes demands that such records be treated confidentially. We are all aware and desirous that the winning of the war should come first. Furthermore, we can agree that often, while security reasons do not dictate that the whole record be treated as confidential, parts of it must be so treated. To make the records generally available with those parts deleted might in many cases present an unfair and untruthful picture. We can also set aside as inappropriate for public examination informal memoranda and reports made by examining officers as a preliminary step. Such documents reflect only the personal views of the officer involved, are often based on *ex parte* and unsworn information, and are intended usually as only a basis on which other officers may determine whether a formal investigation should be made. I doubt that there is any compelling reason or demand for making such interoffice communications open to examination by parties in interest. Aside from such classes of records, I am of the opinion that the Coast Guard policy should be to make casualty report records available without partiality to all parties in interest. That this is in keeping with the sense of Congress is evidenced by the express direction in the first subsection of section 4450 that all reports on casualties involving loss of life shall be public records open to inspection at reasonable times by all persons.

I do not believe that it is consonant with the standard of ethics which the American people have a right to expect from their Government to make available information to one party and not to the other, particularly when the parties are involved in litigation concerning the subject matter of the report. It seems to me that this is particularly true where one of the parties is an agency of the United States. The Coast Guard is attempting at this time to work out arrangements under which this policy can be more effectively pursued. We should always keep in mind, however, that the basic purpose of the investigative authority granted in section 4450 is to determine the cause of casualties so that they can be prevented in the future, not to serve as a detective agency to ascertain the facts making for pecuniary liability on the part of the interests concerned.

In closing I should like to express my appreciation for the opportunity to talk to you this evening and also for the understanding cooperation which the Coast Guard has always received from this association. The fine professional attitude displayed by the American bar is one of the factors that has made the democratic experiment in America a successful one. Let us now dedicate ourselves to the task of proving that under the rule of law a democratic nation can prosecute a great war to a final victorious conclusion and can then build a lasting and just peace.

## Economic Stability for the South

### EXTENSION OF REMARKS OF

## HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

*Monday, May 14 (legislative day of  
Monday, April 16), 1945*

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "United States Plans 10-Year \$4,600,000,000 Campaign to Give Economic Stability to Cotton South," written by William Parker and published in the Wall Street Journal of Monday, May 14. This is a very important announcement to the cotton farmers of the South and to the country generally. I ask unanimous consent to have it inserted in the Appendix of the RECORD, not that I approve of it, but in order to advise the cotton farmers of the South of the plan of the Department of Agriculture over a period of 10 years, and later I expect to speak on the proposal.

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

UNITED STATES PLANS 10-YEAR \$4,600,000,000 CAMPAIGN TO GIVE ECONOMIC STABILITY TO COTTON SOUTH—WOULD LET DOMESTIC PRICE OF FIBER SINK TO WORLD LEVEL, CUSHIONED BY SUBSIDIES

(By William Parker)

WASHINGTON.—The Department of Agriculture this week will publicly unveil a \$4,600,000,000 plan to restore economic order to the Cotton South.

Covering a 10-year period, the new program is designed to do the following:

1. Allow the domestic price of cotton to sink to the world price.
2. Cushion the shock of this drop through a 5-year system of cotton price adjustment payments, which each year would make up a smaller part of the difference between the world and the parity price of cotton.
3. Make additional Government payments over the entire 10-year period to aid inefficient cotton producers to switch to other types of farming.
4. Industrialize the South.
5. Shift 1,600,000 southern farm workers from farms to industry or service trades.
6. Keep cotton production at about 13,500,000 bales, or at the level which domestic consumption and exports will absorb each year.
7. Restore cotton to a competitive price position with foreign cotton and with synthetic fibers.

8. Increase gross farm income of southern farmers from the pre-war average of \$865 to \$2,500 a year or better.

9. Get the Government out of the expensive business of artificially supporting the price of cotton year after year while building up large stocks of unwanted cotton.

This new proposal is really a detailed elaboration of the general ideas presented last December to Representative PACE's Cotton Investigating Committee in the House by Secretary of Agriculture Wickard. Though still labeled "preliminary," the document has been sent to Mr. PACE and will doubtless be discussed at the hearings which his committee will hold this week.

To date the Pace committee appears to be more inclined toward the present program

of artificially holding up the price of cotton. Backers of the new proposal say that it has been examined and endorsed by representatives of the cotton industry and that they hope to win further support among agricultural officials in cotton States. Through the hoped-for support in the cotton area, the authors of this proposal believe that now skeptical Congressmen can be won over.

In drafting the 10-year cotton program, the agricultural planners started with the following assumptions:

That the war with Japan would be over in 1946 and the new program would start in 1947.

That the parity price of cotton would remain at about 20.5 cents a pound and that the world price would be 15 cents in 1947, 14 cents in 1948, and 13 cents thereafter.

That the United States would be experiencing a period of full employment. The study says that if all of these conditions did not exist the plan might be retarded, but still could be carried out.

#### CUSHIONED BY SUBSIDIES

Assuming the program was instituted in 1947, the initial step would be to allow the price of cotton to fall to the world price, or to 15 cents a pound if the calculations of the plan are correct. The impact of this drop, the advocates of this plan admit, would be tremendous so they propose a system of cotton price adjustment payments to act as a cushion. Under this system every cotton grower would be allowed during the first year 100 percent of the difference between the world price and the parity price. The second year this would be reduced to 80 percent of the difference, the third year to 60 percent, the fourth year to 40 percent, and the fifth year to 20 percent. After the fifth year these payments would be discontinued altogether.

This would serve notice to cotton growers that at the end of 5 years they would have to be producing cotton at the world price or not at all. The efficient producers would be expected to continue and enlarge their cotton crop and the inefficient growers to reduce their cotton acreage or drop out of cotton altogether. This brings up the second phase of the program or the conversion payments. These are payments which would be made to farmers to help them get out of cotton and into some other field of agriculture.

Government grants would be available for such purposes as establishing improved permanent pastures, fencing, terracing, planting soil-building crops and improving farm wood lots. Farmers would be encouraged to go into the production of livestock, dairy and poultry, and truck. Payments to make this change-over would continue for 5 years, but as all farmers probably would not come in at the same time, the conversion payment program would last the full 10 years.

In addition to the conversion payments, there would be available to converting farmers an expanded system of loans, which would enable them to get the money for barns, livestock, and additional land where needed.

#### INCREASED INDUSTRIALIZATION

Concentrating cotton production on efficient farms and shifting other farms to producing food crops still will not take care of all the farm families in the South. The answer to this surplus population, according to the plan, is increased industrialization, more nonagricultural jobs in the South. This can be done primarily through stimulating the growth of industries to supply the expected increase in the needs of the area and through encouraging expansion or new industries to manufacture the raw materials of the South. An example cited is that expansion in food processing and marketing to handle the expected rise in food requirements in southern States will require 200,000 more workers, or



about one-seventh of the 1,500,000 people who will have to find nonagricultural work.

The plan proposes Government aid to displaced workers including training in new jobs, transportation, and subsistence during the training period, all amounting to approximately \$200 per worker for an estimated 900,000 people who will need to be helped. Private capital would be expected to finance most of the new enterprises in the region, but where necessary Government loans from such agencies as the Reconstruction Finance Corporation should be available.

The cost of this program to put cotton back on its economic feet is expected to run \$4,600,000,000 over the 10-year period, exclusive of loans to either agriculture or industry. The plan estimates that for the first year the direct cost would be \$675,000,000, that it would increase somewhat during the next 2 years, and then steadily decline, averaging less than \$160,000,000 yearly during the last 5 years.

This annual average rate of expenditure of \$460,000,000 for farm payment would be higher than the \$375,000,000 a year spent on cotton programs prior to the war. But according to the advocates of the plan, the new program will work to help get the Government out of the cotton business. They estimate that after the conversion program has been completed, the Government need not make any contributions to cotton agriculture other than normal soil conservation payments which will probably continue to run around \$50,000,000 a year.

## Post-war Problems

### EXTENSION OF REMARKS

OF

### HON. CLYDE R. HOEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

*Monday, May 14 (legislative day of  
Monday, April 16), 1945*

Mr. HOEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered over the network of the National Broadcasting Co. on Friday night, May 11, 1945.

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

We are living in a changing world. We cannot measure the future by the past. When the war is over we are going to have to deal with complex and difficult problems, both in America and throughout the world. When victory comes we shall not be able to return to conditions which existed 20 years ago, or even before the war began. Our economy has undergone a vast change. We have contracted a staggering public debt. We must provide for its payment, make jobs available for our whole population, including our army of returning soldiers, stabilize our national life, and make secure our own future by aiding in stabilizing the other nations of the world.

While the supreme task of America is to win the war—and this shall continue to be our sole aim until final victory comes—yet it is vitally important that we give serious thought to meeting the conditions which will confront us at the close of the war and which must be met without delay if we are to save our country from the tragic conditions which exist today in many nations of the earth.

We hear much about creating 60,000,000 jobs, providing security for all the people from the cradle to the grave, safeguarding

the health of the whole population, and otherwise making everybody happy and contented by making available for them all material comforts. This sort of utopia reads well and you could get considerable support for the general proposition, but it is not as easy as all of that. We have always had more or less unemployment, lack of security, scarcity of money, even poverty and want. We cannot abolish all of these evils. The only way to get rid of total unemployment is to have either war or slavery. The demands of war take up the slack in unemployment and the master always provided a job for his slave. Likewise, the slave had security. He was provided with food, shelter, and raiment, but he was a slave.

Sometimes it becomes necessary to choose between security and freedom. The slave had security but not liberty. The man in jail has security. He will not starve, he will not freeze, he will be treated by a doctor when he is sick, but he has lost his freedom and he is paying a high price for his security. It is our problem as a Nation to provide the maximum of employment, security, education, and other desirable facilities for the whole people without sacrificing or imperiling our greater assets of liberty and freedom.

America has had a great record of progress, advancement, and achievement. This has been the land of opportunity. It has been possible for the poorest boy or girl to reach the highest attainments in the field of business, industry, agriculture, or the professions. The tenant of yesterday has become the landlord of today; the mill worker yesterday is the mill owner today; the clerk yesterday, the merchant prince today; the mechanic yesterday, the industrialist today; the family yesterday in poverty and want, today in wealth and affluence; the plow boy becomes president. That's the America of yesterday and today—it must be the America of tomorrow if we shall preserve our individual liberty and freedom.

The Government can and should do much to help its citizens. The first obligation is to maintain liberty and freedom for all of its people; to provide opportunity for work and achievement, to safeguard and protect from monopolistic control and capital or labor dictation; to enable all of its children to have the chance to get an education and be trained and equipped to do some helpful and gainful work; to provide assistance for the old who are unable to work and without sufficient income for support, and help for the dependent children and those who are handicapped by disability. These are proper functions for a government of a free people.

If we would retain our freedom we must guard against regimentation; against state socialism; against a planned economy to the extent of limiting and controlling the initiative and activities of our citizens, or restricting or regulating business or establishing a bar against the power to acquire or possess wealth. There must be an incentive to work and achieve and the profit motive has demonstrated its effectiveness in accomplishing marvelous results in all fields of human endeavor. A planned economy did not produce the Edisons, Fords, Dukes, Reynolds, Cannons or Ervins of the business world, nor could regimentation give us the great scientists, educators, ministers, statesmen, and leaders of thought who have blazed the pathway of human progress throughout our national history.

We have already achieved victory in Europe and are now standing on the threshold of complete victory in the mightiest global conflict of all history. We know the productive power and capacity of America; we know the greatness of her people and the indomitable courage of her young men and the complete dedication in time of war of all the men and women in our land. Yet amid the shouts of triumph of our armed forces and the swelling tide of gratitude in the hearts of fathers, mothers, wives, and sweethearts

of our Nation as we confidently look forward to final victory there are many discordant voices and pessimistic prophecies with reference to the post-war period and our ability to get along with other nations and to formulate and establish a tribunal to make a just peace and then to function effectively in settling future controversies between nations and to preserve world peace.

I do not share this pessimism. I believe that a nation capable of achieving the success which has been ours, will be able to meet the conditions and solve the problems of the post-war period and translate the fruits of a great war victory into a great peace victory. We have already made much progress in that direction. Beginning with the Atlantic Charter which heralded a new day for the world and which received the approval of 44 nations or governments, with all the intervening conferences and proposals now culminating in the San Francisco Conference, we have abundant ground for the basic hope that all peace-loving nations will be able to formulate and agree upon a compact of world peace by which war will be forever outlawed.

There have been two great basic conferences whose proposals furnish the groundwork and the real foundation for stabilizing the world and establishing the peace. They are generally known as the Bretton Woods Plan and the Dumbarton Oaks Proposals. The former deals specifically with the material or financial affairs of our own country and the other 43 nations whose representatives have already agreed to its provisions and the latter relates to the organization of a world tribunal to hear, determine, and settle controversies between nations and to preserve and enforce peace. The Yalta Conference supplements Dumbarton Oaks and all of the proposals are being considered and discussed, and it is hoped will be agreed upon at San Francisco.

A big issue following the war will be the stabilization of our own Nation and the nations of the world to the end that full employment may be maintained and America may continue prosperous. The Bretton Woods plan will aid in accomplishing this result. In order for America to have markets for her increased production of farm and factory the other nations must be in a position to buy our excess products. With a view of providing this market for our goods and at the same time to save the world from collapse and revolution, this very practical plan has been devised, which consists of the establishment of an international bank and an international fund.

The international bank would have a capital of \$9,100,000,000 subscribed by the 44 nation members. The United States, the richest Nation of the world, would be the largest stockholder, owning \$3,175,000,000 of the stock of the bank. The purpose of the bank would be twofold—one to lend money to the nations, or its institutions, upon valid security, and the other to guarantee the loans made under its directions by private banks to the member nations, or its corporations, upon security approved by the bank. The latter would be the largest sphere of activity. These would be generally long-term loans and made for the purpose of enabling the devastated countries to rebuild and reestablish their business and industry and generally to stabilize their whole economy.

The international fund would consist of \$8,800,000,000, representing an investment of \$2,750,000,000 by the United States and a corresponding amount in proportion to wealth of each of the member nations. The chief purpose of this fund would be to stabilize the currency of all member nations and prevent the depreciation of currency by any nation, to regulate money exchange rates and to facilitate trade between the nations. In order to do this, the fund, in periods of emergency or crisis in any nation, would be



authorized to buy a given amount of that nation's currency and otherwise enable the nation to meet its obligations and keep its financial structure from collapsing. The fund would make these advances for temporary uses and would be regarded as short-time loans and made upon security inferior to that required by the bank for long-term loans.

It is of vital importance to America that we keep the other nations from depreciating their currencies. That is why we lost so much of our export trade in cotton, tobacco, wheat, potatoes, textile goods, and so many other products following the other World War and continuing until the beginning of this war. We cannot maintain a trade balance in our favor when other nations are prevented from buying goods in American markets, because it requires double and treble the amount of their currency to equal ours. This would remedy that situation and enable us to expand our industry and agriculture and to find ready markets for our surplus products.

This is but a brief explanation of the functions of the bank and the fund, stripped of all technical terms and stipulations. The headquarters of both would be America, since our Nation would hold 35 percent of the stock in the bank and around 32 percent in the fund. There would be 12 directors from the various nations to manage the affairs of these institutions. There is general approval of the bank, but a committee from the American Bankers Association opposes the fund, largely upon the ground that it is not good banking practice and that the security would not be adequate. Looking at it from a banker's standpoint alone, that is unquestionably true, but the very purpose of the fund is to enable nations in periods of crises to obtain funds without having gold-edged security, and the justification is to save the nation's financial structure and prevent its collapse and the consequent depreciation of its currency, which would result in more detriment to our country than to any other, because we are going to maintain the value of our currency and the American dollar will continue to be the standard of value.

Not all of the great bankers in America oppose this fund, and while I have great respect and admiration for the Committee of the American Bankers Association who think this plan for the international fund is unwise, I recall that a similar committee opposed the establishment of the Federal Reserve System in the United States and regarded that as a dangerous innovation, and later offered strenuous opposition to the creation of the Federal Deposit Insurance Corporation to guarantee bank deposits and voiced the opinion that this would prove adverse to our whole banking system. Now everybody approves both of these institutions and regards their establishment as wise and beneficial legislation. As a result of the latter and the prosperity of our people there is more money on deposit in the banks of America today than at any time since we became a Nation. In view of all of this, I do not feel that we should be unduly alarmed by the opposition offered to the Bretton Woods plan.

The Dumbarton Oaks deals with the spiritual concept of a peaceful world following the winning of this war. It provides the machinery for the establishment of a tribunal to settle controversies between nations, to advance the common interests of all nations, to maintain liberty and freedom in the world and to preserve peace in the long tomorrows. It would establish a general assembly in which every peace-loving nation in the world would have at least 1 member. This assembly would meet once a year, and have power to make recommendations, to present causes, to counsel as to the economic and other interests of the affected nations, and to elect 6 members of the security council, which would be com-

posed of 11 members. Five nations would be permanent members of this council—United States, Great Britain, Russia, China, and France—and the other 6 members would represent the smaller nations and would serve for 2 years each, with a change of 3 each year. The council would be the supreme authority and would have power to settle controversies short of war, to employ economic restraints to prevent war and ultimately and as a last resort, to use force to make effective its decisions. There would also be an international court to hear and determine legal questions and a secretariat and economic council. All of these agencies would be properly correlated with the final authority in the security council.

The San Francisco Conference is considering the Dumbarton Oaks and the Yalta proposals, and it is expected that an international agreement will be reached providing a workable plan for preserving the fruits of our forthcoming war victory and to translate it into a victory for permanent peace. We must not expect perfection in this document. We must be prepared to accept all of this as a foundation upon which to build a structure of world peace with the full knowledge that improvements can and will be made. The important thing is that the nations shall have the will for peace and shall make an honest effort to arrive at an agreement by which differences may be composed and controversies heard and determined, without resorting to the sword. Civilization cannot survive a third world war, and the fathers and mothers of the world and the youth of tomorrow must be saved from the devastation and destruction incident to another global war. I believe it will be possible to achieve world peace and it would be criminal to fail to agree to make a supreme and united effort to attain this goal.

I am not pessimistic about our condition now or the future of our country. I believe in the inherent common sense of the American people, of their honesty of purpose and unflinching patriotism. They have always proven their resourcefulness and courage in both peace and war. I look forward confidently to winning the war and just as confidently to winning the peace. I believe our people will display the same daring and courage following the war that they have shown during the long and difficult days of this dreadful world conflict. Even as this Nation has amazed the world by its production during the war, it will surpass its own great record in producing in peace. America and the world will need all that we can produce and if we can succeed in stabilizing the other nations we shall have available abundant markets for all of our excess production. We should enter upon a period of unexampled prosperity.

The peace proposals transcend in importance any of the economic or material aspects of the whole situation. I am happy to say that I find genuine and wholehearted support for the peace treaty on both sides of the aisle in the Senate. It was most reassuring to find that the 16 new Senators elected last November—10 Democrats and 6 Republicans—are unanimous in their support of the principles of the Dumbarton Oaks proposals and will give their enthusiastic support to any reasonable plan for world peace. I confidently believe that the Senate will ratify the peace treaty by more than the two-thirds majority required by the Constitution.

With the world assured of a long period of peace and our Nation occupying a position of leadership in cooperation with the big and little nations of the world in economic improvement and development, and in spiritual unity of purpose in establishing and maintaining that long-hoped-for peace—America will stand at the crossroads of world history as the Nation of destiny.

## Right in the Middle

### EXTENSION OF REMARKS

OF

## HON. HUGH BUTLER

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, May 14 (legislative day of  
Monday, April 16), 1945

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Right in the Middle," written by Maurice R. Franks, editor of Railroad Yardmasters, on a subject which is very much in our minds at the moment.

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

#### RIGHT IN THE MIDDLE

We are hearing much pro and con on the subject of unionizing foremen in industry. Some labor leaders feel that foremen should be unionized, and most businessmen are of opposite opinion. The National Labor Relations Board has ruled in favor of organizing foremen and just recently handed down a decision in Detroit covering an automobile manufacturer. So now the public is becoming curious and wanting to know just who is right.

This question, to be handled intelligently, must be done in an unbiased manner, without special favor to the parties directly concerned in the controversy. The best answer so far seems to be the one covered in an advertisement of General Motors Corporation. It says: "We think it would be bad for foremen if American industry would be compelled to make a change in its proven type of organization, which would unavoidably reduce the foreman's status, diminish his responsibility, authority, influence, decrease his opportunity for personal advancement."

Some labor leaders believe that ununionization would be highly beneficial because it would enhance the membership of unionism and it would give unions inside control over production through union membership of foremen. And right here is where the rub comes in, because it places the foremen of industry right in the middle.

This question is not going to be adequately solved by "beating around the bush" and believe me, this writer does not like bushes to beat around. The title "foreman" means nothing. In fact, titles alone in any occupation mean nothing; the duty of the occupation is what really counts. In other words, you can call them foremen, vice presidents, general managers, or what have you, and it does not amount to much. What really is important is the duty of the occupation. A messenger boy that does nothing more than deliver messages, even though you call him an expeditor, is only a messenger.

If a foreman is a worker with no disciplinary authority, he is to my mind just a glorified worker, with a title that means nothing, and I see no reason why he should not be organized. But, if the title of "foreman" means what it actually implies, the right to hire, discharge, and discipline employees for insubordination, then I do not hesitate in saying that a foreman should not be organized. How can a man be honest with himself and honest with his union, if he is forced, through a condition of unionism, to play both ends against the middle. And this is exactly what he must do as a unionized foreman. If he does not discipline insubordinate employees, he can be expelled from the company for his own insubordination; and if he does discipline, as a conscien-



tious foreman, he can be expelled from his own union, which places him right in the middle!

In order for a foreman to function properly in his capacity, he must be respected by all those with whom he comes in contact; and just how can he be respected, or even trusted, when he is in the position of playing two ends against the middle? In the position of serving two masters at one time. Management cannot trust him because he has sworn allegiance to the union, and the union cannot trust him because he has sworn allegiance to management. In this position, it is not very long until no one trusts him, because to hold his position as foreman, he is inclined to become an unprincipled schemer of playing both ends against the middle.

The foreman of any job should be a man highly respected by his subordinates. It is necessary for him to set an example of good, loyal workmanship. He must personify incentive, initiative, and executive leadership. Yes, the foremanship of every department ought to be something that all workers should strive to attain some day. It is definitely a reward for capable and conscientious workers.

Just picture a foreman, who is just an ordinary member of his union, getting into an argument with the president or business agent of his own union in a meeting. I would venture to say that his union status would not be so good, and if it is not good, according to union contract under the closed-shop system, he can be expelled for union insubordination. If he is expelled from the union, he is automatically expelled from the company. A nice system of eliminating the conscientious foreman. The more I think of the situation the more I am inclined to agree with management, that foremen should not be unionized. It would be bad for management because it takes the managerial rights away from where they belong. It would be equally bad for labor because it automatically sets up a condition of disharmony within unionism.

The National Labor Relations Act, or the Wagner Act, as it is commonly referred to, definitely states in section 8 "It shall be an unfair labor practice for an employer (1) to interfere with, restrain, or coerce employees in the exercise of their rights guaranteed in section 7; (2) to dominate, interfere with the formation or administration of any labor organization, etc." Now in spite of this law, which has been validated by the United States Supreme Court, the National Labor Relations Board in its decision has told the world that employers do have the right to interfere with, restrain, or coerce employees in the exercising of their rights as workers. This statement is based on the fact that when foremen have the authority to hire and discharge workers, they are employers, part of management, and as such have no right to be mixed up in unionism in any manner whatsoever. It is obvious that as unionists they can be the means of influencing labor one way or the other. When a man becomes a foreman and is unionized, he immediately loses his chances of going further up the ladder, because he becomes estranged from management.

The Labor Act is in unmistakable language, and as long as the National Labor Relations Act stands as the recognized law of the land governing employer-employee relations, in my opinion it is unlawful for foremen to become unionists. And mark you, when I say foremen, I mean those who have disciplinary authority, the right to hire and discharge workers.

We Americans boast of our system of free enterprise, a system by which the most humble may rise to the pinnacle of industry, through diligent application, and yet the real recipient of this system, the worker himself, through unionizing foremen, is creating a condition that will definitely block careers at the half-way mark. To look at the situation

with an open mind is to invariably arrive at the conclusion that to unionize foremen is to put them right in the middle.

Frankly yours,

MAURICE R. FRANKS,  
*Editor.*

## Veterans' Hospitals

### EXTENSION OF REMARKS

OF

### HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 14, 1945

Mr. JUDD. Mr. Speaker, during recent weeks we have heard and read so many critical remarks regarding the veterans' hospitals, including the one in Minneapolis, that under leave to extend my remarks I am glad to include, along with my reply, a letter from a patient who is eminently satisfied with the care he received at our Minneapolis veterans' hospital.

MINNEAPOLIS, MINN., May 2, 1945.

Mr. C. D. HIBBARD,  
*Manager, Veterans' Administration,  
Minneapolis, Minn.*

DEAR MR. HIBBARD: The recent articles in *Cosmopolitan* magazine have made me so damned mad that I have delayed writing this letter to try and cool off.

The records will show that in the past 11 years I have spent about 2½ years as a patient in the Minneapolis veterans hospital. The medical records will show that when I first came there I was in mighty bad shape.

That I am alive today is, without any question, due to the wonderful care that I received at the hands of the very people who are now called third raters.

I cannot say how the other veterans hospitals are run. But that first *Cosmopolitan* article named my own doctor out there. True, he didn't say Dr. Josewich was incompetent; but in the very next paragraph he implied as much. I am intelligent enough and interested enough in my personal physical ailment to have learned a great deal of the record and reputation of the many specialists in the same field as Dr. Josewich. He tops them all. He was doing lung collapse treatment successfully when the writer of that article was in grade school.

Many others rate equally high. I recall Dr. Marclay—now retired—undisputed dean of chest men in the Twin Cities; Dr. Seaberg, now promoted to a higher position at the Minneapolis hospital; Dr. Culligan, who did some surgery for me—recognized as one of the most brilliant surgeons in the Twin Cities; Dr. Dumas, recognized nationally in his special field. These are the men who have taken a bunch of broken down wrecks like me—average age today 52—and put us back on our feet.

But the doctors alone couldn't do it.

"Poor food served cold" that article said. I give you my word of honor that I often got a copy of the mimeographed menu for the week from the dietitian and mailed it home to my folks to show them that I was sure "living the life of Riley." I found that the dietitians, the kitchen help, the orderlies, everyone that had anything to do with the food would break their necks to give a fellow the finest food and served according to the patient's taste even though the patient was many times unreasonable in his wishes.

And the nurses—God bless them. Sick men are apt to complain and squawk about trifles. But those girls did just the right thing at every turn. Why I haven't been in

the hospital for 7 years and yet today I could name off no less than 25 by name that I remember for their many kindnesses, and especially that grand character, the Chief Nurse Anne Griffin.

You must excuse the length of this letter but a hospital is made up of a lot of people—I refer to the hard and thankless jobs done by the orderlies. I'll never forget the many times when I was in very serious condition that some orderly would slip into my room quietly to see if there was anything he could do to make things more comfortable for me.

When a fellow got on the mend and time hung heavy on his hands he needed another type of help—mental help.

I am thinking of that fine occupational therapy worker, Miss Macomber and her staff—how she would teach us all manner of things such as needle work, leathercraft, paintings, etc. It took our minds off of our bodies and our worries.

And then along would come the librarian, Miss O'Toole. To think that we actually in that single institution had a library that would be the envy of many a small city. With the current subscriptions to practically every magazine published and, if I recall, about 10,000 books—and a fine and cooperative librarian to bring to your bedside any book or magazine you might fancy.

And the dental clinic—as fine a staff of workers as would be found anywhere. Dr. Koontz happened to be the dentist who worked on me. A fine dentist, a fine man. And to think that every man they work on is actually there for some other reason than his teeth, all sick men. They have to be good, and they sure are.

I must not pass over your own part in the scheme of things. I recall very well that when I first entered the hospital a sick, worried and down-hearted man it was only a day or two and a contact man from the Administration was at my bedside explaining all of my rights under the veterans laws; assisting whenever needed in adjusting business and family affairs. It happened to be Mr. Madden that took care of things for me. He was fine. Unable to appear or speak for myself, he appeared before various boards and saw that my rights were properly presented. I am grateful to him.

I'm sorry that I have strung this letter out but from my heart I want to say I am mighty grateful and there are so many people who have done so much for me that I could not be brief if I tried.

With the storm of criticism that is being stirred up on the subject I feel that men like myself should speak up. The chronic complainer, though in the minority, is long-winded and loud-voiced. We who know the fine record of the Veterans' Administration should tell the millions of service men and women, their parents, wives, and families that they can feel assured that their loved ones will get the best treatment in the world in the veterans hospitals.

I am sending a copy of this letter to Dr. JUDD, my Congressman, so that he will know of my experience.

Sincerely,

ROBT. J. BURNS.

MAY 10, 1945.

Mr. ROBERT J. BURNS,  
*Minneapolis, Minn.*

DEAR MR. BURNS: Thank you very much for sending me a copy of your letter of May 2 to Mr. Hibbard, regarding medical and other conditions at our Fort Snelling Veterans' Hospital.

There can be no denying the fact that in any large bureau which has to be run fairly closely according to rules and regulations, things become mechanical at times and not as personalized as one could wish. On the other hand, I believe the picture drawn in the *Cosmopolitan* article is out of focus.







3. FLOOD-RELIEF APPROPRIATIONS. Passed with amendment H. J. Res. 208, making appropriations for emergency flood-control and flood-relief work (pp. 5621-2). (For provisions see Digest 109.) Agreed to amendment by Rep. Taber, N. Y., to change from \$200,000 to 10% of the aggregate amounts loaned or granted, the amount permitted to be used for administrative expenses of the Department's flood-relief program (p. 5622).
4. RFC SUBSIDIES. Reps. Spence, Brown of Ga., Patman, Wolcott, and Crawford were appointed conferees on S. 502, to continue RFC subsidies on flcur, meat, and butter (p. 5600). Senate conferees were appointed May 31.
5. STATISTICAL INSTITUTE. Passed without amendment H. R. 688, to enable the United States to become an adhering member of the Inter-American Statistical Institute (pp. 5604-5).
6. DISPOSITION OF RECORDS. Passed as reported H. R. 44, which authorizes the Archivist to prepare and submit to Congress, together with recommendations of the National Archives Council, schedules proposing the disposal, after the lapse of specified periods, of "housekeeping" records; and permits the disposal of such records by Government agencies after the lapse of the periods specified (p. 5605).
7. FLAG PLEDGE. Passed as reported H. J. Res. 180, giving official recognition to the pledge of allegiance to the U. S. flag (pp. 5608-10).
8. FOOD SUPPLY. Rep. Hoffman, Mich., blamed the "food shortage" on the "muddling" of the administration (pp. 5624-5).
9. WOOL TEXTILES. Rep. Canfield, N. Y., criticized WPB, OPA, and Army restrictive measures, stating that they are "paralyzing" the production capacity of the wool-textile industry, and inserted a Botany Worsted Mills' letter on the subject (pp. 5625-6).
10. HOUSING. Passed without amendment H. R. 3322, to amend the National Housing Act so as to provide for veterans' housing (pp. 5611-2).
11. FULL-EMPLOYMENT BUDGET. Rep. Bicmilller, Wis., commended Judge Vinson's favorable report on S. 380, the Murray bill (p. 5600).
12. FEDERAL-EMPLOYEES' HEALTH. Discussed and, at Rep. Kean's (N. J.) request, passed over H. R. 2716, to provide for health programs for Government employees (pp. 5605-6).
13. PHYSICALLY HANDICAPPED WEEK. Passed as reported H. J. Res. 23, to establish the first week in Oct. of each year as National Employ the Physically Handicapped Week (pp. 5606-7).
14. BANKING AND CURRENCY. Majority Leader McCormack stated that there will be no roll-call vote on H. R. 3314, the Bretton Woods monetary bill, until June 7 (pp. 5601-2).

SENATE

15. FULL-EMPLOYMENT BUDGET. Sen. Wagner, N. Y., discussed S. 380, the Murray bill, and inserted Judge Vinson's report favoring it (p. 5573).



16. INTERIOR APPROPRIATION BILL, 1946. Continued debate on this bill, H.R. 3024 (pp. 5567, 5574; 5576-85, 5598). Continued debate on the committee amendment relating to the Central Valley Project and agreed to Sen. Barkley's (Ky.) unanimous consent request to vote on this amendment not later than 1:15, Wed., June 6 (p. 5598).
17. PRICE CONTROL; RATIONING. Banking and Currency Committee reported with amendments S.J.Res. 30, to continue for 18 months (until Dec. 31, 1946) the price-control and stabilization programs (S.Rept. 325) (p. 5571).  
Sen. Wiley, Wis., submitted an amendment he intends to propose to S.J.Res. 30 (the price-control and stabilization extension resolution) to permit an increase in C.O.D. prices equivalent to any increase in postal rates or charges (pp. 5564-5).
18. MISSOURI VALLEY AUTHORITY. Sen. Overton, La., announced that the Irrigation and Reclamation Committee hearings on S. 555, the MVA bill, are scheduled to begin Sept. 17 (p. 5565).  
Sen. Capper, Kans., inserted a Leavenworth (Kans.) C of C resolution opposing S. 555, the MVA bill (p. 5570).
19. BANKING AND CURRENCY. Agreed to Sen. Barkley's (Ky.) motion to concur in the House amendment to S. 510, to amend the Federal Reserve Act so as to reduce the bank-reserve requirement, extend authority to pledge U.S. securities against Federal Reserve notes, and repeal authority to issue Federal Reserve and U.S. bank notes (pp. 5573-4). This bill will now be sent to the President.  
Received a Calif. Legislature resolution urging Congress to maintain existing gold reserve ratios and to enact legislation to increase the monetary value of gold (p. 5562).
20. EDUCATION; VETERANS. Received resolutions from the Mass. Legislature favoring increased allowances for veterans pursuing educational courses under the GI Bill of Rights and from the Rice Lake Vocational and Adult Education School favoring S. 619, to provide vocational education and retraining programs for the occupational readjustment of persons demobilized from wartime industries and from the armed forces. The covering letter on the latter resolution stated that this program provides benefits for farmers by providing means for farm machinery repairs (pp. 5569-70).
21. MEAT DISTRIBUTION. Sen. Capper, Kans., inserted OPA Administrator Bowles' report outlining steps taken by OPA to improve meat distribution and to combat the black market (p. 5571).
22. ST. LAWRENCE WATERWAY. Sen. Aiken, Vt., inserted a United Automobile Workers resolution favoring development of this project (p. 5570).
23. IRRIGATION. Indian Affairs Committee reported without amendment S. 812, to amend the San Carlos Act so as to provide that the construction charges on account of non-Indian lands in the San Carlos irrigation project shall be repaid in variable annual payments (p. 5571).
24. FEDERAL POWERS; TVA. Sen. Wiley, Wis., criticized the extent to which the Federal Government has "entered into business" and "invaded the sphere" of State and local governments, stating that, "our people will demand that a Government-owned enterprise such as the TVA... give some financial return to the Federal Government" (pp. 5572-3).
25. ADJOURNED until Wed., June 6 (pp. 5598-9).



BILLS INTRODUCED

26. RETIREMENT. S. 1089, by Sen. Langer, N. Dak., to amend the Civil Service Retirement Act. To Civil Service Committee. (p. 5564.)
27. VETERANS; LOANS. S. 1090, by Sen. Langer, N. Dak., to amend title III of the Servicemen's Readjustment Act of 1944 so as to increase the limitation on amounts of guaranteed loans. To Finance Committee. (p. 5564.)
28. COTTON; RUBBER. S. Res. 131, by Sen. Langer, N. Dak., to authorize the Post Office and Post Roads Committee to investigate the use of cotton products and by products and synthetic rubber made from waste products in the building of roads. To Post Offices and Post Roads Committee. (p. 5565.)
29. HEALTH. S. 1099, by Sen. Aiken, Vt. (for himself and Sen. Pepper, Fla.), to amend the Public Health Service Act so as to provide assistance to States in developing and maintaining dental health programs. To Education and Labor Committee. (p. 5571.)
30. GRANT LANDS; TRANSPORTATION. S. 1098, by Sen. Hatch, N. Mex., declaring certain lands to be a part of the public domain and providing for the administration thereof. To Public Lands and Surveys Committee. (p. 5572.) Remarks of author. (p. 5572.)
31. SCHOOL LUNCH. H.R. 3370, by Rep. Flannagan, Va., to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs. To Agriculture Committee. (p. 5627.)
32. SELECTIVE SERVICE. H.R. 3372, by Rep. Hendricks, Fla., to prohibit reinduction of military personnel after release from the armed forces by reason of credits. To Military Affairs Committee. (p. 5627.)
33. EXECUTIVE AUTHORITY. H.J. Res. 209, by Rep. Pittenger, Minn., establishing joint congressional committees to obtain complete information with respect to the functioning of the executive departments and independent agencies of the Government. To Rules Committee. (p. 5627.) Remarks of author. (p. A2864-5).
34. HOUSING. H.R. 3377, by Rep. Norton, N.J., to amend the War Housing Act. To Public Buildings and Grounds Committee. (p. 5627.)

ITEMS IN APPENDIX

35. FOOD SITUATION. Rep. Reed, N.Y., inserted a New York Herald Tribune editorial criticizing importation of foreign-made candies when domestic food-processing sugar allocations are being steadily reduced (p. A2877).  
Speech in the House by Rep. Gross, Pa., including G. E. Sokolsky's article commending President Truman's consultation with Herbert Hoover relative to the food situation (pp. A2862-3).
36. FOOD PRODUCTION; WILDLIFE. Sen. Langer, N. Dak., inserted a Bottineau Courant editorial quoting a Bottineau County Farmers Union resolution urging the Federal Government to take steps to control the destruction of farm crops by the ever-increasing wild-duck population (p. A2862).
37. FULL-EMPLOYMENT BUDGET. Extension of remarks of Rep. Outland, Calif., favoring H.R. 2202, the full-employment bill, and including WMR Director Vinson's favorable report on this bill (p. A2886).



- 38. BUREAUCRACY. Rep. Gamble, N.Y., inserted a Standard-Star (New Rochelle, N.Y.) editorial, "When Bureaucracy Runs Wild" (p. A2861).
- 39. EDUCATION. Rep. Andrews, Ala., inserted an oratorical contest speech on post-war education (p. A2865).
- 40. CENTRAL VALLEY PROJECT. Extension of remarks of Rep. Elliott, Calif., discussing the importance and justification for the construction of the Friant-Kern Canal, an irrigation unit of the Central Valley project (pp. A2869-70).
- 41. FLAG. Rep. Eberharter, Pa., inserted a U.S. Flag Assn. statement relative to the authorship and modifications of the pledge to the flag (pp. A2870-1).
- 42. HOUSING. Rep. Angel, Ore., inserted an Oregonian article, "Postwar Puzzle: What to Do With Portland Housing Land" (pp. A2873-4).  
Rep. Michener, Mich., inserted two Michigan newspaper editorials relative to the housing project at Willow Run (pp. A2874-5).
- 43. BUILDINGS AND GROUNDS. Rep. Flannagan, Va., inserted his and W.A.Lloyd's addresses made at the dedication of the Thomas Jefferson Memorial Auditorium of the USDA (pp. A2871-3).
- 44. BANKING AND CURRENCY. Extension of remarks of Rep. Andresen, Minn., including Assistant Secretary White's (Treasury) letter, discussing the Bretton Woods agreements (pp. A2879-80).  
Rep. Buffett, Nebr., inserted Paul Wohl's Barron's National Financial Weekly article on British trade plans as related to the Bretton Woods agreements (pp. A2883-4).
- 45. MILITARY TRAINING. Sen. Hill, Ala., inserted Assistant Secretary McCloy's (War) article favoring peacetime military training (pp. A2856-7).
- 46. TREATIES. Speech in the House by Rep. Michener, Mich., discussing H.J.Res. 60 to amend the Constitution with respect to ratification of treaties, and including the committee's favorable report on this resolution (pp. A2852-6).

COMMITTEE HEARINGS Released by G.P.O.

- 47. SUGAR ALLOCATIONS. Pt. 2, pursuant to H.Res. 88, to investigate acts of executive agencies beyond the scope of their authority. House Committee to Investigate Executive Agencies.
- 48. APPROPRIATIONS. Interior Department appropriation bill, 1946, H.R. 3024, Senate Appropriations Committee. War agencies appropriation bill, 1946, H.R. 336 and D.C. appropriation bill, 1946, H.R. 3306, House Appropriations Committee.
- 49. SMALL BUSINESS; MINERALS. Pursuant to S. Res. 28. Pt. 49, Future of Light Metals. Senate Committee to Study and Survey Problems of the Small Business Enterprises.

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments of any particular bill



The motion was agreed to; and (at 6 o'clock and 12 minutes p. m.) the Senate took a recess until Wednesday, June 6, 1945, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate June 4, 1945:

##### DIPLOMATIC AND FOREIGN SERVICE

Paul H. Alling, of Connecticut, a Foreign Service officer of class 2, to act as diplomatic agent of the United States of America at Tangier, Morocco.

##### THE JUDICIARY

##### UNITED STATES DISTRICT JUDGE

Arthur A. Koscinski, of Michigan, to be United States district judge for the eastern district of Michigan, vice Arthur J. Tuttle, deceased.

##### PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

##### MEDICAL CORPS

##### To be colonel

Lt. Col. Henry Stevens Blesse, Medical Corps (temporary colonel), with rank from May 25, 1945.

##### To be majors

Capt. Tom French Wayne, Medical Corps (temporary colonel), with rank from May 16, 1945.

Capt. Erling Severre Fugelso, Medical Corps (temporary lieutenant colonel), with rank from May 17, 1945.

Capt. Joseph Garber Cocke, Medical Corps (temporary colonel), with rank from May 23, 1945.

Capt. Alfonso Michael Libasci, Medical Corps (temporary colonel), with rank from May 25, 1945.

Capt. Ralph Torrey Stevenson, Medical Corps (temporary colonel), with rank from May 29, 1945.

Capt. Frank Owings Alexander, Medical Corps (temporary lieutenant colonel), with rank from June 1, 1945.

Capt. John Benson Grow, Medical Corps (temporary colonel), with rank from June 2, 1945.

Capt. Daniel John Waligora, Medical Corps (temporary colonel), with rank from June 10, 1945.

Capt. Dell Fred Dullum, Medical Corps (temporary lieutenant colonel), with rank from June 13, 1945, subject to examination required by law.

Capt. Byron Ludwig Steger, Medical Corps (temporary colonel), with rank from June 17, 1945.

Capt. Louie Render Braswell, Medical Corps (temporary colonel), with rank from June 19, 1945.

##### To be captains

First Lt. John Mark McIver, Medical Corps (temporary captain), with rank from May 15, 1945.

First Lt. George Thomas Kelleher, Medical Corps (temporary captain), with rank from May 16, 1945.

First Lt. Samuel Hope Sandifer, Medical Corps (temporary captain), with rank from May 19, 1945.

First Lt. John Charles Cressler, Medical Corps (temporary captain), with rank from June 3, 1945.

First Lt. Francis William Lanard, Medical Corps (temporary captain), with rank from June 17, 1945.

First Lt. Louis Axelrod, Medical Corps (temporary captain), with rank from June 24, 1945.

First Lt. Keith Duane Heuser, Medical Corps (temporary captain), with rank from June 25, 1945.

First Lt. Thomas Lewis Ozment, Medical Corps (temporary lieutenant colonel), with rank from June 26, 1945, subject to examination required by law.

##### CHAPLAIN

##### To be major

Chaplain (Capt.) Elmer Emil Tiedt, United States Army (temporary lieutenant colonel), with rank from June 17, 1945.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate June 4, 1945:

##### POSTMASTERS

##### TENNESSEE

Cecil G. Bowling, Rockvale.  
Frances D. Thomas, Hickman.  
Fred W. Butler, Pruden.



# House of Representatives

MONDAY, JUNE 4, 1945

The House met at 12 o'clock noon.

Lt. Col. Donald C. Stuart, post chaplain, Walter Reed Hospital, offered the following prayer:

Most gracious God, we humbly beseech Thee, as for the people of these United States in general, so especially for these their Representatives in Congress assembled, that Thou wouldst be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the safety, honor, and welfare of Thy people; that all things may be so ordered and settled by their endeavors, upon the best and surest foundations; that peace and happiness, truth and justice, religion and piety may be established among us for all generations. Especially we pray that by Thy guidance these Thy servants may provide in all haste for the successful conclusion of the war and the establishment of a just and abiding peace among the nations of the earth. These and all other necessities, for them, and for us, we humbly beg in Thy holy name. Amen.

## JOURNAL

The Journal of the proceedings of Friday, June 1, 1945, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 60. Concurrent resolution authorizing the printing as a public document of a revised edition of House Document No. 619, Seventy-seventh Congress, entitled "Our American Government: What Is It? How Does It Function?" and providing for the printing of additional copies thereof.

The message also announced that the Senate agrees to the amendment of the House to a joint resolution of the Senate of the following title:

S. J. Res. 66. Joint resolution to extend the statute of limitations in certain cases.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of the Treasury.
4. Department of War.
5. Federal Security Agency.
6. National Archives.
7. Office of Civilian Defense.
8. Selective Service System.
9. Tennessee Valley Authority.

## CONTINUATION OF CERTAIN SUBSIDY PAYMENTS BY CORPORATIONS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 502) to permit the continuation of certain subsidy payments and certain purchase and sale operations by corporations created pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended, and for other purposes, with a House amendment, insist on the amendment of the House, and ask for a conference, and that conferees be appointed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD.

## GEN. DWIGHT D. EISENHOWER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the Appendix of the RECORD.

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

There was no objection.

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

## EXTENSION OF REMARKS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include short addresses delivered by Mr. W. A. Lloyd and myself at the exercises held when the auditorium of the Department of Agriculture was dedicated in honor of Thomas Jefferson.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ELLIOTT asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. BATES of Kentucky asked and was given permission to extend his remarks in the RECORD and include a speech made on Memorial Day at Arlington National Cemetery by War Mobilization Director Fred M. Vinson.

Mr. KIRWAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Columbus Dispatch.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and insert an address delivered by Hon John J. Baker, assemblyman of the Commonwealth of Pennsylvania.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and insert a memorandum concerning the authorship of the Pledge of Allegiance to the Flag of the United States of America.

Mr. ANDREWS of Alabama asked and was given permission to extend his remarks in the RECORD and include a speech by Jimmie Chappell.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include a resolution on the question of the punishment of war criminals.

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter and an article by Gen. George Rogers Clark. I have a statement from the Public Printer that the cost will be \$121.41, or \$17.34 more than the amount permitted. Notwithstanding that, I renew my request.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

## FULL EMPLOYMENT LEGISLATION

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. BIEMILLER. Mr. Speaker, Judge Vinson has today released to the press a letter which he had sent to Senator WAGNER pertaining to the bill S. 380, popularly known as the full employment bill. Its counterpart in this House is H. R. 2202, introduced by the gentleman from Texas [Mr. PATMAN], and cosponsored by 68 other Members.

I hope every Member of the Congress will pay particular attention to the message of Judge Vinson. I believe that the full employment bill is one of the most important in front of us, and I think Judge Vinson deserves the praise of everyone for his fearless stand in favor of that measure.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

## THE MYSTERY ABOUT JOSE DEL CASTANO, SPANISH CONSUL GENERAL IN MANILA

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to address the House



uneconomical low rates to the people of the Tennessee Valley.

Uncle Sam is going to need every cent of income in order to take care of the interest charge on his 300 billion dollars of indebtedness and to take care of his high overhead.

It is high time that we view the American scene rather than look constantly abroad. It is high time that we get the facts on the invasion of the American scene by imported collectivism.

When we have the whole picture of those facts, our people will be able to form their own intelligent judgment, and Congress will be able to act forthrightly to eradicate Government collectivism.

The PRESIDENT pro tempore. Morning business is concluded.

FULL EMPLOYMENT BILL OF 1945—LETTER FROM JUDGE VINSON

Mr. WAGNER. Mr. President, on January 22 the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. THOMAS], the Senator from Wyoming [Mr. O'MAHONEY], and I introduced the full-employment bill of 1945. This bill is now pending before the Committee on Banking and Currency.

Reports on the bill have been requested from almost every Federal agency. As the reports are being received, I am having them analyzed and digested so that a complete summary of all the reports will soon be available to the committee and to the general public.

At this time I should like to call special attention to the report of the Director of War Mobilization and Reconversion, which was released this morning from the White House. In this report, Judge Vinson wholeheartedly endorses the full-employment bill and describes it as "the necessary first step from which a full-dress program of economic policies to promote the well-being of our free competitive economy will stem."

History shows us—

Says Judge Vinson—

that business, labor, and agriculture cannot in themselves assure the maintenance of high levels of production and employment. The Government, acting on behalf of all the people, must assume this responsibility and take measures broad enough to meet the issues. Only by looking at the economy as a whole, and adopting national economic policies which will actively promote and encourage the expansion of business and the maintenance of markets and consumer spending, can we hope to achieve full employment. Senate bill 380 recognizes this responsibility of Government and seeks to provide a definite vehicle for the Congress and the President to measure the size of the employment need of the country and to provide specific programs for meeting it.

Mr. President, I ask unanimous consent that the report to the Banking and Currency Committee from the Director of War Mobilization and Reconversion be printed at this point in the RECORD in connection with my remarks.

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

DEAR BOB: This is in response to your letter of April 9 concerning S. 380, a bill to establish a national policy and program for assuring continuing full employment in a

free competitive economy through the concerted efforts of industry, agriculture, labor, State, and local governments, and the Federal Government.

Next to a speedy and complete victory over Japan, a steady, well-paid job after the war is first in the minds and hearts of most Americans. The war has demonstrated that our economic system can provide jobs when demand for its product exists. It has done more. It has opened the eyes of all of us to the vast productivity of which American labor and the American genius for organization and management—working as a team—are capable.

But these jobs—this productivity—has been achieved in wartime through the creation of an unlimited market by the Government. To reach and maintain high levels of employment and a steadily rising standard of living in peacetime will call for a program suited to peacetime conditions and needs. In this program, business, agriculture, labor, and local, State, and Federal Governments must all play their parts.

We know we have an abundance of resources, plant, manpower, and managerial know-how to produce a standard of living far higher than anything we have ever known. Likewise, we know that we have unfilled needs in America so diverse and so great as to challenge the capacity of even the greatest producing nation on earth.

But needs are not demands, in the economic sense. People must have steady income and they must want to spend their income before needs become demands and people become customers.

Business management, large and small, has a great opportunity and a great challenge to help create these steady incomes, and to actuate demand by expanding their businesses, offering better goods and services at attractive prices. Labor and agriculture through their efforts to increase production per man-hour can contribute importantly to higher incomes and a higher standard of living.

But history shows us that business, labor, and agriculture cannot in themselves assure the maintenance of high levels of production and employment. The Government, acting on behalf of all the people, must assume this responsibility and take measures broad enough to meet the issues. Only by looking at the economy as a whole, and adopting national economic policies which will actively promote and encourage the expansion of business and the maintenance of markets and consumer spending, can we hope to achieve full employment. S. 380 recognizes this responsibility of Government and seeks to provide a definite vehicle for the Congress and the President to measure the size of the employment need of the country and to provide specific programs for meeting it.

It would be idle to pretend that it will be easy to reach and hold full-employment levels. It would be folly, on the other hand, to pretend that it is impossible. The American people will not be content to go back to protracted large scale unemployment. It is imperative that we find ways and means to provide jobs for those willing and able to work. Depressions are not acts of God, any more than wars are. They are the product of our man-made institutions and the way we organize our society. We can and must organize to prevent both.

We must be prepared to make changes. At the same time we must be jealous of any encroachment on our freedom. National economic policies must not be allowed to develop into regimentation of business, or labor, or agriculture, nor of the people. Direction of private output by public authority in peacetime is repugnant to American ways of thought. Instead the maximum possible freedom must be afforded every producer to produce what he wishes, in the amounts for which he can best find a profitable market. Given an adequate mar-

ket, our producers will supply the goods and the employment. We can be sure of that.

We cannot, however, leave the creation of that market to chance. We must start now to find out what measures are needed to maintain markets and steady jobs. S. 380 does not profess to present a fully conceived program for the achievement of full employment. It is the necessary first step from which a full-dress program of economic policies to promote the well-being of our free competitive economy will stem.

As a former member of Congress, I have certain general reactions to the bill. I regard it as desirable that such a bill should limit itself to providing the machinery to be followed to assist in arriving at national policy and full employment, rather than attempting to specify in advance policy measures to be used to meet future conditions. I believe it wise to leave to the President full discretion in the matter of preparing estimates of the national production and employment budget. And I regard the consideration of proposed measures by a congressional joint committee, which can analyze the inter-relationships between the various matters of special concern to the House and Senate committees represented, as an important step in the process of preparing national policy to maintain full employment.

I heartily endorse the purposes and principles of the bill.

Sincerely,

FRED M. VINSON.

AMENDMENT OF FEDERAL RESERVE ACT

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 510) to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes, which was to strike out all after the enacting clause and insert:

That (a) the third paragraph of section 16 of the Federal Reserve Act, as amended, is amended by changing the first sentence of such paragraph to read as follows:

"Every Federal Reserve bank shall maintain reserves in gold certificates of not less than 25 percent against its deposits and reserves in gold certificates of not less than 25 percent against its Federal Reserve notes in actual circulation: *Provided, however,* That when the Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued to the bank such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation."

(b) The first sentence of the fourth paragraph of section 16 of the Federal Reserve Act, as amended, is amended by striking therefrom "40 percent reserve hereinbefore required" and by inserting in lieu thereof "25 percent reserve hereinbefore required to be maintained against Federal Reserve notes in actual circulation."

(c) Subsection (c) of section 11 of the Federal Reserve Act, as amended, is amended to read as follows:

"(c) To suspend for a period not exceeding 30 days, and from time to time to renew such suspension for periods not exceeding 15 days, any reserve requirements specified in this act: *Provided,* That it shall establish a graduated tax upon the amounts by which the reserve requirements of this act may be permitted to fall below the level hereinafter specified: *And provided further,* That when the reserve held against Federal Reserve notes falls below 25 percent the Board of Governors of the Federal Reserve System shall establish a graduated tax of not more than 1 percent per annum upon such deficiency until the reserves fall to 20 percent, and when said reserve falls below 20 percent a tax at the rate increasingly of not less than



1½ percent per annum upon each 2½ percent or fraction thereof that such reserve falls below 20 percent. The tax shall be paid by the Reserve bank, but the Reserve bank shall add an amount equal to said tax to the rates of interest and discount fixed by the Board of Governors of the Federal Reserve System."

Sec. 2. The second paragraph of section 16 of the Federal Reserve Act, as amended, is amended to read as follows:

"Any Federal Reserve bank may make application to the local Federal Reserve agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this act, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates, or direct obligations of the United States. In no event shall such collateral security be less than the amount of Federal Reserve notes applied for. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The said Board of Governors of the Federal Reserve System may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued to it."

Sec. 3. All power and authority with respect to the issuance of circulating notes, known as Federal Reserve bank notes, pursuant to the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of the act approved March 9, 1933 (48 Stat. 1, 6), shall cease and terminate on the date of enactment of this act.

Sec. 4. All power and authority of the President and the Secretary of the Treasury under section 43 (b) (1) of the act approved May 12, 1933 (48 Stat. 31, 52), with respect to the issuance of United States notes, shall cease and terminate on the date of enactment of this act.

Mr. BARKLEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

#### INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. I move that the Senate resume consideration of House bill 3024, the Interior Department appropriation bill.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 3024) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1946, and for other purposes.

Mr. HAYDEN. Mr. President, the Senate has completed consideration of all the committee amendments to the Interior Department appropriation bill save one, which appears on page 66, lines 19 to 22. I ask that the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated by the clerk.

The CHIEF CLERK. On page 66, after line 18, after the word "California", it is proposed to strike out "\$4,500,000" and insert "\$4,715,300, including \$115,300 for planning of the Delta steam power plant

and \$100,000 for planning of transmission lines."

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

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

Mr. HAYDEN. I yield.

Mr. BURTON. I understand that this is the one amendment presented by the committee upon which there was a divided vote in the committee, the vote being 9 in favor and 8 against the amendment as it now appears in the bill. This amendment is the one controversial matter in the bill which has been reserved for discussion in the Senate. Therefore, I believe a quorum should be present. Will the Senator yield so that I may suggest the absence of a quorum?

Mr. HAYDEN. I yield.

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

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Guffey	O'Daniel
Austin	Hart	O'Mahoney
Ball	Hatch	Overton
Bankhead	Hayden	Radcliffe
Barkley	Hickenlooper	Robertson
Bilbo	Hill	Saltonstall
Buck	Hoey	Shipstead
Burton	Johnson, Calif.	Smith
Bushfield	Johnson, Colo.	Taft
Butler	Johnston, S. C.	Thomas, Okla.
Capper	La Follette	Tydings
Chavez	Langer	Wagner
Donnell	Lucas	Walsh
Downey	McKellar	Wiley
Ellender	McMahon	Willis
Fulbright	Moore	Wilson
Gerdy	Morse	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from New York [Mr. MEAD], and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. BRIGGS], the Senator from Kentucky [Mr. CHANDLER], the Senator from Georgia [Mr. GEORGE], the Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent visiting battlefields in Europe.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MITCHELL], and the Senator from Delaware [Mr. TUNNELL] are absent in

Europe on official business for the Special Committee Investigating the National Defense Program.

The Senator from Nevada [Mr. McCARRAN] is absent on official business.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent on official business in Europe for the Interstate Commerce Committee.

Mr. BURTON. The Senator from Illinois [Mr. BROOKS], the Senator from Nebraska [Mr. WHERRY], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from Idaho [Mr. THOMAS] and the Senator from Colorado [Mr. MILLIKIN] are absent because of illness.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Michigan [Mr. FERGUSON] is absent on official business of the Senate as a member of the Mead committee.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Oregon [Mr. CORDON] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Kansas [Mr. REED], and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDENT pro tempore. Fifty Senators having answered to their names, a quorum is present.

#### PUNISHMENT OF WAR CRIMINALS

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

Mr. HAYDEN. I yield.

Mr. LUCAS. A week ago today I made a brief statement in the Senate with respect to the importance of proceeding with the trials of war criminals in Europe. During the past week I have watched with considerable care the dispatches which have come from Paris and London discussing the procedure proposed for such trials. Candidly I am somewhat disappointed in discovering that the procedure at the present moment is to try some of the small fry, and delay the trial of the major criminals who were responsible for the war of aggression, and for the torture and murder of millions of innocent men, women, and children.

Mr. President, there is no Member of the Senate who believes more strongly than I in attempting to achieve unity between all allied nations with respect to the grave international problems which now confront the world. But in connection with the war criminals of Europe who were responsible for the war it seems to me that a difference exists so far as unity is concerned. It is most desirable that there be unity among the allied



to me to tax and burden the rest of the Nation for such purposes. My son, as other boys and young men have done and are doing, have faced death on the battlefields for much less remuneration. If they are fortunate they will return home and help carry the burden of debt for such class legislation if same is enacted.

I trust you will use your influence in defeat of this and like measures. I am not opposed to governmental aid and control to prevent a recurrence of the calamities of 1920 and 1921, which broke and ruined so many of our good citizens financially. A high national income from useful production and services should be our goal and aim and not an income by artificial, governmental priming and temporary relief.

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**Hampton Pitts Fulmer**

MEMORIAL ADDRESS

OF

**HON. BUTLER B. HARE**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 23, 1945*

On the life, character, and public service of Hon. HAMPTON PITTS FULMER, late a Representative from the State of South Carolina

Mr. HARE. Mr. Speaker, the reaper of death has no particular harvest season; he is busy every hour of the day and every day of every year executing orders of the Creator; he makes no compromises and permits no delay in the execution of orders as planned. Since our last Memorial Day he appeared and removed our friend and colleague, the Honorable HAMPTON P. FULMER, who successfully served 12 successive terms in the Congress and was renominated without opposition to serve in the Seventy-ninth Congress. He was stricken and died suddenly in his home here in Washington, October 19, 1944, lacking only about 2½ months of continuous service of 24 years.

Mr. FULMER was a man of many parts. He was born on a farm near Springfield, S. C., June 23, 1875, about 10 years after the close of the War Between the States, a time when there were few and limited opportunities for higher education in our section of the country. His academic training, therefore was confined almost exclusively to that furnished in the public-school system of the State. However, he was endowed with unusual natural ability and applied himself to the mastery of many lines of work. Before being elected to Congress in 1920 he had demonstrated his ability as a farmer, merchant, and banker. He had wide and varied experience in all these activities and had marked success in each. He knew people; he knew their virtues and political reactions; he knew their problems and was, therefore, fitted by training and experience to represent them in the Congress of the United States.

During his stay here he gave the country the benefit of his wide and successful experience by devoting his talents, energies, and efforts largely to legislation dealing with agriculture or farm problems. As a member of the Agriculture Committee for 20 years and

as chairman of the committee for the past 4 years he aided and assisted, or engineered through the committee and the House of Representatives all worthwhile legislation relating to agriculture enacted by the Congress within the last quarter of a century. One of his outstanding contributions to the cotton farmer, the cotton trade, and the public generally was when he sponsored and became author of the United States Standard Cotton Grading Act, standardizing the grading of American cotton, now accepted by the users and manufacturers of cotton throughout the world.

Mr. FULMER was a man of strong conviction and always alert and loyal to the interests of the people he represented. His devotion and loyalty to those engaged in agriculture stand out as one of the great virtues and characteristics of his political life and in his death that great group of people who live by the products of the soil have lost a loyal friend.

I know how much Mr. FULMER regretted the lack of opportunity in early life to obtain additional school training which he felt would have aided him in fulfilling his mission in life, but his success both in business and public service well illustrates the possibility of unusual accomplishments by honesty, ambition, hard work, and application to an ideal despite the number of difficulties and obstacles to be overcome; it illustrates further that the greater the difficulties and obstacles met and overcome the greater the manhood may be developed.

It was my privilege to know Mr. FULMER a number of years before he became a Member of this body; I served with him here for 14 years and learned to admire and have great respect for his dependable and sound judgment. The sudden call to his reward is a source of great sorrow and grief to those of us who knew him. He was a man of fine character, many virtues, and with few, if any, faults.

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**Francis Thomas Maloney**

MEMORIAL ADDRESS

OF

**HON. LUTHER A. JOHNSON**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 23, 1945*

On the life, character, and public service of Hon. FRANCIS THOMAS MALONEY, late a Senator from the State of Connecticut.

Mr. LUTHER A. JOHNSON. Mr. Speaker, prior to his service in the Senate, Senator MALONEY was a Member of the House, and it was my privilege to have served with him.

The first time I ever met him was in Connecticut, in 1932, when I was campaigning in behalf of Franklin D. Roosevelt and the Democratic ticket in Connecticut. Senator MALONEY was at that time mayor of the city of Meriden, and was a candidate on the Democrat ticket for Representative in Congress, and was elected.

From contacts which I made in Connecticut at that time, I soon learned of the popularity of Mayor MALONEY, and this was demonstrated by the fact that he was elected to Congress at that time, notwithstanding the fact that Roosevelt and the Democratic national ticket were defeated in Connecticut.

Our acquaintance ripened into a warm friendship during his service in the House, which continued after his election to the United States Senate.

There was no harder working or more conscientious Member of the House and later, of the Senator than Senator FRANCIS MALONEY. He had the confidence, esteem and affection of his colleagues in both bodies. His death was a great shock and a great loss to his State and Nation, and I am glad to pay this brief tribute to him, for his passing is a distinct personal loss to me.

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**Hampton Pitts Fulmer**

MEMORIAL ADDRESS

OF

**HON. JOHN J. RILEY**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 23, 1945*

On the life, character, and public service of Hon. HAMPTON PITTS FULMER, late a Representative from the State of South Carolina

Mr. RILEY. Mr. Speaker, on October 19, 1944, I was shocked and distressed to learn of the sudden and unexpected death of my lifelong friend, the Representative in Congress from my district for almost a quarter of a century, HAMPTON PITTS FULMER, of Orangeburg, S. C. Diligent, able, and devoted to his task, he spent long and tedious hours carrying on the work of his district and promoting agriculture as a whole, until he eroded his health and caused the slender thread of his life to snap.

"HAMP," or "UNCLE HAMP," as he was affectionately called by all who knew him—and there were thousands—desired above all else to see the farmers of his State and his Nation protected and enlightened as to the best methods of producing and of marketing their products. How well he succeeded is attested by the fact that he served in the Lower House of Congress longer than any other man from my State, to this date. How fine were his abilities is evinced by the fact that he rose to be chairman of the powerful Agriculture Committee of the House of Representatives, a position held by only one other Representative from my State and by few others from the entire South.

His tenure of service was during a most trying era. Starting his national career shortly after the last war, he toiled through the great agricultural and economic crises of the deflation period of the early 1920's, through the depression period of the 1930's, and through the most critical years of the greatest war in history. Such major legislation as the Agricultural Adjustment Act, United States Cotton Grading Act, National Forest Land Management Act, and Federal



crop insurance were harvested from his labors. Using the agencies and procedures which Mr. FULMER helped to create, the farmers of our Nation have more than done their part in producing food and other critical agricultural products, without which success could not have been attained over the most powerful and ingenious enemy in our history.

Wherever in these United States the sower goes forth to sow, wherever the plowman wearily plods his way homeward when the day's work is done; wherever cotton is picked or grain is cut, the work and achievements of HAMPTON P. FULMER will bless his fellow man even after his name, now well known, will have faded from memory.

It is fitting that today, the one hundred and fifty-seventh anniversary of the ratification of the Constitution of the United States, by my beloved State, that we pause humbly in our daily tasks to pay tribute to one of her distinguished sons and to extend sympathy to his loved ones. May He who guides the destinies of men give us here on earth others of the mold of HAMPTON P. FULMER.

### Full-Employment Bill of 1945, H. R. 2202

#### EXTENSION OF REMARKS OF

#### HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 4, 1945

Mr. OUTLAND. Mr. Speaker, a distinguished former Member of this House, now assigned by statute the responsibility for reconversion of our entire economy from war to peace, has after careful study and consideration endorsed the purposes and principles of the full-employment bill of 1945, H. R. 2202, originally introduced by the gentleman from Texas [Mr. PATMAN], since joined in sponsorship by 68 other Members.

I know that many Members of the House will want to study the endorsement given H. R. 2202 by Judge Fred Vinson, Director of the Office of War Mobilization and Reconversion, and I therefore asked unanimous consent to insert in the RECORD at the conclusion of my remarks the text of Judge Vinson's letter to Senator ROBERT F. WAGNER, chairman of the Senate Banking and Currency Committee, which is shortly to begin hearings on this vital piece of legislation to insure freedom from want after final military victory.

I wish to call particular attention to Judge Vinson's final paragraph which, in effect, is a challenge to the Congress to accept and discharge its constitutional responsibility for the formulation of national policy, in this instance for the maintenance of full employment after the war. I hope and believe the Congress will accept this policy and accept it in time, so that it will not be necessary, in the midst of a new and worse depression, for the executive branch to work out emergency programs to arrest the

spread of unemployment, hunger, and evictions, as unhappily was necessary 12 years ago.

We of this House who believe this bill is a necessary and practical first step toward insuring full employment are determined to promote the widest possible understanding of its purposes and its provisions, what it would and would not do, to dispel the effect of misrepresentations, so that, when the bill comes to hearings, debate, and final action, necessary perfecting amendments shall have been made, the greatest possible public appreciation of its purpose will exist, and favorable action here can be followed swiftly by effective administration. Thereby we will reduce the length and difficulty of the vast, yet delicate, job of changing over from an economy of full production and employment for war to full production, consumption, and employment for peace.

It is very late to prepare for a peace of full production and employment. But it is not too late. If we of the Congress act with the dispatch which the times demand, the curve of unemployment inevitable in the change-over of between fifteen and twenty million servicemen and war workers to peaceful employment can be on the downgrade by the time of primaries and the final elections of 1946, when every one of us must face our constituents and answer to them for our action or inaction on this vital issue. As Judge Vinson so well says, this issue is second only to a speedy and complete victory over Japan. It will continue to be an issue until we meet and solve it—and the sooner, the better for all concerned.

DEAR BOB: This is in response to your letter of April 9 concerning S. 380, a bill "to establish a national policy and program for assuring continuing full employment in a free competitive economy through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government."

Next to a speedy and complete victory over Japan, a steady, well-paid job after the war is first in the minds and hearts of most Americans. The war has demonstrated that our economic system can provide jobs when demand for its products exists. It has done more. It has opened the eyes of all of us to the vast productivity of which American labor and the American genius for organization and management—working as a team—are capable.

But these jobs—this productivity—has been achieved in wartime through the creation of an unlimited market by the Government. To reach and maintain high levels of employment and a steadily rising standard of living in peacetime will call for a program suited to peacetime conditions and needs. In this program, business, agriculture, labor, and local, State, and Federal Governments must all play their parts.

We know we have an abundance of resources, plant, manpower, and managerial know-how to produce a standard of living far higher than anything we have ever known. Likewise, we know that we have unfilled needs in America so diverse and so great as to challenge the capacity of even the greatest producing Nation on earth.

But needs are not demands, in the economic sense. People must have steady income and they must want to spend their income before needs become demands and people become customers.

Business management, large and small, has a great opportunity and a great challenge to help create these steady incomes, and to actuate demand by expanding their businesses, offering better goods and services at attractive prices. Labor and agriculture through their efforts to increase production per man-hour can contribute importantly to higher incomes and a higher standard of living.

But history shows us that business, labor, and agriculture cannot in themselves assure the maintenance of high levels of production and employment. The Government, acting on behalf of all the people, must assume this responsibility and take measures broad enough to meet the issues. Only by looking at the economy as a whole, and adopting national economic policies which will actively promote and encourage the expansion of business and the maintenance of markets and consumer spending, can we hope to achieve full employment. S. 330 recognizes this responsibility of Government and seeks to provide a definite vehicle for the Congress and the President to measure the size of the employment need of the country and to provide specific programs for meeting it.

It would be idle to pretend that it will be easy to reach and hold full-employment levels. It would be folly, on the other hand, to pretend that it is impossible. The American people will not be content to go back to protracted large scale unemployment. It is imperative that we find ways and means to provide jobs for those willing and able to work. Depressions are not acts of God, any more than wars are. They are the product of our man-made institutions and the way we organize our society. We can and must organize to prevent both.

We must be prepared to make changes. At the same time we must be jealous of any encroachment on our freedoms. National economic policies must not be allowed to develop into regimentation of business, or labor, or agriculture, nor of the people. Direction of private output by public authority in peacetime is repugnant to American ways of thought. Instead the maximum possible freedom must be afforded every producer to produce what he wishes, in the amounts for which he can best find a profitable market. Given an adequate market, our producers will supply the goods and the employment. We can be sure of that.

We cannot, however, leave the creation of that market to chance. We must start now to find out what measures are needed to maintain markets and steady jobs. S. 380 does not profess to present a fully conceived program for the achievement of full employment. It is the necessary first step from which a full-dress program of economic policies to promote the well-being of our free competitive economy will stem.

As a former Member of Congress, I have certain general reactions to the bill. I regard it as desirable that such a bill should limit itself to providing the machinery to be followed to assist in arriving at national policy and full employment, rather than attempting to specify in advance policy measures to be used to meet future conditions. I believe it wise to leave to the President full discretion in the matter of preparing estimates of the national production and employment budget. And I regard the consideration of proposed measures by a congressional joint committee, which can analyze the interrelationships between the various matters of special concern to the House and Senate committees represented, as an important step in the process of preparing national policy to maintain full employment.

I heartily endorse the purposes and principles of the bill.

Sincerely,

FRED M. VINSON.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued June 12, 1945, for actions of Monday, June 11, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed price-control and stabilization extension bill. Senate committees reported trade-agreements bill and measure providing for U.S. membership in FAO. House debated pay bill and received supplemental estimate for lend-lease.

SENATE

1. PRICE CONTROL; RATIONING; STABILIZATION. Passed with amendments S. J. Res. 30, to continue for 12 months the provisions of the Price Control and Stabilization Acts (pp. 5950-95).  
Agreed to amendments by Sen. Barkley, Ky., (a substitute amendment for Sen. Thomas' amendment (see Digest 113)) which prohibits establishment or maintenance of maximum prices on meat products which do not allow a reasonable margin of profit to the processing industry (pp. 5950-89); by Sen. Wherry, Nebr., to prohibit establishment or maintenance of maximum prices against producers of agricultural commodities which do not equal all costs and expenses (including overhead, return on capital, and an allowance for the labor of the producer and his family) incurred in the production of such commodity plus a reasonable profit (pp. 5990-1); and by Sen. Wiley, Wis., to permit an increase in C.O.D. prices equivalent to any increase in postal rates or charges (pp. 5992-3).  
Rejected amendments by Sen. Taft, Ohio, (see Digest 113) (pp. 5989-90) and by Sen. Moore, Okla., to prohibit price controls or rationing of cattle, calves, eggs, and poultry between July 1 and Sept. 30, 1945 (p. 5993).  
Received a Washington Federation of Churches petition favoring extension of of the price control and rationing programs to combat inflation (p. 5945).  
Received a Newton (Kans.) C of C resolution recommending amendments to the Price Control and Stabilization Acts (p. 5945).
2. TRADE AGREEMENTS. Finance Committee reported (June 9, during recess) with amendments H.R. 3240, to continue the trade agreements program (S. Rept. 356) (p. 5944). This bill was made the unfinished business (p. 5995).



3. FULL-EMPLOYMENT BUDGET. Banking and Currency Committee announced that they will begin hearings on S. 380, the full-employment bill, as soon as the Committee has completed its work on the Bretton Woods legislation; that the hearings will be held in two parts. During the period before Labor Day, testimony will be received from sponsors of the bill and other Members of Congress, veterans and servicemen, and national experts on social aspects of unemployment and during the period after Labor Day, testimony will be received from agriculture, labor, governmental organizations, etc. (pp. 5943-4).
  4. FOOD ADMINISTRATION. Foreign Relations Committee reported without amendment H.J. Res. 145, providing for U.S. membership in the Food and Agricultural Organization of the United Nations (S. Rept. 357) (p. 5946).
  5. IRRIGATION. Indian Affairs Committee reported with amendment H.R. 1656, authorizing modification of the contract for the purchase of power for use in connection with the San Carlos irrigation project (S. Rept. 359) (p. 5946).
  6. NOMINATION. Confirmed nomination of Oscar B. Ryder to be a member of the U.S. Tariff Commission (p. 5995).
  7. PAY BILL. Received a National Labor Relations Board Union's (St. Louis, Mo.) letter favoring this bill, H.R. 2497 (pp. 5944-5).
  8. EDUCATION. Received a Md. Society of the Sons of the American Revolution (Baltimore, Md.) resolution protesting against legislation to provide Federal aid to education (p. 5945).
  9. TRANSPORTATION. Received a Public Service Commission's (Baltimore, Md.) resolution favoring H.R. 2536, to amend the Interstate Commerce Act, with respect to certain agreements between carriers (p. 5945).
  10. REGIONAL AUTHORITIES. Sen. Langer, N. Dak., inserted a N. Dak. Reclamation Assn. resolution urging speedy action in completing preliminary investigations and surveys for the development of the Missouri River Basin and opposing the creation of a Missouri Valley Authority (p. 5945).
- HOUSE
11. PAY BILL. Began and concluded general debate on this bill, H.R. 3393 (pp. 6003-22, 6027). (For provisions of bill see Digest 113.)  
Reps. Ramspeck (Ga.), Rankin (Miss.), and others discussed the average increase in Federal workers' "take-home pay" during the war (p. 6004). Reps. Brooks (La.), Rees (Kans.), Chenoweth (Colo.), and others discussed the extent to which the bill covers Federal workers (p. 6007). Rep. Hoffman, Mich., criticized OPA and WFA handling of the food situation and stated, "One thing the OPA did do, and that was to create...a black market" (pp. 6020-1).
  12. SUGAR SITUATION. Rep. Jonkman, Mich., spoke in favor of the Republican Congressional Food Study Committee's recommendation that an immediate 6-month embargo be placed on all shipments of U.S. sugar, and criticized CCC's failure to make arrangements for the purchase of the 1946 Cuban and Puerto Rican sugar crops (pp. 6022-3).
  13. RURAL ELECTRIFICATION. Interstate and Foreign Commerce Committee announced hearings for June 13 on H.R. 1742, to authorize additional appropriations for REA (p. 6027).
  14. LEND-LEASE APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$1,975,000,000 for defense aid for the fiscal year 1946, ex-



clusive of aid authorized to be transferred by the War and Navy Departments and the Maritime Commission (H. Doc. 224). To Appropriations Committee. (p. 6028.)

5. RURAL REHABILITATION. Received Mo. citizens' petitions urging legislation to enable the tenants and occupants of Delmo Labor Homes to purchase these homes on long-term contracts at low interest rates, so that they will not be evicted and rendered homeless under the farm-security program, now pending, to liquidate this project by sale to the highest bidder (p. 6028).
6. TRANSPORTATION. Received a Nevada (Mo.) C of C petition favoring H.R. 2536, to amend the Interstate Commerce Act with respect to agreements between carriers (p. 6028).
7. RESEARCH. Military Affairs Committee reported without amendment H.R. 3440, authorizing appropriations for a permanent program of scientific research in the interest of national security (H. Rept. 727) (p. 6028). This bill was introduced by Rep. May, Ky., earlier (p. 6028).

#### BILLS INTRODUCED

8. FARM LOANS. The new Flannagan bill, H.R. 3422 (see Digest 114), to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, and to create a public farm-appraisal system, differs from his earlier bill, H.R. 3221 (see Digest 97), in that it provides for (1) a separate division to handle long-term loans and (2) the Deputy Administrator to be a member of the board of directors, and omits the provision excepting the "Water Conservation and Utility Projects" from being transferred under this bill to the new agency.
9. PERSONNEL. H.R. 3438, by Rep. Heffernan, N.Y.; to provide special leave for Government employees who are members of the U.S. Coast Guard temporary reserve. To Civil Service Committee. (p. 6028.)

#### ITEMS IN APPENDIX

20. MEAT SITUATION. Rep. Mellow, N.H., inserted a Carroll County Independent editorial criticizing "Government fumbling and mistakes that have taken our meat away from us" (p. A3000).  
Sen. Hickenlooper, Iowa, inserted a News Week article, "What Has Happened to the Meat? - The Story Behind the Shortages - Three Years of Tampering with Distribution and Prices Led to Nation-Wide Havoc" (pp. A3013-4).  
Sen. Brewster, Maine, inserted Bill Cunningham's Boston Herald article, "Canada Makes Mouth Water - Everything to Eat - Pointless, Because Heads Planned Right" (p. A3030).
21. PRICE CONTROL. Sen. Tunnell, Del., inserted a Washington Post editorial favoring extension of the price-control and stabilization acts (pp. A2991-2).  
Extension of remarks of Rep. DeLacy, Wash., commending the control of inflation by OPA and including a Bread and Butter article on Fight Inflation Week (pp. A2987-8).
22. PRICES. Extension of remarks of Rep. Case, S. Dak., including J.M. Jones' (Nat'l. Wool Growers Assn.) letter to WFA Administrator Jones, relative to increases in sheep prices to avoid losses to sheep ranchers (pp. A2988-9).
23. SUBSIDIES. Sen. Myers, Pa., inserted Edwin Kemp's Philadelphia Record article, "Chester County Protests Saved Milk Subsidy - Dairymen's Action Brings \$20,000,000 to United States Farmers" (pp. A2995-6).



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24. SOIL CONSERVATION. Extension of remarks of Rep. Bender, Ohio, on the soil conservation work of the Department (p. A3018).
  25. CENTRAL VALLEY PROJECT. Rep. Elliott, Calif., inserted a Los Angeles Times Herald editorial favoring State control of this project (p. A3018).
  26. FULL-EMPLOYMENT BUDGET. Sen. Tunnell, Del., inserted an excerpt from J. H. G. Pierson's article, "Fiscal Policy for Full Employment" (pp. A3011-2).
  27. MILITARY TRAINING. Rep. Andrews, N.Y., inserted Karl T. Compton's (pres., Mass. Institute of Technology) statement discussing peacetime military training (pp. A3022-4).  
Rep. Doughton, N.C., inserted Hon. Josephus Daniels' statement, "No Military Conscription Needed" (pp. A3027-9).
  28. FAIR EMPLOYMENT. Rep. Hook, Mich., inserted an editorial comment favoring the FEPC (pp. A3025-7).
  29. FOREIGN TRADE. Sen. Aiken, Vt., and Sen. Tobey, N.H., inserted editorials criticizing the Senate committee action striking out the provision authorizing the reduction of tariff rates 50% below present levels from H.R. 3240, to continue the trade-agreements program (pp. A2997, A2992).  
Extension of remarks of Rep. Hinshaw, Calif., opposing further tariff reductions (p. A2989).  
Extension of remarks of Rep. Reed, N.Y., opposing the bill to continue the trade-agreements program and inserting Wall Street Journal articles comparing U.S. and England's industrial reconversion programs (p. A3029).
  30. CLOTHING. Sen. Hickenlooper, Iowa, inserted correspondence from Smith, Follet & Crowl (Fargo, N.Dak.) relative to the shortage of knit underwear (p. A2995).

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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COMMITTEE-HEARINGS ANNOUNCEMENTS for June 12: S. Banking and Currency, Bretton Woods monetary agreements; S. Agriculture, nomination of Claude Wickard to head REA; Joint Committee on Organization of Congress (ex.); S. Military Affairs, Surplus Property Board nominations (ex.); H. Appropriations, deficiency (ex.); H. Banking and Currency, OPA extension; H. Education, establishing commission on emergency Federal aid to higher education institutions; H. Postwar Military Policy, postwar military training.

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United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 79<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 91

WASHINGTON, MONDAY, JUNE 11, 1945

No. 115

## Senate

(Legislative day of Monday, June 4, 1945)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

Lord of all, being, whose glory flames from sun and star and on the earth, with a freshened world washed by Thy cleansing rain, we bring to Thee our parched souls that they may be restored by the riches of Thy grace.

O Thou from whom in vain we try to flee, grant us now in a violent world a saving experience of inner quiet and serenity. The futile years with their bitter lessons have taught us that the things for which we have greedily grasped—the bauble of fame, the glitter of gold, the allurements of sense, the bread of pleasure—are but vanity and vexation of spirit. And now, this morning hour, with the unsatisfied desires of our seeking hearts, we turn in contrition to Thee. Like flowers in June gardens uplifted to the sun, like still waters that mirror the eternal stars, so we would lift our yearning souls to Thee, our light and our life, our help and our hope. In the Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous request, the reading of the Journal of the proceedings of the calendar day Friday, June 8, 1945, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capper	Hayden
Austin	Chandler	Hickenlooper
Ball	Chavez	Hill
Bankhead	Donnell	Johnson, Calif.
Barkley	Downey	Johnson, Colo.
Bilbo	Ellender	Johnston, S. C.
Brewster	Ferguson	La Follette
Bridges	Fulbright	Langer
Briggs	George	Lucas
Brooks	Gerry	McCarran
Buck	Green	McKellar
Burton	Guffey	McMahon
Bushfield	Hart	Magnuson
Butler	Hatch	Mead

Mitchell	Radcliffe	Tunnell
Moore	Reed	Tydings
Morse	Robertson	Wagner
Murdock	Saltonstall	Walsh
Myers	Shipstead	Wherry
O'Daniel	Smith	White
O'Mahoney	Taft	Wiley
Overton	Thomas, Okla.	Wilson
Pepper	Tobey	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent on official business in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from North Carolina [Mr. BAILEY], the Senator from North Carolina [Mr. HOEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] are absent on public business.

The Senator from West Virginia [Mr. KILGORE] is absent because of illness in his family.

The Senator from Arizona [Mr. McFARLAND] and the Senator from Montana [Mr. WHEELER] are absent on official business in Europe for the Interstate Commerce Committee.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Colorado [Mr. MILLIKIN] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty-eight Senators having answered to their names, a quorum is present.

### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

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

On June 8, 1945:

S. 633. An act to amend the Criminal Code so as to punish anyone injuring a party, witness, or juror on account of his having acted as such.

On June 9, 1945:

S. 889. An act to amend section 47c of the National Defense Act of June 3, 1916, as amended, so as to authorize credit to students now or hereafter enrolled in the senior division of the Reserve Officers' Training Corps for military training received while on active duty in the Army, Navy, Marine Corps, or Coast Guard, or while pursuing a course of instruction in the Naval Reserve Officers' Training Corps.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 3363) making appropriations for war agencies for the fiscal year ending June 30, 1946, and for other purposes, in which it requested the concurrence of the Senate.

### NOTICE OF HEARINGS BEFORE COMMITTEE ON BANKING AND CURRENCY ON FULL EMPLOYMENT BILL

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement explaining the plans of the Banking and Currency Com-



mittee for public hearings on the full employment bill, S. 380.

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

Extensive hearings on the full-employment bill (S. 380) will begin after the Banking and Currency Committee has completed its work on the Bretton Wood's legislation, it was announced today by Senator ROBERT F. WAGNER, Democrat, New York, committee chairman.

"The maintenance of full employment in a free competitive economy," stated Senator WAGNER, "is the basic problem of our age. It must not be approached in a selfish or partisan spirit, nor with offhand opinions and ready made reactions.

"In preparation for the full-employment hearings, I urge our national leaders in business, agriculture, labor, government, and all other fields, to consult and confer on the basic policies and programs needed to strengthen free enterprise and assure the existence of employment opportunities for all who are willing and able to work.

"I should like to see business, labor, agriculture, and government arrange for frank and open discussions of the full employment problem in every State and in every community. No legislation, no program, no policies aimed at the twin objectives of full employment opportunity and the fostering of competitive enterprise can be successful unless we can achieve widespread understanding of the issues that are involved and can map out a course for the future that will receive the wholehearted cooperation of the great majority of the American people.

"The coming discussion of the full-employment bill in the United States Congress should reflect the well-considered views of thoughtful citizens throughout the country. The problem of full employment, therefore, should be high on the program, of every forum, every trade association, every trade union, every club, every PTA, every woman's association, throughout the summer so that Congress can arrive at a truly national decision as promptly as possible."

The full-employment hearings, the Senator revealed, will be held in two parts—the first part before Labor Day, the second after Labor Day.

Between now and Labor Day, Senator WAGNER stated, the committee hopes to receive testimony from: (1) The sponsors of the full-employment bill and other Members of Congress; (2) servicemen and veterans; and (3) national experts on the relation between employment and unemployment, on the one hand, and disease, crime, individual maladjustments, family problems, population growth, etc., on the other hand.

During the period after Labor Day the schedule will be as follows: (1) Business and the professions; (2) agriculture; (3) labor; (4) international relations; (5) State and local governments; (6) welfare and public service; (7) public works and conservation; (8) fiscal policy; (9) governmental organization; and (10) witnesses not otherwise covered.

This calendar, the Senator pointed out, is still subject to change and modification. The actual dates will be set in the near future.

#### THE SAN FRANCISCO CONFERENCE— NOTICE OF INTENTION TO ADDRESS THE SENATE

Mr. BURTON. Mr. President, I renew the notice which I gave last Friday, which was briefly discussed, to the effect that I would ask for the floor briefly on the convening of the Senate tomorrow with a view to making a statement with regard to the charter of the United Nations now being put into shape at San Fran-

cisco, and with particular emphasis on its effect on our foreign policy.

EDWARD V. MURPHY

Mr. WALSH. Mr. President, it is with profound sorrow that I announce the untimely death of a faithful and devoted employee of the Senate, Mr. Edward V. Murphy, assistant to the Official Reporters of Debates, who died on Friday last at his home in Washington.

Mr. Murphy, a brother of James W. Murphy, the present competent and respected chief of the Senate reporting staff, served in the capacity of assistant reporter since 1920. He had a profound knowledge of legislative procedure, and more especially the history and precedents of the Senate. Each day he compiled for the CONGRESSIONAL RECORD the routine business of the Senate, arranged it in the proper order, and stated it in the correct parliamentary language.

His knowledge of Senate procedure was of great assistance not only to Senators but also to the official reporters of debates. His advice and guidance were of especial value to new members of the reporting staff, who are always bewildered by the complexities of this difficult and exacting work.

Ed Murphy was a gentle, kindly soul, with never a harsh word for anyone. His many kindnesses to those with whom he came in contact will not soon be forgotten, and his place will be difficult to fill. We Members of the Senate offer our sincere sympathy to his brother, the other members of his family, and his many friends.

#### ENROLLED JOINT RESOLUTIONS SIGNED DURING THE RECESS

Under authority of the order of the 8th instant,

The PRESIDENT pro tempore signed the following joint resolutions on June 9, 1945, which had previously been signed by the Speaker of the House of Representatives:

H. J. Res. 208. Joint resolution making an appropriation for emergency flood-control work, and for other purposes; and

H. J. Res. 212. Joint resolution making a supplemental appropriation for the fiscal year ending June 30, 1945, for the Children's Bureau, Department of Labor, and for other purposes.

#### REPORT OF A COMMITTEE DURING THE RECESS

Under authority of the order of the eighth instant, Mr. GEORGE, from the Committee on Finance, to which was referred the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, reported it on June 9, 1945, with amendments, and submitted a report (No. 356) thereon.

#### EXECUTIVE COMMUNICATIONS, ETC.

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

#### REPORT ON ADMINISTRATION OF FOREIGN AGENTS REGISTRATION ACT

A letter from the Attorney General, transmitting, pursuant to law, a report on administration of the Foreign Agents Registration Act of 1938, as amended, from June, 1942, to December 31, 1944 (with an accom-

panying report); to the Committee on the Judiciary.

FRANKLIN D. ROOSEVELT HOSPITAL AT CRUGERS PARK, PEEKSKILL, N. Y.

A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to provide for designation of the Veterans' Administration Hospital at Crugers Park, Peekskill, N. Y., as Franklin Delano Roosevelt Hospital (with an accompanying paper); to the Committee on Finance.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

#### PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Finance:

"Senate Joint Resolution 24

"Joint resolution relative to memorializing Congress to enact remedial legislation to provide members of the armed forces with wage credits on their social security accounts for the period of their military service

"Whereas by the close of the war there will be approximately 15,000,000 men and women in the armed forces of the United States, of which group California's share will be approximately 1,000,000; and

"Whereas most of these men and women will have lost 1 to 4 years or longer from employment covered by the Federal Social Security Act; and

"Whereas the benefits to be received under the Federal Social Security Act are computed from contributions by both employee and employer, with the time spent in the armed forces exempt, thereby lowering forever the average monthly wage from which benefits are determined; and

"Whereas it is the feeling of the people of the State of California, as manifested and expressed in the legislature, that the returning veteran justly deserves and is entitled to fair and generous consideration; and

"Whereas the old age and survivors feature of the Social Security Law is a wholly Federal program: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States is respectfully memorialized to consider the enactment of remedial legislation to provide members of the armed forces with wage credits on their social security accounts for the period of their military service; and be it further

"Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate of the United States, the Speaker of the House of Representatives of the United States, to the Senators and Representatives from California in the Congress of the United States, and to the Federal Social Security Board."

A letter in the nature of a petition from Local No. 14, National Labor Relations Board Union, of St. Louis, Mo., praying for the



The report states that at the time of the supervisor's departure the new chief cook was showing excellent ability in food preparation, the dietetic employees were better organized, most of the confusion in the department had been eliminated and the patients throughout the hospital appeared to be well satisfied with the food.

34. "That when he visited the Castle Point Facility he examined a dozen meal trays and found the day's main meal one small pot of cold tea, two thin slices of white bread, a tiny pat of butter, a few thin slices of broken-down stewed peaches and—the main course—a beef stew containing six or seven tiny chunks of greasy meat swimming in fast-congealing gravy; all cold as the grave."

Under allegation No. 8 I informed you of the regular menu served the patients the day Mr. Maisel visited the Castle Point Facility. The manager on March 9, 1945, reported that at the present time the centralized tray service is functioning without difficulty.

In addition to the allegations referred to above, Mr. Maisel also stated:

"The cost at Glen Lake Sanatorium, Minneapolis, is \$3.85 a day. At the Minnesota State Sanatorium it is \$2.71. But the cost of caring for a TB case in a veterans' facility is \$5.20 per day—a first-class price for third-class medicine."

The average per diem cost of the 13 tuberculosis hospitals of the Veterans' Administration for the fiscal year 1943 was \$5.04, and for the fiscal year 1944 it was \$5.11. The January 1945 average per diem cost for this group of hospitals was \$4.90. There are many diverse factors which enter into the per diem cost of an institution, especially as to whether all items such as the medical and nursing care, laboratory and X-ray services, operating room and anesthetic charges, etc., are included in the per diem cost as in our hospitals or whether the per diem cost is exclusive of physicians' fees and various other items which are paid for separately by the patient or supporting agencies or given gratis and therefore customarily do not enter into the operating cost of the individual sanatorium.

Not being in possession of the method used in arriving at the per diem cost, from the two hospitals which Mr. Maisel mentions, I am not in a position to compare our per diem costs with these institutions.

1. That the Veterans' Administration practices "third-rate medicine for first-rate men."

12. That Harold Schwiebert died of heart failure because the wall that separates the right and left lung was forced against his heart by the fluid that gathered in his lung cavities—the fluid Schwiebert begged to have removed.

13. That James Collier, who was admitted to the Castle Point facility December 28, 1943, was not examined again after admission until February 17, 1944, was transferred from the Castle Point facility to the Bronx facility for a lobectomy and was compelled to carry his own valise and was not furnished transportation to and from the railroad station, and was transferred back to the Castle Point facility without being furnished transportation to and from the railroad stations and had only been reexamined three times since his return to the Castle Point facility.

The afore-mentioned allegations have not been presented in the chronological order in which they appear in the list of allegations. It is believed complete and full answers have been made to the allegations in the Schwiebert and Collier cases and that the statements made by Mr. Maisel in these two cases have been proven to be untrue.

In addition, it is felt from the foregoing presentation of my answers to the other allegations that the committee will see that the Veterans' Administration does not prac-

tice third-rate medicine for its veteran beneficiaries.

If there are any questions, I shall be pleased to answer them to the best of my ability.

## Fiscal Policy for Full Employment

### EXTENSION OF REMARKS

OF

### HON. JAMES M. TUNNELL

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, June 11 (legislative day of  
Monday, June 4), 1945

Mr. TUNNELL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an excerpt from an article entitled "Fiscal Policy for Full Employment" written by John H. G. Pierson. The excerpt is entitled "Summary and Recommendations."

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

#### V. SUMMARY AND RECOMMENDATIONS

This report has analyzed the reasons why a positive fiscal policy is essential for assuring full employment, and has drawn conclusions as to the kind of fiscal policy needed.

A review of the strategic factors governing the flow of income in our economy indicates that automatic forces cannot be counted upon to bring about a sufficient volume of effective demand after reconversion without the aid of conscious fiscal action. As a general rule, saving will tend to be too large and spending too small to make an automatic balance possible. It will therefore be necessary to raise consumption or match the surplus savings with additional investment.

We believe it is desirable to raise consumption as long as this does not deprive society of genuinely needed investment. We also believe that the individual is ordinarily the best judge of his own consumption requirements, and therefore we especially favor an expansion of purchasing power in the hands of individual consumers. Some public capital expenditures and some community consumption expenditures, however, are so important for the general welfare that they should be given priority even over a rise in individual consumption. We have listed substantially increased public expenditures for health, education, housing, and conservation and development of resources as clearly belonging in this preferred category, and we urge the initiation of these programs immediately after the war.

To raise the individual consumer demand to levels that will reestablish a full-employment balance in our economy, it is necessary to increase the incomes of the lower-income groups in our society. Sooner or later this reform must be put on a permanent basis, through adoption of fundamental improvements such as a more progressive system of taxes, expansion of social-security benefits, higher wages wherever possible, and elimination of unnecessary amounts of governmental or corporate saving. In this report we have recommended changes with respect to both the collection and the disbursement of social-security funds. We have also dealt at some length with taxation in general, paying particular attention to the question of securing enough tax revenue to cover desirable regular expenditures of Government, and to the question of distributing the burden in accordance with ability to pay and the need to maintain mass markets for goods and services.

If our program with respect to basic expenditure policies and basic tax policies were adopted in its entirety, oversaving would be strikingly reduced. Of course it would still be necessary to have additional fiscal measures ready in reserve, so that they could be applied in a flexible manner whenever required to compensate for either an under-spending or an over-spending tendency. Meanwhile, until these long-run measures actually are adopted, the role of purely compensatory fiscal policy will be even more important.

To provide in a practical way for compensatory fiscal action capable of supplementing the results of all other private and public policies by holding total effective demand at the level required to sustain full employment, we have proposed an over-all insurance mechanism consisting of two parts. One part would be a system of national income insurance whereby the Federal Government would underwrite total consumer spending at a level calculated to buy all the consumer goods and services a normal labor force working normal hours can produce, after allowing for the expected volume of private capital formation and the regularly budgeted programs of all levels of government. This would make for a maximum of consumption by individual consumers, and would consequently assure private business as a whole against a shortage of markets and thereby give private business a real opportunity to provide the jobs required for full employment. Because it would take the size of our foreign market into account in the determination of the necessary size of our domestic consumer market, it would also weaken the pressure to obtain export surpluses larger than justified by the real needs of borrowing countries for foreign investments—pressure which may otherwise prove a barrier to liberal international economic relations on a two-way trading basis. The other part would be a reserve shelf of useful public works and work projects which would be drawn upon for additional jobs at regular rates of pay during such times as sufficient private jobs were not available in spite of the favorable conditions provided by national income insurance. This would serve as the final line of defense against unemployment, and would therefore also underpin consumers' income and hold consumer spending at the underwritten level except insofar as over-saving, or, in exceptional circumstances, over-spending would still need to be corrected.

The final adjustment of consumers' incomes, required to make good the total consumer spending guaranty, could be handled, according to our proposal, through consumer-tax adjustments. As long as consumer spending tended to fall short of the national quota, we have considered the possibility of compensating this through offsets to indirect taxes and reduction of income taxes. If, on the other hand, consumer spending tended to exceed the quota by more than a reasonable margin, to be specified in advance, this tendency would perhaps best be counteracted through application of a graduated spendings tax, with generous exemptions for subsistence spending. Thus compensatory fiscal policy would guard against deflation and at the same time would provide a necessary safeguard against inflation.

#### RECOMMENDATIONS

On the basis of our analysis in this report, we make the following specific recommendations on and relating to fiscal policy:

Recommendation 1: That Congress and the President declare it to be national policy to maintain full employment.

Recommendation 2: That all necessary steps be taken to make the meaning of this commitment practical and definite; in particular, that steps be taken to (a) provide



a suitable definition of full employment based on the number of men and women wanting to work; (b) provide current statistics of labor force, employment, and unemployment adequate for application of the definition of full employment; and (c) assign to the appropriate agency the responsibility for giving notice, (1) when supplementary public works or work projects are needed in order to avoid falling short of full employment, and (2) when public projects should be curtailed because additional private employment opportunities are in sight.

Recommendation 3: That all necessary legislative and administrative action be taken to develop and carry out a compensatory fiscal program capable of maintaining a full-employment volume of demand for goods and services; that, in particular:

(a) With a view to minimizing reliance on compensatory public works, Congress designate an official series of total private consumer expenditure; approve a general method for calculating the volume of consumer expenditure necessary to provide a reasonable market basis for full employment through expanded private production, having regard for foreign markets and all other relevant factors; through the Joint Committee on Internal Revenue Taxation or other joint budget committee calculate, or authorize the appropriate agency to calculate and report periodically, the volume of consumer expenditure necessary for the ensuing fiscal period; underwrite the volume of consumer expenditure as thus determined; define policies in accordance with which taxes would be refunded to consumers, or other distributions of income made, if necessary to keep total consumer expenditure from falling below the underwritten level; define policies in accordance with which additional taxes, or other restraints on spending, would be imposed if necessary to keep total consumer expenditure from rising more than a specified amount above the underwritten level; and provide for flexible application of these policies as necessary to realize the guarantees given.

(b) Congress provide for the planning and preparation of an ample, diversified, and geographically distributed reserve shelf of useful Federal public works and work projects, non-construction as well as construction; assist in the creation of a non-Federal shelf by developing a clear policy with respect to the terms and conditions on which Federal aid will be extended to State and local jurisdictions for both the planning and execution of projects; establish project initiation and termination procedures, and authorize expenditure of funds for projects, in a manner consistent with giving priority to private employment whenever available, maintaining wage rates and other labor standards, utilizing Federal action so far as practicable only when other Government jurisdictions fail to act, and maintaining full employment as defined.

Recommendation 4: That, in order to promote equality of opportunity and provide for raising the general standard of living, while at the same time minimizing the necessity for compensatory fiscal action under paragraphs 3 (a) and 3 (b), Congress establish a joint Welfare Standards Committee, charged with (a) estimating and reporting on the character and financial costs of adequate programs of housing, health, education, conservation and development, and social security, and (b) recommending a suitable over-all program, with a suitable division of cost and operating responsibility as between the various private and public jurisdictions concerned. Associated with this congressional committee should be a welfare standards advisory committee, consisting of representatives of business, agriculture, labor, and the professions, and having access to all relevant data available in any of the executive agencies. Labor should also be represented, along with other groups, in the administration of these programs when adopted.

Recommendation 5: That, in order to provide for an equitable sharing of tax burdens, sustain purchasing power, stimulate enterprise, and minimize the necessity for compensatory fiscal action under paragraphs 3 (a) and 3 (b), Congress develop a postwar Federal tax program that will: (a) provide sufficient revenue to cover regular expenditures, including desirable welfare expenditures as may be recommended pursuant to the provisions of paragraph 4; (b) distribute the burden in accordance with ability to pay; (c) place main emphasis on the individual income tax, with suitably graduated rates, elimination of tax exemption for State and local government securities, closing of other loopholes, and allowance of adequate exemptions for subsistence incomes; (d) provide for proper integration and strengthening of estate and gift taxes, so that they will yield substantially increased revenues; (e) eliminate excise taxes, except for excises at moderate rates on liquor, tobacco, and gasoline; (f) modify corporate income taxation to end discrimination against equity capital, and allow suitable tax exemptions for new enterprises, but retain rates on established corporations sufficient to avoid undue impairment of revenue, enact provisions to stimulate distribution or use of corporate earnings, and develop as a substitute for wartime excess-profits taxation a selective tax on the excess profits of businesses that are substantially monopolistic; (g) meet a part of the cost of social insurance benefits from general tax revenues; and (h) include adequate provision for enforcement. In addition the Federal tax program should (i) provide for the flexible application of anti-deflationary tax refunds and anti-inflationary supplementary taxation as necessary to effectuate the provisions of paragraph 3 (a); and (j) be developed with a view to eliminating unnecessary conflicts and overlaps with State and local taxation.

Recommendation 6: That the Federal Government also (a) assist in securing provision of capital and credit to small businesses on reasonable terms; (b) assist in maintaining suitably low interest rates on borrowed capital generally; (c) in any international monetary agreements, cooperate fully in avoiding unilateral action that would be disruptive to foreign economies but at the same time adequately safeguard the integrity of domestic fiscal policy, especially through avoiding excessive rigidity of exchange rates; and (d) adopt all other practicable measures that are consistent with those herein specified and will further promote enterprise, investment, and competition.

## Our American Economy

### EXTENSION OF REMARKS

OF

## HON. HUGH BUTLER

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, June 11 (legislative day of  
Monday, June 4), 1945

Mr. BUTLER. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD an article entitled "Our American Economy," written by my distinguished colleague [Mr. WHERRY] and appearing in the June issue of Washington News Digest, an independent national monthly magazine published under the editorship of former Representative John J. O'Connor of New York.

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

### OUR AMERICAN ECONOMY—PART II

(By KENNETH WHERRY, United States Senator from Nebraska)

Our debt has now reached about \$300,000,000,000 and we are spending \$260,555,000 daily. Farmers along with other citizens, will have to pay more taxes.

Every American child born today comes into the world owing approximately \$2,000. Contrary to the doctrine of some, our public debt—principal as well as interest—will have to be paid.

It can be paid only by taxes and other Federal revenue. It cannot be paid by sale of bonds, or the printing of money. This does not reduce the debt, but creates ruinous inflation.

Our whole financial economy is, and must be, based on the fundamental principle that the public debt must be honored, just the same as private debt. And some day, somehow, the budget will have to be balanced and payments will have to be made on the debt—if we are to have a sound, stabilized economy.

That economy governs the baby's bottle of milk and the casket in which the aged goes to his long last sleep—and all in between. If we are to stabilize our national economy and continue to pay high wages to organized labor, economic balance must be maintained for agriculture.

Lincoln said, "I believe this government cannot endure permanently half slave and half free." Neither can it survive half broke and half prosperous.

This means full production and fair prices for that production. Anything which retards full production will retard prosperity.

It is assumed by the Government-controlled propagandists that at some time in our history we were isolationists. There are many who have been insolent and brazen enough to insist that our actions after the last war brought on the present one, the implication being, of course, that, since we brought on this war, there is no limit to the sacrifices we should make, not only in this war but thereafter.

I have a profound respect for the diplomatic dexterity of those great British nationalists who are able to convince at least a part of our people that whatever is best for Britain is also best for the United States. But I am completely lacking in respect for those American intellects which accept such rubbish and would found American policy upon foreign directives.

We are being told that, if we are to have a full prosperity in this country, we must have a vast export trade. Some of our Government statisticians have figured out that in building up an adequate national income we must have at least \$8,000,000,000 of exports.

It is interesting and possibly significant that the greatest boomer for a big export trade is Earl Browder. In his book *Teheran*, in which he says, in effect, that a new world order was decided on at the meeting in Persia, he wants an export trade of \$40,000,000,000 a year.

The prospect of an immense foreign trade is alluring to those of our citizens who live on foreign trade. I would point out to you, however, that the chief advocates of foreign trade are those people who stand to make money out of it. They are so intent on pursuing their selfish interests that they do not see or care to what ends they will go in pretending that what they want for themselves is also in the national interest.

The single fact that we need to remember with respect to foreign trade is that exports must be paid for by imports, else we shall give our goods away and be that much poorer.

We cannot lend-lease forever. Even those bleeding hearts who would give the whole United States away in order to raise the standards of living all over the world must realize that, even if we did give the United States away, and all were to get on a basis



and the leaders of the United Nations behind them have read the story of the Nazi persecution of Jews, authenticated in 267 all too fleeting pages of *No Traveler Returns*.

Yet the book should have been published. It was necessary at this time and in this country—it is a 1945 Doubleday, Doran release—to make the gentile who is indifferent or unfriendly to the Jew stop and pause. It was necessary at this time and in this country to make the obnoxious Jew stop and pause. A Jew, Shoskes in his classic tells of unworthy Jews, who sold out to the SS and Gestapo, who for filthy gold tattled on their brothers in Jewry who had managed to hide away their long-accumulated savings. No less a powerful sermon to us of gentile extraction is this book a thundering preaching to Jews who by their acts have made their fellow Jews ashamed of them and their non-Jew neighbors hate and envy them.

Author Shoskes estimates that 5,000,000 Jews were exterminated by the Germans in Europe between 1933 and 1945. The processes of extermination are almost unbelievably diabolical, occasioning the thought expressed at the beginning of these observations. The gas chambers and the electrical devices to bring death were the instruments, not of torture, but of mercy. The Nazi thought seemed to be not alone to kill but first to torture.

Never before have we read so clearly the nauseating details of the Warsaw ghetto where Jews were reduced by systematic sadistic torture and death from half a million to a mere 40,000. In our own reading of history nothing from Haman in the Old Testament to the czarist pogroms could equal the story of the Warsaw ghetto.

It was not alone in Warsaw, but in all Poland, in Ukraine, in White Russia, in France, in Czechoslovakia, everywhere where the Nazi conquered. Remember to read the book and when you close the last page you will be tempted to whisper: For what they have done may God forgive the German nation, for man cannot.

## Fair Employment Practice Committee

### EXTENSION OF REMARKS

OF

## HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 11, 1945

Mr. HOOK. Mr. Speaker, under leave to extend by remarks in the RECORD, I include the following editorial comment on FEPC, March 1944–February 1945:

1944

Washington, D. C., the Washington Post (March 7): "Working in an area of deeply entrenched prejudices, FEPC sought patiently to open job opportunities for Negroes. Our manpower shortage and the need for all-out production strengthened the clear logic of its efforts. It did not solve the problem of employment discrimination in the United States, but at least it satisfied Negroes that a solution was being sought.

"The FEPC is simply trying to bring about a fuller mobilization of the Nation's manpower for war and a fuller realization of the principle of human equality on which the Nation is founded.

"It would be genuinely tragic if race prejudice caused the liquidation of this agency. To American Negroes whose loyalty to the United States and devotion to democracy has remained steadfast in the face of bitter deprivations, the FEPC is a vital symbol. To renounce it would be to slam a door upon the legitimate hopes which our own Ameri-

can litany has engendered and encouraged."

Philadelphia (Pa.) Inquirer (March 7): "To deprive anyone of his livelihood or to bar him from job opportunities because of his race, his religious belief, his color, or his national origin is not only unfair, it is un-American."

Washington (D. C.) Evening Star (March 10): "For there should be such an agency created by act of Congress and charged with the mission of working toward the removal of race prejudice, especially those prejudices which bar the Negro from economic opportunity and advancement."

Pittsburgh (Pa.) Post-Gazette (March 20): "Taking due note of the whole spirit of our democratic laws, it is hard to see how any Member of Congress can argue that fair employment practices are either unconstitutional or un-American. To say that our Government can draft Negroes to fight with white men for their common safety and security but cannot insist that Negroes as well as white men be used in maintaining maximum production on the home front is splitting hairs too thin for logic."

Birmingham (Ala.) Age-Herald (May 26): "As for the FEPC, this newspaper has never considered that agency the terrible menace some have represented it as being. There have been, and are, unquestionably problems of discrimination against minorities in this country. This discrimination obviously can make the Nation's acute wartime manpower problem more difficult. That the Federal Government should strive to mitigate such problems is an entirely understandable, if not imperative, undertaking. Not always has the FEPC acted wisely. But the general purpose underlying it is sound."

St. Louis (Mo.) Post-Dispatch (May 27): "FEPC has been the instrument in the Federal Government in seeking to eliminate unfair employment practices on the part of any contractors doing Government business.

"It is a problem of Nation-wide, not South-wide, interest and concern, because such practices encourage abuse of minorities everywhere.

"\* \* \* The only political issue involved is whether a great democracy will blink at or try to stamp out discrimination, a crime for which we have indicted Nazi Germany."

St. Paul (Minn.) Dispatch (May 27): "In saving the Fair Employment Practices Committee's appropriation, the House of Representatives has done the right thing but by a shamefully small margin of only four votes. \* \* \* What the white supremacy people don't see is that if every Negro had a fair chance to make his way in the world for himself and to educate his children so that they could do the same, even better in their turn, the so-called Negro problem would be about nine-tenths solved with no harm to anyone except those who wish to exploit him as cheap labor."

Chicago (Ill.) Sun (May 28): "America owes a debt to its conscience to keep FEPC alive."

Wilmington (Del.) News (May 29): "If the Senate approaches the question (continuance of FEPC) from the standpoint of the Nation's need to use the skills of all its citizens to best advantage it can decide it in only one way."

Washington (D. C.) The Evening Star (May 31): "On the record, and in good conscience, this is plainly a program which should be continued.

"\* \* \* Nothing constructive could be accomplished, but serious harm would be done, by permitting the agency to die for lack of funds while legislation to give it whatever powers Congress thinks it should have is under consideration."

Detroit (Mich.) Free Press (May 31): "The FEPC deals with only one phase of the problem of securing economic equality for 13,000,000 Negroes, but in that field it has done excellent work."

Des Moines (Iowa) Register (June 1): "Frankly, we are scandalized that so many Republicans in the House of Representatives voted with the 'white supremacy' boys of the South to kill the appropriation for the battered Fair Employment Practices Committee. \* \* \* The FEPC's only power is that of persuasion. Its only demands are that common human justice and sense be applied in hiring war industry and Federal workers—namely, that there be no discrimination for reasons of race, creed, color, or national origin as between loyal American citizens. \* \* \*

"We are glad to note that the Iowa Congressmen present all voted for the FEPC appropriation."

Overseas News Agency (June 3): "While the FEPC does not deal with some of the main predisposing causes of racial strife, such as overcrowded housing, insufficient transportation facilities, fatigue due to long hours and pressure on war jobs, and discrimination against colored men in uniform, yet it operates on those tensions at the point where they become most heated: The quest and competition for jobs.

"The work of the FEPC has directly contributed to lessening strikes and consequent loss of time in war industries."

Boston, Mass., Christian Science Monitor, June 5: "The committee can stand on its own merits. Its officials have proceeded cautiously and conscientiously in a highly charged atmosphere, and have encountered remarkably little trouble. Usually it is only necessary for a committee examiner to remind an employer or labor organization of its responsibilities under the President's order. The bulk of 744 cases satisfactorily adjusted in the past half year were handled in this manner. Only five cases have reached the stage of public hearing under the present committee.

"An adequate appropriation for the FEPC should be passed."

Springfield, Mass., Springfield Daily News, June 5: "As a result of the committee's work, real progress has been made in bringing economic democracy to millions of Americans. \* \* \* Its work will have a permanent effect on the future economic rights of Americans. And its work must be carried on."

Chicago, Ill., Chicago Sun, June 11: "Emergency operation of the FEPC for war purposes is so clearly justified that for the Senate to deny it funds would be a serious setback. The agency has proceeded sanely and carefully. It has handled the majority of its cases without fireworks or publicity and has helped ease tensions in a difficult field. \* \* \* The appropriation and authorization are commanded by the needs of war and by the principles of democracy."

St. Louis (Mo.) Post-Dispatch (June 11, urging passage of the appropriation): "This is the best way of making the public aware of the need, as recognized by a bill now in the House committee, for extending FEPC into the postwar period."

Washington, D. C., the Washington Post (June 13): "FEPC's orderly, understanding approach to labor problems of this nature will be needed more than ever when we encounter the problems of demobilization and reconversion. For in this period discrimination can create chaos. If whole classes of men are denied an opportunity to earn a living because of the color of their skin, they will become desperate and dangerous."

Pittsburgh (Pa.) Post-Gazette (June 21): "The best possible approach to our racial problems is on the economic level, where the FEPC has sought with a measurable degree of success to give members of our minority groups an equal opportunity to earn a living by serving their country in time of war."

Kansas City (Mo.) Times (June 22): "The principle on which the FEPC has operated is sound. As its name implies, the function of the committee is to see to it as nearly as may



be humanly possible that unfair discrimination in wartime employment is not directed against workers because of race, color, or religion. That is both a fair and democratic principle."

Detroit, Mich., Detroit Free Press (June 22): "The Senate's 39 to 21 refusal to strike from an appropriation measure a \$500,000 fund for the President's Fair Employment Practices Committee helps to insure continued life for an important agency. \* \* \* The FEPC was set up to do what it could to reduce the discrimination in industrial employment and to promote better racial understanding. No one of intelligence expected it to usher in Utopia overnight."

Philadelphia (Pa.) Record (June 22): "It is vastly encouraging that the southern bloc in the United States Senate was soundly whipped in its effort to destroy the Fair Employment Practice Committee \* \* \* FEPC, established \* \* \* by Presidential order, has accomplished a great deal in promoting equal opportunity."

Miami (Fla.) Miami-Herald, June 26: "For Senator GEORGE to charge that approval of the FEPC fund would be 'a long step toward converting our economic system into a communistic or national socialistic system' is \* \* \* only a measure of the Georgian's capacity for reckless statement. FEPC may have its faults, but what Senator GEORGE alleges so fiercely is not one of them."

Washington (D. C.) Post, June 26: "The FEPC can be counted on \* \* \* to hew quietly yet persistently, as it has in the past at formal discriminations which all believers in democracy must regret."

Boston (Mass.) Herald, June 26: "The significance of the survival of the Fair Employment Practice Committee in its first congressional test is that a precedent has been established for a permanent agency to tackle this thorny problem of fairer treatment of Negroes by employers."

Johnstown (Pa.) Democrat, July 1: "A nation founded on democratic consent and now at war for democracy ought to have no difficulty in providing for 'the full and equitable participation of all workers in defense industries, without discrimination because of race, creed, color, or national origin.' \* \* \* (Yet) Discrimination in employment against Negroes, against Jews and other religious minorities, and against some foreign-born groups persists \* \* \* Wisdom and justice cry out against discrimination. Fair play helps everyone and unfairness, in the long run, hurts everyone."

Washington (D. C.) Post, July 7: "The agency is doing a difficult job with skill and patience."

St. Paul (Minn.) Dispatch, July 25: "Maintenance of fair practices in industrial employment ought to be one of those unarguable things, like goodness and love of family."

Salisbury (N. C.) Post, August 5: "No question of social mingling of the races is involved. The question is solely one of equal opportunity. We may hope that both employers and white workers will realize this simple truth, and that they will also realize that if opportunity can be denied to any group, for reasons of color, religion, or national origin, no minority group's rights are safe. The principle of equal opportunity is not divisible. It ceases to exist if all do not have it."

Kansas City (Mo.) Times, September 1: "Despite mistakes that no doubt have been made, it served a justified purpose in wartime and its work would be even more necessary in the postwar adjustment era. From the experience gained it ought to be the better prepared to deal with the many problems that will arise in that period."

Durham (N. C.) Herald, September 11: "In a democracy every one has a right to choose his friends and associates. If he likes to feel superior to those he doesn't associate with,

that feeling, right or wrong, is his inalienable privilege. This is all there is to the question of 'social equality' which is always dragged in when the subject of equal opportunity for all racial groups is brought up.

"Equal opportunity has nothing whatever to do with 'social equality'—whatever those words mean. Equal opportunity means what it says—a chance for every one according to his character and abilities, plus equal pay for equal work. This, and no more, is what the Fair Employment Practices Committee has stood for and does stand for. Yet the FEPC barely squeezed through the House last spring when the war agencies bill came up and it had 21 votes against it in the Senate to 38 in favor.

"Now a strong fight is ahead if a permanent FEPC is not to be blocked. The need for it is desperate. Hearings in the House and Senate committee rooms show that the Negro is still being discriminated against. He still doesn't get the same pay the white man gets for the same work. He is still the first to go when there are cutbacks. And the Philadelphia transit strike showed that the blame isn't entirely management's. It goes deep into the ranks of union men and women who ought to know better.

"There are no new arguments against discrimination. There are just the old ones. It is unfair. It is undemocratic. It is un-American. Or, if such an appeal falls on deaf ears, we may add that it breaks down wage levels by creating a submarginal class. It creates racial strife in which the white man suffers just as much as the Negro—maybe more. It hurts us among our friends, abroad. Wise, civilized, and patriotic Americans will take their stand against it."

New York (N. Y.) Evening Post (September 2): "But the day of reckoning when we shall need a permanent FEPC cannot be put off. The disgraceful race strike which tied up Philadelphia showed that. It was an omen of the future, especially of the postwar days, when the pressure for jobs will aggravate race tensions."

Washington (D. C.) Post (September 2): "When reconversion gets under way there is bound to be a profound upheaval in employment. If the hiring and firing of workers takes place on a discriminatory basis, gross injustice and hardship is certain to be visited upon minority elements in our population, Negroes in particular. 'The right to work,' the Reverend Francis W. McPeck told the Senate Committee on Labor and Education, 'is the least common denominator of democracy. To the extent that this elementary right is denied to men on grounds of race, religion, or national origin, democracy is debased and stultified.'"

Asheville (N. C.) Citizen, September 5: "Hitherto, the FEPC has shown little disposition to practice patience and to place its faith in education. For this reason, its agreements with the CIO union is all the more gratifying. Working together the union and the FEPC can do much to remedy conditions of discrimination within the particular industry for whose employees the union can speak. We are confident that once the union members are willing to see all unfair employment practices eliminated, the employers in that industry will withhold no cooperation."

Des Moines (Iowa) Tribune, September 16: "At present the Federal Fair Employment Practices Committee is charged with preventing job discrimination. This is set up as a wartime agency, however, and can give no one the sense of long-term security in this field which is essential if open conflicts are to be avoided. The FEPC should be made permanent. This would pay as well in the long run."

Milwaukee (Wis.) Journal, September 16: "It is essential that labor unions recognize the common interest of white and Negro workers and that Negroes not be discrimi-

nated against because of their color. Some unions are making a good beginning. \* \* \* There is nothing easy about this problem. It's a tough one, prejudice being what it is. But it won't cure itself. Unions and employers and the workers themselves must all help to solve it. And the committee on fair employment practices should be made permanent, as is proposed in Congress."

Chicago (Ill.) Sun, September 23: "Racial discrimination, like social security, fair labor standards, and minimum wages, is a national problem. It must be dealt with rationally. Shall America confess that fair employment practices are possible only in time of labor scarcity? Shall we give up the ground so far gained when the war ends? Congress can answer 'No' by establishing the FEPC on a permanent basis."

Bismarck (N. Dak.) Tribune (October 16): "No war agency is more American in the finest sense and more absolutely expressive of the ideals for which we are fighting in this war than the Fair Employment Practice Committee."

Eau Claire (Wis.) Leader (October 24): "This agency, in the words of the presidential proclamation which created it, is intended to 'encourage full participation in the war effort of the United States regardless of race, creed, color, or national origin, in the firm belief that the democratic way of life within the Nation can be defended successfully only with the help and support of all groups within its borders.' That is the practical reason for its existence. . . . But practicality isn't everything. . . . They ought to have fair play because everyone ought to, because they are a part, and a valuable part, of the Nation—because, in short, they belong."

Great Falls (Mont.) Tribune (November 14): "It wouldn't be American in the grand old meaning of the word to give fair play to minority groups during a war merely in order to get work out of them. It would be a mean kind of exploitation. . . . Let's have fair play during the war. Let's continue it after the war. It is one of the brightest stars in the banner of victory."

New York (N. Y.) Post (November 18): "The siren that announces the end of the war may, in the same note, shrill the warning of a race conflict unless—

"Unless Congress sets up a permanent Fair Employment Practice Committee to see to it that no worker is discriminated against because of race, color, or creed."

Kansas City (Mo.) Star (December 8): "Through tactful administration a permanent FEPC could remove many causes of strife and many injustices."

Dayton (Ohio) Herald (December 18): "The FEPC as an emergency group has had some ticklish situations to study and untangle in the interest of the war effort. As a permanent instrument of government its responsibilities would be no less onerous, perhaps even more so. Yet it will be better for our democracy if the problems of discrimination are faced courageously and yet tactfully by leaders carefully chosen for this special task instead of being swept under the rug of national indifference and complacency."

Birmingham (Ala.) Age-Herald (December 9) (summarizing its stand on Federal prohibition of discrimination in employment): "It will be generally agreed that voluntary progress against the results of discrimination is better than that brought about by compulsion. But it is also true that even under a democracy we must protect and enforce certain freedoms and rights by compulsory measure(s)."

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Washington (D. C.) Post (January 5): "There is no doubt that prejudice has inhibited the effectiveness of our manpower mobilization by keeping qualified workers out of essential jobs on account of race, creed,



or color. If it is allowed to continue into the period of demobilization, it will seriously aggravate the difficulties of conversion from a war to a peacetime economy. \* \* \* We are in full agreement, therefore, with Mr. LA-FOLLETTE's belief that Congress should act to do away with discrimination in employment. It can best do so by giving statutory authority and permanent status to the Fair Employment Practice Committee which has been operating up to the present time by simple Executive order."

Durham (N. C.) Herald (January 11): "The President's Fair Employment Practice Committee, set up for the war period only, is the first official attempt to guarantee any measure of job equality. Because this agency will cease to exist when the war ends, it seems vitally essential to set up a permanent and broader FEPC immediately."

Terre Haute (Ind.) Star (January 18): "Either one is for democracy at any price, or one does not really believe in it at all. If one believes in it then one must fight for it. One way of fighting for it is to extend economic democracy. One way to extend economic democracy is to see that a permanent FEPC is set up without delay."

Paterson (N. J.) Call (January 20): "No one who believes in democracy would dare to interfere with the right of any citizen to vote, merely because of his race, creed, color, or national origin. But political rights can have little meaning if they are not backed up by economic rights. The right to a job must therefore be guaranteed by society on the same basis as the right to vote."

Kansas City (Mo.) Times (February 1): "Controversial as the question is, there are sound reasons for a permanent FEPC. This agency has made progress in breaking down discrimination in wartime employment on grounds of race, creed, and color. It has not attained perfection, but from its own experience a better record could be made in the postwar period, when competition for jobs will be much stronger than it is today."

Washington (D. C.) Post (February 11): "There is nothing more fundamental to a democratic society than equality of economic opportunity. If it cannot be absolutely guaranteed by law, it can certainly be significantly fostered. And insistence upon the observance of this equality through vigorous governmental enforcement, is at once an impetus to and an essential concomitant of education. \* \* \* It is time for the Government of the United States to go unequivocally on record in support of the doctrine that all Americans have an equal right to jobs."

Knoxville (Tenn.) News-Sentinel (February 11): "At first blush this may seem to some readers one of those reforms that might be postponed until the war is won. But we think the ideal of equal economic opportunity is something more than an objective for a remote peace. It represents something even more than the kind of country which American fighting men—of varying race, color, and creed—want to come home to. It bespeaks the kind of country we need here and now to produce with maximum efficiency for war."

Rochester (N. Y.) Democrat and Chronicle (February 12): "Our judgment is that if it is the practice of most employers to discriminate on grounds of race or religion, there are few instances in which this practice ought not to be stopped, by law, if necessary."

New York (N. Y.) Herald Tribune (February 16): "We agree that it is impossible to regulate purely social aspects of human relationships by law. But unjust restrictions on the opportunity to earn a living are a different matter. We believe that the barring of Negroes and other minorities from many considerations whatsoever for jobs can be outlawed. The present wide public support for action stems from a recognition that members of a minority cannot be denied the basic mean for self-betterment. The paradox of

a nation which finds Negroes sufficiently capable to be inducted for military service but which still refuses to test their capabilities in wide areas of industry is plain for all to see."

Chicago (Ill.) Sun (February 27): "The work of the President's wartime Fair Employment Practice Committee has directed attention to the evils of racial or religious discrimination in economic opportunity. This type of prejudice, more widespread than was generally understood, strikes minorities the deadliest kind of blow; it deprives individual members of a chance to rise according to individual merit."

## No Military Conscription Needed

### EXTENSION OF REMARKS

OF

## HON. ROBERT L. DOUGHTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 11, 1945

Mr. DOUGHTON of North Carolina. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Hon. Josephus Daniels, editor of the News and Observer, before the Committee on Postwar Military Policy of the House of Representatives, June 11, 1945:

#### NO MILITARY CONSCRIPTION NEEDED

Mr. Chairman and gentlemen of the committee, the propaganda for compulsory military service for American youth is based upon three false premises:

1. Fear, and I hold with Franklin Roosevelt that "fear is the only thing to fear." As I read or listen to the pleas to Hitlerize America, and see how the advocates of compulsion tremble, I am reminded of the old nursery rhyme: "Run, little fear, or big fear will get you."

2. Cynicism, the disbelief in the ability of our civilization to rise out of savagery and so order the affairs of a civilized age as to make war an anachronism. This unbelief based on the silly credo: "There have always been wars and there always will be wars."

3. Imperialism, the desire that Uncle Sam shall abandon democracy, the right of all men to govern themselves, and follow the example of the Israelites of old who, tired of God's guidance, wished a king so they would be like neighbor nations that lived by the sword. It was this jealousy of John Bull's exploitation of weak peoples that caused us to go into the colonial business when we obtained rule of the Philippines by conquest and purchase, and held on to them under the pious profession of "benevolent assimilation." Happily, we have come to ourselves and given the solemn pledge to return sovereignty to the Filipinos as soon as this war is over.

Mr. Chairman and gentlemen of the committee, let me hasten to avow that I belong to the school of thought which holds with Washington, "In time of peace prepare for war." I also am a Wilsonian who believes equally in the maxim, "In time of war prepare for peace." One is the corollary of the other. As long as there are men and nations that live by the sword there is the certainty that nations lacking the means of defense may die by the sword. As long as there are robbers and marauders, cities must maintain a vigilant and adequate police force to protect life and property, the size being regulated by the danger of being despoiled. I believe everything in the Bible "from kiver to kiver" except "The meek shall inherit the

earth." That makes me a heretic unless this prophecy was intended for some far-off century. Up to our day the meek have not only not inherited the earth but have been the victims of the strong and greedy whose creed is that the earth belongs to those who have the power and are able to go up and take it.

Our country for decades was so favorably situated between the two great oceans, it had little fear of invasion. That was in the days when communication and transportation were so slow that Andrew Jackson could be winning the Battle of New Orleans days after the treaty of peace had been signed between the two fighting nations at Ghent. That protection was lessened when submarines could stealthily enter our harbors before their presence was discovered and hurl deadly torpedoes to destroy our cities. It was lost when bombers in a few hours could fly from Tokyo and work havoc on the American fleet anchored in Pearl Harbor, or the "airy navies of the central blue" were capable of taking off before breakfast from Berlin and blasting Boston before the setting sun. Protected by the narrow channel separating it from the Continent, the tight little island of England was safe from invasion in all former wars, but was dangerously near destruction when flying robots wiped out thickly populated sections of London and made life a final nightmare to millions. Only the supremacy in air, aided by sea and land forces, prevented its annihilation.

The outstanding lesson taught by World War No. 2 is that the nation which commands the air is the nation that can rule the world. This is not to say that wars can be fought and enemy countries brought under subjection and punishment alone by this new weapon sending its bombs hurtling on crowded cities, industrial plants and railway stations. No complete victory can be won and garnered, as this war proves, except by aerial warfare with hand-to-hand fighting to follow the devastation from the air. It is too soon to assess the relative value of the forces of land, sea and air, or to plan for wise preparedness in a world that is still bleeding from the wounds of war. There must be time for the adoption of the best plan after all the lessons have been made known.

The first sound that fell upon my infant ears was from the shelling by Federal gunboats of a small southern town in which I was born. I have lived through three major wars, having been privileged to direct naval operations of the United States in World War No. 1. Study and experience have convinced me that until we can replace war with effective international agreement as a safe substitute, our country must be well prepared against attack. In 1914, when the European war broke out and there was danger the contagion might reach us, the Wilson administration made plans and in 1915 secured authorization for the creation of the most powerful navy in the world. I am testifying today from my experience of 8 years as Secretary of the Navy, covering the period of World War No. 1 and from my strong belief in efficient preparedness. No man believes more in having a gun well primed than I do. But I put emphasis on the sort of preparedness this war has taught will win victories, and not on the discredited broken stick of universal compulsory conscription.

Before we entered the war in 1917 naval statesmen did not foresee that the enemy would employ the U-boat as its chief offensive. We did not provide adequately for such warfare. We had placed chief emphasis on dreadnoughts, while the craft most needed were destroyers, submarines, chasers, and Eagle boats. There was better preparedness against the submarine in this war, but military experts here and abroad had not foreseen that Nazi victories over Europe and the expulsion of the British from the Continent



would come from superiority in the air and mechanized weapons on the land. The tide of war did not turn until Allied air superiority blasted Nazi cities and fortresses and factories and railroads and war materials. The imperative preparedness of tomorrow is that which give conquest of the skies. Without that mastery all the mighty leviathans and the thundering artillery and the serried ranks of infantry will be compelled in any future war to say, "One thing thou lackest yet"—and the first and most potent offensive weapon.

We were forehanded in antiquated cavalry in 1940, we were strong in powerful dreadnoughts which may soon be outmoded, we had efficient drill masters and artillerymen, but in 1940 all our belated preparedness lacked the most important essential for modern warfare—modern aircraft carriers and ships in the upper air that could drop down their deadly missiles and destroy whatever they elected to annihilate.

When the time comes to prepare for preparedness, the first step will be to unlearn the methods of the past and discard the archaic drilling, put all cavalry horses to plowing, shut down munition plants making out-of-date weapons, discard the ancient tactics and strategy long taught in military schools, and look mainly toward the perfection of weapons of the skies. The airy navies of the central blue will win the first battles of the future. The chief ship of the surface navy will be the aircraft carriers, and the chief function of the land forces to give the knockout blow, follow up, mop up, and occupy. And Uncle Sam will be astounded at the number of young men who will volunteer—more than needed—to see the sky darkened by the dreadnought planes raining down their ghastly dew.

My first introduction to compulsory service, and my revulsion from it, came in 1914, a few months before the outbreak of World War I. A very good friend, General Estoppinall, Member of Congress from Louisiana and member of the Naval Affairs Committee, called to see me on his return from France, where he had been on a visit to his sister. "I am glad to get back," he said, "to a free country where youth are not conscripted for military service and where we do not live daily in fear of war. When I arrived in France I found my sister in deep distress because her sons must leave home and school and be called to military service (the law required service up to 45 years of age). She hated the separation—her boys being taken from her and from school to march and drill and drill and march and march, for which they had no taste." General Estoppinall said the French hated the system but tolerated it because of the fear that Germany would again try to possess their country. That fear was well founded, for in less than 6 months after that conversation German soldiers rushed through Belgium and threatened France. It was not till America threw its might into the struggle that the Germans were driven back. The French fought bravely against great odds, not because of the compulsory military service but in spite of it. By 1918 they were war weary and could not have carried on without the help of British and American soldiers, who, lacking the nightmare of compulsory service, fought with at least as high efficiency as their allies whose sons had been conscripted to serve in the army since 1872.

The draft under French law provided for a 27-year period of military service. The proportion of the youth drafted varied from 65 to 85 percent. In World War I and World War II our American soldiers, who had never in time of peace been conscripted, went overseas with only a few months wartime training and, fighting side by side with the French, demonstrated that long, compulsory training

did not make better soldiers. This is particularly true in mechanized warfare, where familiarity with automobiles, tractors, and like machinery makes it comparatively easy to go from peacetime to war without a long period of goose-stepping.

The example of France, which in 1939 boasted the greatest and best trained regular army, with long training under a compulsory law, certainly offers no good argument to adopt a system which did not save that army from rout and defeat in this war. French soldiers, without the blight of compulsion, would have given a better account of themselves. The draft system was tried and found wanting.

The advocates of a compulsory law point to the early victories of the Nazis as an example America should follow. The first thing Hitler did when he became dictator of Germany was to tighten up and enforce military conscription. All German males between 18 and 45 were drafted and forced into active duty for a period of 10 years. The system called for the training of the entire youth of the Nation. There was basic preinduction service, discipline, and hardening of young boys in the schools. They were indoctrinated into the fake of being "the superior race." Germany was made one vast military camp and all life was based on preparedness for war. This by order of the Fuehrer. The Nazis became brutally efficient and for a time ran roughshod over most of Europe. They believed their military caste and universal military service would make Germany the master of the world. It would be futile to deny that the German military force won important victories and imposed their will from the Atlantic Ocean and the British Channel to the steppes of Russia. Their victories were made possible more by early supremacy in the air, and the utilization of mechanized implements of war more than by compulsory goose-stepping. And the time came when the drafted Nazi soldiers, with long years of compulsory military service, came up against mighty armies from countries which had practiced no peacetime compulsion. The result is history. The citizen soldiers, quickly mastering the lessons of war in combat, came off victors over those who believed no soldier could fight unless from boyhood he had been compelled to make militarism the grind of his daily life.

Certainly an examination of the results of compulsory service in France and Germany give no sufficient reason why the United States should abandon its century-old Americanism and adopt European imperialism, which now in its rout finds none so poor to render it obsequious. Weighed in the balance—in the acid test of war—that much-vaunted system was found wanting. Its epitaph—this is true of Italy, too, and will be of Japan: Mene, mene, tekel up-harsin.

Up to date nobody advocating spending billions and billions of dollars for compulsory military services has even guessed at how much money will be required to put that juggernaut in motion and keep it going, and in what sort of war these draftees will be trained to fight to get best results. The only suggestions have been land bases, barracks, and tents galore, and the sort of drilling that was in fashion a generation ago. Most of such training is as out of date as the triremes of Rome. It has not been suggested that there is need for drafting men for the Navy. It can obtain all it may need by volunteers who are ambitious to go down to the sea in ships. Aviation will attract more men of their own volition than there are planes in which they can try their wings. There remains, therefore, as the only possible argument for compulsory training, the drafting of men to make up the land forces. At

the most there will be need only for a small, compact land force. Every man that can be wisely placed can be obtained by volunteer enlistment if there is adequate pay with certain advancement from the ranks to those who show ability in actual service.

Let me illustrate: When I became Secretary of the Navy in March 1918, Congress had authorized an enlistment of 54,643 men. I found that the strenuous effort to attract enough youths to the number authorized lagged. This in the face of propaganda by Navy bands and solicitation to enlistment by the promise, "Join the Navy and see the world." I resolved to find why the response to appeals to enlist did not secure enough seamen. I found it was due to 4 reasons: 1. The pay was inadequate. 2. The training, except in gunnery and engineering, was lacking. 3. A caste system denied the equality that is synonymous Americanism. 4. The door to promotion was barred.

A new policy was adopted of a school on every ship, better vocational and elementary instruction, opportunity for advancement and promotion to commissioned officer rank—not enough—and training in navigation by voyages that enabled all sailors to see the world, beginning with a voyage to Rome. What was the result? In piping times of peace the full strength was enlisted and the next Congress authorized all the sailors needed to man the ships in commission and the new ships to be constructed and enough volunteered, and more for the need.

What does this history teach? Beyond dispute, that if the pay is adequate, the dignity of youth respected, education provided, and the door to promotion opened—if these American rights and opportunities are made a part of military life, there will be so many American youths volunteering that no branch of military service will need to conscript a single man.

The call is not compulsory service—as un-American as nazism or fascism—but the practice of that American democracy in the military branches which prevails in civilian life. The first step is promotion of the capable privates to officer rank, and the utter exclusion of that snobbery which sometimes creates a chasm between the officers and enlistmen men.

We are told that the cure for democracy is more democracy. The cure for lack of full enlistments is to introduce democracy and more democracy.

A few weeks ago I chanced to be in a company of civilian officials and officers of the Navy and Army when the discussion turned on the subject of compulsory military service. One civilian, who had come to Washington from patriotic motives to serve in an important post, brought up the subject your committee is now considering, and expressed the strong belief that our country should at once enact the legislation which is now under consideration. He said it was the guarantee of protection. He advanced the view that every youth should be fitted for war by military training in peace. As he proceeded with the old familiar argument first advanced by Bismarck, and later be- praised by Hitler, a wise admiral who still has his feet on the ground, interrupted by asking: "How much would it cost to give this universal compulsory military training?" As the discussion proceeded, and the advocates brought forth argument after argument for compulsion, they were all confounded when the quiet admiral halted every argument brought forth with the disconcerting question: "How many billion dollars will it cost?" He has had no answer to his question yet because the advocates shy away from that phase of their proposal. One of those present, did say: "No matter what the cost, it will be cheaper than the two wars in which we have







21. ROADS. Discussed and passed over, upon the request of Rep. Cole, N.Y., H.R. 2840, to amend the Defense Highway Act of 1941 by increasing the appropriation authorization for access roads from \$290,000,000 to \$300,500,000 and for access roads to sources of raw materials from \$27,500,000 to \$33,000,000 (p. 6404).

Passed as reported H.R. 169, to continue the provisions of Sec. 8 of the Federal Highway Act as amended, Public Law 146, 78th Cong., until Jan. 1, 1947 (pp. 6404-5).

SENATE

22. NOMINATION. Passed over without objection the nomination of Claude R. Wickard to be REAdministrator (pp. 6387-8).

23. FULL EMPLOYMENT. Sen. Wagner, N.Y., inserted his statement with respect to Ralph E. Flanders' letter favoring S. 380, the full-employment bill (pp. 6383-4).

24. FOREIGN TRADE. Continued debate on H.R. 3240, the trade-agreements bill (pp. 6357-69, 6371-5, 6376-82).

Rejected (33-47) the committee amendment which prohibits further reductions in tariff rates (pp. 6388-9).

Sen. Shipstead, Minn., for himself and Sens. O'Mahoney (Wyo.) and Wherry (Nebr.) submitted an amendment prohibiting tariff reductions on imports of agricultural products, including casein, wools, and mohair (p. 6371) and discussed the effects of the Trade-Agreements Act on agriculture and especially on the dairy industry (pp. 6371-5). Sen. Langer, N.Dak., spoke in favor of the Shipstead amendment and criticized farm-machinery exports to Canada (pp. 6377-82).

25. PRICE CONTROL. Sen. Mead, N.Y., inserted an editorial favoring continuation of price-control measures and criticized the Wherry cost-of-production amendment (p. 6386).

26. FOOD DISTRIBUTION. Received a Federal Trade Commission report on "Distribution Methods and Costs, Pt. VI, Milk Distribution, Prices, Spreads, and Profits" (p. 6369).

27. MILITARY TRAINING. Received a Kans. American Legion Auxiliary resolution favoring peacetime military training (p. 6369).

BILLS INTRODUCED

28. RURAL TELEPHONES. H.R. 3501, by Rep. Patrick, Ala., to amend the Rural Electrification Act to provide for rural telephones. To Interstate and Foreign Commerce Committee. (p. 6431.)

29. FARM LOANS. H.R. 3503, by Rep. Forand, R.I., to amend the Bankhead-Jones Farm Tenant Act by making loans thereunder available in certain States and Territories. To Agriculture Committee. (p. 6431.)

30. VETERANS. S. 1165, S. 1166, S. 1167.



ITEMS IN APPENDIX

31. FOOD SUPPLY. Rep. Outland, Calif., inserted Thomas L. Stokes' Washington Daily News article and a Washington Post editorial on the meat situation and the extension of the OPA (pp. A3139-40).  
Rep. Larcade, La., inserted Governor Davis' (La.) letter criticizing OPA as the cause of the "meat shortage" (p. A3145).  
Extension of remarks of Rep. Ellis, W. Va., criticizing OPA's handling of the food situation and discussing the effect of the "meat shortage" on small children and others (p. A3152).  
Extension of remarks of Rep. Merrow, N.H., favoring the recommendations contained in the food shortage investigating committee's report relative to sugar allocations (pp. A3159-60).
32. PRICE CONTROL. Rep. Philbin, Mass., inserted Warren Stevens' Boston American article, "OPA, the Black Market, and You - Alice in Blunderland Rules Aid Chiselers" (p. A3150).  
Extension of remarks of Rep. Robertson, N.Dak., urging careful consideration of the extension of the Price Control Act and including Cedric Adams' Minneapolis Sunday Tribune article on food in Canada (p. A3153).  
Rep. Woodruff, Mich., inserted an Ogemaw County (Mich.) Herald article criticizing the OPA for its handling of the food situation (pp. A3150-1).  
Rep. Russell, Tex., inserted his statement favoring extension of the price-control and stabilization acts for 12 months only (pp. A3154-5).
33. SUBSIDIES. Sen. Wilson, Iowa, inserted an Atlantic News-Telegraph (Iowa) editorial criticizing the payment of subsidies (p. A3140).
34. FARM LOANS. Rep. Robertson, N.Dak., inserted a Wahpeton National Farm Loan Assn. resolution urging that the Federal Farm Mortgage Act be amended to protect rights of returning servicemen and to make available to them first-mortgage farm loans through the Federal Land Bank system (p. 3148).
35. RESEARCH. Rep. McDonough, Calif., inserted Mrs. Roosevelt's article, "We Stand to Lose Whole Generation of Scientists" (pp. A3149-50).
36. RECLAMATION; VETERANS. Extension of remarks of Rep. Murdock, Ariz., explaining his reasons for asking to pass over without prejudice H.R. 520, to extend a 90-day preference to veterans on newly irrigated lands and future reclamation projects (pp. A3144-5).
37. FOREIGN TRADE. Extension of remarks of Rep. Hare, S.C., favoring H.R. 3240, the trade-agreements bill, and stating <sup>that the</sup> "high tariff rate has prevented farm crops or farm products from getting into the channels of trade, leaving an increased percentage of surplus products on domestic markets" (pp. A3131-3).  
Extension of remarks of Rep. Murray, Wis., discussing the potato program in its relation to foreign trade and opposing H.R. 3240, the trade-agreements bill (pp. A3134-5).  
Rep. Reed, N.Y., inserted Rep. Bennet's (N.Y.) address opposing reductions in tariff (pp. A3155-9).
38. MILITARY TRAINING. Reps. Ludlow (Ind.), Bridges (N.H.), Sparkman (Ala.), and Horan (Wash.) inserted articles and statements on peacetime military training (pp. A3133-4, A3137, A3143-4, A3152).



Insofar as possible, the office of the President should be filled by an elective officer. There is no officer in our system of government, besides the President and Vice President, who has been elected by all the voters of the country.

The Speaker of the House of Representatives, who is elected in his own district, is also elected to be the presiding officer of the House by a vote of all the Representatives of all the people of the country. As a result, I believe that the Speaker is the official in the Federal Government, whose selection next to that of the President and Vice President, can be most accurately said to stem from the people themselves.

Under the law of 1792, the President pro tempore of the Senate followed the Vice President in the order of succession.

The President pro tempore is elected as a Senator by his State and then as presiding officer by the Senate. But the Members of the Senate are not as closely tied in by the elective process to the people as are the Members of the House of Representatives. A completely new House is elected every 2 years, and always at the same time as the President and Vice President. Usually it is in agreement politically with the Chief Executive. Only one-third of the Senate, however, is elected with the President and Vice President. The Senate might, therefore, have a majority hostile to the policies of the President, and might conceivably fill the Presidential office with one not in sympathy with the will of the majority of the people.

Some of the events in the impeachment proceedings of President Johnson suggested the possibility of a hostile Congress in the future seeking to oust a Vice President who had become President, in order to have the President pro tempore of the senate become the President. This was one of the considerations, among several others, which led to the change in 1886.

No matter who succeeds to the Presidency after the death of the elected President and Vice President, it is my opinion he should not serve any longer than until the next congressional election or until a special election called for the purpose of electing a new President and Vice President. This period the Congress should fix. The individuals elected at such general or special election should then serve only to fill the unexpired term of the deceased President and Vice President. In this way there would be no interference with the normal 4-year interval of general national elections.

I recommend, therefore, that the Congress enact legislation placing the Speaker of the House of Representatives first in order of succession in case of the removal, death, resignation, or inability to act of the President and Vice President. Of course, the Speaker should resign as a Representative in the Congress as well as Speaker of the House before he assumes the office of President.

If there is no qualified Speaker, or if the Speaker fails to qualify, then I recommend that the succession pass to the President pro tempore of the Senate, who should hold office until a duly qualified Speaker is elected.

If there be neither Speaker nor President pro tempore qualified to succeed on the creation of the vacancy, then the succession might pass to the members of the Cabinet as now provided, until a duly qualified Speaker is elected.

If the Congress decides that a special election should be held, then I recommend that it provide for such election to be held as soon after the death or disqualification of the President and Vice President as practicable. The method and procedure for holding such special election should be provided now by law, so that the election can be held as expeditiously as possible should the contingency arise.

In the interest of orderly, democratic government, I urge the Congress to give its early consideration to this most important subject.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 19, 1945.

FULL EMPLOYMENT — STATEMENT BY SENATOR WAGNER AND LETTER FROM RALPH E. FLANDERS

Mr. WAGNER. Mr. President, as chairman of the Banking and Currency Committee, I have just received a letter endorsing the full employment bill (S. 380) from one of America's leading businessmen, Mr. Ralph E. Flanders, head of the Jones & Lamson Machine Tool Co., chairman of the CED Research Committee, and chairman of the Federal Reserve Board of Boston.

In view of the thoughtful and penetrating character of Mr. Flanders' recommendations to Congress, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a statement that I have made with regard to Mr. Flanders' letter, together with a copy of the letter itself.

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

Endorsement of the full employment bill (S. 380) by Ralph E. Flanders, one of America's leading businessmen, was announced today by Senator ROBERT F. WAGNER, Democrat, New York, chairman of the Senate Banking and Currency Committee. In a letter to Senator WAGNER, Mr. Flanders has stated that "the passage of the bill in a satisfactory form is highly important" and that the "right to a job is a right which I myself have come, after much thought, to accept as an objective which our system may attain."

"Mr. Flanders' thoughtful and penetrating letter to the Banking and Currency Committee," stated Senator WAGNER, "merits the most serious study by all American businessmen, both large and small." Senator WAGNER pointed out that Mr. Flanders' endorsement of the full employment bill is particularly significant in view of his position as head of the Jones & Lamson Machine Tool Co., chairman of the CED Research Committee, and chairman of the Federal Reserve Board of Boston.

In his letter, Mr. Flanders lists the following basic responsibilities of the Federal Government in the maintenance of full employment:

"(a) The gathering, organizing, and publishing of full information regarding the conditions that affect production and employment.

"(b) The recognition by Government of the employment-making function of business and a careful consideration as to whether any particular legislative or adminis-

trative policy assists or deters the expansion of highly productive and well-paid employment.

"(c) The assumption of the residual responsibility for providing employment when private employment under favorable conditions has been unable to do so."

Mr. Flanders also discusses in some detail the duties of business, organized labor, and local and State governments in contributing to the maintenance of full employment. "All of these duties, which implement the right to a job," he declares, "and all of the activities which are required by these duties have to be carried on simultaneously. With this done, at any given moment, the number of unemployed to be taken care of by the provisions of the full employment bill, may be brought small enough so that the available useful work will actually meet the need."

Mr. Flanders also suggests that the Banking and Currency Committee improve the full employment bill by "the elimination of the provision for long-range forecasting."

"We cannot prophecy clearly enough to make these advance determinations," he states. "What we can do is to keep currently informed of a situation to which we can adjust current policies. The bill should be amended to this effect."

BOSTON, MASS., June 14, 1945.

The Honorable ROBERT F. WAGNER,  
Chairman, Banking and Currency  
Committee, United States Senate,  
Washington, D. C.

DEAR SENATOR WAGNER: In response to your letter of May 22, I am glad to answer the questions you have raised with regard to the full employment bill of 1945.

1. Among the basic responsibilities of the Federal Government in the maintenance of full employment are the following:

(a) The gathering, organizing, and publishing of full information regarding the conditions that affect production and employment. This should cover the condition of business and credit in general, specific industries of major importance, specific conditions and prospects in agriculture, and the situation as regards fiscal and financial background. This information should be organized on a regional basis as well as on a national basis, and should take account, though in less detail, of foreign conditions and the prospects of international trade.

(b) The recognition by Government of the employment-making function of business and a careful consideration as to whether any particular legislative or administrative policy assists or deters the expansion of highly productive and well-paid employment.

(c) The assumption of the residual responsibility for providing employment when private employment under favorable conditions has been unable to do so.

2. The specific improvement in the bill which should be considered by the Banking and Currency Committee is the elimination of the provision for long-range forecasting called for in section 3 and the procedure called for in paragraph (c) of that section. The most valuable feature of the bill in question is its provision for the current reporting of the conditions which determine the policies which the bill establishes. A dangerous feature of the bill is the proposal that this information be used as the basis for determining what shall be done throughout the following fiscal year. It involves the element of prophecy. I seriously doubt if prophecy is possible. As an example, the question may well be asked whether any administrative body or group of experts in January of 1937 could have predicted the conditions which would prevail for that fiscal year as they actually began to show in the period from June on. We cannot prophecy clearly enough to make these advance determinations. What we can do is to keep currently informed of a situation to which we can ad-



just current policies. The bill should be amended to this effect.

3. With the important amendment suggested above and with such other changes as may appear wise after further considerations in hearings and by the committee, I would urge that the purposes of this bill be enacted into legislation. It will still be ineffective in producing the results desired, however, unless Government fiscal policy is geared to the program and unless many measures which come under (1) (b) above are also taken care of. Furthermore, there should be a concentrated drive for getting local, State, and Federal projects out of the planning stage into the plans and specifications stage. The "shelf" of Government projects is more of a dream than a reality. There is necessity for both loading the shelf and restraining the temptation to unload it and place contracts for anything except the most necessary projects at times when their initiation would not have the most favorable effect on the maintenance of employment.

4. It is not a question as to whether the necessary cooperation would be obtained. It must be obtained. In other words, the passage of the bill in a satisfactory form is highly important, but it is only the beginning of the process of assuring employment.

Besides the above answers to your specific questions, I would like to add a few remarks on the subject of The Right to Useful Remunerative Regular and Full-Time Employment, set forth in the third and fourth lines of page 2 of the bill.

This right to a job is a right which I myself have come, after much thought, to accept as an objective which our society may attain. It is a right which has to be organized and is not quite comparable in this respect to the rights of free speech and freedom of assembly established in the Bill of Rights.

One of the characteristics of the Bill of Rights is that the privileges it confers come automatically to the citizen unless he is restrained from exercising them. Preserving rights is, therefore, a matter of overcoming resistance.

With these rights go certain duties. In the above case, there is the duty to resist those who seek to restrain, and that duty to resist extends even to suffering wounds and death. This was the extent to which our duties were carried in the War of the Revolution, and to which, in the American view of the conflict, they are being carried in this Second World War.

The right to a job is not clearly established on the same basis. As stated above, it has only recently become clear to me that it is a right, at all. If it is a right, it is so by virtue of the complexity of our modern economy which makes it less and less easy for the individual to find rewarding work than was the case in pioneer days and in the generations immediately following in this country.

If we admit the right to a rewarding job as one of the human rights, we must still note certain differences between it and those set forth in the Bill of Rights. We do not assure ourselves of a job by a simple resistance to some person or some group who is keeping jobs from us, as in the case of those who seek to impede free speech and free assembly. The duties involved in supporting that right are of a completely different sort. They involve constructive action, cooperatively undertaken by many different elements of society in a rather difficult field of operations.

Some of these duties, without which the right cannot be implemented, devolve on the individual. Some devolve on business enterprises, some on organized labor, others on local and State governments, and still others on the Federal Government.

The individual has no right to a job unless he is productive and self-reliant, and energetically seeks employment. To assign the right to individuals who do not possess these

qualities is to subsidize idleness and social parasitism.

On business devolves the duty of operating at its best possible efficiency and of thereby making it possible for it to expand production and employment, which it should do to the limit of its capacities for solid, sustained growth. It has no duty to furnish employment at a continued loss, since this would reduce the volume of employment furnished, rather than increase it. Business can likewise properly be curbed in activities which seek to contract employment and expansion by eliminating competition.

Organized labor has serious responsibilities in implementing the right to a job. That right cannot be established without the cooperation of labor unions and the abandonment of practices which in some instances defeat the objective of this bill. Besides specific practices of this sort, there is a general responsibility resting on union negotiators to see to it that wage, hour, and production standards sought by the union do not form parts of a total aggregate which so upsets the wage-cost-price relationship as to decrease the total volume of employment.

Local and State Governments have duties in connection with the wisdom of their tax policies, the effectiveness of their preservation of human and property rights and, in particular, the timing of construction work and any other expenditures which are not on a current basis.

The Federal Government has very large and serious duties to perform if the right to a job is to be made effective. It must do much more than store up work for release when unemployment is large. It must prevent the growth of that unemployment by policies which encourage business to expand and investors to undertake new ventures.

All of the above are prerequisites to the Government's assumption of its final responsibility of furnishing work itself when employment lags.

This list of prerequisites is not to be understood as being a series of hurdles over which the unemployed worker must leap one after another before he becomes eligible to federally provided work. All of these duties which implement the right and all of the activities which are required by these duties have to be carried on simultaneously. With this done, at any given moment the number of unemployed to be taken care of by the provisions of the full-employment bill may be brought small enough so that the available useful work will actually meet the need.

There still remain certain difficulties, both in the amount of Government work which can be provided and in having the required amount of work ready at the time and place at which it is needed.

Some years ago I was one of the authors of a book entitled "Toward Full Employment." The position taken in that book was in favor of the provision of Government employment on productive work when private employment failed. I have since, however, come to the conclusion that it is exceedingly difficult to provide Government work on a large scale. I would, therefore, now emphasize the need for employing every means to reduce the number who must be supported by Government employment. Furthermore, the last few remaining millions of unemployed will be of the problem type and exceedingly difficult to handle by Government employment. There will be concentrated in those last few millions individuals who are problems in themselves; also there will be various localities and industries which present special situations which it will be difficult to meet by any general provision of employment. For instance, the Missouri Valley Authority development could not easily take care of unemployment in southern textile mills. Nevertheless, governmental expenditure,

properly proportioned and properly timed, is one of the important weapons in the arsenal for fighting unemployment.

Referring again to the scale on which the Government provides jobs, it is impossible to have this on the enormous scale which would have been required by the great depression, except by controls which approach the organization of a totalitarian government. We have had such enormous Government employment during the war, but to provide the same volume in peacetime it would be necessary to continue the totalitarian features of wartime control.

The scale on which Government work is to be provided must be kept to a minimum if we are to implement the right to a job. The right to a job is real, but it can never be realized without the careful and intelligent performance of the duties whose performance will alone make it possible to implement the right.

As you doubtless know, the Committee for Economic Development is studying the questions involved in the purposes of this bill. The objective of the CED is the attainment and maintenance of a high level of productive and profitable employment. Earlier in this letter, I spoke of the responsibilities of business. The field work of CED is a definite endeavor on the part of business, regionally and locally, to perform its part in expanding and maintaining private employment.

Furthermore, it is the purpose of the Research Committee, of which I am chairman, to examine and report on all those other factors which make the "climate" in which business operates, so that we may have the best possible conditions for business to operate under in performing its part in the increase and maintenance of employment.

This letter is a personal response to your inquiry and is not at all a CED document. It has been my past experience in the work of the Research Committee that my own opinions have become modified by the rigorous discipline to which we subject ourselves in the joint examination of these problems by businessmen and social scientists. It is, therefore, quite probable that, at a later date, I may see reason for modifying some of the opinions herein expressed.

Sincerely yours,

RALPH E. FLANDERS

#### ALLEGED WASTE AND CORRUPTION IN CONNECTION WITH CONSTRUCTION OF THE LATIN-AMERICAN HIGHWAY

Mr. MEAD. Mr. President, on Thursday, June 14, 1945, the Senator from Wyoming [Mr. ROBERTSON] called to the attention of the Senate charges of irregularities in the performance of certain construction contracts let by the Corps of Army Engineers in connection with the construction of the Latin-American Highway. The Senator from Michigan [Mr. FERGUSON], the Senator from Maine [Mr. BREWSTER], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Oklahoma [Mr. MOORE], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Vermont [Mr. AIKEN] participated in the debate, which appears on pages 6204 through 6212 of the CONGRESSIONAL RECORD of Thursday, June 14, 1945.

On Monday, June 18, 1945, the Senator from Louisiana [Mr. OVERTON] rose to request that general condemnation of the Corps of Engineers be withheld until a complete investigation of the ex parte charges could be made by a congressional investigating committee. The Senator from Arkansas [Mr. McCLELLAN] joined







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued July 6, 1945, for actions of Thursday, July 5, 1945)

(For staff of the Department only)

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HIGHLIGHTS: House committee reported corporation-control bill. Rep. Bates urged Agriculture jurisdiction over fisheries. Reps. LaFollette and Voorhis introduced food-allotment bills. House passed new war agencies appropriation bill. Rep. Murray criticized grain and feed imports. Rep. Hill commended Secretary Anderson's appointment.

HOUSE

1. WAR AGENCIES APPROPRIATION BILL, 1946. Passed with amendments this bill, H.R. 3649, after rejecting Rep. Taber's motion to recommit (pp. 7336-46)  
The following items were stricken on points of order by:  
Rep. Marcantonio, N.Y., National War Labor Board, Office of Defense Transportation, Office of Inter-American Affairs, Office of War Information, and War Shipping Administration;  
Rep. Celler, N.Y., Office of Economic Stabilization, Office of Scientific Research and Development, and Petroleum Administrator for War;  
Rep. Norton, N.J., War Production Board, and Office of Strategic Services (pp. 7336-8).  
Reps. Rankin, Miss., and May, Ky., discussed the authority for appropriations for agencies established by presidential order under the War Powers Act (pp. 7336-7). Rep. Rich, Pa., urged economy in Federal expenditures (p. 7344). Reps. Hendricks, Fla., Whittington, Miss., and Marcantonio, N.Y., discussed FEPC (pp. 7340-6).
2. FOOD SUPPLY; FISHERIES. Rep. Bates, Mass., discussed the importance of fisheries to the food supply and stated that "fisheries should come under the jurisdiction of the Department of Agriculture and...should receive...the same care and attention as the Department...gives to every other part of the food supply system" (pp. 7359-60).
3. TAXATION. Rep. Patman, Tex., commended Alabama's action rescinding former endorsement of proposed limitation of 25% of income for taxes (pp. 7346-9). Agreed, 211-131, to resolution providing for consideration of H.R. 3633, the new tax bill "to facilitate reconversion" (pp. 7349-56).
4. FULL-EMPLOYMENT BUDGET. Rep. Outland, Calif., urged early consideration of legislation providing for a full-employment budget (pp. 7360-7).



5. BRETTON WOODS AGREEMENTS. Rep. Kunkel, Pa., urged prompt acceptance of these agreements (p. 7328).
6. RURAL ELECTRIFICATION. Reps. Tarver, Ga., Rankin, Miss., and others discussed the editorial changes made in the transcript for the Congressional Record in connection with a discussion on the floor of the House on the REA item in the second deficiency appropriation bill (pp. 7330-5, 7339-40).
7. GOVERNMENT CORPORATIONS. Expenditures in the Executive Departments Committee reported without amendment H.R. 3660, to provide for financial control of Governmental corporations (H.Rept. 856)(p. 7376).
8. PERSONNEL CEILINGS. Received Budget Bureau's final report on personnel-ceiling activities for the fiscal year 1945. To Civil Service Committee. (p. 7376.)
9. HOUSING. Received the third annual report of the National Housing Agency. To Public Buildings and Grounds Committee. (p. 7376.)

#### SENATE

NOT IN SESSION. Next meeting Fri., July 6.

10. CLAIMS. Received (June 30, 1945) from the President supplemental appropriation estimates for payment of judgments rendered by the Court of Claims (S. Doc. 64) and for payment of claims allowed by GAO (S. Doc. 66).
11. ROADS. Received (July 3, 1945) from the President supplemental appropriation estimate of \$25,000,000 and proposed contract authority of \$75,000,000 for carrying out the Federal Highway Act (S. Doc. 71).

#### BILLS INTRODUCED

12. DAYLIGHT-SAVING TIME. H.R. 3679, by Rep. Cannon, Mo., to restore standard time. To Interstate and Foreign Commerce Committee. (p. 7376.)
13. POSTAGE RATES. H. R. 3693, by Rep. Hartley, N. J., to provide for the transfer of books from fourth-class mail matter (parcel post) to second-class mail matter. To Post Office and Post Roads Committee. (p. 7377.)
14. INVENTIONS. H. R. 3694, by Rep. Hartley, N.J., to declare the national policy regarding the test for determining invention. To Patents Committee. (p.7377.)
15. FOOD-ALLOTMENT PROGRAM. H. R. 3695, by Rep. LaFollette, Ind., and H. R. 3696, by Rep. Voorhis, Calif., to provide for a food-allotment program. To Agriculture Committee. (p. 7377.)
16. VETERANS. H. R. 3682, H. R. 3684, and H. R. 3685.

#### ITEMS IN APPENDIX

17. SUGAR SHORTAGE. Rep. Hill, Colo., commended the appointment of Secretary Anderson and discussed the sugar "shortage" and prices (pp. A3548-9).
18. PRICE CONTROL; RATIONING. Extension of remarks of Rep. Mason, Ill., criticizing the OPA bill and inserting a Chicago Tribune editorial on the subject(p.A3546).



tutions he was brought up in, the inherent knowledge and opportunity which he has enjoyed as a freedom loving American, has given him greater loyalty to principles, greater resourcefulness in adverse circumstances, and the stout heart and courageous mind stimulated by intelligent independent thinking. When America speaks, it is not merely the dictates of the military leaders, or any particular military clique, it is the determination and the unanimous voice of the people which is heard.

I believe that we can assure our defense strength and development to keep in stride with the rest of the world in a democratic and voluntary way. Without question the full utilization of our service schools—the naval and military academies—the ROTC in the land-grant colleges and universities, and the continuation and possible expansion of the National Guard will provide for sufficient officer candidate material for whatever military power we may need.

It is with the greatest reverence and the highest respect that we speak of Marshall, Eisenhower, Nimitz, Clark, Bradley, and Patton. There are no greater military leaders in history. Their leadership, their abilities, and their authority in military science will go down in American history as an unforgettable record for the world to see. Their military qualifications are unchallenged, and no one is better qualified to speak on military problems. But compulsory military training is not a matter of military science. It is a problem of the greatest concern to our citizenship and our Government. And to illustrate this fact, may I present the viewpoint of the editor of This Week magazine, which is distributed widely throughout the United States, who was one of the 15 newspapers sending editors to Europe at the invitation of General Eisenhower to witness at first-hand the Axis defeat and the Nazi war machine, a product of compulsory military training. The editor stated:

I brought back with me an unbounded confidence in the American GI's. They're a rangy, resourceful, competent lot. \* \* \* These men were American soldiers with overflowing energy, ingenuity, and downright intelligence in every job they tackle. To the Nazi officers with their heel-clicking, spit-and-polish ways, it must have been a baffling thing to watch this oddly informal American Army beat the living daylight out of them. But that has to happen when human robots meet men who have been trained in their homes and schools and jobs to think and feel for themselves.

I also wish to cite these two brilliant excerpts from a recent article by Lt. Col. Roscoe S. Conkling which clarify the viewpoint of the soldier on the question of peacetime military training. Lieutenant Colonel Conkling said:

They know that at the conclusion of hostilities the millions of actual fighting men won't want to listen to agitation for more soldiering. Their first thought will be to forget their harrowing experiences and be freemen again, not uniformed robots to be told where and when and what, 24 hours a day. That unquestionably will be the atti-

tude of those who come back to us whole in body and sound in mind.

The colonel added:

American fights, how well our enemies twice within a quarter of a century and to their sorrow have learned, when it has to, or is dragged into war. But it is not a warrior nation and certainly, in its normal life, frowns dourly upon grandiose militaristic activity. Yet its doctrines and traditions have proved the most successful of all the nations of history.

In looking back over our shoulder at the historical advancements and progress of our Nation, I am reminded of the old familiar quotation, "No one can tether time nor tide," but I am sure that the greatness of this Nation stands sharply before us as we compare its richness and tolerance for civil liberties, and the ability of our people to learn and recognize progressive government in the light of significant experiences.

I think that most of us remember how aggrieved returning soldiers from World War I felt when they came home to find that so important a piece of legislation as the prohibition amendment had been passed in their absence. They felt that they who were away fighting for their country should have been granted the right to express opinion on that legislation. In this matter, today, we are again attempting to pass a similarly important piece of legislation without waiting for those who are fighting abroad to return and tell us what they think of it. They also are citizens, not merely soldiers.

I also wish to stress that in peacetime, a State must not unduly interfere in the ways of life of its citizens. A year of time is a priceless thing to youth or any age. The boy of 18, coming out of high school, has a right to get started in his training as a plumber, a brickmason, a carpenter, a toolmaker, a minister, a lawyer, a doctor, or whatever trade or profession he wishes to follow. For less than real danger to the state, we have no right to take a year out of youth's life and substitute nothing except training as a soldier.

Let us have the best physical-fitness training program any nation every had. Let it begin in the pre-nursery schools if feasible. Let it be carried out in all schools and colleges directly under the influence of church, school, and family. Let us have the largest armed forces possible, but let us have them under an American, not a European banner. Let us continue not to interfere needlessly and for trivial reasons in the lives of our citizens. Let us have military preparedness, but do not let us have compulsory military training in peacetime. It is contrary to all of our best political and moral traditions. It is distinctly not a part of our American way of doing things.

I would like to conclude with this thought from a prayer recently presented by a Navy chaplain before the House: "In tune with the will of a great people and with hearts on fire with a love for freedom, justice, and truth, let us with courage, patience, and hope labor tirelessly for the better world our hands can build."

#### THE IMPORTANCE OF FISHERIES TO THE FOOD SUPPLY OF THE COUNTRY

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. BATES] is recognized for 15 minutes.

Mr. BATES of Massachusetts. Mr. Speaker, during this most critical war period, much is being said and written in respect to the shortage of food facing the people of this country and the entire world. To that end, Congress has given a great deal of attention to the acceleration of our meat supply and agricultural products. Relatively little is being said, or done, in Government circles, in respect to one of the most important branches of our food-supply system—namely, those sources from which our food in the form of fishery products comes in such abundance.

The contribution that the fisheries of this country are making to our food-supply needs is but little understood by the public at large, and if we take into consideration how little recognition the Government gives to the importance of this industry, we sometimes wonder how it has grown to its present stature in providing food in—I again repeat—such great abundance for the people of this country.

From the very days that the early settlers landed on the shores of this country, the fishery industry has played an important part in our economic well-being. In other countries, the fishery industry is recognized for its preeminence in the field of food supply by the establishment of responsible agencies of the government with appropriations sufficiently large enough to carry out what they consider to be one of the outstanding and most important governmental activities. However, in this country, the fisheries have received no such important recognition. It is considered to be but a small division within a number of other activities of the Department of the Interior. The production of fish in this country, in recent years, has reached such stupendous proportions in the value of fish landings that it should no longer be considered as an industry of but small importance to the welfare of this Nation.

Fish is a food of the highest nutritional value. According to Government reports, a pound of fish protein has more growth value than has a pound of beef protein.

In the determination of the problems confronting the food requirements of this Nation, fish should be considered in the same category as agricultural products. It has long been my opinion that the fisheries should come under the jurisdiction of the Department of Agriculture and it should receive from the hands of our Government officials the same care and attention as the Department of Agriculture gives to every other part of the food supply system of the country. The production of fish and the important part it is playing in our food supply can be better understood when I state that it is estimated that nearly 5,000,000,000 pounds of fish will be produced in this country during the current year. The estimated production of meats, in-



cluding beef, veal, lamb and pork, will be about 22,000,000,000 pounds this year.

In the 5 years prior to the war the catch of fishery products in the United States and Alaska averaged 4,400,000,000 pounds annually. In 1941 in response to the needs for increased supplies of fish the catch was increased to 5,100,000,000 pounds. Upon our entry into the war about 700 of the larger modern vessels were requisitioned by the Army and Navy for military service. These included many of the industry's fastest, most productive boats. The loss temporarily placed severe handicaps on the salmon, tuna, pilchard, menhaden, and New England vessel fisheries, which yield the bulk of the industry's production. Only within the past year have enough boats been returned, or been replaced by new construction, to restore the fleet to approximately its prewar catching capacity.

In 1942, because of the difficult conditions of wartime operation, the catch declined to 3,900,000,000 pounds. In 1943 the industry was able to increase its production to 4,200,000,000, and last year it did still better with 4,500,000,000 pounds. Total production in 1945 should be about normal, although this does not mean "normal" production of all classes of fishery products.

Available data indicate that in 1944 the following disposition was made of the domestic catch of fishery products:

	Pounds
Used fresh and frozen.....	1,589,000,000
Used for canning.....	1,225,000,000
Used for curing.....	110,000,000
Used in the production of fishery byproducts.....	1,580,000,000
Total .....	4,504,000,000

Over a third of the industry's catch was marketed fresh and frozen, a fourth was canned, 2 percent was used for curing and slightly over a third was used in the production of fishery byproducts, principally oil and meal.

Fish meal is one of the principal protein feeds for hogs and poultry; liver oils, as is well known, play an important role in the nutrition of human beings and livestock; other fish oils are also used in animal feeding and serve a long list of useful purposes in industry and art where they are used in paint, soap, and oilcloth manufacture, as core oil in making castings, in the production of oleomargarine, and so forth. Miscellaneous byproducts include crushed shells for poultry feeding and road construction, pearl essence, buttons, and various ornamental objects.

Looking beyond 1945, and even further to the postwar period, important and significant developments are expected in the fisheries. American per capita consumption of fish in prewar days averaged only about 13.3 pounds, but varied widely from about 30 pounds in coastal cities to negligible quantities in many sections of the interior. Technical progress will change this. Quick freezing will revolutionize the marketing of fish as it has already done for fruits and vegetables. Air transportation will carry ocean fish and shellfish to interior communities within a few hours' time. The fisheries up to the present time have

made only a dent in the potential American market. These markets will open wide to the products of the fisheries, if more encouragement and attention is given to these industries by the authorities of our Government.

GLOUCESTER PRINCIPAL FRESH-FISH PORT IN NORTH AMERICA

My interest in the fisheries, aside from my general interest in the food supply needs of the country, stems from the fact that the major portion of our supply of fresh fish is taken off the New England States. The city of Gloucester, which lies within my district, is the principal fishing port at which fish destined to be marketed fresh and frozen are landed in North America. In 1944 landings at Gloucester totaled 188,661,000 pounds; during the first 6 months of 1945 landings at Gloucester totaled 105,086,000 pounds as compared with 81,418,000 pounds during the first 6 months of 1944. It is thus apparent that the record landings of last year will be exceeded by a wide margin during the current year. Prior to 1942 Boston was the principal fishing port in the New England States based on volume of landings. During the past 2 years, Gloucester has taken the lead, and its apparent that the 1945 Gloucester landings will be far in excess of those delivered to Boston. During the first 6 months of the current year 93,124,000 pounds of fishery products were landed at Boston as compared with 76,284,000 pounds during the same period last year.

From the date of its first settlement in 1623 Gloucester has been a fishing port. The first fishing pier built in America was built in Gloucester. The explorer Champlain sailed into Gloucester Harbor in 1606, stayed there several weeks, and upon his return to France reported that the seas about Gloucester were filled plentifully with fish. It is fitting that today the "sacred cod" still occupies a place of honor in the State legislature, for Massachusetts still claims fishing as one of its chief industries, and Gloucester, for several centuries, has been one of the chief centers of that industry.

Visitors to Gloucester are greatly impressed as they enter that old fishing community to observe the splendid fisherman's monument immortalizing the spirit of sacrifice, "They that go down to the sea in ships." This monument was dedicated in honor of those who have lost their lives at sea. Hundreds of times vessels have left this port to be lost in storm and shipwrecked never to return. Each year services are held at this monument and flowers are strewn upon the nearby waters of the north Atlantic in sacred memory of those who have given their lives in the preceding months.

Fishermen follow the life of the most hazardous occupation, and seldom a year goes by that some of the men in this adventurous work do not give their lives in quest of food for the American people. The noteworthy film, "Captain Courageous," was developed around the theme of the Gloucester fishermen and the hazardous employment that they follow through the years. It was a splendid tribute to the courage and adventure of these stalwart men.

At this point I wish to make a part of the RECORD the following table giving a summary of landings by fishing vessels at Gloucester from 1931 to 1944, inclusive:

	Fresh	Salted
	Pounds	Pounds
1931.....	21,263,000,000	3,587,000,000
1932.....	23,444,000,000	1,884,000,000
1933.....	18,309,000,000	3,428,000,000
1934.....	37,298,000,000	2,832,000,000
1935.....	46,932,000,000	4,333,000,000
1936.....	57,063,000,000	2,074,000,000
1937.....	44,700,000,000	1,539,000,000
1938.....	60,698,000,000	2,311,000,000
1939.....	75,661,000,000	3,522,000,000
1940.....	96,161,000,000	3,048,000,000
1941.....	148,445,000,000	2,906,000,000
1942.....	157,741,000,000	-----
1943.....	170,099,000,000	-----
1944.....	188,661,000,000	-----

I submit also for the RECORD, a chart showing the quantity and value of catch of the United States and Alaskan fisheries for the years 1940 through 1944.

Fisheries of the United States and Alaska, quantity and value of catch

Year	Pounds	Value
1940.....	4,059,524,000	\$98,957,000
1941.....	5,080,340,869	134,172,054
1942.....	3,876,523,539	170,338,431
1943.....	4,202,281,261	204,029,461
1944.....	4,504,521,662	207,291,574

The remarkable production record of fish landings in Gloucester and the growth of that industry down through the preceding years reveal the splendid contribution being made by the fishermen in my district to the critical food needs of the country. It is my fervent hope that Congress will recognize, at an early date, the relation of the fisheries to our food supply needs, and in legislation to be considered in the future will place them in the same category and to be given the same treatment as agricultural products. Fisheries and their importance to this country have been long overlooked, and it is high time that the Government give them the special consideration that they deserve.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANGELL. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the legislative business and any other special orders, I be allowed to address the House for 20 minutes.

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

There was no objection.

FREE EMPLOYMENT IN AMERICA

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. OUTLAND] is recognized for 1 hour.

Mr. OUTLAND. Mr. Speaker, I have asked for this time this afternoon in order that I might make a statement on what is undoubtedly the single most important postwar problem on the American home front, the problem of full employment. Already we are beginning to see many signs that the spectre of unemployment is again beginning to haunt our people, the lines outside of Government employment offices are getting longer and



longer, the cut-backs in war production are getting bigger and bigger, industrial unrest is increasing daily. War Manpower Commissioner McNutt announced last week that 2,000,000 workers will be without jobs early in August. The American people are asking—and rightly so—what we, their elected Representatives, are going to do about the situation. We in this Congress do have a solemn responsibility to see that in the days ahead there is an absolute minimum of unemployment in the United States. If we do not take all possible steps toward this end, we are being derelict in one of our gravest responsibilities.

By full employment I mean a state of affairs in which there is not involuntary unemployment except for a normal amount which one writer has termed "frictional unemployment." I mean that condition where every American wishing to work and capable of working will find the opportunity to do so. Negatively speaking, I mean a condition where bread-lines and flop houses will not be necessary to give food and bed to those of our citizens who sincerely and honestly seek to earn their own living and the living of their families through their own efforts.

To me, employment is the very essence of our whole democratic system of life. Unemployment, on the other hand, is the biggest possible step toward some of the many isms which we constantly hear being denounced on the floor of this House.

Democracy is not simply a political creed; it is a way of life, a way of life that encompasses all that we do and are and think. It is social, educational, and economic as well as political. Democracy means respect for the rights of the individual; it says that each person, regardless of his sex, his color, his religion, or his national background has certain inalienable rights which cannot be taken away from him by any human power. Moreover, it contemplates that there should be equality of opportunity to develop those abilities, talents, and capacities with which he has been endowed by an Almighty Creator. This does not mean any gross equality; it does not mean \$70 every Saturday for everybody; it does not mean a tearing down of our economic structure, and an arbitrary division of income and wealth; it does not mean a college education for all. It means exactly what I said, namely, equality of opportunity, without any barriers. Such barriers may be racial; they may be economic, such as cartels or monopolies; or they may take other form. All such barriers which stand in the way of the individual realizing his abilities are undemocratic, and it is the responsibility of the people's representatives in a democratic state to see that these barriers are minimized or eliminated altogether.

Democracy has one further implication, I think, that of peaceful, orderly change. In our system of life we do not rely upon revolution to achieve our objectives. We believe they can be achieved through legal, orderly processes, through political action, through collective bargaining, through constitutional amendment. Ours is not the path

of violence; ours is the path of a civilized people, who contend that changes in our system are frequently necessary, but that such changes need not entail the sufferings and injustices of violence.

American history has been filled with the struggles of our people to attain a more decent standard of living for all. Originally we were an agrarian people—Jefferson thought we would probably continue in this state of development for several hundred years. But the influx of millions upon millions of immigrants from all over the world, the concentration of population in great cities, the conquering of the frontier, and especially the tremendous technological advances that came with mechanical inventions have made us now primarily an industrial nation. As we went through this industrialization process we found more and greater economic problems on our hands than Jefferson would ever have dreamed of. Problems of concentration not only of population but of wealth; problems of rapid depletion of our seemingly inexhaustible resources, and, inevitably, problems of great disparity of income. Worst of all, as we continued to go through the various phases of the economic cycle, we found recurring problems of unemployment, each time more severe than the last. 1873, 1893, 1907, and 1921 were all bad enough, but starting with the bank crash in 1929 we had mass unemployment such as this country has never known. I recall as one of the most vivid pictures of a few years ago the hundreds of thousands of men, women, and boys riding the freight trains over America—looking for work.

I know it was said then and it will be said again: "Some folks won't work." There is always in any society a minute segment of the population who, because of physical, mental, or emotional maladjustment, will be unable to work or will refuse to look for work. But, Mr. Speaker, I assure you from personal experience this number is so exceedingly small that it need not be considered in an over-all evaluation of the problem. Most Americans, the great majority of them, ask only the chance, only the opportunity, to stand on their own two feet and take care of themselves and their families in the traditional American way. But they do ask that chance.

I said a minute ago that the history of America has been filled with the struggle of our people toward a greater degree of economic democracy. Look at some of the aspects of it. Jackson's struggle against the Bank, the Homestead Act, free silver, the Sherman antitrust law, Woodrow Wilson's many reforms. Then came World War I, and the demand of a war-weary people to get back to what a Presidential candidate ungrammatically referred to as "normalcy." During this so-called normalcy of the 1920's economic democracy in this country suffered a serious setback as monopoly ran wild, speculation gripped our people, and we went blithely through what was falsely called prosperity. Then came our biggest depression, and for years we saw as much as one-fifth of our population walking the streets looking for work. Yes, looking for work in the richest Nation in the world. This is the spectacle

that we in this Congress must not permit to happen again.

Unemployment was decreasing during the later 1930's, but it did not cease to become a national problem until the war production program took every available American and put him into a job. The reality that we must constantly bear in front of us now is, What is going to happen when we no longer need to produce the implements of war? That, Mr. Speaker, is not an academic question nor is it a remote one; it is immediate and real, and a great part of the answer to it must fall directly on the heads of those of us in this House of Representatives.

I like to think that this Congress will take its stand squarely on the new bill of rights, originally stated by our late great President Roosevelt and later restated by the National Resources Planning Board; to me this bill of rights is the keystone to a genuine democracy. Permit me to quote them, and note how they tie in closely to this whole problem of full employment:

First. The right to work, usefully and creatively through the productive years;

Second. The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift, and other socially valuable service;

Third. The right to adequate food, clothing, shelter, and medical care;

Fourth. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment, and accident;

Fifth. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority, and unregulated monopolies;

Sixth. The right to come and go, to speak or be silent, free from the spyings of secret political police;

Seventh. The right to equality before the law, with equal access to justice in fact;

Eighth. The right to education, for work, for citizenship, and for personal growth and happiness; and

Ninth. The right to rest, recreation, and adventure, and the opportunity to enjoy life and take part in an advancing civilization.

This bill of rights, I repeat, is one of the most adequate statements of democratic idealism that I have ever heard. How much of it depends on that one little word "jobs."

#### PHASES OF THE POSTWAR ECONOMY RELATED TO FULL EMPLOYMENT

The word "jobs" may be little, but the implications are stupendous. How many, many things enter this picture of full employment as we go from a two-front war to a one-front war and then to a peacetime economy. It would take much more time than I have on this floor this afternoon to discuss all the implications; let me mention only a few of the factors that must be taken into consideration. The proper disposal of Government surplus goods, materials, and plants is a vital point. Are we merely going to turn them over to the highest bidder, or is our policy going to be one that will help to encourage small business, prevent



monopoly, and in the long run encourage an expanding economy which automatically will mean more job opportunities? I realize that we in this Congress have already passed an act stating policy and procedure on this point, but we must not stop there; we must be constantly vigilant to see that the administrative agencies dealing with fifty billion and more dollars worth of Government supplies and equipment carry out the mandate of Congress. This will be one concrete step in helping to prevent unemployment.

Our whole program of veterans legislation falls in the same category. Our plans for reabsorbing more than 10,000,000 servicemen and women into our economic structure will vitally affect employment. Veterans and nonveterans alike will have their biggest economic stake in seeing that our system as a whole is healthy; all legislation for bonuses and for education and for other specific purposes for veterans themselves will not help the veterans in the long run if the national economic machinery breaks down.

Our structure of taxation is tremendously important. The call is going to become louder and louder for us in this House to reduce taxes. Naturally we all want to reduce taxes. But how we reduce them is going to be one of the big determinants in over-all employment. Our tax policy must certainly encourage business initiative, but it must not encourage monopolistic practices. It must take as much of a burden as possible off the shoulders of our business concerns, but that must not be done at the expense of merely adding to the tax burden of our low-income individuals and groups. I trust that when we are called upon to vote on various tax measures during the coming year we will continually bear in mind the possible relationship between that particular tax bill and the whole problem of employment in the United States.

The ending of wartime controls has an extremely important bearing on employment. Last time the big inflation did not come until after the signing of the armistice. In the rush to get back to normalcy, we removed nearly all of our wartime controls, and the aftermath was economic chaos, culminating in the sharp depression of 1921. This time I hope we in Congress have the courage not to yield to the various pressure groups, which, thinking only of themselves and not of the economic future of America as a whole, will demand that all wartime controls be removed as soon as the war with Japan is over. If that does take place, we can look forward to temporary boom, then crash, then depression, and, of course, greatly increased unemployment. In other words, our success in holding employment at a high national level will depend to a large extent on the way in which we maintain our entire economic stability, and the gradual, sensible easing of wartime controls is one of the most important factors in this connection.

I should say also that it is important that we realize the implications of the concept "economy of scarcity." If we go back to traditional economy and think only in terms of restricting production in order to lessen supply and thus raise

prices, we can never in this world have full production or anything nearly like it. We must channel our thinking into full realization that, broadly speaking, there is no such thing as overproduction. There may be temporary overproduction of certain goods in certain fields; but our over-all demands are limitless; human beings are not restricted as to needs and wants. If we accept that premise, then we go naturally to the next step of an expanding, ever-increasing productive system, and in that way we are making probably the biggest move of all toward an America where unemployment is at a minimum. There may be temporary overproduction of certain things in certain fields but our over-all demands are limitless.

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

Mr. OUTLAND. I yield to my good friend from Wisconsin.

Mr. BIEMILLER. I want to congratulate the gentleman on the very fine work that he has obviously done on this question and the foresight he has shown in bringing the question on the floor of the Congress. I agree that it is one of the most important problems that the Congress will have to face in the next 4 or 5 months.

I want to call to the attention of the House at this point that one of the important considerations that enters into the field of full production and full employment is the very fine teamwork that has been established during the war between Government, labor, and management. That teamwork has enabled us to turn out the great flood of war matériel as well as the high level of civilian goods that has been maintained during the war.

That teamwork must be continued. It will have a tremendous influence in providing full employment. We should all be interested in continuing that teamwork. The leaders of labor and management alike have very many fine and constructive suggestions to offer. They have done that during the war and can do the same in peacetime. Continued teamwork, in my humble opinion, is the key to full production and full employment. I hope that later on the gentleman will enlighten us further along this line.

Mr. OUTLAND. I am very glad the distinguished gentleman raised that point, because, using the words of my distinguished colleague from California [Mr. VOORHIS] the gentleman was anticipating me.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. OUTLAND. I shall be pleased to yield to my friend whose words I have just quoted.

Mr. VOORHIS of California. I express the earnest hope that I will not be anticipating the gentleman, but I wish to ask whether in connection with his remarks just made about there never having been any total over-all overproduction, whether he does not believe that the experience during the war is demonstration of that fact? There, merely because there was an adequacy or closer adequacy of buying power in the Nation than had ever existed before, you got into a situation where, although

there was a greater supply of commodities left over for the civilian economy even after war supplies were met than there had ever been before, we have been experiencing what we call scarcity due to the fact that millions of people in this country had jobs who did not have them before, and therefore had opportunity to purchase some of the many essentials of life. I take it the purport of the gentleman's remarks is that the supplying of jobs in peacetime is our most important duty to the people of America.

Mr. OUTLAND. Exactly so. I may say to the gentleman from California whom I know is very much interested in the whole problem of taxation and income that when we start talking about our national debt the implications of that debt are going to be more serious or less serious in proportion to what our national income is going to be.

Mr. VOORHIS of California. A computation that is relatively simple on that very point is briefly this: If it were possible to maintain production at its present level and if we should desire, which we will not, to maintain tax rates at their present level, we would then be able to have \$20,000,000,000 per year for our Government budget and enough left over to pay off the entire \$300,000,000,000 national debt in a period of 20 years. That is only a theoretical point because we will not levy tax rates that high, but it shows what can be done, given a full production economy.

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

Mr. OUTLAND. I shall be delighted to yield to the gentleman from Oregon [Mr. ANGELL] who I am glad to say is a member of our steering committee on this bill.

Mr. ANGELL. I am intensely interested in the problem the gentleman is discussing. May I not ask if it is a problem doubly significant to us who represent districts on the Pacific coast because we have thousands, yes, I may say hundreds of thousands, of men and women who have come out there during the war years, many of whom will stay there and when we attempt to pass from a war economy to a peace economy, we will have a heavy problem, more so than many other districts, in keeping with that great influx of population that has been employed and for that reason these problems which the gentleman is discussing are doubly important to us on the Pacific coast.

Mr. OUTLAND. I agree with the gentleman thoroughly, and I should like to make this one qualifying statement. While we out there are going to face the problem perhaps more quickly and more intensely, we cannot separate the problem of unemployment in any 1 State from the other 47. Unemployment is not going to be limited by State lines. It is true, as the gentleman stated, that in certain sections of the country, especially where there has been a concentration of war industry, those problems are going to become more acute and they are going to become acute more quickly.

Mr. ANGELL. A hundred thousand or more have come into my congressional district, many of whom have stated that they intend to remain there after the war



is over and many of the war industries ended. It will be a difficult problem to keep those people employed.

Mr. OUTLAND. The gentleman will agree with me that you can hardly blame people for staying on the Pacific Coast after they have been there awhile.

Mr. ANGELL. That goes without saying.

Mr. SAVAGE. Mr. Speaker, will the gentleman yield further?

Mr. OUTLAND. I yield to the gentleman from Washington, who is also a hard-working member of our steering committee.

Mr. SAVAGE. In addition to the remarks of the gentleman from California [Mr. VOORHIS], and the gentleman from Oregon [Mr. ANGELL], we have another thing in this connection. The security of the Nation practically depends on full employment because when the earning power of the Nation was cut down to one-fifth approximately in the depression to what it is now the health of our people suffered to such an extent that we have had the great amount of rejections of boys who were drafted into the service or were subject to draft. I think the gentleman is bringing out a fine point; he is bringing something to the attention of the House that is very important. It seems to me our security from the health angle alone would be worth all it will cost to maintain full employment.

Mr. OUTLAND. I thank the gentleman. Later on in my remarks I should like to direct myself for a few moments to the subject of health in connection with this whole employment program.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. OUTLAND. I am glad to yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Has the gentleman brought out the problem of the disabled?

Mr. OUTLAND. I may say to the gentlewoman that I have not taken that up, but I intend to take up that problem of unemployment for veterans, and I shall be glad to have her comment.

Mrs. ROGERS of Massachusetts. It seems to me there must be a special program for them and special provisions. I have been working this afternoon on having special automobiles built for double-amputees, for men who cannot go without transportation, and additional gas rationing. That all fits into the gentleman's program.

Mr. OUTLAND. It certainly does. I may say, and I hope the gentlewoman will agree with me, and I know she is so very much interested in the whole problem of the veterans—

Mrs. ROGERS of Massachusetts. And so is the gentleman.

Mr. OUTLAND. I thank the gentlewoman. In the long run, the best interests of the veterans, disabled and otherwise, so far as employment is concerned, depends on having a healthful economic system for America as a whole. We cannot take care of the problem that affects the veterans alone unless all of this country of ours has a minimum of unemployment.

Mrs. ROGERS of Massachusetts. And economic health.

Mr. OUTLAND. Yes; that is exactly what I mean.

Mr. CANFIELD. Will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from New Jersey.

Mr. CANFIELD. That is further emphasized by the fact that in New York City today the metropolitan newspapers are running free ads for returning veterans who are without jobs.

Mr. OUTLAND. Yes; and that is true, I am sure, in other parts of the United States.

Mr. SAVAGE. The gentleman stated that we must have an over-all employment program. I would like to comment on that statement. I recently returned from Europe on a transport ship with several thousand servicemen who have been in the German war camps. Of course, my interest was to find out what they desired in the way of a postwar program. They said they did not want to be set off by themselves particularly in any program for employment, a program just for veterans; they wanted to be a part of an entire better nation; they would like to see a full program of employment for all the people; then they know they will have a job and opportunity. They said this, that if they as veterans were given full employment or given jobs, that outside of the realm of the veterans there would be no opportunity for employment. So they hope that this one thing that the Congress will take care of. They told me that they did not have the whole answer, but that was up to the Congress to decide, and that they wanted to see full employment.

Mr. OUTLAND. I am sure the gentleman will agree with me that it is up to the Congress to help provide full employment.

#### OUR ASSETS AND OUR LIABILITIES

It is well to look frankly at the tools with which we have to work if we are to achieve a full-employment goal; it is equally wise to look at some of the obstacles that stand in the way. Again I regret that my time does not permit the elaboration of these assets and these liabilities; again I can do little more than enumerate them, realizing that those of you here today cannot only develop them in greater detail, but will also add many items to each list. Let us look at the darker side of the picture first; just what are some of our economic liabilities at the present time?

Several points come immediately to mind. Our national debt is tremendous, and growing daily. Never in the history of the world has a nation assumed a debt such as is now burdening this country. The reasons for it we do not need to analyze at this time; in the most part they consist of those factors which kept us from so planning on an international scale as to make aggression and, consequently, war impossible. It is all very easy to say that we owe this money to ourselves, but the point is we owe it. Only by a complete change in our economic system can we avoid paying it back to ourselves. This means a heavy tax program for generations to come, and a tax program which consists in large

part of paying interest means fewer jobs.

At a national-income level of more than \$165,000,000,000, interest service on a debt of \$300,000,000,000 will impose no heavy burden. But, if by our failure to plan and to provide for full production and employment, we permit our national income to drop to \$100,000,000,000, service on such a debt would be difficult.

If we are to keep faith with the purchasers of war bonds, with all holders of securities, and solve our postwar problems without recourse to inflation or repudiation, we must insure a national income at least in the neighborhood of \$165,000,000,000 or higher if, due to technological advances, a higher figure is necessary to insure jobs for all, consuming power for all.

We have the liability of a world-devastated economy due to the war. The productive capacity of most European nations has been sharply reduced. For years to come, the attaining of full employment in other parts of the world will be hampered by this devastation, and we in this country will be certain to feel some of the effects. The need for the greatest possible cooperation with our allies in the rebuilding of their own economies is paramount; in doing so we also help to promote our own interests here at home. I am gratified that this House has already passed the Reciprocal Trade Treaties Act and the Bretton Woods bill, since I am firmly convinced that both of these measures are directly related to our own full-employment situation.

One of our liabilities might be said to be our extremely complex economic system itself; the strings are so intertwined that it is very difficult for many people fully to grasp all of the intricacies. The relationship between the Bank of England and the corn crop in Iowa may not be readily apparent, but it is there just the same. The Aluminum Trust may seem something very remote to the average housewife but it has a direct bearing on her pocketbook. I think we may really cite as a liability the complexity which so frequently causes people to throw up their hands and say, in effect, "We have always had depressions, we always will have them"; by this they generally mean that the causes of depression seem to them personally so difficult to ascertain that they do not wish to bother to do so and thus take the easiest escape.

Finally, I should say that there stand in the way of the realization of full employment in America many traditions, psychological factors, shall we say. For example, racial prejudice. Full employment does not discriminate between black and white—it means all Americans regardless of race. Yet, our traditional racial prejudices may seriously impair this phase of a full-employment program. I list this simply as one example. Think of some of the others that might be mentioned—extreme partisanship, selfishness, sectionalism. Also, I would list here that trait which we sometimes term "perfectionism," meaning that attitude which says in effect "Oh, we do not want that because it does not accomplish everything," which very frequently really



signified "Oh, we don't want that because you do not do it my way, or because I did not think of it first."

But let us turn for a moment to the brighter side of the picture. Liabilities we do have, and one of our tasks is to reduce them to a minimum. But fortunately, we in this country have assets, tremendous assets which give us a wonderful start in any full-employment drive. First of all, we have been blessed with the most magnificent natural resources of any nation in the world. Soil and mineral wealth and forests and water power we have had in great abundance. True, we have let much of our soil be washed away or blown away or one-cropped away. True also, we have let our forests be squandered, our minerals wasted, and we have as yet hardly begun to realize the potentialities of our power. In spite of all these facts we do have the greatest natural resources of any nation in the world, and are more self-sustaining than any other because of this fact. This is only emphasized when we suddenly realize that in a few critical materials such as tin and rubber we are not self-sufficient. No country can really achieve a high plane of living without a minimum of natural resources; we have far more than that minimum, we have them in such abundance that a higher plane of living than any nation in the world has ever attained is within our grasp, if we only have the intelligence, the far-sightedness and the wisdom to plan.

Not only do we have the resources, but we also have the technological skill, the managerial "know how" and the over-all educational system to take advantage of these resources. The inventive genius of America is never so recognized as when it turns its efforts into industrial channels. More than any nation has ever been before we are in a position to utilize the land, the minerals, the power, and all the other parts of our natural heritage. The same resources we now have, more in fact, were here for hundreds of years before the United States became a Nation; increasingly as we have expanded our physical borders so have we expanded our knowledge of how to use that which is within our borders. In this regard we do not differ from other great industrial countries; the combination of resources and technological skill, however, is found in this country alone among all the nations of the world today.

I should cite as a third specific asset in our drive toward the achievement of full employment the increasing cooperation to be found among labor, management, and Government. Even with resources and skill we could fall far short of our goal without such cooperation. Fortunately, the war has taught us many lessons as to the values of this type of cooperation, and I hope I am not being unduly optimistic when I predict that there will be a great amount of carry-over after the last shot has been fired. True we have signs now of increasing labor strife, but this, I think, is but a natural reaction to war cut-backs and to the temporary phase of labor development which might be termed jurisdictional disputes. I am confident that, if

for no other reason than mutual self-preservation, labor and capital will cooperate in the postwar period more than ever has been the case before, and that the third party, Government, will cooperate increasingly with both of them. Here is the third big asset in our drive for full employment, but it is an asset which must be fully developed if that goal is to even be approximated:

A further asset, although one which has frequently been overemphasized, has been the fact that the war has seen a huge backlog of consumer demands accumulate, backed by the highest amount of savings in our history. I say this is an asset, but I realize that demand in itself means nothing; that we have always had and always will. Demand backed by adequate purchasing power is a real asset, and how much of one it turns out to be depends upon how much of this purchasing power is actually available, and in what segments of the population it is concentrated. As a matter of fact there is good reason to think that there has been great exaggeration of the amount of war savings that is actually in the hands of those people who can and will want to spend it when war controls are removed. Mr. Philip Murray, using figures of Mr. Alvin Hanson, analyzed the figure \$165,000,000,000 which is sometimes given as the amount of Government bonds outstanding, and showed that only about \$16,000,000,000 was really in the hands of those who would spend it for consumer goods in the immediate postwar period. This figure should be cause for reflection to those who have been so glibly assuming that "savings and accumulated demand" will solve all of our postwar economic ills.

Finally, I should say that one of the biggest assets that the American people has at the present time is a national administration in Washington which is sympathetic to and will really work for a program of full employment. Please make no mistake about my point here; full employment is not a partisan goal and it must not be approached in a partisan manner. It is a goal which completely obliterates party lines, and the approach here in this Congress should not make the mistake of becoming a Democratic or a Republican issue as such. But it cannot be denied that the first big impetus to the concept of full employment was given by the late President Roosevelt, and that President Truman is now carrying through along the same line. The letter of Judge Vinson, Director of the Office of War Mobilization and Reconversion, to Senator WAGNER, eloquently states the position of our national administration on this point. Because I believe it to be so important, I am inserting here as part of my remarks that letter, which was written on May 30 of this year:

MAY 30, 1945.

HON. ROBERT F. WAGNER,  
United States Senate,  
Washington, D. C.

DEAR BOB: This is in response to your letter of April 9 concerning S. 380, a bill to establish a national policy and program for assuring continuing full employment in a free competitive economy through the concerted efforts of industry, agriculture, labor, State,

and local governments, and the Federal Government.

Next to a speedy and complete victory over Japan, a steady, well-paid job after the war is first in the minds and hearts of most Americans. The war has demonstrated that our economic system can provide jobs when demand for its product exists. It has done more. It has opened the eyes of all of us to the vast productivity of which American labor and the American genius for organization and management—working as a team—are capable.

But these jobs—this productivity—has been achieved in wartime through the creation of an unlimited market by the Government. To reach and maintain high levels of employment and a steadily rising standard of living in peacetime will call for a program suited to peacetime conditions and needs. In this program, business, agriculture, labor, and local, State, and Federal Governments must all play their parts.

We know we have an abundance of resources, plant, manpower, and managerial know-how to produce a standard of living far higher than anything we have ever known. Likewise, we know that we have unfilled needs in America so diverse and so great as to challenge the capacity of even the greatest producing nation on earth.

But needs are not demands, in the economic sense. People must have steady income and they must want to spend their income before needs become demands and people become customers.

Business management, large and small, has a great opportunity and a great challenge to help create these steady incomes, and to actuate demand by expanding their businesses, offering better goods and services at attractive prices. Labor and agriculture, through their efforts to increase production per man-hour, can contribute importantly to higher incomes and a higher standard of living.

But history shows us that business, labor, and agriculture cannot in themselves assure the maintenance of high levels of production and employment. The Government, acting on behalf of all the people, must assume this responsibility and take measures broad enough to meet the issues. Only by looking at the economy as a whole, and adopting national economic policies which will actively promote and encourage the expansion of business and the maintenance of markets and consumer spending, can we hope to achieve full employment. S. 380 recognizes this responsibility of Government and seeks to provide a definite vehicle for the Congress and the President to measure the size of the employment need of the country and to provide specific programs for meeting it.

It would be idle to pretend that it will be easy to reach and hold full employment levels. It would be folly, on the other hand, to pretend that it is impossible. The American people will not be content to go back to protracted large-scale unemployment. It is imperative that we find ways and means to provide jobs for those willing and able to work. Depressions are not acts of God, any more than wars are. They are the product of our man-made institutions and the way we organize our society. We can and must organize to prevent both.

We must be prepared to make changes. At the same time we must be jealous of any encroachment on our freedoms. National economic policies must not be allowed to develop into regimentation of business, or labor, or agriculture, nor of the people. Direction of private output by public authority in peacetime is repugnant to American ways of thought. Instead the maximum possible freedom must be afforded every producer to produce what he wishes, in the amounts for which he can best find a profitable market. Given an adequate market,



our producers will supply the goods and the employment. We can be sure of that.

We cannot, however, leave the creation of that market to chance. We must start now to find out what measures are needed to maintain markets and steady jobs. S. 380 does not profess to present a fully conceived program for the achievement of full employment. It is the necessary first step from which a full-dress program of economic policies to promote the well-being of our free competitive economy will stem.

As a former Member of Congress, I have certain general reactions to the bill. I regard it as desirable that such a bill should limit itself to providing the machinery to be followed to assist in arriving at national policy and full employment, rather than attempting to specify in advance policy measures to be used to meet future conditions. I believe it wise to leave to the President full discretion in the matter of preparing estimates of the national production and employment budget. And I regard the consideration of proposed measures by a congressional joint committee, which can analyze the inter-relationships between the various matters of special concern to the House and Senate committees represented, as an important step in the process of preparing national policy to maintain full employment.

I heartily endorse the purposes and principles of the bill.

Sincerely,

Director.

#### THE NEED FOR COMPREHENSIVE PLANNING

This very brief summary of some of our more important assets and liabilities adds up to one important conclusion: full employment is certainly possible, but we have to plan for it, it will not simply happen by saying that it is around the corner. Whenever we in Congress start making plans, immediately writers and broadcasters start to "view with alarm." Planning becomes a "road to serfdom" or the predecessor of fascism or the underlying enemy of the system of free enterprise, they tell us. They do not say why every successful business plans for its future, why every educational or medical or legal institution would not think of not planning, why any individual or any group cannot think of the future without automatically having plan as part of that thinking. But for the National Government to even think of the word—that is the road to serfdom, fascism, communism, and ruin.

During the war period, when we have broken all world records for industrial and farm production, the word "planning" has been frowned upon and ridiculed. In the beginning of the war, Congress committed what in my opinion was a great error, it abolished the National Resources Planning Board by cutting off its funds. Yet the Board left behind a great legacy which in years to come will be of inestimable value to the Nation—its proposals for regional development and so forth.

It is ironic that this scorn of planning became fashionable in the midst of more planning than we had ever had. This planning was the secret of our success in stepping up production; it was the secret of our military successes in north Africa, in Sicily, in Italy, in the South Pacific, in Europe, in the Philippines; and it will be the reason for our final total victory over Japan.

The late President Roosevelt courageously and properly brought the word "planning" back into our official vocabulary when in making his report on the Yalta Conference he said:

I know that the word "planning" is not looked upon with favor in some quarters. In domestic affairs, tragic mistakes have been made by reason of lack of planning; and on the other hand, many great improvements in living and many benefits to the human race, have been accomplished as a result of adequate, intelligent planning—reclamations of desert areas, developments of whole river valleys, provisions for adequate housing.

The same will be true in relations between nations. For a second time, this generation is face to face with the objective of preventing wars. To meet that objective, the nations of the world will either have a plan or they will not. The groundwork of a plan has now been furnished and has been submitted to humanity for discussion and decision.

#### DETERMINANTS IN A PROGRAM OF FULL EMPLOYMENT

Full employment, as I have pointed out earlier, has some wide ramifications; it cannot be achieved merely by passing a law about it. To achieve it, it will be necessary to take into consideration, in addition to the assets and liabilities which I have already mentioned, such important factors as the disposal of our surplus property, the world economic situation, the comprehensive development of our natural resources, and the expansion of our social security system. I would like to comment briefly on some of the implications for full employment of each of these factors.

#### SURPLUS PROPERTY

One of the greatest assets in the achievement of full industrial employment is the Government-owned manufacturing plant that has been built during the war. One-fifth of the Nation's industrial capacity, an investment of \$16,000,000,000 of public funds, some 1,400 individual factories are involved, not to mention the equipment and machinery.

As one indication of the vital part these plants will play in any program of postwar employment, the latest available employment figures show that 3,695,000 men and women were employed by these facilities. And here are a few figures to show how important the factories are in basic industries:

The Government today owns 98 percent of our synthetic rubber capacity, 90 percent of our magnesium, 90 percent of our aircraft plants, and 55 percent of aluminum capacity.

Obviously, therefore, the Government is in a position to break forever such monopolies as that long exercised by the Aluminum Corp. of America. Furthermore, such action is enjoined upon the Government by the Surplus Property Act. Wise policies adopted by the Surplus Property Board are needed to carry out the intent of Congress, and such policies will result in that new era of light metals which some of our scientists have predicted.

Now, this is not altogether a problem of small business versus large business. The magnesium plant in Louisi-

ana, the steel plant in California, the aluminum plants in the West are not small business operations and never can be. But if disposal policies are adopted to insure the use of these properties on a nonmonopolistic, freely competitive basis, the result will be jobs.

It is my understanding that the Surplus Property Board is proposing that local and regional groups should be encouraged to take over these plants. If the Board is not, it should be. But the announced thinking of the members is that sales to such groups will be encouraged over sales to the big companies already in the field. The extension of credit, even up to 90 percent of the selling price, would be preferred to a cash sale that would tend to concentrate ownership in a few hands.

Some of the gigantic plants built for war will be susceptible to use under a multiple tenancy program, which will find a whole community of small businesses grouped under one roof. But many huge factories—and this is particularly true of primary producers in the metals industries—cannot be split up in this way. The solution is to turn them over to the men who will make full use of their productive capacity. For that is the road to jobs.

A tremendous task of industrial engineering, industrial architecture, and industrial ingenuity is required. Many of the finest plants in the country were not built where the demands of peacetime economy would have placed them. In some cases they were put up some miles from the seacoast as a protection against possible raids, although normally they would have been within throwing distance of the water. In other cases, they were not fully integrated industrial units from the standpoint of a peacetime economy.

All these things must be taken into consideration. But it will be a national tragedy and a national disgrace if for the want of boldness, talent, and skill, Government-owned plants are allowed to remain idle while industry reverts to prewar levels of production or duplicates the Government-owned facilities without real reason. We are none too soon in starting active plans for the postwar operation of this national asset. Such a program takes time. Mr. A. E. Howse, Administrator of the Surplus Property Board, has summed up the problem:

Speed in disposal must be subordinated to care and judgment to guard against monopoly, to convert to useful production, to safeguard employment, and to protect a war reserve policy.

But that does not mean unnecessary delay. In disposal of surplus industrial facilities as in so many other phases of the crisis through which we are passing, the watchword should be: "It is later than you think."

#### WORLD-WIDE ECONOMIC STABILITY

Americans will not remain employed for long in a world of stagnating trade, economic barriers, closed markets, and international idleness. The only real result of crawling into a hole to hide from a world-wide storm is that the hole will fall in and smother us.



Nor can we survive by attempting to export unemployment. Any lasting and beneficial international trade must be carried on along a two-way street. About 1 out of every 10 jobs in industry and agriculture normally depends upon our foreign trade, and the 10 percent includes an even greater proportion of certain basic sources of jobs.

Everyone is in favor of exports. But there is less unanimity on the desirability of imports. Yet, the two are different sides of the same thing—foreign trade. There are just two ways to achieve a high level of exports. One is to give the stuff away. That is what the United States did, in effect, during the giddy twenties. The other way is to take something in exchange. That is what we propose to do after this war.

Three great steps have been taken in recent months to achieve the goal for which we are striving. The Bretton Woods agreements provide the basis for a sound medium of international exchange and credit in much the same way that the Federal Reserve System has done domestically. The Reciprocal Trade Act enables us to trade on an expanding scale with the countries which wish to do business with us on mutually profitable terms. The Economic and Social Council of the new world organization provides the machinery for general world-wide cooperation in improving economic standards.

All three of these steps are leading directly to more jobs for more Americans. The Bretton Woods agreements safeguard the currency stability without which American exports will shrivel and die. We have seen this happen. As foreign nations faced exchange difficulties, they adopted exchange depreciation, import quotas, clearing agreements, and other devices which were, in effect, impassable barriers to United States trade. Now, those devices can be eliminated. When a Frenchman wants to buy an American typewriter, his government will not say to him that he must get one in Germany because dollars are not available though marks are. When a Pole wants to buy an American truck, his government will not tell him he must get one in Germany because the Polish clearing agreement with Germany requires it.

Another feature of the Bretton Woods agreements will delight anyone who lost money in Peruvian bonds or Kreuger and Stoll. This is the safeguard which is set up around international loans. Borrowing countries will not be trapped into monopolistic agreements, as many were with the infamous Kreuger. Borrowing countries will not be high pressured into loans they do not want for wasteful or useless purposes, so that a few bankers can make a big profit marketing them to gullible investors. Lenders will have the guaranty of an international bank that the loan is sound, that its purpose is productive, and that the borrowing country is responsible.

The advantages of the reciprocal trade program are proved by experience. While the full benefits were interrupted by the war, we have seen enough of them to know that in every case our trade with those nations who have signed agree-

ments with us went up. In those areas of the world where all trade improved, it improved most with those nations who had signed the agreements. That trade meant jobs. The continuation of the Reciprocal Trade Act is, in the last analysis, a simple formula of job insurance.

The Economic and Social Council has all the world before it. Our hopes can hardly run too high if our fears do not cause us to betray them. The Charter which President Truman delivered with his own hands into the care of the Senate on Monday contains the first definite international recognition of the right to work. For the first time, full employment is the avowed and pledged goal of 50 sovereign nations. And for the first time 50 sovereign nations have agreed to work together to achieve it.

#### DEVELOPMENT OF OUR NATURAL RESOURCES AND FACILITIES

If we are to have full employment throughout the Nation, we must plan in advance for the maximum development of all our material resources and facilities. I hardly need point out that such development would make its own contribution to the maintenance of full employment.

This development, to be achieved by cooperation with private enterprise and with public agencies, should include urban redevelopment, housing, the modernization of transportation, the development of energy and power, and land conservation and utilization.

During the war, most of the State governments and many city governments have set objectives and made plans for local projects of this sort. These plans have been made, however, with relatively little consideration of their impact on other communities. If we are to satisfy and solve the human, institutional, and physical problems that will follow the war, now is the time for these plans to be integrated into a long-range program. I might say that the old National Resources Planning Board was doing a really excellent job here when it came to such an untimely end.

#### URBAN REDEVELOPMENT

In order to stabilize employment and investment in local communities, urban areas should set their objectives now with the technical assistance and necessary grants-in-aid from Federal and State agencies. Urban communities should establish agencies with sufficient responsibility and authority to deal promptly with the basic problems of urban reconstruction. I believe that Federal legislation should be enacted as a specific program, so that the Federal Government can participate in promoting the development of urban communities through providing technical assistance and, where necessary, financial aid.

#### MODERNIZATION OF TRANSPORTATION

Closely connected with the problems of our cities are the problems of transportation. We must have adequate terminal facilities in urban areas if we are to improve the standards of urban living and if we are to have adequate working conditions. We must also have reconsideration and perhaps reorganization of our

railroad system, highway transportation, and air transport. The development of rivers and harbors, both for internal and foreign trade, should be pushed in order to round out our existing transportation systems. Similarly, the network of major pipe lines should be expanded to assure proper distribution of liquid fuel throughout the Nation.

These industries present a most promising future for investment, both private and public. It is perhaps in this field and that of the development of energy resources that wise advance planning can do most to secure ample spending and investment on the part of non-Federal groups to maintain continuing full employment without Federal public works.

#### DEVELOPMENT OF ENERGY AND WATER POWER

Much has already been done in this field. The Columbia River, Boulder Dam, and TVA operations have been a magnificent start. The proposed Missouri Valley Authority and the anticipated development of other water resources augur well for the future. Out in California we are especially interested in the great Central Valley project.

I believe that in addition to these regional programs our next major step must be to devise some means for better cooperation between private and public power systems.

I also believe that there should be an expanded program of rural electrification. There will be no difficulty in financing rural-electrification cooperatives if our farmers have adequate income, as they will if continuing full employment is maintained in this country.

#### HOUSING

Another major outlet for postwar investment, both public and private, is the field of housing and other construction. We have new productive capacity which can be converted, at least in part, to construction, and we have an enormous accumulated demand for better housing facilities.

One of the specific programs which will require legislation within the framework of the full-employment bill is that designed to expand and stabilize the construction industry. The possibilities here are practically unlimited.

#### LAND CONSERVATION AND UTILIZATION

Projects for irrigation, drainage, land improvements, and conservation of land resources have been cut to a minimum during the war—and properly so, since there were more urgent manpower needs for direct war purposes. To ignore the needs of land conservation in the postwar era would be shortsighted, indeed. The problems of submarginal areas, soil conservation, fire control, and all kinds of land improvements require continuing study and continuing work. Here, too, is a fruitful field for postwar employment in a full-employment economy.

All of these phases in the development of our natural resources should be predicated upon the greatest possible utilization of private industry. However, it is by no means certain that private industry can do the job unaided; the more far-seeing of industrial leaders are frank to admit that this task may be too great



without some governmental assistance. Consequently, we must frankly face the need for a comprehensive program, a flexible program of public works which will be ready to be put into operation when and to the degree that the need for employment is not being met through private industry. Congress has by implication recognized this need through legislation already passed authorizing postwar construction of rivers, harbors, roads and other public works. Similar authorization is pending for other projects and will probably be passed by this Congress. The seventh report of the House Special Committee on Postwar Economic Policy and Planning, published earlier this week, has some interesting observations on this point.

When I point out the need for this feature in our drive for full employment, I am not unduly emphasizing the deficit-spending concept; I am simply pointing out that if and when maximum employment does not come about through the efforts of private industry alone then the Government must step into the picture. I am not nearly so afraid of deficit-spending as I am of starvation; unemployment of millions of our fellow citizens worries me considerably more than a flexible program of public works. I do believe that it is wise to face frankly the necessity of some public works being necessary in the whole scheme of things, and I urge this Congress to take appropriate steps to see that such public works are truly needed, will add to the wealth of the community, and wherever possible will in turn become the means of producing additional wealth, which is another way of saying producing additional jobs. This last type of public works is especially all exemplified by the great public power projects such as TVA. Personally, I hope for the time when we shall have valley authorities in every one of our great river valleys, producing low rate power, furnishing water for irrigation where possible, as well as preventing floods, erosion, and more waste of our resources.

#### SERVICES AND SECURITY IN A FULL EMPLOYMENT PROGRAM

In its last report, the National Resources Planning Board wisely pointed out that in the full development of American resources it was necessary to plan measures for services and security as well as for our physical welfare. Access to education and to health, assurance of adequate medical care, and a comprehensive social-insurance program to care for the crippled, the handicapped, the aged, and the unemployed is an important phase of this whole problem. The recent recommendations of President Truman about unemployment compensation are excellent and should by all means be adopted by this House at the earliest possible moment. Personally, I had hoped that some initial action would be taken before we recess for the summer, but such is evidently not going to be the case. As the lines lengthen before the employment offices and as the numbers on social security steadily rise with the coming cut-backs in war contracts, I am of the firm opinion that the American people are going to point out to us our responsibility in this connection in an ever-rising chorus.

Most important, we shall thereby strengthen democracy for all our people by getting its necessary operations, the application of basic policies laid down by Congress, back to the regions, States, and localities to the people themselves, so close that, as in the TVA region they can participate in its daily operation.

#### THE FULL EMPLOYMENT BILL

I have taken this time to give this general and broad overview of the employment situation in order to set the stage for a discussion of a specific bill that is now before us, the so-called full employment bill. In the House it is H. R. 2202 and was introduced by our colleague from Texas, The Honorable WRIGHT PATMAN. In the Senate it is S. 380, and is being sponsored by Senators MURRAY, ELBERT THOMAS, WAGNER, and O'MAHONEY. Already the Senate Committee on Banking and Currency, to which S. 380 has been referred, has been gathering information on this problem, and a comprehensive bibliography, together with excerpts of many statements to the committee are available or will soon be available. In the House the measure has been referred to the Committee on Executive Expenditures.

Soon after introducing H. R. 2202 in the House the gentleman from Texas, Representative PATMAN, sent out a letter to a considerable number of Representatives, asking them to join him as "a coauthor and a cosponsor" of the measure. When some 70 Congressmen and Congresswomen had accepted this invitation, the gentleman from Texas [Mr. PATMAN] called a meeting and formally organized this group into a steering committee, which had as its primary purpose the mobilizing of public sentiment behind H. R. 2202 and the furthering of that measure in its progress through the House. An executive committee of 11 was selected, and that group has honored me by asking me to serve as the permanent chairman of the committee. I may say that that committee now numbers 94 members and we expect to see it hit the hundred mark before we recess for the summer. I would like to say further that there is nothing partisan or nothing exclusive about this list of cosponsors. We welcome all who are interested to join us in that same capacity, regardless of partisan affiliation. We do ask those that join us to not only have a deep and sincere interest in this whole problem of unemployment but to join with us actively and enthusiastically in furthering this particular bill which we firmly believe is the first, although by no means the last step, that this Congress must take if full employment is to become a continuing reality in the United States. Any member who wishes to join our steering committee will be heartily welcomed, and if he will only drop me a note signifying his desire, we shall be only too happy to add his name to the list.

Mr. Speaker, I ask unanimous consent to insert at this point in my remarks the cosponsors and coauthors of H. R. 2202.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. OUTLAND. For the benefit of the House, I am listing here, by States, those

who are already listed as cosponsors and coauthors of H. R. 2202:

#### COAUTHORS AND COSPONSORS OF H. R. 2202

Alabama: PATRICK, LUTHER.  
 Arizona: MURDOCK, JOHN R.  
 California: DOUGLAS, HELEN GAHAGAN; DOYLE, CLYDE; ENGLE, CLAIR; HAVENNER, FRANCK R.; HEALY, NED R.; HOLIFIELD, CHET; IZAC, ED. V.; KING, CECIL R.; MILLER, G. P.; OUTLAND, GEORGE E.; PATTERSON, E. E.; SHEPARD, HARRY R.; TOLAN, JOHN H.; VOORHIS, JERRY; WELCH, RICHARD J.  
 Connecticut: GEELAN, JAMES P.; KOPPLEMANN, H. P.; RYTER, JOSEPH H.; WOODHOUSE, CHASE GOING.  
 Delaware: TRAYNOR, PHILIP A.  
 Illinois: DOUGLAS, EMILY TAFT; GORDON, THOMAS S.; LINK, W. W.; O'BRIEN, THOMAS J.; PRICE, MELVIN; RESA, A. J.; ROWAN, W. A.; SABATH, A. J.  
 Indiana: MADDEN, R. J.  
 Kentucky: BATES, JOE B.  
 Massachusetts: LANE, THOMAS J.  
 Michigan: LESINSKI, JOHN; DINGELL, JOHN D.; HOOK, FRANK E.; O'BRIEN, GEORGE D.; RA-BAUT, LOUIS C.; SADOWSKI, G. G.  
 Minnesota: GALLAGHER, WILLIAM J.; STARKEY, FRANK T.  
 Missouri: CARNAHAN, A. S. J.  
 New Jersey: HART, E. J.; NORTON, MARY T.; WOLVERTON, CHARLES A.  
 New York: BYRNE, WILLIAM T.; CELLER, EMANUEL; DELANEY, JAMES J.; DICKSTEIN, SAMUEL; MARCANTONIO, VITO; PFEIFER, JOSEPH L.; POWELL, ADAM C., JR.; QUINN, PETER A.; RAYFIEL, LEO F.; ROGERS, G. F.; ROONEY, JOHN J.; TORRENS, J. H.  
 Ohio: BENDER, GEORGE H.; BREHM, WALTER E.; GARDNER, EDWARD J.; HUBER, WALTER B.; KIRWAN, MICHAEL J.; RAMEY, HOMER A.  
 Oklahoma: STIGLER, W. G.; WICKERSHAM, VICTOR.  
 Oregon: ANGELL, HOMER D.  
 Pennsylvania: BARRETT, WILLIAM A.; EBERHARTER, HERMAN P.; FLOOD, DANIEL J.; GERLACH, CHAS. L.; GRANAHAN, WILLIAM T.; GREEN, WILLIAM J., JR.; HOCH, DANIEL K.; KELLEY, AUGUSTINE B.; WEISS, SAMUEL A.  
 Rhode Island: FOGARTY, JOHN E.; FORAND, AIME J.  
 Tennessee: KEFAUVER, ESTES.  
 Texas: COMBS, J. M.; PATMAN, WRIGHT.  
 Utah: GRANGER, W. K.; ROBINSON, J. WILL.  
 Washington: COFFEE, JOHN M.; DE LACY, HUGH; JACKSON, HENRY M.; SAVAGE, CHARLES R.  
 West Virginia: BAILEY, CLEVELAND M.; HEDRICK, E. H.; KEE, JOHN; NEELY, M. M.; RANDOLPH, JENNINGS.  
 Wisconsin: BIEMILLER, ANDREW J.; O'KONSKI, ALVIN E.

Let me state very clearly that those of us who are sponsoring H. R. 2202 do not believe that in itself it will solve the problem of unemployment in America. Many additional measures will be necessary. Moreover, the cosponsors of the bill not only welcome additional Members to join their ranks but they also welcome suggestions as to how the bill can be improved. I feel certain that before final action is taken by this House changes will be made which will improve H. R. 2202.

As a matter of fact, some of those whose names are listed as cosponsors have frankly reserved the right to vote for changes which they believe would improve the bill.

You will note by referring to this list that both political parties are represented. As I stated earlier, employment in this country is not a partisan matter and it should never be permitted to become a partisan issue. For that reason, as chairman of the executive committee



of the steering group, I frankly extend to as many members of the minority party as are interested a cordial invitation to join us in working for the passage of H. R. 2202.

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

Mr. OUTLAND. I yield to the gentleman from California, who I know has such a deep interest in the providing of full employment for all Americans.

Mr. HAVENNER. Has the gentleman read the article by Beardsley Ruml in the current issue of a magazine on the subject of full employment?

Mr. OUTLAND. I have read several articles by Mr. Ruml. I am not sure I have read the one to which the gentleman refers.

Mr. HAVENNER. The one which I read was placed on my desk yesterday. Mr. Ruml said this bill, referring to the Murray-Patman bill, was of responsible origin, that it was not of partisan origin, and that it deserved bipartisan support, and he hoped that it would get bipartisan support.

Mr. OUTLAND. I thank the gentleman. I know he is correct in that statement.

I should like to bring before you now an analysis of certain facts on the full employment bill itself—what it means in terms of national policy, Government responsibility, and coordinate action by the Executive and the Congress—so that you may judge if the bill really meets the people's demand for action.

#### THE TWIN OBJECTIVES OF THE BILL

In its declaration of national policy, the bill sets forth twin objectives—"to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States," and "to assure the maintenance of continuing full employment opportunities." These twin objectives, I believe, are prerequisite to the attainment of those other objectives in which we believe an increasing standard of living, greater cultural and educational advantages, more leisure, and above all, greater opportunity for every American to fulfill his own maximum capacities.

In the simplest terms, the bill seems to me to mean by these twin objectives that, although society does not owe any man a living, it does owe every man a chance to earn a living. If this is not true in a land as rich as ours, then something is wrong. It is intolerable that the opportunity to earn a decent living should be withheld from any American who wants to work and can work, when ways can be found that will provide such opportunities. It is our considered opinion that ways can be found for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State, and local governments and the Federal Government.

The objective is to provide opportunities. We believe that this is the will of the American people—workers, businessmen, farmers, housewives, and the rest.

This, I think, does not mean to guarantee individual jobs and wages any more

than it means to guarantee individual profits.

Businessmen do not ask that they be guaranteed profits. They do want to have confidence—confidence that there will be customers available for them to go and get, and keep, if they can. They will take care of the profits by competitive effort.

Similarly, and for the same good reasons, workers do not ask that their individual jobs be "guaranteed." They do ask to have confidence that there will be jobs available for them to go and get, and keep if they can. They will take care of the wages by competitive effort, including collective bargaining.

#### THE MAINTENANCE OF FULL EMPLOYMENT OPPORTUNITIES

The words "full employment," "the maintenance of full-employment opportunities," and variations on these phrases have been bandied about without a clear understanding of their meaning. It is written into the bill that it is Government policy "to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and do not have full-time housekeeping responsibilities freely to exercise" their "right to useful, remunerative, regular, and full-time employment." The emphasis here is on two words, "opportunities" and "right."

As I have said, it is not the intention of the sponsors of the bill, and we are sure that it would not be the intention of the Government, to guarantee to each individual personally a specific job in a specific place at a specific salary and with specific working conditions. Neither is it the intention to say to any worker, "Yes; we have a job for you; this is it and you take it—or else!" Neither of these two contingencies would be consistent with the freedom of movement which is not only desirable to labor, but which is essential to the development of free enterprise.

What is intended by this legislation is to afford employment opportunities—a sufficient demand for labor so that everyone who really wants a job can find one. Let me here assure skeptics that we do not mean by this a number of jobs at less than subsistence wages to force down the standard of living of workers; we do not mean by this any change in the continuing trend toward better working conditions. We do mean, however, that useful employment opportunities must exist through the existence of a "full employment volume of production"—a volume of production large enough to provide these employment opportunities. We are talking here of remunerative, regular, and full-time employment, all of which mean a steadily rising standard of living for American labor, for our farmers, for all of us.

We are talking here also of employment opportunities for independent businessmen and farmers. The self-employed must also find opportunities for their employment. Their chances cannot be separated from the chances of wage workers.

I repeat there is no intention of freezing labor in jobs. The existence of full

employment opportunity includes the concept of labor mobility. It is consistent with the existence of frictional unemployment, that unemployment which results when workers move from one job to another for whatever reason.

I wish to digress a minute on this point. Some people who, I believe, are very sympathetic with this legislation, have been dubious about the words "full employment opportunities," wishing to substitute for them "high and stable levels of employment" or some similar phrase in order to include a margin to take care of frictional unemployment and mobility of labor. If this is all that is meant by "high and stable levels" I have no quarrel; frictional unemployment and labor mobility are inevitable.

But I think that we must be on our guard against those critics of the proposed legislation who really do not want full employment, who believe that "private competitive capitalism requires a floating number of unemployed" in order that wage rates may be kept low and hours high. Few of the critics of the bill are willing to commit themselves explicitly to this view. But many of them subscribe to it and it is implicit in their criticism of the phrase "full employment opportunities."

#### THE RIGHT TO WORK

In addition to the emphasis on opportunities, the bill emphasizes the right to work.

There are precedents for this kind of legislation in American law. Even before the existence of American law, the rights to life, liberty, and the pursuit of happiness were specified in the Declaration of Independence, and have become a part of our tradition. The right to the pursuit of happiness becomes a hollow mockery if we deprive man of the means for that pursuit—an opportunity to earn a living.

The general welfare and the common clauses in the Constitution are, we believe, clear authorization to Congress to legislate for full employment as a right of the people.

At the San Francisco Conference, a commission on human rights has been proposed, to work out an international bill of rights. In commenting on this proposal former Secretary of State Stettinius has said: "The 'four freedoms' stated by our great President, Franklin D. Roosevelt—freedom of speech, freedom of religion, freedom from want, and freedom from fear—are, from the point of view of the United States, the fundamental freedoms which encompass all other rights and freedoms." Mr. Stettinius then went on to say, and again I quote, that "freedom from want encompasses the right to work, the right to social security, and the right to opportunity for advancement."

It is clear, then, that the "right to work" is not a new or radical idea. As with the right to education, which was established legally only after there was growth of public pressure for it, and which is now accepted without question, the time has now come when the American people—and the people of the world—believe in the right to employment, and will not accept less.



In establishing the right to work, the full employment bill does not provide for legal redress in the courts. It is a right which can be made effective only through responsibility taken by the Government—the people's Government. If this right is to be made effective, how then can redress be obtained? Through political action by the people to change their elected representatives and officials.

I have digressed for a few moments to indicate that the right to work, associated in the full employment bill with the objective of maintaining full employment opportunities, is a logical development from our history as a nation. Let me return now to the objectives of the bill.

#### ARE THE TWIN OBJECTIVES COMPATIBLE?

Some of the critics of H. R. 2202 have stated that its two aims, encouragement of free competitive enterprises and the maintenance of full employment opportunities, are incompatible. The sponsors of this bill are convinced that they are not only compatible and of equal importance, but are actually prerequisite one to the other. Categorically, I say that free competitive enterprise in this country can survive only if there is adequate purchasing power to buy the products and services which this country can and will produce.

The necessary purchasing power, however, will exist only if full employment opportunities are maintained. On the other hand, it is obvious that the maintenance of full employment opportunities, while it can be attained by Government regimentation, must be attained through the exercise of free competitive enterprise if we are to preserve the American way of life.

I cannot see how these aims can be considered incompatible; I cannot see how one or the other of these two aims can be considered subordinate; I am firmly convinced that they are equally important, thoroughly consistent, and, more than that, both essential.

That these two aims are demanded by the people was made abundantly clear in the last presidential campaign. The leaders of both political parties took a firm stand on them.

President Roosevelt, in accepting the Presidential nomination, asserted that a major part of the job before us was "to build an economy for our returning veterans and for all Americans which will provide employment and decent standards of living." In an October speech he said:

America must remain the land of high wages and efficient production. Every full-time job in America must provide enough for a decent living. And that goes for jobs in mines, offices, factories, stores, canneries, and everywhere where men and women are employed \* \* \*. I believe that private enterprise can give full employment to our people."

It is Franklin Roosevelt's faith in private enterprise, Mr. Speaker, that is shared by the sponsors of H. R. 2202.

President Truman has expressed confidence that—

We can travel the road away from war, and we can accomplish this without falling into the old spiral of depression for business and unemployment for labor.

Perhaps the most categorical statements on behalf of full employment were made by Governor Dewey. On September 18 he said:

We must have full employment. It must be at a high wage level. We must have protection of the individual from loss of his earning power through no fault of his own.

\* \* \* Those who come home from the war and those who have produced for war—all our people—have earned a future with jobs for all. Nothing less can be considered victory at home to match our victory abroad.

Three days later he gave further emphasis to the Government responsibility in making full employment a reality:

Yet if there is one thing we are all agreed upon, it is that in the coming peacetime years we in this country must have jobs and opportunity for all. That is everybody's business. Therefore it is the business of government. \* \* \* There can be jobs for all only if business, industry, and agriculture are able to provide those jobs. \* \* \* We will achieve our objective only if we create an economic climate in which business, industry, and agriculture can grow and flourish.

It is clear, I think, that it is the general belief of the public that employment and prosperity are a major responsibility of the Government. Certainly, if we have another depression, whatever administration holds office in Washington will be voted out of office, because the electorate will hold that administration guilty of not having lived up to its responsibilities and not having lived up to its promises.

#### THE GOVERNMENT'S RESPONSIBILITY

Doubtless, the Federal Government could guarantee to both businessmen and workers that it will by its own action alone make business available and jobs available for them. We do not think this is the will of the people, because we think they want a free society and a free competitive economy. We do believe, and we think the people believe, that the objective of opportunity can be attained and maintained in a free society and in a free competitive economy if the Federal Government does its fair share.

In addition to the normal risks of competition, businessmen today face two additional risks: (1) The risk of unemployment which deprives them of markets, and (2) the risk of inconsistent and capricious Government policies. If independent business must continue to face these two risks also, it cannot properly cope with the risks of competition and as in the past will trend toward national monopoly, international cartels, and domination and control of Government and people. The full employment bill therefore makes it the Government's responsibility to eliminate these extra two risks in order to allow business to concentrate upon the production of goods and services in accord with our best traditions of business competition.

Why should the Government take this responsibility, you may ask. The Government must take this responsibility. The prevention of unemployment is everybody's business and consequently the business of Government. The responsibility for maintaining employ-

ment is too large for business alone or for any one economic group to assume.

In its June 1, 1938, issue the most famous business magazine of the United States, namely, *Fortune*, frankly stated:

Every businessman who is not kidding himself knows that he does not know how to guarantee, without Government intervention, the markets with which alone his free competitive capitalism can function. Every businessman who is not kidding himself knows that, if left to its own devices, business would sooner or later run headlong into another 1930.

Business not only does not want this responsibility, but cannot undertake it. For business to prevent unemployment would be inconsistent with the individual's drive for profit. Moreover, the only way in which business could succeed in such an undertaking would be by organizing to do so—and such an organization, if adequate to do the job, would undoubtedly violate the antitrust laws.

Similarly, this is a responsibility that State and local governments by themselves cannot discharge because of factors beyond their control. The problem is basically not a local one, though it may be more acute in some areas than others. State and local governments have a responsibility to recognize the danger points, to apply all local remedies, and to assimilate their own preventive and relief activities into the national picture, but obviously they can act only within a limited sphere. It should be pointed out, however, that some States, including my own State of California, are already working on full employment bills of their own.

#### PRECEDENTS FOR THIS RESPONSIBILITY

During the last big depression the responsibility for preventing destitution, previously regarded as the province of private charity and local government, was literally forced upon the Federal Government. This responsibility is now generally accepted by everyone. But the prevention of destitution, the dole, WPA—these are not enough. Americans do not want relief; they do not want unemployment insurances as a substitute for real jobs. They want the opportunity to work and earn a living—a good living.

The delegation of this responsibility by the people to the Government, together with the cooperation of all basic economic groups and State and local governments, is a logical development from American precedents.

The Second Industrial Conference called in 1921, of which Herbert Hoover was the vice chairman, recognized in its report that the problem of unemployment is the fundamental problem which underlies any consideration of the effective use of the productive capacities of our Nation. The report said:

The Nation has so vital and persisting an interest in maintaining the industrial product, and in reducing the hardships due to unemployment, that it must interest itself in the problem.

The Federal Employment Stabilization Act, introduced in 1928 by Senator WAGNER, was passed in 1931. The responsibility of the Federal Government in pre-



venting unemployment was clearly recognized in the preamble of the act which read:

To provide for the advance planning and regulated construction of public works, for the stabilization of industry, and for aiding in the prevention of unemployment during periods of business depression.

The Stabilization Act of 1931 might well have prevented the mass unemployment of the early thirties if it had been passed when it was introduced. As it was, its passage in 1931, after 2 years of continued collapse, was merely a gesture in the direction of advance planning by a despairing Congress attempting to relieve a Nation foundering in mass unemployment and depression.

The means of prevention were at hand in 1930. But the Congress of that day did not recognize the danger. We cannot let this happen again.

#### COOPERATION IS NEEDED

A question deserving our serious attention is this: Can this responsibility be effectively discharged? My answer to this is that it can be. But only if we have sound policies, machinery, and administration. These steps depend upon the wisdom of our political leaders, of our political parties, of Congress, and ultimately of the electorate.

We should only be fooling ourselves, however, if we thought that the Federal Government independently could assume this responsibility without unjustifiable interference with the American way of life. We have seen full employment achieved safely by Government action—without cooperation—in Fascist Italy and Nazi Germany. This is not what we want. It is basic to the full employment bill that the Federal Government in cooperation with all economic groups and with State and local governments and with other nations can and must assume the responsibility.

The responsibility can be effectively discharged only if we have the cooperation of business, agriculture, labor, State and local governments. The bill provides the machinery for such cooperation through an advisory board which I shall discuss later. But more important, are the purposes and objectives upon which such cooperation must be based. To illustrate:

Business cooperation means high volume production at low prices and high wages.

Labor cooperation means full use of peaceful methods of adjusting differences with employers and removal of restraints upon productivity.

Farmers' cooperation means full production to meet dietary needs at fair prices, and with good farm income.

State and local cooperation means participation with the Federal Government in long-range planning of Government construction programs, the removal of interstate barriers to trade and commerce, and the integration of fiscal policies.

I should like to quote to you a statement on this cooperation which is part of a letter to Senator WAGNER from Ralph Flanders, president of the Federal Reserve Bank of Boston and chairman of the Research Committee of the Com-

mittee for Economic Development and head of the Jones and Lamson Machine Tool Co. Speaking of the duties associated with the right to work, Mr. Flanders says:

Some of these duties, without which the right cannot be implemented, devolve on the individual. Some devolve on business enterprise, some on organized labor, others on local and State governments, and still others on the Federal Government.

The individual has no right to a job unless he is productive and self-reliant, and energetically seeks employment. To assign the right to individuals who do not possess these qualities is to subsidize idleness and social parasitism.

On business devolves the duty of operating at its best possible efficiency and of thereby making it possible for it to expand production and employment, which it should do to the limit of its capacities for solid, sustained growth. It has no duty to furnish employment at a continued loss, since this would reduce the volume of employment furnished, rather than increase it. Business can likewise properly be curbed in activities which seeks to contract employment and expansion by eliminating competition.

Organized labor has serious responsibilities in implementing the right to a job. That right cannot be established without the cooperation of labor unions and the abandonment of practices which in some instances defeat the objective of this bill. Besides specific practices of this sort, there is a general responsibility resting on union negotiators to see to it that wage, hour, and production standards sought by the union do not form parts of a total aggregate which so upsets the wage-cost-price relationship as to decrease the total volume of employment.

Local and State governments have duties in connection with the wisdom of their tax policies, the effectiveness of their preservation of human and property rights and, in particular, the timing of construction work and any other expenditures which are not on a current basis.

The Federal Government has very large and serious duties to perform if the right to a job is to be made effective. It must do much more than store up work for release when unemployment is large. It must prevent the growth of that unemployment by policies which encourage business to expand and investors to undertake new ventures.

To this statement I would add this friendly comment: All the restrictive practices of labor and farm groups have been copied in miniature from the large-scale practices of finance, industry, and business, each seeking to survive in an atmosphere of all-pervading chronic fear, a hang-over of an economy of scarcity, lingering on in the final phases of the industrial revolution, when the production of abundance presses upon us all. Once we accept and act to insure full production and employment, the restrictive practices of finance, industry, business, agriculture, and labor will have lost their seeming reasons and validity. Men will lose their fear of overproduction, of working themselves out of a job. The release of productive energy, efficiency, and goodwill will be tremendous.

#### COST OF THE GOVERNMENT

What will all this cost the Federal Government? The full employment bill is so worded as to insure that this responsibility will be discharged with the minimum amount of Federal investment or expenditure.

The primary orientation of the bill is toward stimulating adequate non-Fed-

eral expenditures—that is, expenditures by business, consumers, State and local governments.

When the sponsors of this bill say that the first step is to encourage private enterprise, we are not speaking with tongue in cheek. We have faith, Mr. Speaker—faith that given a favorable climate within which to function, private enterprise can do the job. Look at some of the sponsors of the bill. Senator MURRAY and the gentleman from Texas, Representative PATMAN, are chairmen of the two Congressional Small Business Committees. Can you doubt their interest and belief in private enterprise? Senator O'MAHONEY's brilliant and continuing battle against monopoly domination of business should be sufficient evidence of his faith in free competition. Those who charge that H. R. 2202 is an ill-concealed effort to substitute a high-deficit public-works economy for our American tradition of business enterprise, are just not facing the facts.

Let me repeat, then, everything possible is to be done to prevent a "gap" or a "deficiency." Federal investment and expenditure are to be used only to fill whatever gaps may develop. And only after all means to prevent such gaps have been exhausted.

There are some who may object to this policy on the ground that the gap may be too large. Let me emphasize that this objection is based upon one of two assumptions—either that private enterprise will break down, that it will not respond to a favorable climate and to positive stimuli, or that the American people will be satisfied with "jobs for some" instead of "jobs for all." I do not believe, Mr. Speaker—I cannot believe—that anyone thinks that either of those two assumptions is true.

#### CONSISTENT AND OPENLY ARRIVED AT POLICIES AND PROGRAMS

During the last 20 years, peacetime functions of the Government have expanded in all directions. Before the war, we found many policies and programs that were in conflict, many that overlapped and duplicated. What the Government did with one hand was often undone with the other hand.

After the war, even with wartime functions discarded, there is the danger of similar and possibly still greater inconsistency in economic policies and programs of the Federal Government. Section 2 (d) of the full-employment bill makes it the responsibility of the Federal Government to develop "consistent, economic policies and programs." It provides the orientation of specific objectives without which consistency would be impossible. It also provides specific machinery for the review of Federal policies and programs as a whole by the President and Congress.

Since 1929—and before—there has been a tendency for Government decisions to be made behind closed doors rather than on an openly arrived at basis with the knowledge and understanding of the general public. This has been due to the growing dependence upon emergency action and the declining role of Congress in making policy decisions



through the open processes of legislative action.

By emphasizing foresight and prevention, the bill lays the basis for avoiding emergency actions and making them unnecessary. To the extent that the Government's responsibility for preventing unemployment is properly exercised, there will be sufficient time within which to make decisions on an openly arrived at basis, as called for in section 2 (d) of the full-employment bill. This means also that the responsibility for establishing of policy will be returned to Congress where it belongs.

#### COORDINATE ACTION BY THE EXECUTIVE AND THE CONGRESS

In putting this policy into effect, the full-employment bill depends on the principle of the separation of powers, upon our American tradition that it is the responsibility of Congress to determine national policies, and that of the Executive to propose and administer. Also in line with the American tradition, the bill provides a specific definition of the responsibility of the President and of the Congress, a definition which, in keeping with the requirements of modern industrial society, provides for coordinate action by the separate branches within their proper spheres as defined by the Constitution.

#### THE JOB OF THE PRESIDENT—PREPARING THE FULL EMPLOYMENT PROGRAM

The first job of the President under this bill is the preparation of the full employment program. This program is to be embodied in an annual message to Congress to be called the National Employment and Production Budget.

Section 3 of the Constitution requires the President to submit to Congress from time to time messages on the "state of the Union" and to recommend legislation which he deems necessary or expedient. However, on very few occasions have "state of the Union" messages directly addressed themselves to the problem of maintaining long-run opportunities or employment and preventing depression.

The Budget and Accounting Act of 1921 requires the President to submit an annual Budget message to Congress on the anticipated level of Federal expenditures, Federal revenue, and possible deficits. However, the Budget and Accounting Act does not call for an appraisal of the impact of the Federal Budget upon the economy as a whole. The Federal Budget includes, of course, only that portion of the national income stream that is channeled through the Government.

The full employment bill, on the other hand, provides for a "state of the Union" message, which is to be sent to Congress at the beginning of each session rather than from time to time, and which will really appraise the "state of the Union" with respect to the level of employment and economic activity. The message will also relate the Federal Budget to the economy as a whole.

This approach is new. It starts with a view to the security and opportunity of the individual citizen and his job, and on that basis builds the entire structure of economic policy. Hitherto it has been the other way around.

The National Employment and Production Budget contemplated by the bill will contain three things. First, goals for employment, for total production of goods and services, and for total demand for goods and services. The goal for employment will, of course, be to provide enough job opportunities for the estimated labor force available, including the self-employed. The goal for total production of goods and services will be what we call the "full employment volume of production"—that volume of production which will provide job opportunities for all those able and willing to work. And the goal for the demand for goods and services is sufficient demand to absorb the full employment volume of production.

Second, there will be included in the national employment and production budget an appraisal of current economic trends of employment, of total production of goods and services and of total demand for goods and services. This means an appraisal also of spending plans of business and consumers and Government, in order to compare anticipated demand for goods and services with the demand necessary to assure full employment.

And third, the national employment and production budget is to include the President's program for meeting these goals, expressed both as proposals for congressional action and as plans for administrative activity.

This program would make use of the whole tool kit of Federal functions—taxation, labor policy, interest rates, foreign trade policy, housing, assistance to new industries, and so on. It would be oriented toward raising the total demand of goods and services if there were any danger of unemployment—and toward decreasing the demand for goods and services if there were any danger of inflation. It would include whatever measures the President might deem necessary to prevent monopolistic practices from interfering with the program. It would include also an analysis of the effect of the program upon income distribution.

The President's message must apply at least to the coming fiscal year. In the discretion of the President, the message, or any part of it, may cover any longer period, and could, therefore, deal with long-range problems as well as short-range problems. Moreover, the bill provides that supplementary messages may be transmitted from time to time at the President's discretion.

The employment and production budget is to be prepared "in the Executive Office of the President" and "in consultation with the members of his Cabinet and other heads of departments and establishments." To facilitate agency work in preparing the necessary plans, the President is to transmit preliminary estimates and other information to the various executive departments. It is assumed that such information will be sent to the departments in July of every year so that they may work with the President in completing the employment and production budget by December each year.

The bill provides that the President may establish "such advisory boards or committees composed of representatives of industry, agriculture, labor, and State and local governments and others as he may deem advisable for the purpose of advising and consulting on methods of achieving the objectives of this act." My own feeling is that it should be mandatory on the President to establish such boards, in order that the cooperation I have stressed can be achieved. I agree that the specific number, character and composition of these boards should be left to the President's discretion as they are in the present draft of the bill. Let me assure you, at this point, that groups representing different phases of our economy will be as free under House Resolution 2202 to do research, to counsel and advise, as ever before. The bill confers no monopoly on any group to advise and press for legislation.

It is also the thought of the sponsors that the President would consult with Members of Congress in preparation of his message, particularly with those Members who will work on the joint committee, which I shall discuss later.

#### ADMINISTRATION OF THE FULL-EMPLOYMENT PROGRAM

In administering the full-employment program, the President is specifically required to make a quarterly review of the economic scene, so that all estimates set forth in the message at the beginning of the calendar year can be revised to meet changing conditions. Moreover, in keeping with any changes in the economic situation and subject to congressional policies as established by legislation, the President may vary the rate of Federal investment and expenditure within the maximum authorized by Congress, to the extent required to help assure continuing full employment and to maintain economic equilibrium.

#### THE JOB OF THE CONGRESS—CONSIDERATION OF THE PRESIDENT'S PROGRAM BY A JOINT COMMITTEE

At present no committee in either House of Congress studies the regular annual budget message with reference to the relationship between expenditure and revenue, or the relationship between the Federal budget and the economy of the country, or the interaction of Federal, State, and local government activities with private policies. The full employment bill remedies this present defect in congressional procedure. It provides that a joint committee on the national budget consider the President's message as a whole.

In 1926 Congress decided that there was not close enough action between the two Houses on revenue policies. It, therefore, set up the Joint Committee on Internal Revenue Taxation. Today, since there is no procedure for joint congressional consideration of fiscal policy as a whole and a fiscal policy as it affects the economy, we need a joint committee of the character proposed in the full-employment bill.

The joint committee is to be composed of the chairmen and ranking minority members of important standing committees of both Houses—in the Senate, the



Committees on Appropriations, Banking and Currency, Education and Labor, and Finance, together with seven additional members to be appointed by the President of the Senate; in the House, the Committees on Appropriations, Banking and Currency, Labor, and Ways and Means, together with seven additional members to be appointed by the Speaker. The joint committee is also to reflect relative party strength.

After studying the President's message, the joint committee will present to the House of Representatives and the Senate every year a joint resolution on the National Employment and Production Budget. This resolution may represent committee acceptance, modification, or rejection of the President's program.

While the bill does not set forth any detailed requirements for the joint resolution, it is clear that it will have to include, at least, the joint committee's recommendations on both the desired levels of employment and economic activity, and the character of the Federal budget. Whether it includes policy statements will depend upon the discretion of the joint committee and upon the particular situation in any given year.

The joint resolution is to be reported out by March 1 of each year. The purpose of the time limit is to allow sufficient opportunity for debate and the implementing decisions by standing committees before the end of the fiscal year.

#### ANNUAL DEBATE AND DECISION ON THE FULL-EMPLOYMENT PROGRAM

The annual debate on the joint resolution would soon become a central part of the operations of Congress. It would make a tremendous contribution to the prestige of Congress, and to general public understanding of national problems and national issues. Not only would the joint resolution become central to congressional operations, but it would also put Congress back in the center of things.

Debate in Congress, however, is meaningless without a decision. At the present moment Congress decides only specific policies in individual fields, too often unrelated and sometimes without intention, conflicting in effect. It does not make decisions on the general direction of Federal policy and program for the simple reason that there is, at present, no method, no machinery, for making such decisions.

The joint resolution provides the method for annual congressional decision on the general policy of the Federal Government. This resolution, when agreed to, would serve as a framework and guide for the development of specific measures by the committees of Congress, for the action upon those specific measures by the Congress, and for the development of specific proposals by the executive branch. Set forth in this manner, the Government's policy would be coherent, yet flexible and subject to whatever changes may be needed to meet changing conditions.

#### RELATIONS BETWEEN THE CONGRESS AND THE EXECUTIVE

If the principle of the separation of powers among the coordinate branches of Government is to be preserved, then we must develop more coordinate action between Congress and the executive branch.

This cannot be done through any organizational trick or gadget. There can be no basis for coordinate action between the President and the Congress other than that of mutual trust, exchange of information and plans, and hard work.

The executive branch is run by a President who is the titular head of his party. The men who hold the key posts in Congress may be representatives either of the same or the opposing party.

The sponsors of the full-employment bill do not assume that it will provide a miraculous two-way bridge between Capitol Hill and the White House. But they do assume—and rightly so, I believe—that if a basic framework is established, it will be easier to secure cooperative action between Congress and the President, as well as between the two parties.

At present, the bill provides that the President's message be developed in consultation "with the members of his Cabinet and other heads of departments and establishments." Advisory boards composed of "representatives of industry, agriculture, labor, and States and local governments" are also to be consulted. I believe that consideration should also be given to having the President's program developed in consultation with both the majority and minority leadership of Congress as well. After all, the President's program is the responsibility not only of his appointees in the executive branch but also, if it is to be made effective, of the people's elected representatives in Congress.

#### WHAT THE BILL DOES NOT DO

It is as important to know what a bill does not do as what it does do. H. R. 2202 very specifically states its own limitations, and these I call to the attention of the membership of the House.

The bill does not call for 60,000,000 jobs or any other specific amount of employment in any given year. It does provide that the President and the Congress shall make an annual appraisal of the number of jobs needed for full employment.

The bill does not propose to guarantee specific jobs to anyone. It does present a definition of full employment in terms of employment opportunity for all who are able to work and are seeking work.

The bill does not call for made work such as leaf raking. It requires that any program of public works must be through private contract and must contribute to national wealth.

The bill does not provide for the Government to set production quotas for any industry. It does aim at the maintenance of sufficient over-all demand and the preservation of our market economy.

The bill does not authorize unlimited Government spending and deficit financing. It does set forth a policy aimed at controlling Federal expenditures and subordinating them to non-Federal expenditures.

The bill does not authorize either the continuation of wartime controls or the imposition of new economic controls. It does establish policies and procedures under which we can work more effec-

tively toward minimizing the need for economic controls by the Government.

The bill does not set forth any specific set of programs for maintaining full employment. It does recognize the fact that our economic needs are ever-changing. It does establish a framework within which all of the various specific programs that may be proposed by various parties, various economic groups, and various individuals, may be more carefully appraised in terms of their total effect upon production and employment.

The bill does not give the Government complete responsibility for maintaining full employment opportunity. It does attempt to provide for joint responsibility by business, agriculture, labor, State, and local governments and the Federal Government.

#### OBJECTIONS TO THE FULL-EMPLOYMENT BILL

During the coming months, when H. R. 2202 is receiving increasing attention from the American people, many criticisms will arise. Some of them will be genuine, some of them will be but rationalizations from those, who for one reason or another, do not want to see the bill passed. To those who do not believe in full employment I shall not direct my attention, but to those individuals who do want to see the maximum number of jobs in this country but who raise in all sincerity objections to this particular approach, I think we should listen. In a democratic society all sides must be given the opportunity to be heard, and whether this particular bill is adopted or not, it is important that we do listen to some of the objections that have already been raised. I have tried to analyze these objections, and I think they can be grouped under four principal headings; I should like to direct our attention briefly to each of these groups.

First. The objection that Federal action toward full employment is dangerous. This point is frequently raised; it is contended that it would destroy free enterprise, that it would be too expensive, that business would not cooperate, that it would lead to certain regimentation, that it puts an impossible burden upon both the Congress and the President. In my judgment, the assurance of markets through steady employment would stimulate genuine free enterprise; not destroy it. The expense would surely not be as great as the alternative which would eventually be a combination of the dole and made-work. Regimentation and the road to serfdom come about because of inaction, not because of prudent, timely action. In my judgment, the full employment bill is a big step toward freedom and away from the regimentation which results when a large percentage of a Nation's manpower are walking the streets looking for jobs. Finally, the bill confers no novel powers whatever upon the President. It does provide for a badly needed systematic procedure to help coordinate the work of the executive branch. The budgetary approach is the approach of modern business management, and surely we cannot be criticized if we suggest a similar approach for our National Government.



Second. The objection that it is unnecessary. This objection is usually found hand in hand with the preceding one. The assumption is that we are going to have prosperity anyway for a while after the war, and that if a crisis does arise Congress will deal with the problem when the time comes. But, Mr. Speaker, the time is now. The problem is already upon us, although fortunately it has not yet reached the staggering proportions which it did after the bank crash of 1929. A postwar boom of any size will have within itself the seeds of its own destruction. Prosperity will not just happen any more than jobs will just happen. To assume this would be to really return to the doctrine of *laissez-faire*. We dare not wait until a real crisis arises; we must be prepared in advance. I have already mentioned some of the phases involved in this preparation, and one of the most immediate steps that we can take would be for us in this House to pass H. R. 2202 at the earliest possible moment.

Third. The objection that the bill goes too far. Some unemployment, like the poor, we shall always have with us, the pessimists tell us. Some even say it is a good thing to have a reserve of unemployed upon which to draw. Moreover, it is said, the Government should not guarantee full employment, but only assist indirectly private enterprise toward this end. I believe the time has come when the American people will tell us that this bill not only does not go too far, that it in itself is only an initial step. Our people will no longer tolerate poverty and misery in the midst of plenty; they do not want a dole and they do not want a useless work project. They want real jobs at real wages, and when their Congress tells them that from now on this is to be a governmental policy I think we shall hear a tremendous cheer from all over America.

Fourth. The objection that the bill does not go far enough. I have heard the statement made that the bill should not exclude housewives, and I have no doubt but that we shall hear much more on this particular point in the future. I have heard it said that the bill should deal with working conditions, that it should provide definitely for increased standards of living, that it should institute direct economic controls over monopolies. Concerning the first point, I would state that the bill is not intended to exclude housewives whose household responsibilities permit outside activities. Working conditions and standards of living and monopoly are all important economic problems, and I would do nothing to detract from working toward their solution. However, this bill deals specifically with full employment and for the moment I think it well to confine our attention to this one particular phase of the problem. We cannot achieve all goals at once, and while I do not suggest piecemeal approaches I do believe that it would but confuse the issue and perhaps injure the progress of this bill if we brought in all of the other economic problems that need to be met.

WHAT SOME OF THE AMERICAN PEOPLE HAVE TO SAY ABOUT THE FULL EMPLOYMENT BILL

I have discussed with you some of the major objections to this bill, and indicated briefly what the answers are. The supporters of the bill have not been silent. Many Members of the Congress here have already received enthusiastic and encouraging comments on it.

Senator WAGNER, chairman of the Senate Banking and Currency Committee, which will hold hearings shortly on the Senate version of the bill, S. 380, has received letters representing a wide cross-section of public opinion throughout the Nation.

Senator WAGNER has been good enough to make available to me some of the answers to these questions, indicating what public figures and organizations throughout the country have to say with respect to this bill.

I should like to quote to you from some of these letters, referring principally to the responsibilities which the Government must assume in the postwar period with respect to maintaining full employment opportunities.

Mr. Henry S. Dennison, of the Dennison Manufacturing Co., points out that:

The basic responsibility of the Federal Government is to prevent by sufficiently early action the building up of any volume of unemployment large enough to threaten the social stability of the Nation. This minimum of responsibility would seem now to be widely admitted, though in 1931 and most of 1932 it was not. As one lifts one's sights above the minimum the questions and complications increase; even at the minimum point there would be argument about how seriously social stability was threatened.

Above the minimum there is plenty of room for argument about the extent to which the Federal Government should go to encourage private business, the precise measures of encouragement it should take, and the volume of unemployment—the "cushion"—which should cause the Federal Government to undertake more direct schemes to reduce unemployment.

But as I read S. 380 it provides that the President shall annually or more often provide for the collection of just the vital factual information upon which such arguments should be based, and make his own recommendations for congressional action based upon it. It provides further that the Congress shall organize and equip itself to study the facts and recommendations thoroughly and so prepare itself for wise action. Since conditions change always from one time to another, and may change more rapidly than ever during the next few years, such a method is the only one possible for wise evolutionary steps toward betterment.

A banker, Mr. F. R. Von Windegger, president of the Plaza Bank, of St. Louis, has the following comments:

In my opinion the basic law of this land, the Constitution of the United States, requires the Federal Government to "promote the general welfare" and the Government cannot escape that responsibility. Certainly we should know by now that reasonable, full employment is essential to the general welfare. In these days when the means of production have come and are still coming more under the control of smaller groups, and these groups are necessarily primarily interested in profits for themselves, the very life of our Republic is becoming dependent upon the willingness of Government to accept its responsibility for the general welfare.

My common sense tells me that something such as has been already incorporated in the measure is absolutely essential for the well-being and freedom of the people of our country. Undoubtedly whatever is adopted would have to be modified from time to time, the modifications to be based on experience over the years. The important thing is to get started on the right road, and I believe that S. 380 is such a start.

Wesley E. Sharer, of Chicago, emphasizes the connection between full employment and markets:

Our problem for the reconversion and postwar period will be to create the markets necessary for the goods that can be produced by our national economy. When markets are available, businessmen, in an effort to meet the demand created by these markets, will have to employ as many people as possible.

The question in my mind is how to create and guarantee new markets which will take the place of the tremendous demand that was created by war contracts. Full employment is the first step toward guaranteeing the broadest domestic market, because of the broader distribution of purchasing power.

A literary agent in New York, Mr. Diarmuid Russell, emphasizes the need for security:

There is no doubt in my mind that the Government will have to take responsibility for employment. In the previous two centuries the idea that animated the minds of men was freedom, representative government—all flowing from the conception of the worth of the individual. All of this was good but we have now come to the time when the freedom of the individual has begun to threaten the safety of society because so many individuals have obtained so much power.

The idea that dominates men's minds now is security. They want to be free from the threat of starvation for themselves and their families, they want medical attention in case of illness, they want work for work is part of life and the denial of this by any economic means is a denial of part of their vitality. I do not see how this can fail to be recognized nor how the Government can be denied an interest in the happiness or health of those who make up the country and in whose talents the real wealth of the country resides. So I am for anything the country can do which will assure full employment and give to its citizens opportunity.

One of the most interesting comments I have seen on the full-employment bill comes from a small businessman in Pittsburgh, Mr. J. S. Crutchfield:

In reply S. 380 approaches the problem of full employment in the right way, in the present crisis, and I am confident that industry, labor, agriculture, and other responsible groups will faithfully cooperate with the Government in making this measure effective. In fact, the bill would seem to challenge all the above factors to prove that private enterprise, under the capitalistic system, can furnish full employment with a minimum of Government assistance or participation. The measure in its present form should be considered a temporary expedient, which private enterprise in due course should prove to be unnecessary in normal times.

It seems to me that this quotation is a most cogent answer to all of those businessmen who object to the full employment bill as a usurpation of the prerogative of private business. The bill is a challenge to private enterprise. The



greatest success that can be achieved under the bill would be to prove that Government spending and investment to fill the gap is unnecessary.

Awareness of the problem of employment is likely to be particularly acute in the cities which frequently have to deal with it. I have here comments from three mayors in widely separated parts of the country who have given serious consideration to the implication of the full employment bill. Mayor William F. Devin, of Seattle, Wash. says:

It has become increasingly apparent to me that the people of our Nation are looking to the Federal Government to assume considerable responsibility for full employment after the war. I think the people as a whole have no definite or concrete suggestions as to how this should be done, but they do feel that there must be full employment. I think they lack confidence that it can be accomplished except by the aid of the Government.

I further feel that this responsibility of the Government is not to take over full employment but to create an atmosphere wherein private enterprise may be encouraged to provide that employment. Further, I believe that full employment is necessary if we are to prevent the Government from taking over much of the business and industry of the Nation. Maximum employment after the war cannot be obtained without full confidence of employers, and it seems to me that legislation such as this bill would do much to supply that confidence which both employers and employees need. No doubt many businesses would not hesitate to invest their capital in a new enterprise if they were assured that the people of the community would be employed so that they could purchase the commodity. Without this confidence, the business might not be started, which, in turn, would create more unemployment.

I am unable to see how private business is able to guarantee these benefits. If such a guaranty is to be made, the Federal Government is the one to make it. Therefore, it would seem to be the responsibility of the Federal Government to provide a safety net under the free enterprise of our Nation and to encourage the citizens in every way possible to establish businesses and through individual industry and initiative develop those enterprises to the greatest possible extent.

Mayor W. Cooper Green, president of the city commission, Birmingham, Ala., points out that:

To my mind, the greatest feature of the bill aims to eliminate business uncertainty over the Government's fiscal policies. Business cannot plan effectively for full employment without knowing the Government's plans. The bill provides for specific plans long in advance of actual execution. Nothing could be more beneficial to business than this policy.

Mayor C. H. Bloom, of Rockford, Ill., directs his remarks to the abilities of city officials to maintain employment:

City officials realize that cities cannot, by themselves, finance any large-scale projects for employment without Federal aid. We hope that industry may continue to keep large numbers of men and women at work, but we realize that with labor-saving machinery and stepped-up production, it will take less employees to produce civilian goods than before the war. Hence, neither cities nor private enterprise will be able to absorb the millions now in the armed forces and war work in peacetime production.

I believe, therefore, that it is essential for Congress to pass to full-employment bill or any other measure that may furnish our mil-

lions of workers employment after the war. Only in that way will we prosper as a nation.

Organized labor has been almost unanimous in supporting the full employment bill. I should like to quote, briefly, from representative letters received from an AFL international union, a CIO national union, and one of the railroad brotherhoods.

The president of the Building Service Employee's International Union, affiliated with the AFL, says:

I am particularly pleased that the bill seeks to foster free competitive enterprise in the investment of private capital and commerce in the development of the natural resources of the United States. \* \* \* In my opinion, the Federal Government is the proper agency to spearhead this program in cooperation with labor, industry, consumers, and State and local governments.

From the president of the United Rubber Workers of America, CIO, comes the statement:

Although the responsibilities of our Federal Government have never been clearly defined in the direction of maintaining full employment, I contend that the obligation is a very definite one. Years ago the responsibility was clearly enunciated in this phraseology, "Government of the people, by the people, and for the people." The meaning of this is incontrovertible. The Government exists for the sole purpose of functioning in behalf of and in the interests of our people by improving our national economic conditions, with a related improvement in the direction of health, security, and happiness.

Mr. H. W. Fraser, president of the Order of Railway Conductors of America, has written to Senator WAGNER:

I want to assure you of my sympathy with the purposes of this bill and to assure you also that I believe our future economy and the success of our effort to meet the postwar situation will depend entirely upon our ability to function on a cooperative basis as contemplated in this measure. \* \* \* I believe that S. 380 should be enacted.

I should like also to quote briefly from public organizations throughout the country. Mr. Charles G. Bolte, chairman of the American Veterans' Committee, writes, "In hearty agreement with the basic objectives of S. 380," saying:

S. 380 clearly implements the proposition that the Government must accept responsibility for maintaining full employment. Government planning is to be conducted and Federal assistance is to be rendered with primary reliance on private enterprise. We endorse this program as being a reasonable first step toward providing full employment in the postwar era not only to the veterans but to all who are able and wish to work.

The Wives, an organization of the wives of servicemen of every rank, say:

We are particularly concerned that persons who are working during the war years for the first time may have an opportunity to continue to utilize the skills they have learned for war production, and that the veteran will find immediate absorption as an income-earning citizen in the community upon his discharge.

We feel that bill S. 380 is an excellent one, and by its encouragement of free enterprise will equip the United States to fulfill its responsibilities in a world of international trade and cooperation.

It will do a great deal toward the prevention of inflation, and by encouragement of private enterprise in fields of public necessity—example, housing, education, hospitals,

sanitation—can do much to provide a proper and healthy standard of living for our people. The full-employment bill will be a hollow law unless the President demands of the Congress the passage of certain companion legislation—example, fair-employment-practice legislation, nationally and throughout the States, so that there will be no discriminatory policies in the provision of employment under S. 380.

Finally, I should like to quote a letter from Ray Gibbons, director for the Council for Social Action of the Congregational Christian Churches of the United States of America, which formulates opinions and points of views on important, international, economic, and racial issues. Mr. Gibbons says:

The full employment bill of 1945 (S. 380) appears to me to be the most important bill on domestic policy likely to come before the Seventy-ninth Congress. I would like to register my very vigorous support of its aims to provide employment opportunities, to appraise the national economy in a national budget, to assign responsibilities to the President and the Congress and, in general, to declare the function and responsibility of the Federal Government in providing employment opportunities.

Such a forthright declaration of policy would do more than any other single act to give support to the international political organization now being formed. More than any other single move it would show our intention to keep our own house in order and live as a good neighbor in the community of nations. I warmly commend your efforts on behalf of such a national policy for full employment.

All of the agencies of the executive department of the Government have been canvassed with respect to the implication of the full employment bill. Their replies, I am told, will be incorporated in a report to the Senate Banking and Currency Committee, and will be made public in a short time.

I have already quoted at length the letter of Judge Vinson. I may say, further, that I have talked personally with President Truman, and that I know he is fully in sympathy with the objectives of this full employment bill. His own record as Senator would in itself indicate that.

#### SOME DANGERS AND SOME WARNINGS

Mr. Speaker, before concluding this afternoon I should like to point out a few potential dangers that face those of us who are vitally interested in this whole problem of full employment, and in the passing of this bill in particular. We must beware of regarding the measure as a panacea for our economic ills; it definitely is not that, and one of the worst things that could happen would be for its proponents to make that exaggerated claim. We do claim that it is one important, essential step toward solving our employment problems; we do not look upon it as a cure-all.

May I warn the friends of this measure, too, against going overboard on the figure of 60,000,000 jobs. There is no magic in this particular number; it is but one of many estimates that have been made as to our postwar job needs, and whether the eventual number will prove to be more or less is a very small point. The important thing is to keep our minds on the phrase "full employment," and not to get backed into an



argumentative corner over the figure 60,000,000.

It is always important to be certain that there is public understanding of and support of a measure as comprehensive as this. During the summer it is up to every cosponsor of this measure and every other Member of this House who is deeply interested in this bill to speak about it in his own home district; to tell his people what the purposes of the bill are, its provisions, and its limitations. In this way the people of the United States will hear from their own elected Representatives about what I firmly believe to be one of the most important proposals ever to be brought before this Congress. By such work, each of us will be making a special contribution toward solving unemployment in America.

Finally I want to point out again that prompt action is necessary. Unemployment is not a vague condition that may arise at some distant future date. It is here now, and is daily growing in intensity. We in this Congress cannot shift responsibility; we cannot evade the issue. Our people want action, and the demands will increase as the roles of the unemployed mount during the coming months. I beg with the membership of this House not to postpone action. I beg of the chairman and the members of the great Committee on Executive Expenditures not to wait for the other body to act. Let us act now. This House, by its favorable action on such measures as the Bretton Woods bill, has demonstrated to the people of America that it is wholeheartedly back of a policy of international cooperation. Let us now demonstrate that we are also wholeheartedly back of a program of jobs for all here on the domestic front. Mr. Speaker, through our action on this and additional measures, let us eventually put unemployment in America in the same category as isolationism in America—out of the picture.

#### UNEMPLOYMENT AND WORLD PEACE

Unemployment is far more than a domestic problem. It is a world problem, whether or not we choose to insure full employment after the war and beginning as the war ends. On whether or not we decide and act, here in this House and in the Congress, to banish chronic mass unemployment here in the U. S. A. depends the world's hope of lasting peace. A United States of America operating at full production and employment levels means a prosperous nation and a prosperous people; a prosperous U. S. A. is an essential to prosperity throughout the world. It does not insure prosperity everywhere, but it makes it possible. On the other hand, depression in the United States will make prosperity elsewhere impossible. If, after the war, we ride the devil's scenic railway of unregulated boom and bust or head straight into depression without even the false boom of runaway inflation, the world goes with us into the vicious spiral. And with us goes the world's hope for a just and lasting peace.

Properly, full employment is now written into the Charter of the United Nations, now before the Senate for rati-

fication. That charter will be ratified by an overwhelming vote. Our ratification commits us to the purposes and objectives of that charter, including the attainment and maintenance of full employment. It is high time that we in this country put our own house in order, that we prepared to make good, here at home in our own economy, on the high promises which we have undertaken at San Francisco in the sight of all men and of our God.

With full employment, we can be good neighbors; with unemployment, we can neither be friendly and cooperative with other nations, nor can we, here in our own country, be decent, fair, and democratic toward each other. Just as, among ourselves, depressions produce fear, discrimination, hate, and division among classes, groups, races, colors, sexes, and ages, so world depression leads down the same road to war. Therefore, in talking full employment, in examining the problems and the opportunities it presents to us, and in proposing that we, here in this House, do something about it without further delay, I believe I am proposing to implement, in a very practical and fundamental way, the United Nations Charter now before the Senate. The Senate may ratify the charter; the House can still be the first to give it insurance of life by enacting the full employment bill of 1945. And, Mr. Speaker, the time for effective action is very short, and growing shorter daily.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks, and include therein certain material.)

#### RECOGNITION OF LEADERSHIP OF MEN IN ACTION

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I realize that I am not an authority on the question as to who should be granted promotions in the armed forces. I do feel, however, that there are a good many men who have shown outstanding qualities of leadership and responsibility who have not been given the consideration to which they are entitled. I have in mind today, for example, Pfc Harold Johnson, of Wamego, Kans., who has been a member of the armed forces for more than 2 years. Private Johnson is a company medical-aid man serving with the Seventh Infantry Division in Okinawa.

I am including herewith a statement that appeared in one of my local papers concerning Pfc Harold Johnson. It reads as follows:

WITH THE SEVENTH INFANTRY DIVISION ON OKINAWA, June 12.—The history of heroism in the medics of this famed Pacific division of four major campaigns is long and valiant and near the top is the deed of Pfc Harold Johnson, 20, of Wamego, Kans.

In the battle for Conical Hill, the highest peak on this home island of Japan, an entire rifle company was pinned down in the assault by Jap defenders on the crest. Faced with

the threat of being cut off, the company began withdrawing to the main force of Americans.

In the action 11 men were trapped and unable to pull back because of intense enemy small-arms fire.

Johnson, a company medical-aid man, who was familiar with the rugged terrain, volunteered to go out under fire and lead the apparently doomed men back to safety.

Upon reaching them, the Kansan learned 4 of the 11 had been wounded by enemy fire. Taking one of the wounded with him, he led the other seven to safety before returning for the other three on separate trips.

Private Johnson entered the Army in 1943.

It occurs to me, Mr. Speaker, that while we are granting commissions and promotions to men in the Pentagon and other places, it might be well to give more consideration to young men like Pfc Harold Johnson, who has been in the Army for more than 2 years and who has shown outstanding leadership and gallantry of service under enemy fire, but who still remains a private first class.

[Mr. HOOK addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. HOOK asked and was given permission to revise and extend his remarks and include the OPA release.)

#### EXTENSION OF REMARKS

Mr. MICHENER (at the request of Mr. SCHWABE of Missouri) was granted permission to revise and extend the remarks he made today.

#### BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President for his approval bills and joint resolutions of the House of the following titles:

July 3, 1945:

H. R. 44. An act to amend the act entitled "An act to provide for the disposal of certain records of the United States Government";

H. R. 852. An act for the relief of Betty Jane Ritter;

H. R. 1007. An act for the relief of Mrs. Beatrice Brown Waggoner;

H. R. 1008. An act for the relief of Mrs. Harriette E. Harris;

H. R. 1601. An act for the relief of Dorothy M. Moon;

H. R. 1647. An act to authorize the Secretary of War to convey to the Captain William Edmiston Chapter of the Daughters of the American Revolution a certain building and tract or parcel of land situated in Montgomery County, Tenn.;

H. R. 1917. An act for the relief of John R. Jennings;

H. R. 2060. An act for the relief of D. W. Key;

H. R. 2477. An act to give recognition to the noncombatant services under enemy fire performed by officers and enlisted men of the Medical Corps of the Army;

H. R. 2515. An act for the relief of Harland Bartholomew & Associates;

H. R. 2685. An act to reimburse certain naval personnel and former naval personnel for personal property lost or damaged as a result of a fire in the bachelor officers' quarters known as Macqueripe Annex, located at the United States naval operating base, Trinidad, British West Indies, on June 11, 1944;

H. R. 2856. An act to provide for better enforcement of law within the District of Columbia, and for other purposes;

H. R. 2995. An act to amend an act entitled "An act to create a revenue in the District



of Columbia by levying a tax upon all dogs therein, to make such dogs personal property, and for other purposes," approved June 19, 1878, as amended;

H. R. 3024. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1946, and for other purposes;

H. R. 3118. An act to amend section 100 of Public Law No. 346, Seventy-eighth Congress, June 22, 1944, to grant certain priorities to the Veterans' Administration, and for other purposes;

H. R. 3199. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1946, and for other purposes;

H. R. 3201. An act to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended;

H. R. 3257. An act to remove restrictions to the appointment of retired officers of the United States Public Health Service or retired civilian employees of the United States Government or District of Columbia government as Superintendent of Gallinger Municipal Hospital in the District of Columbia, and for other purposes;

H. R. 3266. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of penicillin or any derivative thereof, and for other purposes;

H. R. 3269. An act further amending the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, as amended, relating to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves;

H. R. 3287. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Columbus, Ohio, September 9 to 14, inclusive, 1945;

H. R. 3436. An act providing for a medal for service in the armed forces during the present war;

H. R. 3550. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1946, and for other purposes;

H. R. 3579. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1945, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1945, and June 30, 1946, to provide appropriations for the fiscal year ending June 30, 1946, and for other purposes;

H. R. 3607. An act to authorize the President to appoint Gen. Omar N. Bradley to the office of Administrator of Veterans' Affairs, without affecting his military status and prerequisites;

H. J. Res. 202. Joint resolution reducing certain appropriations available in the fiscal year ending June 30, 1945; and

H. J. Res. 215. Joint resolution authorizing the production of petroleum for the national defense from Naval Petroleum Reserve No. 1.

On July 5, 1945:

H. R. 3240. An act to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

#### ADJOURNMENT

Mr. OUTLAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, July 6, 1945, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(Friday, July 6, 1945)

There will be a meeting of the Committee on World War Veterans' Legislation, in executive session, on Friday, July 6, 1945, at 10 o'clock, a. m., in the committee room 356, Old House Office Building.

##### COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(Friday, July 6, 1945)

There will be a meeting of the Committee on Public Buildings and Grounds at 10:30 a. m. on Friday, July 6, 1945, for consideration of House Joint Resolution 31.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

601. A letter from the Director, Bureau of the Budget, transmitting a report containing five tables, covering the determinations by the Director of the Bureau of the Budget during the fourth quarter of the fiscal year 1945, of the numbers of employees required by the executive departments and agencies for the proper and efficient exercise of their respective functions; to the Committee on the Civil Service.

602. A letter from the Administrator, National Housing Agency, transmitting the third annual report of the National Housing Agency for the calendar year 1944; to the Committee on Public Buildings and Grounds.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 305. Resolution to provide for further expenses of investigation authorized by House Resolution 138, Seventy-ninth Congress; without amendment (Rept. No. 855). Referred to the House Calendar.

Mr. WHITTINGTON: Committee on Expenditures in the Executive Departments. H. R. 3660. A bill to provide for financial control of Government corporations; without amendment (Rept. No. 856). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOODRUM of Virginia: Select Committee on Postwar Military Policy. Report pursuant to House Resolution 465 of the Seventy-eighth Congress, second session, and House Resolution 55 of the Seventy-ninth Congress, concerning, universal military training (Rept. No. 857). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS: Committee on Military Affairs. H. R. 2240. A bill to amend the Pay Readjustment Act of 1942, as amended, and for other purposes; with amendment (Rept. No. 858). Referred to the Committee of the Whole House on the State of the Union.

Mr. McGEHEE: Committee on Claims. H. R. 3111. A bill to amend the act approved January 2, 1942, as amended, approved April 22, 1943, entitled "An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps forces in foreign countries"; without amendment (Rept. No. 859). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STIGLER: Committee on Claims. S. 90. An act for the relief of the estate of George O'Hara; without amendment (Rept. No. 860). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. S. 620. An act for the relief of the widow of Joseph C. Akin; without amendment (Rept. No. 861). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3574. A bill for the relief of certain claimants who suffered loss by flood in, at, or near Bean Lake in Platte County, in the State of Missouri, during the month of March 1934; without amendment (Rept. No. 862). Referred to the Committee of the Whole House.

Mr. DAVIS: Committee on Military Affairs. H. R. 239. A bill for the relief of Dr. Ernest H. Stark; without amendment (Rept. No. 863). Referred to the Committee of the Whole House.

Mr. DAVIS: Committee on Military Affairs. H. R. 240. A bill for the relief of Dr. James M. Hooks; without amendment (Rept. No. 864). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 1236. A bill to authorize the Secretary of War to quitclaim to Chanslor-Canfield Midway Oil Co. subsurface mineral and water rights in 211.36 acres of land in the county of Los Angeles, Calif.; with amendment (Rept. No. 865). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bill and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Georgia:

H. R. 3678. A bill to repeal the automobile-use tax; to the Committee on Ways and Means.

By Mr. CANNON of Missouri:

H. R. 3679. A bill to restore standard time; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of South Dakota:

H. R. 3680. A bill to provide for the purchase of restricted Indian lands from heirs or from any Indian over 60 years of age; to the Committee on Indian Affairs.

H. R. 3681. A bill to provide for removal of restrictions on property of Indians who serve in the armed forces; to the Committee on Indian Affairs.

By Mr. KILDAY:

H. R. 3682. A bill to amend section 302 (a) of Public Law 346, Seventy-eighth Congress; to the Committee on World War Veterans' Legislation.

H. R. 3683. A bill to provide retirement from active service of Army, Navy, Marine Corps, and Coast Guard personnel under certain conditions; to the Committee on Military Affairs.

By Mr. TRIMBLE:

H. R. 3684. A bill to permit the use of clerk hire for contributing to the compensation of individuals appointed by State delegations to assist such delegations in matters relating to veterans; to the Committee on Accounts.

By Mrs. ROGERS of Massachusetts:

H. R. 3685. A bill to provide adequate nurse or attendant allowance to service disabled veterans, and for other purposes; to the Committee on World War Veterans' Legislation.







wage, and rationing controls must be continued," that "the tight situation that we face today in food is attributable to four major factors: 1. Total food production will decline this year for the first time since the war began. 2. Military demand is still rising, particularly because our supply lines to the Pacific are longer, thus calling for more food to fill the 'pipe line.' 3. Relief needs in Europe are expanding sharply. 4. The United States ate too much in 1944 and the first half of 1945; at one time it appeared that surpluses of some foods might develop, hence allocations to consumers were increased beyond what subsequent production justified. ...In spite of all that can be—and is being done, America must face the fact that the over-all supply of food for home consumption will continue to be less than demand for at least a year. Meanwhile, certain steps are being taken to relieve some of the worst difficulties: Food goals for 1946 are being set at continued high levels; WPB is increasing the flow of steel and other critical materials for farm equipment and farm supplies; food handling facilities on the Pacific Coast are being enlarged and modernized to relieve civilian food distribution in that area from the pressure of heavy military shipments;" and "FEA is intensifying its efforts to locate and utilize available supplies in other parts of the world—beans from Mexico, vegetable oils from Africa, etc."

"During the war, agricultural production has increased more than 30 percent and at the same time, the number of people living on farms has dropped 20 percent.

"This is a record of which to be proud but it suggests that after the war there will be a problem of finding markets for farm produce or of making basic agricultural readjustments.

"The Basis of any sound prosperity for farmers must be maintenance of our business economy at or near full employment. This is necessary to provide a demand for farm products and to avoid a disastrous dip in prices which even the supports which the present law provides would be hard put to prevent. Conditions of full employment will also be necessary to allow the excess farm population to find productive and profitable employment in towns and cities.

"Present legislation provides for maintaining supports under farm prices. How successful these supports are will depend on general business conditions and the maintenance of purchasing power. It may well be that price supports might tend to encourage the production of some farm products at a time when this should no longer be encouraged. At the same time, price supports might discourage marketing of agriculture produce if prices were out of line with consumers' incomes.

"Nevertheless it is absolutely essential that the Government make good on its commitments given to farmers during wartime to encourage production."

#### SENATE

13. AAA; TOBACCO. Sens. Thomas (Okla), Bilbo, Stewart, Capper, and Shipstead were appointed conferees on H.J. Res. 98, to provide AAA tobacco marketing-quota elections and CCC loan rates on fire-cured and dark air-cured tobacco (p. 7553). House conferees appointed July 11.
14. TAXATION; RECONVERSION. Finance Committee reported with amendment H.R. 3633, the new tax bill, to facilitate reconversion (p. 7549).
15. FARM PROGRAM. Sen. Thomas, Okla., inserted a Journal of Commerce editorial commending Secretary Anderson's plan for farm production goals (pp. 7554-5).
16. INFORMATION. Sens. Wherry, Nebr., and others criticized OWI's article on the "Prairie States," discussed the farm and other programs in these States, and included sundry statements on these subjects (pp. 7584-90).



17. FULL-EMPLOYMENT BUDGET. Sen. Murray, Mont., discussed S. 380, the full-employer bill, as related to world economy and inserted a review of A.H.Hansen's book, "America's Role in World Economy" (p. 7554).
18. BRETTON WOODS AGREEMENTS. Sen. Taft, Ohio, discussed these agreements and urged postponement of their consideration (pp. 7559-66).
19. NOMINATIONS. Confirmed the nomination of W. S. Synnington to be a member of the Surplus Property Board (p. 7592).  
Received nominations for Dr. P. H. Nystrom to be a member of the Federal Board of Vocational Education, A. J. Altmeyer to be a member of the Social Security Board, and Casper Ooms to be Commissioner of Patents (p. 7592).
20. SUPREME COURT DECISIONS. S. Doc. 73, "Key to the Year of Decisions of Cases in the U.S. Supreme Court," (prepared by I.J. Lowe, Solicitor's Office) has been received in this section. A few copies are available upon request.

#### BILLS INTRODUCED

21. RATIONING; PERSONNEL. S. 1262, by Sen. Langer, N.Dak., to authorize the American Red Cross to award meat and fat ration tokens, shoe ration coupons, or sugar ration coupons, to persons donating blood to the American Red Cross for use by members of the armed forces. To Banking and Currency Committee. (p. 7552.)
22. OPA INVESTIGATION. S. Res. 156, by Sen. Morse, Oreg., to authorize an investigation of the activities of OPA. To Banking and Currency Committee. Remarks of author. (pp. 7582-3)
23. FOOD PRODUCTION. H.R. 3774, by Rep. Lemke, N.Dak., for the relief of owners of crops damaged or destroyed by migratory birds. To Claims Committee. (p. 7626.)
24. FERTILIZERS; MARKETING. H.R. 3775, by Rep. Lemke, N.Dak., to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce. To Agriculture Committee. (p. 7626.)
25. LANDS; MINERALS. H.R. 3776, by Rep. Rogers, Fla., providing for the return and restoration to the several States of the title and right to any oil, gas, and minerals in or under real property acquired by the U.S. To Judiciary Committee (p. 7626.)
26. FORESTRY. H.R. 3777, by Rep. Gillespie, Colo., for the purchase of certain lands within the boundaries of the Pike National Forest. To Agriculture Committee. (p. 7626.)
27. TRANSPORTATION. H. Res. 318, by Rep. Lea, Calif., to authorize the investigation of the transportation situation. To Rules Committee. (p. 7626.) Remarks of author (pp. 73693-4).
28. CLAIMS; INSECT CONTROL. S. 1250, by Sen. Ellender, La., for the relief of certain claimants who suffered losses and sustained damages as the result of the campaign carried out by the Federal Government for the eradication of the Mediterranean Fruitfly in Fla. To Claims Committee. (p. 7550.)
29. RECLAMATION. S. 1260, by Sen. McFarland, Ariz., (for himself and Sen. Hayden, Ariz.) "to supplement the Reclamation Extension Act." To Irrigation and Reclamation Committee. (p. 7551.)

30. SURPLUS PROPERTY. S. 1264, by Sen. Stewart, Okla., "to amend the Surplus Property Act of 1944." To Military Affairs Committee. (p. 7551.) Remarks of author (pp. 7568-71).

ITEMS IN APPENDIX

31. FOREIGN RELIEF. Extension of remarks of Rep. McCormack, Mass., on urgent need of food, fuel, and raw materials in Italy (pp. A3675-6).
32. PRICE CONTROL; RATIONING. Rep. Jensen, Iowa, inserted his letter to Price Administrator Bowles favoring abolishment of district and regional OPA offices (p. A3676).
33. TARIFF; IMPORTS. Sen. McFarland, Ariz., inserted an Arizona Republic editorial favoring protection of raw materials (including agricultural products) in trade agreements (p. A3683).
34. MISSOURI VALLEY AUTHORITY. Sen. Murray, Mont., inserted a St. Louis Post-Dispatch editorial, "A United MVA Front", urging establishment of an MVA (p. A3683).
35. SUGAR SUPPLY. Rep. Gwinn, N.Y., inserted a constituent's criticism of OPA's handling of home-canning sugar allotments (p. A3687).
36. BRETTON WOODS AGREEMENTS. Sen. Russell, Ga., inserted R.W. Court's address urging caution in approval of these agreements (pp. A3688-9).
37. RESEARCH; EDUCATION. Extension of remarks of Rep. Luce, Conn., including two articles, protesting present policy of drafting advanced technical students for routine military service (pp. A3690-1).
38. APPROPRIATIONS; RURAL REHABILITATION. Rep. Hook, Mich., inserted a constituent's testimony before the House Agriculture Subcommittee on behalf of the independent tenants committee of Delmo Labor Homes projects (p. A3696).
39. VETERANS' BENEFITS; LOANS. Rep. Madden, Ind., inserted a VFW's resolution urging amendments to the GI Bill of Rights in connection with loan procedures (p. A3699).
40. CLOTHING PRODUCTION. Extension of remarks of Rep. Robertson, S. Dak., including a statement, urging production of more work clothing (p. A3707).
41. UN-AMERICAN ACTIVITIES. Rep. Rankin, Miss., inserted an AP news article relative to un-American activities in Calif. (p. A3708).
42. FULL-EMPLOYMENT BUDGET. Extension of remarks of Rep. Outland, Calif., including remarks by new business organizations, favoring H.R. 2202, the full-employment bill (p. A3708).

BILL APPROVED BY THE PRESIDENT

43. FOOD AND DRUG. H.R. 3266, to amend the Federal Food, Drug, and Cosmetic Act to provide for the certification of batches of drugs composed wholly or partly of any kind of penicillin or any derivative thereof. Approved July 6, 1945 (Public law 139, 79th Cong.).

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COMMITTEE-HEARINGS ANNOUNCEMENTS for July 13: S. Foreign Relations, United Nations Charter; S. Special Defense, Pan-American highway; H. Investigate Food Shortages (ex.).

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Already several of our cities and areas have issued invitations to the United Nations for the location of the Organization within their respective localities. It is implicit in such invitations that the United States of America will be the general site for the headquarters.

Mr. President, I ask that we extend this invitation so that America may become the home of the United Nations Organization.

I ask that the resolution be appropriately referred and that early and favorable action be taken upon it.

The PRESIDENT pro tempore. Without objection, the concurrent resolution submitted by the Senator from Wisconsin will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 20) was referred to the Committee on Foreign Relations.

#### HOUSE BILL REFERRED

The bill (H. R. 3376) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia.

MR. AND MRS. JOHN T. WEBB, SR.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 784) for the relief of Mr. and Mrs. John T. Webb, Sr., which was, on page 1, line 6, to strike out "\$7,519.95" and insert "\$6,519.95".

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ELLENDER, Mr. TUNNELL, and Mr. WHERRY conferees on the part of the Senate.

#### RESTRICTIONS ON THE DISPOSITION OF NAVAL VESSELS AND FACILITIES

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 3180) to impose certain restrictions on the disposition of naval vessels and facilities necessary to the maintenance of the combatant strength and efficiency of the Navy, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WALSH, Mr. TYDINGS, and Mr. JOHNSON of California conferees on the part of the Senate.

#### MARKETING OF FIRE-CURED AND DARK AIR-CURED TOBACCO

The PRESIDENT pro tempore laid before the Senate a message from the

House of Representatives announcing its disagreement to the amendment of the Senate to the joint resolution (H. J. Res. 98) relating to the marketing of fire-cured and dark air-cured tobacco under the Agricultural Adjustment Act of 1938, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. STEWART, Mr. CAPPER, and Mr. SHIPSTEAD conferees on the part of the Senate.

#### RECONSTRUCTION OF SENATE AND HOUSE ROOFS AND SKYLIGHTS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 31) entitled "Joint resolution relating to the appropriation for the roofs and skylights over the Senate and House wings of the Capitol, and for other purposes," which were, on page 1, line 10, to strike out "skylight" and insert "skylights"; on the same page, line 11, to strike out "Chamber" and insert "and House Chambers"; on the same page, line 11, to strike out "ceiling" and insert "ceilings"; on the same page, line 13, to strike out "Chamber" and insert "Chambers"; and, on page 2, line 12, after the word "Grounds" to insert: "Provided further, That the project, insofar as it affects the House wing of the Capitol, shall be carried forward by the Architect of the Capitol in accordance with plans to be approved by a committee of five Representatives to be appointed by the Speaker of the House of Representatives, upon recommendation of the chairman of the House Committee on Public Buildings and Grounds.

"SEC. 2. The Architect of the Capitol is authorized to enter into a contract or contracts for carrying out the provisions of this joint resolution for a total amount not exceeding \$861,000 in addition to the aforesaid appropriation of \$585,000 heretofore provided in the Second Deficiency Appropriation Act of June 27, 1940".

Mr. ANDREWS. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### WORLD WAR II VETERANS AND THE AMERICAN LEGION

Mr. CAPPER. Mr. President, American Legion officials say that America's fighting men and women of this war are returning home with a fervent new appreciation of America's blessings, a strong determination to preserve those blessings, and a desire to continue to be helpful to their country and their fellowmen. That is why up to this time more than 400,000 of them have joined the American Legion.

This picture of the typical World War II veteran is presented by the American Legion in the report just issued on its growing new membership. It explains why one-fourth of the Legion's present

record-breaking 1945 national membership of approximately 1,600,000 is now composed of honorably discharged World War II veterans.

Entitled "New Strength for the American Legion," the statement just issued portrays the type of men and women who are coming out of this war and joining into the Legion. It presents the first authentic report on the progress of these new veterans in taking over the Legion.

In their own vigorous words these young new officials of the Legion explain why they affiliated themselves with the organization. I read from the statement:

Peace: "In the American Legion I see the most direct and powerful medium for preserving and safeguarding the peace and preventing future war," says Simon A. Lynch, Army Air Force veteran, now adjutant of West Hoboken Post 14 at Union City, N. J.

Democracy: "The Legion is an organization founded on democratic principles for which I fought, and for which it continues to fight at home," says Bob Wilson, overseas Signal Corps veteran, now first commander of the Thomas C. Reynolds Post 303, new all World War II post at the University of Oklahoma.

Service: "By being a member of the American Legion, a person has the best chance to be of more service to a large number of his comrades," says Joseph E. Doughty, a veteran of the United States Naval Air Force, now commander of Post 223 at Harrisonburg, Pa.

Heritage: "The American Legion is turning over its 26 years of experience, its buildings, and its fine Americanism projects to us of World War II. All we have to do is to accept its invitation and take on a little responsibility," says H. B. Lee, overseas Eighth Air Force veteran, now second vice commander of Post 35 of Oklahoma City.

Americanism: "The Legion appealed to me as an organization which assists in the perpetuation of the ideals of Americanism. It is an active agent in the reinforcement of the goals attained on the battlefields," says Robert E. Lynch, Army Medical Corps veteran, now adjutant of the George Ham Cannon Post 394, new all-World War II post at Ann Arbor, Mich.

Unity: "Veterans must stick together and the Legion is the place to stick," says Kenneth Koon, Marine Corps here who single-handedly disposed of 32 Japs, wears the Purple Heart and other decorations, and is now commander of the John Smalley Post 199 at Summitville, Ind.

Strength: "We want a voice backed up by enough power to make itself heard. Only the American Legion can offer us that," says Herman H. David, Jr., Army veteran, now commander of Post 557, new all World War II post in Cleveland, Ohio.

Rehabilitation: "To me the aims and purposes of the Legion are the finest. The Legion has set up a program to take care of the returning veterans and their dependents which cannot be topped," says Albert G. Abreach, Army Air Force veteran, now commander of the Harvey R. Hanson Post, 310, at Racine, Wis.

Comradeship: "The Legion is the darned best organization and friendly outfit that a discharged veteran can belong to," says John B. Soukup, overseas Marine Corps veteran, now adjutant of the Boyd-Sykora-Schiller Post, 478, at West, Tex.

Security: "Through the Legion I can do my part toward building a stronger and better America," says Max Obshatoko, Pacific combat veteran, now executive committeeman and welfare officer of Brownsville Post, 33, in Brooklyn, N. Y.

Representation: "I joined the Legion because I felt it was an organization already



well established and could best represent the veterans of World War II," says Jewell Rose, former Spar, now a member of the Meeks-Johnson Post 6, at Pocahontas, Ark.

Tolerance: "I joined the Legion because I have a lot of faith in an organization free of religious and racial discrimination which devotes its time to the soldier after the battle has been won," says Josephine Furiak, ex-marine, now a member of Whiting Post, 80, at Whiting, Ind.

#### AMERICA'S ROLE IN THE WORLD ECONOMY—FULL EMPLOYMENT

Mr. MURRAY. Mr. President, today, when world attention is focused on international plans for permanent peace, we should not forget that world security and friendly relations among nations are to a large degree dependent upon the maintenance of full employment in the leading industrial nations.

This fact was explicitly recognized in Senate bill 330, sponsored by the Senator from New York [Mr. WAGNER], the Senator from Utah [Mr. THOMAS], the Senator from Wyoming [Mr. O'MAHONEY], Representative PATMAN, and myself, which states that the maintenance of continuing full employment in the United States is essential to "develop trade and commerce among the several States and with foreign nations" and to "contribute to the establishment and maintenance of lasting peace among nations."

Full employment as a prerequisite to all plans for maintaining peace and expanded world trade and prosperity was stressed again and again at the International Economic Conferences at Hot Springs, Bretton Woods, Atlantic City, and Mexico City. It has been stressed again in a lucid and forceful way by one of America's most prominent economists, Alvin H. Hansen, in his latest book, *America's Role in the World Economy*. Dr. Hansen argues that "this country can make no greater contribution toward the solution of international problems than that of achieving a high level of internal stability, business activity, and employment."

A competent review of this book, by Arthur Gayer, appeared in the *New York Times* on April 1. In view of the importance of the book and the subject, I should like to have this review printed in the *RECORD* in connection with my remarks.

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

#### ECONOMIC POLICIES AND LASTING PEACE

*America's Role in the World Economy*. By Alvin H. Hansen. 192 pages, New York: W. W. Norton & Co. By Arthur D. Gayer

Not least among the causes that brought about the failure of the structure built at Versailles was the neglect of its framers to provide the economic arrangements needed to insure a durable peace. It would be folly once again to pin our aspirations for protection against a new war on political and military security pacts—like the one envisaged at Dumbarton Oaks—if the economic policies of the nations are permitted to clash violently with one another.

The international machinery in the economic and financial fields that will be needed as indispensable underpinning and complement for a world political organization is the theme of Professor Hansen's able and most timely book. No one concerned to

understand the basic economic issues underlying America's stake in the postwar world can afford to neglect it. Fortunately for the uninitiated it is written with the utmost clarity and simplicity. Dr. Hansen carries his erudition lightly.

Professor Hansen is temperately hopeful about the outlook for world peace after this war. He sees the rise of Russia on one side of the globe, and the economic and military power of the United States on the other, as the new dominating and directing forces in the future course of history. By happy geographic accident these two super-powers control vast areas and resources that are noncompetitive. Here is a framework within which international cooperation has a chance to succeed. Confronted with this favorable political equilibrium, are we better prepared to meet our economic problems than we were after World War I?

On this score too Professor Hansen entertains a qualified optimism—subject to the proviso that we pursue, nationally and internationally, the economic policies that the new world confronting us renders imperative. Wisdom in this respect will begin at home. Dr. Hansen repeatedly stresses that this country can make no greater contribution toward the solutions of international problems than that of achieving a high level of internal stability, business activity, and employment. Short of this goal the prospects for achieving any sort of world stability or security must remain bleak. A violently fluctuating American economy is a menace to stability and security throughout the world.

The bulk of the book is devoted to examining in succession the new international economic institutions that should be established if the desired goals are to be attained. Considerable space is given to the agreements reached at Bretton Woods for the creation of an International Bank for Reconstruction and Development and an International Monetary Fund. Dr. Hansen regards these two institutions as constituting the cornerstone of the structure of international economic cooperation. He expresses strong approval for both. Congress is now considering this vital and controversial program. Bankers and economists are divided on it within their own ranks. A majority of the latter appear to favor both measures, the American Bankers Association would scrap the fund, and the Independent Bankers Association has memorialized Congress in favor of both parts of the program. One by one, Dr. Hansen examines the criticisms that have been directed at these two proposals with admirable reasonableness, urbanity, and understanding of his opponents' misgivings. Those inclined to feel chary about innovations would do well to weigh his position carefully.

The bank, he says, will be essentially a guaranteeing and underwriting institution, not designed to supplant private international lending and investment. The details of the fund are not deemed to be the vital thing. What is considered really important is that the plan sets up an international institution continually on the job, dealing with current international monetary developments and balance of payment problems, and constantly providing means of adjustment through international action. ("The Bretton Woods proposal seeks to promote stability of exchange rates without running the risks involved in a rigid fixity of rates. This is the crux of the matter.") As with the bank, the resources of the fund merely constitute a supplement to ordinary private foreign transactions.

There is a little comfort here for the advocates of traditional monetary orthodoxy. Dr. Hansen believes that those who doubt the need for such an international agency and wish to see the old gold standard re-established are fighting for a lost cause. He is sure that no country will again sacrifice the goal of internal stability and full em-

ployment on the altar of the gold standard, nor permit its internal structure of income, wages, and prices to be deflated to meet the requirements of a rigid foreign exchange rate. Dr. Hansen fears that if the United States fails to enter these proposed international monetary pacts it will also remain aloof from other international economic institutions.

On the problem of international trade, Dr. Hansen rightly believes that traditional approaches to problems of policy are sterile and ineffective. It does scant good merely to hold international conferences and make pious recommendations for the removal of tariffs and trade restrictions. We must make a fresh start on this problem, but expansionist international trade policies will not be adopted unless they constitute part and parcel of a broader program of international cooperation. Hence the author proposes that an international trade authority should be established alongside of other international economic institutions. It would be the function of this body to advance the adoption of liberal and nondiscriminatory trade practices between the nations for the promotion of high levels of international trade and general world prosperity.

Clearly Dr. Hansen is in favor of increased imports for the United States. It is a pity that he does not tell us more precisely how they are to be brought about. High levels of domestic business activity and employment admittedly are a sine qua non for the increased imports that will furnish foreign countries with the dollars with which to buy our goods and pay interest on our international loans. But will full employment at home be sufficient in itself to bring about a healthy balance in our international accounts? The unwary reader may well form the erroneous impression that Dr. Hansen almost believes that the reduction of trade barriers is of rather minor consequence if only high levels of business activity can be sustained within each national economy.

The whole field of post-war international economic relations is embraced in this penetrating book. Theoretical analysis and hard-headed practical examination of pressing issues are skillfully blended to their mutual advantage, and both are expounded with a felicity rare in the treatment of such solemn topics. We are now in this country prepared to commit ourselves to an international political organization for the maintenance of world peace. Having become internationalist on political lines, it would be disastrous were the United States to behave in an isolationist spirit in the economic matters that lend reality to political pacts. The world will be watching to see which way the United States is going. "American political collaboration," as the author points out, "will prove an empty gesture if economic cooperation is refused."

#### A REALISTIC FARM PROGRAM—EDITORIAL FROM THE JOURNAL OF COMMERCE

Mr. THOMAS of Oklahoma. Mr. President, yesterday Secretary of Agriculture Hon. Clinton P. Anderson, addressed the Advertising Federation of America and in the address he made some statements with reference to a realistic farm program. The *Journal of Commerce* comments upon this address favorably, and I ask unanimous consent that the editorial from the *Journal of Commerce* be printed at this point in the body of the *RECORD* in connection with my remarks.

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



eral Government doing what this bill calls for.

All any respecting citizen asks for is the opportunity to work and get somewhere.

I look to you to do the absolutely right thing in this matter for much is at stake.

How about it?

Yours very truly,

WM. FLINTZER.

### No Caste System in America

#### EXTENSION OF REMARKS

OF

### HON. ELLIS E. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1945

Mr. PATTERSON. Mr. Speaker, here in this Congress there are those who, in effect, would deny the right of any but white Protestants of American birth to live, to eat, to dwell in decent sanitary homes, to clothe themselves adequately. If ever any philosophy were un-American, this is it. This Nation's historic tradition, won in blood and reaffirmed in blood, is that it is a land for the many, not for the few. I regret that there are those in Congress who would deny this tradition.

By opposing the Fair Employment Practice Committee, these men, under the false guise of protecting the right of the employer to hire whom he wishes, or of preventing enforced social equality are in effect subverting a proud American tradition.

These verbal guises mask the issue. The issue is that of equality of economic opportunity. The issue is that of a man's right to find employment commensurate with his ability, and without discrimination because of the color of his skin, his racial ancestry, the country his parents were born in, or the manner of their worship. The issue is that of fairness to the American people—fairness, justice, in permitting every man the right to earn a living.

A man must work to live, and must earn enough to sustain him. Hiring solely on the basis of ability is not only the fair way, but the best way to promote maximum efficiency in a working force.

We cannot legislate against prejudice. We do not attempt to do so. But we can legislate against discrimination, the harmful effect of prejudice, and we must do so. We can and we must protect the right of every American to live, by protecting his right to employment based on ability.

We cannot legislate to enforce social equality. We do not attempt to do so. But we can and we must legislate to protect economic equality.

We do not attempt to force a man to hire those who are unable to do their jobs. We do not attempt to force an employer to associate with his employees socially. But we do attempt, and must not fail, to provide a job for every man, a guarantee to every American that his livelihood shall not be at the mercy of the prejudice of another.

We do not want a caste system in America. Our American tradition glori-

fies the right of every human being to stand or fall on his own ability. To limit that right is to limit democracy, to limit Americanism and America.

### Production of Work Clothing

#### EXTENSION OF REMARKS

OF

### HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1945

Mr. ROBERTSON of North Dakota. Mr. Speaker, Mr. Clinton P. Anderson, the newly appointed Secretary of Agriculture, has wisely suggested that the problem of food can be better solved by increasing production. This could well be said of all commodities of which there is a shortage.

There is today a constantly growing problem among the working people and farmers of our country to obtain satisfactory work clothing. This, like products of the farm, might find a solution could production be increased. So long as this Nation operates under the capitalistic system—and no one has conceived a better one or even suggested the beginning of a better one—then it is well for us to adhere to what we possess. Profit is the stimulus of human endeavor.

It is the duty of the Office of Price Administration to hold the line against inflation but the question can be challenged always when we are face to face with the problem of production. The question of work clothing today is very serious. The solution rests in increasing production. It could probably have been attained by giving to those who manufacture these goods reasonable price ceilings by which they can be the beneficiary of some reasonable profit for their efforts and their investment.

Under unanimous consent, I include in the CONGRESSIONAL RECORD a statement made at a mass meeting of the work-clothing manufacturers from all sections of the United States at the Raleigh Hotel, Washington, D. C., under date of June 13, 1945:

Work clothing for the past several months has been one of the chief concerns of all Government agencies and all distributors and all consumers. Since work clothes are the all-important working garments for millions of workers everywhere—on farms, in mines and factories, supply and distribution have been critical problems in the national economy.

With millions of yards of chambray and denim being released because of Navy cut-backs, garment manufacturers—because of their unfavorable ceilings on civilian garments—are in no position to take advantage of this available increased cloth supply for badly needed work garments, for the following reasons.

With only slight relief on cloth increases, work clothing manufacturers continue to basically operate under their March 1942 ceilings. Since that time, the industry has been compelled to absorb wage increases of over 30 percent, make up expenses of 25 to 40 percent, and other increases, such as overtime, etc. During this period, the industry was compelled to drop many low cost staple numbers because of unfavorable ceilings and lack

of cloth, and took on Government work which has been the main source of profit for the industry. Because of sharp cut-backs which have already taken place on Navy contracts and the possibility of nearby cut-backs on Army contracts, the industry—on their future civilian business—is in no position to take advantage of the present increased cloth supply, since the mills making the cloth are being granted further price increases by OPA under the Bankhead amendment with no machinery of passing these increases along to the manufacturer.

These cloth increases are being granted on all work clothing fabrics as outlined in group 21, WPB M317A and RMPR OPA order 208. The OPA, while sympathetic to our situation, is only in a position of granting total costs on the garments, making for a situation which is briefly this. The work-clothing industry is expected to make goods at cost, buying the cloth they need from mills whose profits—according to the OPA—are eleven times prewar earnings and selling them to wholesalers and retailers whose profits are 10 times prewar earnings.

The situation is grossly unfair, intolerable, and, we think, tyrannical. If badly needed low-cost work garments are to be provided for the millions of workers who, because of the scarcity, have been forced to buy higher priced and inferior garments, then our industry must be put in a position where we can operate at least on a reasonable profit on our civilian business, and our only source of help is to have Congress amend the Bankhead amendment to include these critical work clothing items.

That is our problem, which is the most serious problem that has yet confronted our industry. Here we are face to face with re-conversion. Here are millions of yards of denim and chambray available for the first time in about 2 years that can be made into badly needed overalls and work shirts, provided we can do so at a reasonable profit, for certainly we cannot be expected to carry the burden of other groups whose position is much stronger than ours, particularly since the industry is now faced with a partial peacetime operation.

While chambray and denim are again in liberal supply, cut-backs can be expected releasing other important work-clothing fabrics, such as drills, jeans, pant covers, whipcords, twills, poplins, gabardine, cotton flannel, shirtings, cottonades, moleskins, ducks, pin checks, and pin stripes.

As manufacturers of important work clothing garments, we are relatively small in number, there being about 1,200 manufacturers scattered over every State in the Union with well over 100,000 employees whose welfare must also be considered in this very important problem. Unless immediate relief is granted, there is a possibility of partial or complete closing of a great many of these plants, resulting with serious unemployment in the industry.

If we are to resume partial peacetime operation and take advantage of the present increased cloth supply for badly needed work clothing, then our only hope is to have Congress amend the Bankhead amendment giving us the same consideration as granted the mills.

### Un-American Activities in California

#### EXTENSION OF REMARKS

OF

### HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1945

Mr. RANKIN. Mr. Speaker, under leave to extend my remarks in the REC-



ORD, I include the following Associated Press article relative to un-American activities in California:

LOS ANGELES, July 11.—State Senator Jack B. Tenney, today said Hollywood was headquarters for a dangerous plot to overthrow the United States Government, and announced membership of an un-American activities committee of the California State Senate.

He said the committee would work closely with the United States House of Representatives in a projected investigation of Hollywood.

"When Acting Chairman RANKIN (Democrat, Mississippi) said one of the most dangerous plots to overthrow the Government has its headquarters in Hollywood, he was not wrong," Tenney said in a newspaper interview. "Our investigations since 1940 and intensified in the last year have borne this out.

"All of our records, showing a steady, growing rise of communistic activities stemming from Hollywood, are being offered to the congressional committee, and we will cooperate with its investigators in every possible way.

"We have great volumes of information from our investigations which have shown widespread marxism in the film colony. The official reports for 1943 and 1945 contain summaries of the programs of individuals and organizations in Hollywood for the destruction of the Constitution and the American way of life."

### The Full Employment Bill

#### EXTENSION OF REMARKS OF

**HON. GEORGE E. OUTLAND**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1945

Mr. OUTLAND. Mr. Speaker, I am gratified to note that a number of comparatively new business organizations are in the forefront for H. R. 2202, the full employment bill.

Typical of these groups is Progressive Businessmen, Inc., which was incorporated in the District of Columbia in 1944 and maintains its offices in Washington. Although not yet a year old, it has close to 400 members in 35 of the 48 States.

Progressive Businessmen, Inc., recently produced a primer on the bill, called A Job To Do, which, I believe, has been received by all Members of the House and of the Senate. In the simplest language possible this pamphlet seeks to explain the workings of H. R. 2202 so that businessmen may be familiar with it.

The inspiration for this publication and for Progressive Businessmen, Inc., is a progressive businessman—Mr. Harry Golden. He is a manufacturer in New York City, employing about 100. Although his products have been almost entirely for civilian customers, he, like other manufacturers and businessmen, has become acutely conscious of the Government's impact on business during the recent years. For this reason Mr. Golden has sought to educate his fellow businessmen on the probable effect of measures like the full-employment bill on their own business.

Mr. Golden served in the Navy in World War I and was an importer and

exporter before entering the manufacturing business a dozen years ago. This background, coupled with an education in engineering, served to equip him to come to Washington in recent years and plead the cause of small business.

Associated with Mr. Golden in organizing P. B. I. and in its first year of growth has been Mr. Nathan L. Silberberg, a member of the District of Columbia and New York bars, who is general counsel of the organization.

In our fight for an America in which unemployment will be cut to a minimum, the work of business groups such as this will be especially effective. As chairman of the House steering committee on H. R. 2202, I extend our thanks to Progressive Businessmen, Inc., and hope that many such groups will join us in working for this most important piece of legislation.

### Federal Social Security for Servicemen

#### EXTENSION OF REMARKS

OF

**HON. THAD F. WASIELEWSKI**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1945

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and resolution.

OFFICE OF THE CITY CLERK,  
CITY OF WEST ALLIS, WIS.,

June 28, 1945.

Mr. THADDEUS F. B. WASIELEWSKI,  
Milwaukee, Wis.

Dear Sir: At a meeting of the Common Council of the City of West Allis, held on June 19, 1945, Resolution No. 1736 was adopted. This resolution is relative to House bill No. 2787, dealing with Federal Social Security for Servicemen.

A copy of this resolution is attached for your consideration.

Yours very truly,

FRED A. SANLADER,  
City Clerk.

#### Resolution 1736

Whereas under the old-age and survivors provisions of the Federal Social Security Act, every person in service is under the following disabilities:

1. He is not considered fully insured if he has spent more quarter-years in service than in covered employment, since 1936, or his becoming 21, whichever is later (sec. 209 (g) of title II).

2. He is not considered currently insured, if he dies and has not earned at least \$50 in each of at least 6 of the 12 quarter-years prior to his death, earnings in service not being counted (sec. 209 (h) of title II).

3. In computing the average monthly wage on which the amount of his benefits is based, months in service are included in the denominator, but service pay is not included in the numerator (sec. 209 (s) of title II); and

Whereas by virtue of these disabilities, many persons in spite of their contributions to the fund, are dying in service not fully insured, or not currently insured, thereby cutting off their dependents from benefits to which they would otherwise be entitled (sec. 202 of title II); and

Whereas in the case of older service persons, these disabilities may even prevent them from drawing benefits themselves at the age of sixty-five; and

Whereas all servicemen will find their own and their dependents' benefits at least reduced in amounts by virtue of this period of service; and

Whereas the foregoing represents an intolerable discrimination against our men and women in service; and

Whereas a bill, H. R. 2787, has recently been introduced in Congress to remedy this situation, which bill freezes the rights of all military personnel at the time of entry into military service, and which bill does not require any appropriation nor service credits, and hence does not require any revision of the GI bill of rights nor being tacked onto any appropriation bill, but rather can be acted upon at once on its own individual merits: Now, therefore, be it

Resolved by the honorable mayor and Common Council of the City of West Allis, this 19 day of June 1945, as follows:

1. That immediate action be taken by Congress on bill H. R. 2787.

2. Copies of this resolution be sent to all Wisconsin Senators and Representatives in Congress.

Adopted June 19, 1945.

FRED A. SANLADER,  
City Clerk.

Approved June 19, 1945.

ARNOLD H. KLENTZ,  
Mayor.

### American Labor Memorandum on Jewish Palestine

#### EXTENSION OF REMARKS OF

**HON. SAMUEL DICKSTEIN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 12, 1945

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and accompanying memorandum:

AMERICAN JEWISH TRADE UNION

COMMITTEE FOR PALESTINE,

New York, N. Y., July 10, 1945.

Hon. SAMUEL DICKSTEIN,

House Office Building,

Washington, D. C.

DEAR CONGRESSMAN DICKSTEIN: Enclosed herewith is a copy of a memorandum submitted to the President and to the Secretary of State, expressing the viewpoint of American labor on Jewish Palestine.

May we respectfully urge you to do all you can to further this program.

Respectfully yours,

MAX ZARITSKY, Chairman.

AMERICAN LABOR MEMORANDUM ON JEWISH  
PALESTINE

During the six long and bitter years of the war—while the Jews of Europe were being systematically exterminated by Nazi bestiality—immigration into Palestine was for periods completely shut off by the British administration, and when permitted, restricted to a bare minimum at best. While millions of Jews were being massacred, not more than ten or twelve thousand were permitted to enter Palestine each year since the promulgation of the Chamberlain white paper in 1939. Today the certificates of immigration have been exhausted and still the doors of Palestine are closed to the hundreds of thousands who are waiting in the desperate hope of at last finding rest from their wanderings and of attaining permanent security of mind and body in the Jewish homeland.

There is no valid economic reason for keeping the Jews out of Palestine. During the







79TH CONGRESS  
1ST SESSION

# S. 380

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IN THE SENATE OF THE UNITED STATES

JULY 28 (legislative day, JULY 9), 1945

Referred to the Committee on Banking and Currency and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. MORSE (for himself, Mr. TOBEY, Mr. AIKEN, and Mr. LANGER) to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

1 On page 3, after line 16, insert the following:

2 “(g) It is the policy of the United States to discharge  
3 the responsibilities herein conferred in such a manner as  
4 will contribute to an expanding exchange of goods and  
5 services among nations and without resort to measures or  
6 programs that would create unemployment or impede the  
7 improvement of living standards in other nations, or in



1 the United States, or that would contribute to economic con-  
2 flicts among nations.”

3 On page 8 in place of subsection (c), line 9, insert the  
4 following:

5 “(c) The President shall consult with industry, agri-  
6 culture, labor, consumers, State and local governments, and  
7 others, with regard to both the development and the admin-  
8 istration of the National Budget, and for this purpose shall  
9 establish such advisory boards, committees, or commissions  
10 as he may deem desirable.”

11 On page 12, after line 11, insert the following:

12 “STABILIZATION OF AGRICULTURE

13 “SEC. 9. (a) In order to contribute to the maintenance  
14 of continuing full employment, it is the responsibility of the  
15 Federal Government—

16 “(1) to maintain supplies of agricultural products  
17 adequate to satisfy the demands of domestic and for-  
18 eign markets under conditions of continuing full em-  
19 ployment in the United States;

20 “(2) to maintain income of agricultural enterprises  
21 at such high and sustained levels as will provide a fair  
22 relationship with the incomes of all other groups and  
23 contribute to a rising standard of living in agricultural  
24 areas; and

25 “(3) to maintain and increase efficiency in the

1 production of agricultural products, make the most effective  
2 tive utilization of the resources of each agricultural region  
3 of the country, and develop the best balance between  
4 industry and agriculture;

5 and the Secretary of Agriculture shall, under the direction  
6 of the President, and in cooperation with State and local  
7 agricultural agencies, farmers, and farm organizations, de-  
8 velop and administer specific policies and programs designed  
9 to discharge such responsibility.

10 “(b) The Secretary of Agriculture is hereby authorized  
11 and directed to—

12 “(1) develop such regional or commodity programs  
13 for the adjustment, improvement, or maintenance of the  
14 present use of agricultural resources as may be neces-  
15 sary to achieve a use of agricultural resources fully con-  
16 sistent with continuing full employment;

17 “(2) develop a general program for achieving and  
18 maintaining equality between agricultural areas and all  
19 other areas of the country with respect to meeting basic  
20 needs for public roads, communications, electrification,  
21 health facilities, educational facilities, housing, social  
22 security, and other essential works, services, and facili-  
23 ties; and

24 “(3) continue, and improve upon, previous policies  
25 of strengthening the family-size farm, insuring crops















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## AMENDMENTS

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Intended to be proposed by Mr. MORSE (for himself, Mr. TOBEY, Mr. ARKEN, and Mr. LANGER) to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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JULY 28 (legislative day, JULY 9), 1945  
Referred to the Committee on Banking and Currency  
and ordered to be printed







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued August 2, 1945, for actions of Wednesday, August 1, 1945)

(For staff of the Department only)

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HIGHLIGHTS; Sen. Connally introduced livestock-price stabilization bill. Sen. Pepper introduced agricultural-processors security bill and an international-health-organization measure. Sen. Barkley discussed farm prices and development of water programs and rural housing. Sen. O'Daniel criticized war-food program. Sen. Wagner inserted Review of the 1946 Budget. Sen. Cordon criticized Oreg. lamb situation. Sen. Wherry urged all-out agricultural program. Rep. Pittenger criticized sugar situation.

HOUSE

1. FULL-EMPLOYMENT BUDGET; FARM PROGRAM. Sen. Morse, Oreg., submitted (for himself and Sens. Tobey (N.H.), Aiken (Vt.), and Langer (N.Dak.) proposed amendments to S. 380, the full-employment-budget bill, to provide that the President consult with industry, agriculture, labor, consumers, and State and local governments with regard to the development and administration of the National Budget; to provide that the Secretary of Agriculture, in cooperation with State and local agricultural agencies, farmers, and farm organizations, maintain adequate supplies of agricultural products and high and sustained agricultural income levels; and maintain and increase production of agricultural products; authorizes the Secretary of Agriculture to develop regional or commodity programs for adjustment, improvement, etc., of the use of agricultural resources and a general program for maintaining equality between agricultural and other areas to meet basic needs for public roads, communications, electrification, health and educational facilities, housing, etc., and to continue and improve upon policies to strengthen the family-size farm.
2. RESEARCH. S. 825 as reported (see Digest 152) establishes a Research Board for National Security to formulate and direct programs of scientific research and development relative to national security problems, conduct the scientific study of such problems, and advise the Secretary of War and the Secretary of Navy on the application of science to national security; provides that the Board shall not relieve the Army, Navy, or other Government agencies of their responsibility for, or authority over, research and development work; provides for the use of facilities and services of other Government agencies and prohibits operation of laboratories by the Board; and authorizes appropriation of funds to the Board and transfer of funds to other Government agencies.
3. TRANSPORTATION; LAND GRANTS. The Senate committee amendment to H. R. 694 (see Digest 152) provides that this bill shall take effect ninety days after the



cessation of hostilities with Japan.

4. AGRICULTURAL SITUATION. Sen. Wherry, Nebr., discussed the agricultural situation and urged "an all-out agricultural production program...to meet the increased needs of our military, our civilian population, and our export demands" (pp. 8403-11).
5. FARM PRICES; RURAL HOUSING; WATER UTILIZATION. Sen. Barkley, Ky., discussed the "accomplishments of the Congress and problems awaiting attention," including water-utilization programs, rural housing, highway construction, and farm prices (pp. 8371-6).
6. SURPLUS PROPERTY. Sen. Stewart, Okla., urged consideration of small business in the disposition of surplus property and commended ICC's "equalization" order for freight rates (pp. 8415-22).
7. FOOD ADMINISTRATION; RATIONING; PRICE CONTROL. Sen. O'Daniel, Tex., criticized administration of the war food program, rationing, and price control (pp. 8392-4).
8. BUDGETING; EXPENDITURES. Sen. Wagner, N.Y., inserted Budget Director Smith's "Review of the 1946 Budget" and stated that "it uses the idea of a national budget, as proposed in the full-employment bill, S. 380" (pp. 8358-63).  
Sen. Thomas, Utah, announced the sponsorship of Sens. Morse, Oreg., Tobey, N.H., Aiken, Vt., and Langer, N.Dak. for S. 380, the full-employment bill (p. 8352).
9. MEAT SUPPLY. Sen. Cordon, Oreg., and others criticized the Oreg. lamb situation (pp. 8364-8).
10. NATIONAL DEFENSE. Committee submitted pt. 4 of S. Rept. 110, pursuant to S. Res. 55 on the national defense investigation (p. 8348) and received permission to file reports pertaining to carbon black and rubber, lumber, housing, transportation, critical materials, coal, and manpower (p. 8351).
11. CONTRACT SETTLEMENTS. Received the quarterly report of the office of War Contract Terminations and Settlements. To Military Affairs Committee. (p. 8348.) Sen. Thomas, Utah, inserted a summary of this report (pp. 8355-6).
12. ELECTRIFICATION. Received the 1939-45 report on "Industrial Electric Power in the United States!" To Commerce Committee. (p. 8348.)
13. WATER POLLUTION. Received a Md. sportsmen's resolution favoring H.R. 519, to prevent pollution of U.S. waters and correct existing water pollution (p. 8348).
14. FOOD DISTRIBUTION. Sen. Capper, Kans., inserted an American Federation of Labor (Pittsburgh, Pa.) resolution urging better food distribution to "workers on the home front" (pp. 8349-50).
15. MANUAL OF GOVERNMENT CORPORATIONS. Agreed to Sen. Barkley's (Ky.) request that the Reference Manual of Government Corporations prepared by GAO be printed as a document (p. 8355).
16. EDUCATION. Sen. Thomas, Utah, inserted the draft proposals for <sup>an</sup> Educational and Cultural Organization of the United Nations <sup>which were</sup> released by the conference of Allied Ministers of Education in London (pp. 8356-8).

17. FEDERAL-STATE RELATIONS. Sen. Wiley, Wis., inserted several articles including one criticizing "Federal Bureaucracy" and its "undermining" of States rights and one on "Our Shrinking Minerals" (pp. 8368-70).
18. RECLAMATION; POWER; WATER UTILIZATION. Sen. Magnuson, Wash., discussed and urged early consideration of H.R. 2690, to amend the Bonneville Project Act so as to provide for better methods of administration, etc. (p. 8411).
19. BANKING AND CURRENCY. Sen. Thomas, Okla., urged support for his proposal to establish in our monetary system a new coin to be known as the gold ounce (pp. 8411-3).
20. WILDLIFE. Passed without amendment H.R. 699, to amend 16 U.S.C. 682, providing for game refuges in the Ozark National Forest (p. 8424). This bill will now be sent to the President.  
Passed without amendment S. 518, providing for the issuance of permits for the use of live decoys in the taking of ducks (p. 8427). This bill will now be sent to the President.
21. VETERANS; EMPLOYMENT; EDUCATION. Sen. Johnson, Colo., spoke favoring a veterans integrated national program providing for retraining, rehabilitation, and reemployment (pp. 8432-3).
22. PUBLIC LANDS. Passed without amendment H.R. 2613, to authorize the Secretary of Agriculture to adjust boundary disputes by settling claims to certain so-called Sebastian Martin grant lands in N. Mex. (p. 8434). This bill will now be sent to the President.
23. ADJOURNED until Mon., Oct. 8. Pursuant to H. Con. Res. 68 the Congress may be recalled before Oct. 8 at the request of the President pro tempore of the Senate and the Speaker of the House jointly, the Majority Leaders of the Senate and House jointly, or the Minority Leaders of the Senate and House jointly. Bills, resolutions, etc., do not lose their legislative status because of the summer recess. The First Session of the 79th Congress will be resumed when Congress reconvenes.

#### BILLS INTRODUCED

24. LIVESTOCK PRICES. S. 1335, by Sen. Connally, Tex., to aid in stabilizing and supporting the prices of livestock during the period of 2 years following the cessation of hostilities in the present war. To Agriculture and Forestry Committee. (p. 8351.)
25. SMALL BUSINESS. S. 1337, by Sen. Stewart, Tenn., to make a peacetime Government agency with power to make and insure loans. To Banking and Currency Committee. (p. 8351.) Remarks of author (p. A4000).
26. PERSONNEL. S. 1339, by Sen. Downey, Calif., to provide for a review of CSC decisions with respect to character and loyalty of Government employees, and applicants for Government employment. To Civil Service Committee. (p. 8351.) Remarks of author (pp. 8397-8).
27. FARM LABOR; FOOD PROCESSING. S. 1348, by Sen. Pepper, Fla. (for himself and Sen. Morse, Oreg.), to amend certain provisions of the Social Security Act and the Internal Revenue Code in order to bring within the scope thereof industrial operations performed on agricultural commodities and to confine exemptions to farming and related activities. To Finance Committee. (p. 8351.)



28. HOUSING. S. 1342, by Sen. Wagner, N.Y. (for himself and Sen. Ellender, La.), to establish a national housing policy and provide for its execution. To Banking and Currency Committee. (p. 8351.) Remarks of author (pp. 8376-90).
29. HEALTH. S. J. Res. 89, by Sen. Pepper, Fla. (for himself and others), relative to the formation of an international health organization. To Education and Labor Committee. (p. 8351.)
30. NATURAL RESOURCES. S. Res. 167, by Sen. Stewart, Tenn., to investigate the depletion of domestic supplies of raw materials. To Military Affairs Committee. (p. 8355.)

#### ITEMS IN APPENDIX

31. FULL-EMPLOYMENT BUDGET. Extension of remarks of Rep. Murdock, Ariz., favoring the full-employment post-war program and pointing out that it has been subjected to "misinterpretation and derision" (pp. A3972-3).
32. BANKING AND CURRENCY. Extension of remarks of Rep. White, Idaho, favoring a return to the monetary system based on the "unlimited coinage of gold and silver" (pp. A3974-6).
33. SUGAR SHORTAGE. Extension of remarks of Rep. Pittenger, Minn., blaming government officials for the sugar shortage and including an editorial on the subject (pp. A3978-9).
34. LEND-LEASE. Extension of remarks of Rep. O'Konski, Wis., criticizing the government for its lend-lease policies and citing statistics (pp. A3981-4).
35. PRICE CONTROL. Speech in the House by Rep. Gamble, N.Y., favoring H.J. Res. 101, extending the price-control and stabilization acts (pp. A3985-6).  
Sen. Barkley, Ky., inserted Price Administrator Bowles' statement on price-control policies for the coming year and cooperation with this Department (pp. A4004-5).
36. SMALL BUSINESS; RECONVERSION. Sen. Pepper, Fla., inserted Sen. Murray's (Mont.) radio address urging equitable treatment of small business during reconversion (pp. A3990-1).
37. FOOD PRODUCTION. Sen. McClellan, Ark., inserted tables on food production, raw materials, forest products, and minerals in Ark. (pp. A3991-2).

#### BILL APPROVED BY THE PRESIDENT

38. AAA; TOBACCO; CCC LOANS. H. J. Res. 98, requiring establishment, subject to growers' referenda, of marketing quotas on fire-cured and dark air-cured tobaccos and directing that price supporting loans be made available by CCC on fire-cured tobacco at 75% and on dark air-cured (including Virginia sun-cured) tobacco at 66-2/3% of the Burley tobacco loan rate. Approved July 28, 1945 (Public Law 163, 79th Cong.).

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#### ITEMS IN FEDERAL REGISTER

39. SURPLUS PROPERTY Board Reg. 2, Amdt. 2 (July 31, 1945) defining "Government Agency" in connection with priorities of Government agencies (p. 9478), and Reg. 5, Amdt. 2, on disposal of non-industrial real property (p. 9478).  
Reg. 3, Orders 20-24 (Aug. 1, 1945), on the allocation of trucks for disposal to farmers and farmers' cooperatives in certain states (pp. 9562-3).

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through which the nations may build one, gradually and firmly, if they so desire. The many difficult issues which that task must raise have been wisely left to the future, when they can be better attacked as they come; but it follows that one reason why the Charter itself has awakened so little opposition is the fact that there is so little in it to oppose.

Yet the Senate's overwhelming vote is a measure of something more than this—something more than either modesty of aim or skill in negotiation and drafting. It is a measure of the compelling power of the great lesson taught by the last 25 years of world history. It is a measure of the depth of the American people's conviction that a new international world, which will avert these vast, recurrent holocausts of humanity, must be built. It is a measure of the popular resolve that no trivial obstructions, no exaggerated fears, no remote or minor risks, must be allowed this time to confuse or halt the progress of the great work of peace. The Charter may be only a mechanism, but the Senate, in casting 89 votes for its ratification, was recording the tremendous strength of the popular determination not only to see such a mechanism established, but to accept the costs and risks of operating it. Because of that determination, the United States, which was never able to ratify the last great experiment in international order, becomes the first to ratify this new effort. It is a good augury of ultimate success in the arduous task to which we now pledge our faith as a people.

[From the Chicago Sun of July 27, 1945]

AN ASSIST BY LUCAS

To Senator SCOTT LUCAS, of Illinois, fell the honor of retrieving a Connally bungle in the United Nations Charter debate.

Senator CONNALLY had allowed the impression to gain ground that future legislation placing American forces at the disposal of the Security Council must take the form of a treaty, and so be subject to defeat by one-third of the Senate plus one. John Foster Dulles, who is supposed to be a great legal expert, had reinforced the impression by representing the American delegation to San Francisco as backing the treaty viewpoint.

The form of legislation to implement the Charter cannot be fixed now, but it is important that nothing in the current debate prejudice that decision when the time comes to make it. Senator Lucas kept the way open for passage of the implementing legislation by the proper method, majority vote of both Houses. He forced an admission from Mr. Dulles that this method is not excluded by any opinions of the delegation. He thereby demolished the claim that the Senate, in adopting the Charter, would automatically retain a one-third-plus-one veto over the enabling legislation.

The Senate now knows that this minority veto power is not implicit in future Charter legislation. It knows that adoption of the Charter represents a firm commitment to carry out its terms, which include the provision of armed forces to the Security Council. For making this point clear, Senator LUCAS deserves the country's thanks.

## America in the Age of Flight

### EXTENSION OF REMARKS

OF

## HON. RAYMOND E. WILLIS

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 1, 1945

Mr. WILLIS. Mr. President, I ask unanimous consent to have printed in

the Appendix of the RECORD an address which I delivered at Richmond, Ind., at the dedication of the airport there on July 24, 1945.

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

Mr. Chairman, Mayor Britten, officials of Richmond and Wayne Counties, honored guests, ladies and gentlemen, I am proud and happy to be here today. Proud to be a part of this ceremony marking another epoch of progress for this section of Indiana. Happy to see and visit again with old Indiana friends and acquaintances and to clasp new hands in fellowship.

We are gathered here today to dedicate this new \$1,000,000 Richmond Municipal Airport. We all have good reason to believe that this dedicatory ceremony is only the beginning of a more glorious and more prosperous future for this section; that, as time passes, this airport will become a mighty link in the chain of national air transportation.

It is difficult for us today to think—as we must—of peacetime aviation programs, of postwar plans, of building our personal and community fortunes, while out on Okinawa, out in the Philippines, out on lonely Islands whose names we do not know, our sons and brothers and husbands and fathers are fighting bloody battles against a tenacious and determined foe.

Not would we want to forget the tremendous price that has been paid by thousands of precious lives which have made this auspicious occasion possible.

We might strive to erase that vision from our minds, for a moment, but we all know—every man and woman among us—that we cannot forget them today, we will not forget them tomorrow.

I must first pay tribute to those Indians—to those Americans—who are far from home and cannot be with us today to witness this mark of progress. We do it in their names—in the name of the soldiers of the Republic.

The American soldier is not animated by the hope of plunder or the love of conquest. He fights today to preserve this homestead of liberty and that his children might be free.

Our soldiers have relighted the torch of liberty and are filling the world again with light. They are, today, as they have been in every generation, the saviors of the Nation and the liberators of men.

And at what tremendous cost! On the day opening the Seventh War Loan drive, thousands of serious minded people watched on the Capitol Plaza in Washington, the reenactment by a squad of the same marines of the raising of the American flag on Mount Suribachi on Iwo Jima. In the throng stood two others who had been on Iwo Jima—sick, weary, and solemn. One of them turned and said to a bystander, "Woman, do you know it took a hell of a lot of dying to do that?"

I can never forget the picture of the carload after carload of strong young men—without arms or legs—who were in the motorcade of Gen. Dwight D. Eisenhower on his triumphal tour through Washington recently, and I hope I may never forget the words General Eisenhower spoke with such feeling in his address to Congress: "The portion of humility must be great in a man who comes to such honor by the blood and sacrifice of so many friends and fellow men." I thought then—as I think now—that we can never do too much for men who have given so much for us.

Let us never forget all those who went out—the living and the dead, the strong and the weak, the rich and the poor—to prove that when freedom was an issue, the American people have never faltered, they have never failed.

Let us—as we dedicate this great airport—rededicate ourselves to those principles, to

those ideals and ideas, for which our sons, our fathers, our brothers, and our husbands are risking their lives today.

It is of more significance than a mere coincidence of the calendar that this dedication is made, on this great day in the history of our country. One hundred and sixty-nine years ago, a group of stalwart Americans signed the Declaration of Independence, proclaiming to all the world that here in this land of the great frontier, men would make secure their rights to life, liberty, and the pursuit of happiness. Few there were, in other nations, who in those days felt that this representative government, formed so inconspicuously, with few factories, and with little material wealth, would long survive.

In other lands—in Athens and in Rome and in Jerusalem—men had dreamed the dream of establishing liberty and justice for all. But no representative government in recorded history has been able to survive both the storms of adversity and the sunshine of prosperity for long. The pages of history are littered with the records of broken governments formed by men trying to find a government that would satisfy both the selfish and the unselfish, the rich and the poor, the fearless and the fearful.

Yet, the seeds of that little Republic, formed 169 years ago in the dark and troublous seas of monarchies, dictatorships, and alliances, fell on fallow ground. That Republic founded of the people, by the people, and for the people expanded over this great land. As the years passed, as the decades rolled on, the words of Alexander Hamilton became a prophecy: "This country and this people were made for each other." Soon that Republic stretched, as we have sung many times, from sea to shining sea.

Again in a larger sense is this occasion fraught with great significance. The spirit of America soars today far beyond the borders set by the two great oceans. Because of the inventions born in this very section, because of the men who were nurtured in this very soil, America's spirit has taken wings.

Not many years ago, although the airplane had been invented in America, we were lagging in aviation development as a nation. Only 5 years ago today, Hitler's dreaded Stukas and his Heinkels and his Messerschmidts were pouring out lead and bombs on hapless England. France already had fallen beneath the onslaughts of the merciless German attack.

Then Americans took heed. They knew it was time to prepare. American industry, American workingmen, American farmers—working in an unbeatable team—began to unsheathe the sword and to reveal the might of America. The dictators, as they always had in the past, overplayed their hand. They decided to take on America. Well did Winston Churchill, standing before our Congress, ask a question that still burns in my memory: "What manner of men do they think we are, anyway?"

In the years that have passed, the dictators have found out what manner of men we are. We turned out airplanes first by the dozens, then by the hundreds, then by the thousands and then by the tens of thousands. The world has never seen anything like it. Tomorrow's would-be dictators will long remember what America did when the test came.

America's mighty spirit took wing in 1942, when the vanguard of our air armadas swept across the skies of stricken France, pumelled the very heart of Germany. That day the first American airmen went into Germany, showing the arrogant Hitler and the dope-fiend Goering the potential strength of our industrial might—that day, the war was won against Germany. For that day, the American airmen figuratively had written over the skies of Berlin—"Thou art weighed in the balance and found wanting."

We won that victory—as we will bring the Jap warlords to their knees—because of our



American system. Let that truth impress itself on us today. Let every thoughtful person realize that the winning of this war began with the Declaration of Independence and the Constitution of the United States.

The system of government organized under those documents made possible, in this country, the greatest moral and spiritual and material development ever witnessed in any nation in any period. That Constitution made possible, in a real sense, the invention of the modern airplane. It made possible the development and production of airplanes of such might and speed that Germany was destroyed and that will destroy Japan too if she persists in her mad folly of resistance. That constitution created and kept in existence the kind of a country that made men want to do new things—and let them try new things. Freedom and flight are interconnected. Men could not fly until they could dream and work to fly. They could not do creative work well unless they were free. Therefore, this great accomplishment in the realm of aviation is due as much to the charter of our liberty as it is to the blueprints of modern mechanical master minds.

Stalin, that enigmatical ruler of Soviet Russia, paid an unconscious tribute to our very freedom when, at Tehran, he uttered these words: "A toast to American production, without which our victories would not be possible. It was freedom, under the law, to work and strive together that made that production possible. It was the American industrialists, the American workingman, the American farmer working and fighting together—unbeaten and unbeatable—turning out a volume of war material never imagined possible even by the most fantastic dreamers."

Miracles have been performed in developments of new techniques both of production of airplanes and of performance in the planes themselves. But greatest of all has been the development of the wonderful skill of the thousands of American youths in their ability to pilot these great planes with unerring direction 35,000 feet in the stratosphere at a speed of 400 miles per hour. They symbolize the vision and daring of our youth for the America of tomorrow.

Now we know today, as the men knew who helped develop aviation here in Richmond to its present importance, that the airplane is destined to play a great part in peace as in war, in education, in science, in industry, as in travel, and in better understanding between peoples and nations.

Many, many years ago Quakers brought to Richmond—to Indiana—the first message of tolerance and goodwill. Is it too much to hope that airplanes from this very field—from every field in our Nation—will carry the same message of good will of America to all the world, and that we will not in our lifetime, and it is to be fondly hoped, never again witness the ravages and horrors of a world war. It should be our prayer today that this field will be used as a symbolical nest for the doves of peace, not as a breeding place for the birds of war.

Alfred Tennyson, the great British poet and prophet, said in Locksley Hall:

"I foresee—  
\* \* \* the heavens filled with commerce,  
argosies of magic sails,  
Pilots of the purple twilight, dropping down  
with costly bales;  
Heard the heavens fill with shouting, and  
there rained a ghastly dew,  
From the nations' airy navies, grappling in  
the central blue;  
Far along the world-wide whisper of the  
south-wind rushing war,  
With the standards of the peoples plunging  
through the thunderstorm.  
Till the war-drum throbbed no longer, and  
the battle-flags were furled,  
In the Parliament of Man, the Federation of  
the World."

We have encouragement today to believe that Tennyson saw clearly and indeed with a prophetic eye that the airplane would bring wars, then a "parliament of man," a "federation of the world." This present terrible war has impressed the civilized peoples of the world as never before of the dangers they incur by not working in peace to prevent war. Never have the people of this Nation been possessed of such a passion for enduring peace as has now laid hold on us.

We of the United States Senate are now, as you all know, charged with the mighty responsibility of passing judgment upon the Charter formed by delegates of fifty nations in deliberative assembly for several weeks at San Francisco. The Charter they formulated there is not perfect. It does represent the common denominator of the thinking of almost all of the peace-loving nations of the world. It may not be a long step but it is a step toward world cooperation for the solution of the problems which might lead to war. To reject it would be to return to the wilderness of international confusion and chaos. To accept it is to place ourselves on the pathway to understanding and peace. To reject it would be to falter along the way of fear, suspicion and hate. To accept it is to follow the beacon light of trust and hope and confidence.

This proposed Charter allows us freedom of action. It does not bind our Nation beyond the consent of its Government. American participation in such an organization might have come 25 years ago had it not been for the stubbornness of men who demanded total acquiescence with their ideas.

We all fervently pray that this Charter represents the beginning of an understanding and the basis for an organization through which the civilized nations of the world may work regularly for peace.

But I would be recreant to my duty if I did not charge you we must always remember that peace is developed not in charters, not in treaties, but in the minds and hearts and souls of men. There can be no real, just, and lasting peace until men learn to love peace and justice throughout the world. It is my hope that out of the transportation and commerce that belongs to the developing air age, which is hurried along by this very airport, will bring increased love and understanding among all the peoples of the earth.

And let us remember that while we are going to strive to cooperate with the other nations of the world, while we are going to pray for the success of the new effort, we must, our first responsibility to mankind, keep America strong and invincible so that we may be prepared for every responsibility in the dim and uncertain future. While we agree with other nations to labor for peace and justice in the world we must be ever mindful of our duty to preserve in America the freedom with which we have blessed the world. America must be strong in the air. There must be constant research for new improvements, and our planes must have secure bases in every far island to which our commitments require us to travel. America must be strong on the sea and, above all, in our own economic might. For above all, if we fail, this last great hope of mankind for freedom may pass from the earth.

And finally it is particularly fitting, I think, that Richmond should be a leader among small cities of the Nation in the development of airport facilities, as this airfield proves more eloquently than words. It was in this neighborhood, on a farm at Newcastle, that Wilbur Wright, coinventor of the airplane with his brother Orville, was born on April 16, 1867. Orville was born in Dayton, Ohio, on August 19, 1871, so both of these pioneers can be said to be children of this Middle Western soil.

The Reverend Milton Wright, father of the two inventors, went to Dayton originally from Hartsville, Ind., and the Wright family lived in Richmond from June 1881 to June 1884.

Fred C. Kelly, the noted biographer of the Wright boys, makes plain that it was in Richmond, Ind., where Wilbur and Orville Wright, particularly the latter, first through the study of kites, began the observations as boys that were to foreshadow the careful studies on the airplane they made as men.

Yes, this soil today is hallowed soil, for the two Wright brothers who once played around here were the same two men who, on December 17, 1903, were the first men to conquer the air.

With that brief flight of 12 unbelievable seconds for 120 incredible feet, from hardby Kill Devil Hill at Kitty Hawk, N. C., man was freed from the bonds that had held him close to Mother Earth from the beginning of time. He had glimpsed the realization of his oldest—his boldest—dream, the conquest of the air.

Now, 42 years later, Richmond and Indiana pay tribute to those same carefree boys by continuing the development they began.

It is a fitting occasion which draws this great crowd. Our high purpose does honor to Richmond, to Wayne County, to Indiana, and to the Nation.

We dedicate this airport as our testimonial to the bravery of American soldiers who have fought only for the safety of America and for the freedom of mankind.

We dedicate this airport on this Independence Day of 1945 as a symbol of the freedom which has made our wonderful development as a Nation possible.

We dedicate this airport to the patriotic devotion of the citizens of Indiana so splendidly typified in this community which today has reported a subscription of seven and a half billion dollars to the Seventh War Loan, double its quota, and which has devoted itself unceasingly to a magnificent production of materials of war without a single workers' strike.

We dedicate this airport to the honor of the Wright brothers, one still living, who in this community learned the laws of aeronautics through which their genius and vision developed the modern airplane.

We dedicate this airport to the spirit of tolerance and brotherhood instituted by the early settlers of this community. We dedicate it with a prayer that this same spirit of good will may now be carried throughout the world and in the hope that peace and good will may long dwell on earth.

Who can foresee the destiny of tomorrow through freedom so magnificently typified by these great ships of the air?

### Another Good Idea—Full Employment— Subjected to Misinterpretation and De- rision

#### EXTENSION OF REMARKS OF

**HON. JOHN R. MURDOCK**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1945

Mr. MURDOCK. Mr. Speaker, apparently there are those today who are using the clever counsel of Voltaire to fight any ideas and suggestions they oppose more effectively by ridiculing them much more than could possibly be done to oppose them by logical argument. If an idea is generally good, its opponents may have to distort and misinterpret it in order to find some ground of ridicule to apply to it. Ridicule is a powerful weapon against anything, good or bad.



So in order to use this powerful weapon against a good idea, it must first be misinterpreted and misrepresented as something bad, so as to make it appear a fit subject of ridicule. Such are the tactics being used against the idea of full employment.

As an example, there is another expression, "planned economy," against which no reasonable human being can logically find any fault, which has for the past few years been misrepresented and subjected to ridicule in an effort to laugh it out of court. Of course, as a part of this ridicule, it has not been difficult to point to serious blunders on the part of those in office who advocate a planned economy. Certainly none have been overlooked. If examples were not found in abundance by the opponents, some were invented which were ludicrous enough to redden the face of any of the proponents. Then followed the expression—but not with pride—"They planned it that way." That derisive shout does the work psychologically in swatting anything that can be labeled "planned."

It does not matter that planning is at the basis of all economy and that proper planning is as imperative as effective action in accomplishment, and that planning must precede all effective action, a truism which even a simple-minded person can see and understand. The loudest opponents of planned economy are the greatest masters of it, with this difference—that they want the planning done by somebody else—namely, themselves. It is not the idea of economic planning to which these derisive opponents object, as their derision would lead one to believe, but it is the method of planning to which they most object—that is, planning by governmental officials in the public interest. However, they can mightily discourage planning by public officials in the public interest, if they can show or seem to show that such planning is done by long-haired theorists who as individuals have never operated a million-dollar business. Thus it is left to the "boiled shirts" of the business world and mighty captains of industry to plan without boasting, and they ought to know how to do it from much experience. I do have sincere respect for many of our industrial and business leaders, but in an emergency many are found to be "men of straw."

As one of the House sponsors of the full-employment postwar program, I am tremendously concerned that the public get the right conception of this movement and that the full meaning of it be made known. I do know that in the very brevity of our expression the proper concept of full employment may be easily misinterpreted. For illustration, an expression occurs in the Declaration of Independence, "All men are created equal," which has caused interminable controversy. Probably most of this controversy is over misinterpretation of what the fathers meant by "created equal." I cannot believe that the authors meant those two words to be interpreted literally that all men are created equal in all respects, which erroneous view some op-

ponents of that idea have laughed to scorn. I would rather think the fathers meant, "Men are created equal in rights," or I would even be willing to interpret the phrase as implying that men should be equal in opportunity, which would be more logical than to assume the authors of the Declaration set down a statement contrary to fact.

The opponents of the full employment idea in America have attempted to laugh it off by pointing out that Hitler gave the German people full employment during the last several years and that Stalin is said to furnish it now for his people. Such a statement is usually followed by saying, "We want no such full employment in this country," and it always brings applause. Of course, we do not want any such employment as the full employment prevailing in a penitentiary. The advocates of full employment are not talking about or working for full employment of a prison population, nor any other such regimented society, nor forced employment of any totalitarian machine. We mean, by that expression, full employment opportunities for those who are able to work and who want to work. We believe it is the business of government to encourage and bring about such conditions as will afford full employment opportunities. This is not saying that all the opportunity for work and a job is to be given by and for the Government. On the contrary, if such opportunity is offered by other employers, the Government may be called upon to afford a very minimum of such employment, and the less the better.

During the political campaign of 1944, the national candidate who was the exponent of big business had a great deal to say about postwar employment, and almost invariably he said, in substance, "My party in charge of the Government would provide jobs by inducing a friendly economic climate calling for maximum employment." Thus he seemed to recognize that it was within the power of government to do that very thing and even suggested that it might be the duty of government, if he were administering it, to bring about that encouraging economic climate and other business conditions leading to maximum employment. At least here is an admission that government can do such a thing, and under the right leadership ought to do such a thing. This is one of the few instances in which I agree with that candidate in the last national campaign who was the spokesman for big business and America's industrial interests.

As a member of the Special House Committee on Postwar Economic Policy and Planning, I have listened to thousands of pages of testimony during the last 2 years, from dozens and scores of the brainiest men and acknowledged leaders of business, industry, government, and scientific thought in this country, on the proper plan to meet the postwar situation. I did not select these witnesses, but they were said to be leaders in their lines of American thought, and I listened to them with great care.

Sometimes as I listened to them I trembled with fear of the possibilities of the future when I heard the staggering statistics and saw charts and diagrams picturing the situation as it existed during the following other wars and when I heard statistical predictions of a like pattern on a larger scale following this much larger and all-inclusive war. Sometimes during these hearings the greatest industrialists and men who head the greatest employing concerns of America seemed more optimistic than the cloistered student from a statistical laboratory. Yet everywhere and from all of them I got the impression that America must continue to have an expanding economy, because our salvation depended upon it.

Then it was that I was reminded of the ancient riddle propounded by the Sphinx at Thebes, the failure to answer which meant destruction. Today America is confronted by a fatal riddle. I verily believe that if it is not answered and this riddle solved, there will be no America such as George Washington, Abraham Lincoln, and Woodrow Wilson knew, continuing throughout the coming years. This riddle is economic. The question is, "Can America, in view of the staggering indebtedness and all the other circumstances of our war-incurred obligations, achieve an expanding economy after the war with full employment opportunity for every normal adult who wants to work, and at the same time continue to have a political government responsive to the will of the American people?" I am positive that we cannot have either of the two last named conditions mentioned above alone and separately, and unless we can have them combined, the riddle which the Sphinx of our day propounds will not be solved.

But why should I be too pessimistic about the outcome when I have heard from the lips of some of the biggest businessmen of America that they themselves are not too alarmed regarding the future? I know, of course, that we as a nation have other riddles so difficult that it would be easy for one to be pessimistic about right answers. Among others is the riddle of international cooperation to effect an enduring peace. The more pessimistic citizens think that that riddle cannot be solved. I do not take that gloomy view, and I think we have made a good start toward the solution of it. Nor am I pessimistic about the great riddle of economic stability of our internal structure, but I do believe that desired stability hinges on our ability to put into effect, by the cooperation of industry, business, government, and all such economic forces, a program of full employment opportunity for all our citizens. Let any Lord Haw Haw who laughs to scorn the popular slogan of "60,000,000 jobs" or perverts the concept of full employment opportunity into nation-wide regimented job slavery in his effort to thwart America's proper solution, be prepared himself with an answer to the riddle, under penalty of the extreme condition imposed.



## The Trouble With Silver

EXTENSION OF REMARKS  
OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 23, 1945

Mr. WHITE. Mr. Speaker, as we near the end of this devastating war the world is seeking permanent peace and amiable business relations. As a means to this end the nations are endeavoring to place business and commerce on a sound financial foundation. If the world is ever to have such sound financial basis the nations must return to the tried and proven monetary system based on the unlimited coinage of gold and silver under a system of bimetallism which is the only plan that will ever give the world a stable, adequate, workable money system.

Ever since the great American monetary invention came into use—the paper national bank note devised and made legal tender money by law during the emergency of the Civil War—there has been a sustained campaign against the use of silver as money which culminated in the demonetization of metal in 1873.

In the struggle that followed to restore silver to our monetary system from generation to generation, every pretext that could be thought of has been used as an argument against the use of silver as money. Many of the arguments which were accepted in all seriousness by the Congress and the American people at the time have by subsequent financial development been proven fallacious. The American people were told that it was impractical to have the bimetallic money standard—that one metal, gold, must be used in the measure of value—that by the inexorable force of Greshams law that bad money, silver would drive out of circulation the good money, gold—that if silver was remonetized, the United States would be deluged with cheap silver money and the American people and American business would be reduced to Chinese and Mexican standards—that the integrity of American money and American credit must be maintained on a gold-monometal basis or else the national credit would deteriorate.

Time and recent financial developments have disproven many of these arguments. Economic forces have upset the gold standard and gold is no longer used for money in this country. The American people now have in daily use circulating as money over \$2,000,000,000 of silver in the form of silver dollars and silver certificates—money that is full legal tender and as good as gold in filling the functions of our domestic monetary needs.

Under the provisions of our Domestic Silver Purchase Act, domestic silver has been remonetized with a tremendous profit to the Federal Treasury, as revealed by the provisions of the existing law and the seigniorage tables in the United States Treasury Bulletin inserted here. The law provides:

Sec. 4. (a) Each United States coinage mint shall receive for coinage into standard silver

dollars any silver which such mint, subject to regulations prescribed by the Secretary of the Treasury, is satisfied has been mined subsequently to July 1, 1939, from natural deposits in the United States or any place subject to the jurisdiction thereof.

(b) The Director of such mint with the consent of the owner shall deduct and retain of such silver so received 45 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received, that is 55 percent, shall be coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver and no provisions of law taxing transfers of silver shall extend or apply to any delivery of silver to a United States mint under this section. The 45 percent of such silver so deducted shall be retained as bullion by the Treasury or coined into standard silver dollars and held or disposed of in the same manner as other bullion or silver dollars held in or belonging to the Treasury.

While the miner's share of the silver delivered to the mint under the provisions of this law has been returned to him as money and placed in circulation mostly in the form of paper silver certificates, the Government has elected to hold its share of silver out of use and store it in the form of bullion. While our Government has been doing this, the British Government to supply the money needs of England and the British dependencies has come to our Treasury and obtained a loan of 300,000,000 ounces of silver under a lend-lease arrangement. Practically all this loaned silver has been coined and is now in circulation in Great Britain with monetary value higher than the monetary value of the American dollar which is \$1.29 per ounce here in the United States.

If the present-day use of silver under existing restrictions is so successful in wartime, what is the trouble with silver money? The answer is simple—it is the difference between the interest yield and the profits to the banks derived from the use of bank-note money and the use of silver money in the channels of trade and business. To determine this difference, it is necessary to compare the plan followed in creating and circulating these two kinds of money.

When the Government of the United States was established, it was necessary to provide a monetary system and a monetary unit with which to transact business. The Congress in the beginning established a mint and decreed the dollar under the metric system to be the monetary unit and decreed by law that 27 grains of standard gold and 416 grains of standard silver was a dollar. The metal contents of the dollar was changed by subsequent law to 25.8 grains of gold and 412½ grains of silver. There was no price set on gold and no price set on silver. The dollar minted from either of these two metals established by weight and fineness was made legal tender and the price of all services and commodities was adjusted to the value of the dollar.

The law provided that when the miner brought his gold to the mint it would be refined and minted into coin and handed back to him to do with as he pleased. He was charged with only the cost of re-

fining and minting the metal. The miner could then spend this new gold money or keep it as he elected. Naturally, the business of handling gold became commercialized and the miner's gold dust and gold bullion was taken off his hands and supplied to the mint by merchants and brokers but the system of creating gold money remained the same.

In the case of silver, this was handled somewhat differently from the plan followed in minting gold. When the miner brought in his silver, he exchanged an equal weight of pure silver for the equivalent in weight in standard silver dollars which was composed of silver and 10 percent copper alloy. The difference of the weight of pure silver and the weight of the silver in the alloyed dollar which was delivered to the miner in exchange for the silver turned into the mint was taken by the Treasury as seigniorage which in the aggregate amounted to a substantial number of dollars. However, the plan of putting gold and silver dollars into circulation was the same. They were handed back to the producer who proceeded to put this new money in circulation by ordinary transaction and in everyday business. The collection of interest was not inherent with the creation and circulation of gold and silver money.

Passing over the difficulties, deficiencies, and losses sustained by the American people by the use of unregulated State bank note currency prior to the Civil War, occasioned by the unsound and fraudulent operation of State-controlled banks which gave rise to the term "wildcat currency"—bills that were simple promissory notes put out by State banks on engraved paper—money that lost all value when the issuing bank failed, we come to the emergency of the Civil War when the uncertainties of the fortunes of war and lack of confidence among the people caused hoarding and the depreciation of the value of the bonds of the Federal Government during the war emergency, thereby creating a financial condition that forced President Lincoln and his Cabinet to resort to the expedience of issuing United States Treasury notes which were made legal tender and non-interest bearing. The disfavor of the banks to this kind of money can be understood; apathy which created a financial condition in this national emergency that gave rise to a new financial invention of world-wide importance—national bank notes—a new kind of paper money which was devised and put into circulation with the passage of the National Bank Act. By this scheme a bank could obtain \$50,000 in Government bonds—at any market price prevailing—and deposit the bonds with the Treasury, interest coupons attached and receive equivalent of 90 percent of the face value of the bonds in legal tender, national bank notes, paper money that was guaranteed as to payment by the Federal Government, paper money which could be loaned into circulation by the bank at current rates of interest while the banks at the same time received the interest on the Government bonds left on deposit as security with the Federal Treasury.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 7, 1945, for actions of Thursday, September 6, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Both Houses received the President's reconversion message. House committee reported resolution for consideration of bill to provide financial control of Government corporations. Rep. Murray urged removal of beef ration points. Senate received President's recommendations for appropriation rescissions. Sen. Byrd urged reduction in Federal personnel.

SENATE

1. PRESIDENT'S RECONVERSION MESSAGE. Both houses received this message, which included recommendations for legislation to provide for unemployment compensation, full employment, making the \$500,000,000 price-support fund available to CCC on a continuing basis, stimulation of farm exports, crop insurance, scientific research in agriculture and forestry, soil and forest conservation, rural housing, centralization of research in a single agency, tax revision, surplus-property disposal through an administrator, selective-service continuation, reclamation, public works (including Federal buildings and roads), repeal of Johnson Act, "a decent salary scale for all Federal Government employees," stockpiling of strategic materials, a permanent FEPC, a national health program, etc. (pp.8505-16, 8518-30).
2. APPROPRIATION RESCISSIONS. Received the President's message (which had been received in the House Sept. 5) recommending reductions in certain wartime appropriations (H. Doc. 280)(p. 8494). To Appropriations Committee. Included were proposed reductions as follows: Emergency rubber project, \$961,790; WFA salaries and expenses, \$3,116,894; emergency supplies for territories and possessions, USDA, \$15,000,000; emergency fund for the President, \$40,000,000; lend-lease - agricultural commodities, etc. - \$1,351,216,000 (includes a provision that the \$500,000,000 price-support fund shall become part of the CCC capital funds); FEA salaries and expenses, \$3,437,042; OSRD salaries and expenses, \$54,000,000; OWI, \$5,662,558; OPA, \$20,935,000; Emergency fund for the President, lend-lease (contract authorization), \$600,000,000; and Federal Works Agency, access roads, (contract authorization), \$3,076,845.



3. ECONOMY; PERSONNEL. Sen. Byrd, Va., urged reduction in number of Federal personnel stating, "The liquidation of war agencies plus the elimination of unnecessary activities should cut Federal personnel from the present 3,000,000 to a postwar 1,000,000" (p. 8501).
4. FULL-EMPLOYMENT BILL. Sen. Wagner, N.Y., urged favorable consideration of S. 380, the full-employment bill and inserted R.B. Blodgett's article on this subject (pp. 8468-8).  
Several petitions favoring this bill were received. (p. 8496).
5. LEND-LEASE. Received the President's message transmitting the Lend-Lease Report for the period ending June 30, 1945. To Foreign Relations Committee. (pp. 8493-4.)
6. RECONSTRUCTION FINANCE CORPORATION'S May 1945 report received. To Banking and Currency Committee. (p. 8494.)
7. RECLAMATION; ELECTRIFICATION. Received Interior's report on the Heart Mountain power development, Shoshone reclamation project (H. Doc. 281). To Irrigation and Reclamation Committee. (p. 8494.)
8. CONTRACT SETTLEMENT. Received GAO's report of activities under the Contract Settlement Act of 1944. To Military Affairs Committee. (p. 8494.)
9. RESEARCH. Received the National Academy of Sciences' report for fiscal year 1944. To Library Committee. (p. 8494.)
10. SMALL BUSINESS. Received the 19th bimonthly report of the Smaller War Plants Corporation, covering the period June 1 through July 31, 1945. To Banking and Currency Committee. (p. 8494.)
11. PERSONNEL; SELECTIVE SERVICE. Both Houses received Selective Service's report of registrants deferred from military service because of Federal employment. To Military Affairs Committee. (pp. 8494, 8559)
12. VETERANS, PERSONNEL; EMPLOYMENT. Received a Wis. Legislature memorial favoring legislation clarifying the rights and privileges of returning veterans to their former positions of civilian employment (p. 8495).
13. FARM LABOR. Received a Riverside (Calif.) County Farm Production Committee petition urging reduction in Mexican farm-labor program (p. 8496).
14. WATER UTILIZATION. Both Houses received the Board of Water Commissioners, Denver, Colo., resolution opposing S. 555, the WVA bill (p. 8496).
15. PATENTS. Both Houses received the 3rd report of the National Patent Planning Commission. To Patents Committees. (pp. 8503-4, 8530).
16. NOMINATIONS. Banking and Currency Committee reported favorably the nominations of Leo T. Crowley and Phillips Lee Goldsborough to be members of the Board of Directors of FDIC (p. 8517).
17. ADJOURNED until Mon., Sept. 10 (p. 8517).



language, unless it, by broadening the language, thinned it out and watered it down, I certainly would have no objection. But I think it important that we get to work on this job at once without creating the impression that we are seeking to cause delay, through any technicalities, or through any effort of evasion, or in any other way.

Mr. BREWSTER. I certainly share the desire of the Senator from Kentucky for expedition, but as I said before, having waited 4 years, I am certain that we can safely wait 4 days more, and I think the country will be much more impressed with the deliberateness of our consideration if that course is taken.

Mr. BARKLEY. I do not think the country will have any doubt about our deliberateness. We have been talking about this matter ever since it occurred. We have debated it on the floor of the Senate time and time again in connection with the extension of the Statute of Limitations. I do not think that any impression of hasty action on our part can be gotten from the adoption of the concurrent resolution now. I think it would be a wholesome example to the country and to every one concerned if we could handle it in the way now proposed.

Mr. BREWSTER. There is one thing about the language which gives me concern, and which I should certainly like to consider. The language is, "the facts relating to the attack by Japanese armed forces upon Pearl Harbor in the Territory of Hawaii." As I understand, a very intimate part of that attack involved two silk-hatted gentlemen who spent the time during the attack with Secretary Hull. Whether they were a part of the armed forces may perhaps be a matter of debate. I believe that what occurred in connection with all those events is very intimately concerned with the attack, and I should not want any language to be calculated to limit our inquiry.

Mr. BARKLEY. The Senator is too good a parliamentarian and too good a draftsman to assume that the language ought to be amended so as to mention specifically the silk-hatted gentlemen to whom he has reference.

Mr. BREWSTER. But I do not like to exclude them by saying "Japanese armed forces."

Mr. BARKLEY. They are not excluded.

Mr. BREWSTER. They are certainly not included in that language.

Mr. BARKLEY. The attack on Pearl Harbor occurred while they were here carrying on negotiations with the Secretary of State. The Secretary of State received notice of the attack while they were in his office. Certainly that circumstance is related to the attack on Pearl Harbor.

Mr. BREWSTER. I think it might well be a debatable question as to whether they are included within the term "Japanese armed forces."

Mr. BARKLEY. These things are all related to that attack. Whether they were members of the armed forces or not is not very important, because they certainly did not themselves make the attack in person when they were confer-

ring with the Secretary of State in Washington.

Mr. BREWSTER. I should say that they were a most essential element.

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

Mr. BARKLEY. I yield.

Mr. VANDENBERG. The language contained in the resolution submitted by the able junior Senator from Michigan [Mr. FERGUSON] was given very careful consideration, and from our point of view it has had the sort of study which the Senator from Maine has indicated. I am sure the language fully meets the purpose of the Senator from Kentucky. Would there be any objection to changing the first sentence in section 2, which now reads, "The committee shall make a full and complete investigation of the facts relating to the attack made by Japanese armed forces upon Pearl Harbor in the Territory of Hawaii" so as to read "The committee shall make a full and complete investigation of the facts surrounding the attack and the events and circumstances leading up to the attack made by Japanese armed forces upon Pearl Harbor in the Territory of Hawaii"?

Mr. BARKLEY. I see no substantial difference between the words "relating to" and the word "surrounding." However, I have no objection to the remainder of that language. I believe that the words "relating to" are more appropriate than the word "surrounding", but I certainly would have no objection to including the phrase "leading up to," which could be inserted after the words "relating to."

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

Mr. BARKLEY. I yield.

Mr. FERGUSON. I was somewhat concerned as to whether to use the words "relating to" or the word "surrounding." I think they mean the same thing in relation to this event. If the able senior Senator from Michigan would use the words "relating to," and then add the words "the events and circumstances," I think that would cover the objection of the Senator from Maine.

Mr. BARKLEY. I had in mind also the question as to whether additional language, which would specifically apply to previous events leading up to the attack, should be included; but I did not include it for the reason, as I have explained, that I thought the words "relating to" covered it fully, and included events both prior to and subsequent to the attack. However, I have no objection to inserting, after the words "relating to," the language suggested by the Senator from Michigan.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. The language would then read:

The committee shall make a full and complete investigation of the facts relating to the events and circumstances leading up to the attack made by Japanese armed forces on Pearl Harbor in the Territory of Hawaii.

Mr. BARKLEY. I have no objection to that language.

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

Mr. BARKLEY. I yield.

Mr. LUCAS. May I ask whether or not that language would prevent us from investigating anything subsequent to the attack? We talk about everything leading up to the attack.

Mr. VANDENBERG. And subsequent.

Mr. LUCAS. The word "subsequent" is not in there.

Mr. BARKLEY. We can say "leading up to or following the attack."

Mr. VANDENBERG. I believe that would cover it.

Mr. BARKLEY. I have no desire to cut off the investigation at any particular date if it has any relationship to this attack, or the consequences of it.

The PRESIDENT pro tempore. The Senator has the right to modify his concurrent resolution.

Mr. BARKLEY. Mr. President, I will modify the concurrent resolution by inserting after the words "relating to," the words "the events and circumstances leading up to or following."

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

Mr. BARKLEY. I yield.

Mr. WALSH. Before the vote is taken on the resolution, which I hope will be unanimous, I wish to take occasion to compliment the distinguished majority leader upon the magnificent and generous manner in which he has responded to the overwhelming popular sentiment of the country. He has not only done that, but he has relieved us all of many hours of anxiety, lifted this question above partisanship, and made an appeal for what the country wants—a high-minded, clean, judicial investigation of all the facts connected with the Pearl Harbor disaster. I wish to say to him that he has exercised statesmanlike judgment on many occasions in the past, but never of a loftier character than today. He has never rendered a better public service. He has not only rendered a service by responding to the public demand, but he has removed all doubts or questions as to the sincerity of our present Government and of the Navy Department in their willingness to have the whole story told truthfully and candidly. As chairman of the Committee on Naval Affairs, before which this problem has been pending by reason of petitions filed with us, I wish to compliment the Senator from Kentucky and thank him for the service which he has rendered the country.

Mr. BARKLEY. Mr. President, I deeply appreciate the remarks of the Senator.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky that the concurrent resolution, as modified, be immediately considered, without reference to a committee? The Chair hears none.

The question is on agreeing to the concurrent resolution, as modified.

The concurrent resolution (S. Con. Res. 27), as modified, was agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint committee on the in-*



investigation of the Pearl Harbor attack, to be composed of five Members of the Senate (not more than three of whom shall be members of the majority party), to be appointed by the President pro tempore, and five Members of the House of Representatives (not more than three of whom shall be members of the majority party), to be appointed by the Speaker of the House. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

SEC. 2. The committee shall make a full and complete investigation of the facts relating to the events and circumstances leading up to or following the attack made by Japanese armed forces upon Pearl Harbor in the Territory of Hawaii on December 7, 1941, and shall report to the Senate and the House of Representatives not later than January 3, 1946, the results of its investigation, together with such recommendations as it may deem advisable.

SEC. 3. The testimony of any person in the armed services, and the fact that such person testified before the joint committee herein provided for, shall not be used against him in any court proceeding, or held against him in examining his military status for credits in the service to which he belongs.

SEC. 4. (a) The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress (prior to January 3, 1946), to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the committee, which shall not exceed \$25,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman.

Mr. BARKLEY. Mr. President, I did not intend, at the outset, to take so much time at this hour, but I hope it has been well spent.

NOMINATION OF GEN. JONATHAN MAYHEW WAINWRIGHT

Mr. THOMAS of Utah. Mr. President, as in executive session, from the Committee on Military Affairs, I report favorably the nomination of Lt. Gen. Jonathan Mayhew Wainwright to be a general in the Army of the United States, and ask unanimous consent for its present consideration. I do so at this time because I understand that the Senate will not be in session again until next week. For the first time in the history of the Military Affairs Committee since I have been chairman, I have polled the committee, on the nomination of General Wainwright. I know that it is the sense of the Senate that when he comes to Washington next Monday and is greeted by the President of the United States, he should be greeted as a full general. I

ask unanimous consent for the present consideration of the nomination.

The PRESIDENT pro tempore. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Lt. Gen. Jonathan Mayhew Wainwright (major general, U. S. Army) to be a general in the Army of the United States.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination, as in executive session? The Chair hears none. Without objection, the nomination is confirmed.

Mr. THOMAS of Utah. I ask that the President be immediately notified.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

#### THE FULL-EMPLOYMENT BILL AND OPINIONS REGARDING DEPRESSIONS

Mr. WAGNER. Mr. President the recent hearings before the Banking and Currency Committee on the full-employment bill (S. 380) have revealed that the great majority of the American people are convinced that we can get and can keep full employment in a free competitive economy.

Unfortunately, we still have a small but powerful minority in this country who are against full employment. They prefer a floating pool of unemployed, to keep wages down or to maintain labor discipline. They are eager to enjoy the temporary profits that can be reaped during a wild inflationary boom, even though the inevitable result may be mass unemployment.

To the ordinary men and women of America it may seem inconceivable that any Americans might entertain such reactionary ideas. Accordingly, I should like to call attention to an article entitled, "We Need Those Depressions," which has just been published in the August 25 issues of the University of Illinois bulletin, Opinion and Comment. This article was written by Mr. Ralph B. Blodgett, who is head of an advertising agency in Des Moines, Iowa.

Mr. Blodgett states that—

It is to be hoped that depressions are never abolished, for they have many desirable features. Those who learn to ride the business cycle can find as many advantages in depressions as in booms—personal as well as business advantages. Smart folks take advantage of the boom \* \* \* they are then ready for depression-time bargains, bargains in every conceivable thing from a suit of clothes to a railroad.

Mr. Blodgett then points out that some of the best business bargains have been obtained in times of depressions. He refers specifically to the Union Pacific Railroad, which, during the financial panic that started in 1893, was bought for only \$81,000,000, less than half the original cost.

He also points out that "enforced unemployment presents a chance to get some real enjoyment out of life," but not for everybody, merely "for those who have harvested a crop of canceled debts and cash in bank."

Mr. Blodgett concludes with the following paragraph:

There is a big job to be done—the job of showing all America that the mis-called depressions offer as wide a range of rich opportunities and human benefits as a prosperity season or any other part of the business cycle. We ought to show all the people that we need those "depressions."

Mr. President, at a time when the Senate is preparing to consider legislation recognizing the Government's responsibility to assure sustained full employment, it is important that we recognize the fact that there are people in this country who are against full employment. I therefore ask unanimous consent that the article We Need Those Depressions be printed at this point in the RECORD, together with my remarks.

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

#### WE NEED THOSE DEPRESSIONS

(By Ralph B. Blodgett)

Roger Babson once told how the business cycle has been rolling for 5,000 years—50 centuries. He told how the really smart men of many ages have tried to get rid of depressions with no success at all. We millions who try to buck the cycle are crushed. The few who get on and ride the cycle might well call it the gravy wagon.

It is to be hoped that depressions are never abolished, for they have many desirable features. Those who learn to "ride the business cycle" can find as many advantages in depressions as in booms—personal, as well as business advantages. Smart folks take advantage of the boom. They save what they can and keep their savings liquid. They are then ready for depression-time bargains, bargains in every conceivable thing from a suit of clothes to a railroad. Many even welcome unemployment as a chance to relax and to use spare time in various profitable ways. Those who live on fixed incomes, such as insurance benefits, welcome the depression-time drop in living costs. From time to time the whole price structure—and the economic set-up—needs readjustments, such as come with depressions.

That very name "depression" is inappropriate. It horribly maligns those great periods so full of splendid opportunities and human benefits. Let us keep those periods but abolish only the name. Let us use some other name. "Business recess" suggests an interval of leisure for rest and perhaps play, which such a period always brings. Perhaps "economic winter" would describe it more completely and accurately. Some economic research foundation might well offer prizes for suitable names, and select the best one.

#### THE FOUR ECONOMIC SEASONS

The four seasons of the business cycle closely parallel the four seasons of the year. In economic spring, or recovery, we see new businesses springing up everywhere, and the sap rising in old ones whereby they spring into new and vigorous life. We also note the wrecks of dead enterprises that could not survive the winter. The rate of growth accelerates until economic summer, which we now call boom time. Growth then slows down and stops. A ripening harvest of high wages, profits, and investment yields calls for some reapers who will save much, cancel debts, and store their surplus in the granaries called banks, at low interest rates. Beware, now, of the temptation to plant new crops of industrial enterprise or promising investments. Beware of the spirit of free-spending extravagance. Beware, too, of speculative fever.

Economic fall, or the slump season, will soon bring a falling off of business and employment, and a freezing of all credit fields. Wise operators will now harvest late "corn



crops," from some continuing high wages and profits. A few will sow their winter wheat or rye in the form of sporting goods or recreational enterprises, or take cuttings from old established enterprises to be transplanted at new distribution centers. But mostly they will quietly work and wait, and take pleasure in their stored-up harvest. They will relax more and enjoy their hunting trips, football games, or what have you?

Economic winter brings a long period of low temperatures in business and employment, low prices and wages. Soon after winter sets in, a universal vacation interval is to be noted, somewhat comparable to a Christmas vacation. Roger Babson pointed out in an article published in *World's Work* in 1931, that nearly every so-called depression brings with it a new recreational fad and revives a lot of old ones. Thus baseball got its start in the slump after the Civil War. Tennis, ping pong, bicycle riding, golf, and miniature golf either were introduced or received a great impetus in periods of depression.

This tendency reflects a great human need for relaxation after the tremendous exertion of boom time. Unemployment brings needed rest to millions, whether they are ready for it or not.

#### POTENTIAL CATASTROPHES

Every winter would be a national catastrophe if all we did was to hope that we would never have another one, and never turn a hand to prepare for one. Then we could malign it also with a derogatory name, such as "suffering season," for most of us would freeze or starve or wreck our health from exposure.

But no. We build warm dwellings and make warm clothing. We manufacture heating plants and produce all kinds of fuel. We thrive on the business and employment of preparations for winter. To top it all off, we produce a great variety of winter sporting goods, and get a lot of enjoyment out of this potential catastrophe called winter. We give the kids a week or two of Christmas vacation and turn them loose to enjoy the fun.

But because we blind our eyes to many years of history and refuse to prepare for the next business recess, we make of it a great national catastrophe. Yet it is a perfectly natural, normal, and wholly desirable rest period, overflowing with rich benefits.

There is always a sprinkling of common laborers, industrial giants, school teachers, doctors, farmers, and storekeepers who get ready to enjoy those benefits. In boom times, when most people are spending freely, going in debt or speculating, these persons quietly pay off their debts, economize, save up cash, and keep it liquid, at low rates of return. Just ahead they see bargains in every conceivable thing from a railroad to a suit of clothes.

#### A RAILROAD AT A BARGAIN

The financial panic of 1893 virtually stopped the development of the West, especially that of the great western plains. It forced 54 railroads, with a total capitalization of \$2,500,000,000 into bankruptcy.

The Union Pacific represented an investment of nearly \$200,000,000. In 1895 the banking firm of Kuhn, Loeb & Co. bought it for \$81,000,000, less than half the original cost. Probably that was all it was worth in its run-down condition, but in terms of its tremendous possibilities, it was a great depression-time bargain.

One man saw those possibilities, the bold, fearless, colorful Edward H. Harriman. By maneuvering, he first became a member of the board of directors, next of the executive committee, and then obtained the chairmanship of the latter. In 1918 he had a train made up backward, observation car in front, next the train, and last the engine. Out in front he went over every mile of all that road in

daylight, to complete his minute and scrutinizing study of it.

He saw the lingering 5-year depression of the western ghost towns, with the people entirely gone, and other towns from which half the settlers had drifted back east. He saw idleness and poverty and despair.

But beyond all that, he plainly saw the end of the depression, which would bring returning prosperity and rising prices. He boldly asked his bankers for the huge sum of \$25,000,000 wherewith to ballast roadbeds, straighten out curves, halve the pitch of all steep grades, and put in heavier rolling stock. He urged the spending of this sum while prices of labor and materials were low. He could thus get much more improvement for the money. Incidentally he put many thousands of idle men to work at what was then a fair living wage, for living costs were also low.

Not only was the whole Union Pacific Railroad bought as a depression-time bargain, but it was also rebuilt and revitalized at a bargain. In a few years it raised wages, reduced freight rates, paid off its debts, began paying dividends, and made possible the doubling and trebling of farm land values in whole States, as well as the expansion of manufactures.

In these days a million people may have to ride the business cycle to do as much for recovery as Harriman's one railroad did.

#### OTHER BARGAINS IN SEASON

These business-recess bargains are not confined to large operations. One man got bargains in two suits of clothes and then a hardware store in the slump of 1922. He had always been careful with money, and was never moved by the spirit of gambling and extravagance of boom times. When business and profits and personal earnings fell off, he was attracted to two good suits at a bargain price of 50 percent off. Later, he moved to another city and found a little neighborhood hardware store for sale at a bargain price. He bought it and made his living there until his retirement 2 years ago at the age of 81.

Anyone who would like to see the wide range of depression-time bargains can go back to old files of newspapers dated in the depths of any business recess or economic winter. In the want ads can be seen every conceivable article offered for sale at ridiculously low bargain prices: building lots, bungalows, mansions, summer cottages, motor boats, farms, pure-bred bulls, fur coats, jewelry, retail stores, factories, used cars, trucks, and home furnishings. In the general advertising there can be found a great variety of new merchandise for sale at greatly reduced prices: clothing, furniture, rugs, gas stoves, electric equipment, etc. And on the stock market opportunities are offered to buy up a controlling interest in small or large corporations, or perhaps even a railroad, whose stock has gone begging.

Most people succumb to boom-time speculative fever and extravagance. When the slump comes, they have no quick assets to tide them over the hard times. They may even be in debt. Whatever they have bought with their high earnings they are forced to sell at a huge sacrifice. They sorely need the cash and are greatly helped by the bargain-hunting cycle riders.

#### WE ALL NEED REST

There is more to riding the business cycle than mere financial operations, however. Roger Babson pointed out that every boom exhausts us all. The rush of business, the long hours of overtime, the nervous tension—all make us act like tired people. The efficiency of both labor and capital goes steadily downward. As we lose our judgment and sense of values we speculate crazily. Our jangled nerves make us irritable until we have strikes and lock-outs—labor troubles

with both sides vilifying each other. Finally we get so full of fear that prices collapse and few people have clear enough vision to see the possibilities ahead and work them out.

This reveals another great human benefit of a business recess, a chance to make it a real recess in the school of life, a chance to relax and play and rest. When millions of us instinctively satisfy that need, another recreational fad breaks out. But along with it, we have a great heaviness of heart, we worry about our recent losses, our unemployment, and our black-out future prospects, because we have not prepared for such a crisis.

Of even more value than the rich bargains previously referred to is the opportunity for unworried rest and relaxation—for those who have harvested a crop of canceled debts and cash in bank. For them enforced unemployment brings a chance to get some real enjoyment out of life. Once out of the treadmill of a daily job, one can afford to travel cheaply, develop a long-cherished hobby, catch up on reading, go to a trade or business school, or even to college. This unworried shift to entirely new scenes or new occupations will soon revive one's self-confidence, vision, efficiency, and value as a profitable employee. It will restore his employability and the health and fighting spirit wherewith he can go after a new job and hold it.

Our returning servicemen will be thoroughly exhausted, many so nervous and jittery they will not be good for much for months to come. The provision for granting them \$300 discharge pay is excellent. For many of them it will be enough to give a relaxation period and sufficient time to get tuned up again. For the rest it will help a good deal.

The stresses and strains of wartime wear us all down far worse than an ordinary business boom. But a strange thing happens after major wars. After the Civil War and after World War I we had short recesses of a year or two. Then we caught our second wind and had 6 years of busy reconstruction, until finally the real postwar recession hit us, lasting 6 years in the 70's and 9 years in the 30's.

One serious factor made the last depression last longer than it might have otherwise. If you and I try to charge more for our goods and services than the people feel in the mood to pay, we won't get much business. And because, on a national scale, we tried so hard to keep up wages and prices, we got so little business as to give us a chronic standing army of 10,000,000 unemployed. Had we allowed both wages and prices to seek their natural level, we should have come out of the depression sooner.

#### WHAT TO DO ABOUT IT

What, then, can we do about these times we call "depressions," which are so full of rich human benefits?

Why not set out to sell 10,000,000 people on the ways of riding the business cycle? Let newspaper, magazine, and radio reporters write true stories about people who have ridden the cycle and found it to be profitable. Let them find the story of the clerk who harvested cheap dollars in a boom, lost his job in the slump, then rode his photography hobby that finally placed him with a portrait studio as a retoucher and tinter. Let them tell the story of the banker who was let out through a merger, took a trip to Alaska, came back with new courage and vision, and became an executive in an aircraft plant.

Let this be the start of a great campaign to teach America how to ride the business cycle. Then let economic research foundations and other proper agencies publicize true stories and experiences on this subject.

One man may have had the cash to build a home at bargain costs for labor and material



after the slump of 1923; another was all set to take it easy and travel at excursion rates when times were bad in 1907; a woman restocked her whole wardrobe and linen supply once when business slowed up and prices were slashed. On the other hand, someone may have failed to take advantage of such a period and now sees clearly that he should have ridden the cycle. Such a program would set tens of thousands of individuals to thinking of ways to ride the business cycle. Several million readers would see the printed stories.

A second campaign, suggesting suitable postwar plans for railroad conductors, stenographers, doctors' wives, teachers, storekeepers, and even high executives, should interest more thousands of writers and more millions of readers in postwar planning for themselves.

What would happen if 10,000,000 people would learn to ride the present cycle?

By keeping several billions of savings off a booming speculative market, they would depress the boom peaks. By cleaning up their debts, they would curb the crazy credit expansion to some extent. Later on, by spending more freely for hobbies, travel, schooling, relaxation, and all the rich harvest of bargains, they would tend to fill up the deep gorges in the valley now misnamed depression. By spending their saved billions they would put idle persons to work and greatly relieve the situation for the many who would be both idle and broke.

There is a big job to be done, the job of showing all America that the mis-called "depressions" offer as wide a range of rich opportunities and human benefits as a prosperity season or any other part of the business cycle. We ought to show all the people that we need those "depressions."

**ARMY MANPOWER REQUIREMENTS—LETTER FROM THE PRESIDENT TO SENATOR THOMAS OF UTAH**

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated August 27, 1945, from President Truman, addressed to me, dealing with the subject of Army manpower requirements.

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

THE WHITE HOUSE,  
Washington, August 27, 1945.

Hon. ELBERT D. THOMAS,  
Chairman, Committee on Military Affairs,  
United States Senate.

DEAR SENATOR THOMAS: It occurs to me that it would be helpful to your committee in planning its legislative program to have my views on the matters which will be under your consideration. As you know, coincident with Japan's acceptance of our surrender terms, two important steps were taken to adjust Army manpower requirements: A world-wide campaign to obtain the maximum number of volunteers was initiated and selective-service calls were reduced from 80,000 to 50,000 men a month.

The first of these steps will require legislative assistance. Present laws place a ceiling of 280,000 on the number of enlistments which can be accepted; only men now in the service or those who have been discharged for less than 90 days can be enlisted directly; and there are some legal uncertainties regarding reenlistment bonuses, grades, mustering-out pay, and other benefits under the GI bill of rights. These matters should be clarified as rapidly as may be to the end that there will be no legal impediments to the maximum procurement of volunteers. In addition the Congress will wish to consider what more can be done in the way of furnishing inducements which will stimulate voluntary enlistments. The more men who can

be secured by this means, the fewer it will be necessary to induct into or continue in the service.

The continuance of inductions through the medium of selective service will be one of your most critical problems. From many standpoints, I wish it were possible for me to recommend that the drafting of men be stopped altogether and at once. But, sharing the deep feeling of our people that those veterans who have given long and arduous service must be returned to their homes with all possible speed and with the certainty that world conditions will require us during the transition period to settled peace to maintain a real measure of our military strength, I cannot so recommend. The situation in the Pacific continues to have many elements of danger, and war-torn and disorganized Europe is facing a difficult winter season with scarcities of food, fuel, and clothing. Our occupation forces in those areas must be held at safe levels, determined largely by General MacArthur and General Eisenhower, who are on the ground and familiar with the situation. We cannot stop the certain inflow of replacements into the armed forces without necessitating prolonged service of veteran soldiers.

My great concern at the present moment is for those now in the armed forces whose war service has separated them from their homes and loved ones for extended periods. An unforgivable discrimination would result, if we should favor those who have had no military service by suspending their induction at the cost of requiring further sacrifice from those who have already done their part.

Based on the present unsettled conditions in Europe, the uncertainties of the Pacific, and decent consideration for all the men in the service who have borne the burden of the past years, I have approved continuation of inductions until such time as the Congress shall establish the broad national policies to govern full demobilization, occupation, and world security.

While the question of how to provide adequate military forces and at the same time to restore veterans to their homes is a matter for determination by the Congress, it appears clear to me that we dare not depend solely on volunteers. The continuation of inductions through Selective Service at a rate depending upon the rate of volunteering is the only safe and acceptable solution. However, it is my view that these inductions should be for a 2-year period unless sooner discharged and should consist of men in the age group 18 to 25, inclusive.

It is my firm conviction, which I believe is shared by the majority in this country, that war veterans who do not volunteer to remain in the service should be discharged as soon as it is practicable to do so. This means that we must start at once to obtain personnel exclusive of these veterans to carry the burden of the occupational period. Volunteers should be procured in maximum numbers and the remainder of whatever strength is required obtained by post VJ-day inductions through Selective Service.

The War Department is stressing the procurement of volunteers to the utmost. How many will be obtained is problematical but from past experience and the most recent studies 300,000 appears to be the maximum to be expected by July next. Inductions, if continued at the present reduced rate, for the same period would produce approximately 500,000 men. On this basis there will be not more than 800,000 nonveterans and volunteers in the Army next July.

It is certain that 800,000 men will be insufficient to meet over-all requirements next July. General Eisenhower's and General MacArthur's estimates alone total 1,200,000, exclusive of the numbers required for supporting troops in the United States and other areas. The difference between the 800,000

nonveterans and volunteers and whatever total strength is required must be made up by holding additional numbers of veterans in the service. It is evident that any curtailment in the number of Selective Service replacements will only accentuate the number of veterans who must be retained in the service. While it will not be possible to discharge all of them even under the proposed system as soon as we would like, we will have the satisfaction of knowing that the program will give them the best opportunity we can provide for their early return to civil life.

One other matter which deserves the immediate consideration of your committee is the question of when the "emergency" or "war" should be officially terminated. I must emphasize the danger that lies in a too early unqualified formal termination. Tragic conditions would result if we were to allow the period of military service to expire by operation of law while a substantial portion of our forces had not yet been returned from overseas. I am confident that the Congress will take no action which would place the armed forces in such a position.

Sincerely,

HARRY S. TRUMAN.

**PROCEEDINGS IN CONNECTION WITH JAPANESE SURRENDER**

Mr. BARKLEY. Mr. President, on the occasion of the signing of the articles of surrender by Japan, the proceedings on the battleship *Missouri* were to me very impressive. Therefore, I ask unanimous consent that there be printed in the body of the RECORD at this point, in full-sized type, the articles of surrender which were signed by Japan, the remarks of General MacArthur in connection therewith, the remarks of Admiral Nimitz in connection therewith, and the addresses delivered by the President of the United States, not only in connection with those proceedings, but on the following night to the armed forces of the United States.

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

**THE SURRENDER INSTRUMENT**

(1) We, acting by command of and in behalf of the Emperor of Japan, the Japanese Government, and the Japanese Imperial General Headquarters, hereby accept provisions in the declaration issued by the heads of the Governments of the United States, China, and Great Britain July 26, 1945, at Potsdam, and subsequently adhered to by the Union of Soviet Socialist Republics, which four powers are hereafter referred to as the Allied Powers.

(2) We hereby proclaim the unconditional surrender to the Allied Powers of the Japanese Imperial General Headquarters and of all Japanese armed forces and all armed forces under Japanese control wherever situated.

(3) We hereby command all Japanese forces, wherever situated, and the Japanese people to cease hostilities forthwith, to preserve and save from damage all ships, aircraft, and military and civil property and to comply with all requirements which may be imposed by the Supreme Commander for the Allied Powers or by agencies of the Japanese Government at his direction.

(4) We hereby command the Japanese Imperial General Headquarters to issue at once orders to the commanders of all Japanese forces and all forces under Japanese control, wherever situated, to surrender unconditionally themselves and all forces under their control.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 11, 1945, for actions of Monday, September 10, 1945)

(For staff of the Department only)

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HIGHLIGHTS: House passed bill providing for a single Surplus Property Administrator. Rep. Rees criticized beef rationing. Sen. Wagner inserted full-employment testimony. Sen. Wiley criticized rationing of dairy products. Sen. Wiley introduced measure to provide for a Joint Committee on the Budget.

HOUSE

1. SURPLUS PROPERTY. Passed without amendment H.R. 3907, to provide for the administration of the Surplus Property Act of 1944 by a Surplus Property Administrator (pp. 8600-9). Rep. Robsion, Ky., urged that most of the surplus property still abroad be returned rather than donated to foreign governments (p. 8601-2).
2. BEEF RATIONING. Rep. Rees, Kans., criticized continuation of beef rationing (p. 8599).

SENATE

3. FULL-EMPLOYMENT BUDGET. Sen. Wagner, N.Y., inserted excerpts from testimony on the full-employment bill, including Secretary Anderson's (pp. 8563-5). Sen. Murray, Mont., inserted editorials on this subject (pp. 8569-72).
4. DAIRY PRODUCTS; RATIONING. Sen. Wiley, Wis., urged removal of dairy products from the ration list and inserted his letter to Secretary Anderson on the subject (p. 8567).
5. NOMINATIONS. Confirmed the nominations of Leo T. Crowley and Phillips Lee Goldsborough to be members of the Board of Directors of FDIC (pp. 8592, 8596).
6. AIRPORT BILL. Began debate on S.2, to provide Federal aid for airport construction, etc. (pp. 8573-92).
7. BANKRUPTCY. Judiciary Committee reported without amendment S. 1365, to permit the appointment of supervising conciliation commissioners as referees in bankruptcy (S. Rept. 556)(p. 8562).

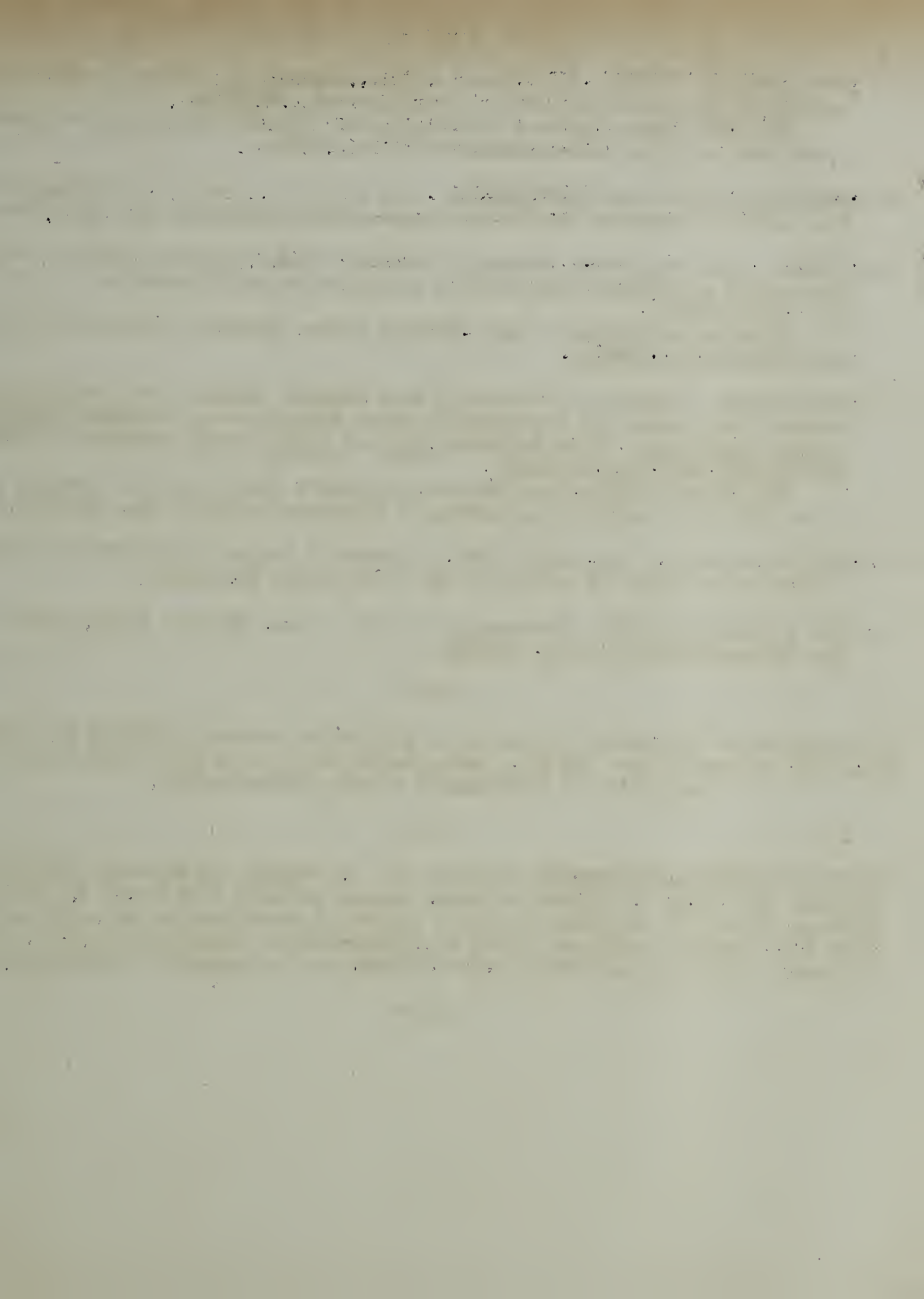


BILLS INTRODUCED

- and H.R. 3973, by Rep. Bland, Va.,
8. PERSONNEL: S. 1370, by Sen. Bailey, N.C.,/to amend the act providing for reen-  
employment rights for persons who leave their positions to serve in the merchant  
marine. To Senate Commerce and House Merchant Marine and Fisheries Committees.  
(pp. 8563, 8609.)
  9. FLOOD CONTROL. S. 1372, by Sen. Downey, Calif., to officially name the Lytle  
and Cajon Creeks, Calif.,/the <sup>project</sup> Sheppard floodway. To Commerce Committee. (p.8563.)
  10. BUDGETING. S. Con. Res. 29, by Sen. Wilcy, Wis., to provide for a Joint Commit-  
tee on the Budget. Remarks of author: (pp. 8565-6.)
  11. FEDERAL-AID HIGHWAYS. S. Con. Res. 31, by Sen. McKellar, Tenn., to provide for  
the resumption of highway construction under the Federal-Aid Highway Act. To  
Post Offices and Post Roads Committee. (p. 8567.)
  12. POST-WAR INVESTIGATION. S. Res. 172, by Sen. Downey, Calif., to provide for an  
investigation, with respect to the Rocky Mountain States, of population shifts,  
of disposition of surplus property, and other problems arising out of the ter-  
mination of the war. To Civil Service Committee. (p. 8567.)
  13. WATER POLLUTION. H.R. 3972, by Rep. Bailey, W. Va., to encourage the prevention of stream  
pollution by allowing amounts paid for plants for the treatment of industrial  
waste as a deduction in the computation of net income. To Ways and Means  
Committee. (p. 8609.)
  14. DAYLIGHT-SAVING TIME. H. R. 3974, by Rep. Boren, Okla., and H.R. 3975, by Rep.  
Bulwinkle, N.Car., to provide for termination of daylight-saving time. To In-  
terstate and Foreign Commerce Committee. (p. 8609.)
  15. PERSONNEL; APPOINTMENTS. H.R. 3977, by Rep. Luce, Conn., to give retired non-  
commissioned officers of the Army and Navy preference in appointments to civil-  
service positions. To Civil Service Committee. (p. 8610.)
  16. BUILDINGS AND GROUNDS. H. J. Res. 236, by Rep. Randolph, W. Va., providing for  
the continuance of the tax-exempt status of certain property in D.C. when used  
and occupied by any department, agency, or instrumentality of the U.S. or by  
the American Red Cross. To District of Columbia Committee. (p. 8610.)
  17. HIGHWAYS. H. Con. Res. 81, by Rep. Robinson, Utah, providing that the war emer-  
gency has been relieved to an extent which will justify proceeding with the  
highway construction program under the Federal-Aid Highway Act of 1944. To  
Roads Committee. (p. 8610.)
  18. VETERANS. H. R. 3981.

ITEMS IN APPENDIX

19. REGIONAL AUTHORITIES. Rep. D'Ewart, Mont., inserted a Miles City Daily Star  
editorial criticizing certain MVA and TVA proponents (p. A4116).  
Rep. Curtis, Nebr., inserted a Republican Valley Conservation Assoc. reso-  
lution opposing an MVA (p. A4111).
20. ELECTRIFICATION. Sen. Hoey, N.C., inserted a Rocky Mountain, N.C., Evening  
Telegram editorial which "corrects the misleading and erroneous statements"  
in the Rural Electrification News (pp. A4104-2).





21. FULL-EMPLOYMENT BUDGET. Sen. Thomas, Okla., inserted his address favoring full employment and commending labor's war effort (pp. A4095-6).  
Sen. Taft, Ohio, inserted a Baltimore Sun editorial commending his proposed changes in the full-employment bill (p. A4104).
22. PERSONNEL; UNEMPLOYMENT COMPENSATION. Sen. Mead, N.Y., inserted a Washington Post editorial favoring the Kilgore unemployment-compensation bill (p. A4101).
23. HOUSING. Sen. Hoey, N.C., inserted a Charlotte (N.C.) observer editorial favoring removal of controls over building materials and cost limitation on housing (pp. A4099-4100).  
Extension of remarks of Rep. Schwabe, Okla., favoring elimination of housing controls (p. A4111).
24. RECONVERSION. Extension of remarks of Rep. Knutson, Minn., on the President's reconversion message and recommending action relative to agricultural parity prices, lend-lease, aid to industry, wage and price levels, reduction in income taxes, etc. (pp. A4096-7).  
Sen. Wherry, Nebr., inserted Sen. Ferguson's (Mich.) address favoring reconversion by industry and relaxation of Government controls (pp. A4097-8).
25. SELECTIVE SERVICE. Rep. Rizly, Okla., inserted a letter to the President urging a 21-year age limit for service in the armed forces (p. A4105).
26. FULL EMPLOYMENT BUDGET. Extension of remarks of Rep. Schwabe, Okla., opposing the full-employment bill (p. A4113).

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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COMMITTEE HEARINGS ANNOUNCEMENTS for Sept. 11: S. Banking and Currency, full-employment bill (ex.); S. Military Affairs, surplus property bill (ex.); S. Civil Service, payment of accumulated leave to members of armed service who enter or re-enter U.S. civilian employment (ex.); H. Appropriations, deficiency (ex.); H. Interstate, daylight saving bills (ex.); H. Labor, aid to physically handicapped.

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## BILLS INTRODUCED

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

By Mr. THOMAS of Oklahoma:

S. 1369. A bill to amend Public Law 322 of the Seventy-second Congress, second session, with respect to Indian land titles; to the Committee on Indian Affairs.

By Mr. BAILEY:

S. 1370. A bill to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162) and for other purposes; to the Committee on Commerce.

By Mr. DOWNEY:

S. 1371. A bill for the relief of Reginald Mitchell; to the Committee on Claims.

S. 1372. A bill to officially name the flood-control project authorized by Public Law 534, Seventy-eighth Congress, approved December 22, 1944 on Lytle and Cajon Creeks near San Bernardino, Calif., the Sheppard floodway; to the Committee on Commerce.

By Mr. WALSH:

S. 1373. A bill for the relief of Commander Warren Sherman Parr, United States Navy; to the Committee on Naval Affairs.

By Mr. MCKELLAR (for himself and Mr. EASTLAND):

S. 1374. A bill for the relief of the estate of Mary B. Buckley (with accompanying papers);

S. 1375. A bill for the relief of the estate of Chambers H. Buckley (with accompanying papers); and

S. 1376. A bill for the relief of Alice Randolph (with accompanying papers); to the Committee on Claims.

By Mr. MAGNUSON:

S. 1377. A bill for the relief of Raymond J. McMahon; to the Committee on Naval Affairs.

## EXCERPTS FROM TESTIMONY ON FULL EMPLOYMENT BILL

Mr. WAGNER. Mr. President, during the recent hearings of the Banking and Currency Committee on the full employment bill, S. 380, there was much discussion of whether the Government's responsibility should be to "assure" continuing full employment, or merely to "encourage" continuing full employment.

One of the ablest witnesses testifying before the committee was the Honorable Fred M. Vinson, the distinguished Secretary of the Treasury. Mr. Vinson pointed out that the concept of "assurance" is vital to the full employment bill, and to the full employment program.

Let me quote Secretary Vinson:

We must face the fact that all of us have a responsibility to see that our economic system works efficiently, that there are jobs for men and women able and willing to work. When we are confronted with problems of national scope involving collective responsibility we must look to the National Government, acting for all the people to take the leadership in their solution.

Let there be no misunderstanding as to the meaning of the word "assure." It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another.

Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point, together with my remarks, a set of statements made during the recent hearings on the necessity of our

assuring continuing full employment. These quotations include the statement of Secretary Vinson, and of other national leaders from all walks of life.

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

EXCERPTS FROM SENATE BANKING AND CURRENCY COMMITTEE TESTIMONY ON FULL EMPLOYMENT BILL (S. 380) RELATING TO THE GOVERNMENT'S RESPONSIBILITY TO ASSURE CONTINUING FULL EMPLOYMENT<sup>1</sup>

Hon. Clinton Anderson, Secretary of Agriculture (p. 522):

"If we are to have full employment, as I believe we must have, the Federal Government will have to assume the responsibility for maintaining it. This bill (S. 380) recognizes this fact. There is no one segment of our economy which can provide the necessary guaranties. Yet all of us, farmers, businessmen, laborers—producers and consumers alike—can together, through the instrumentality of our democratic Government, assure the maintenance of full production and, hence, full employment.

"The assurance that Government is committed to a policy of maintaining full employment, within the framework of our free-enterprise system, is one of the greatest encouragements that Government can give to individual producers. They will know that with a fully employed labor force there will be a market for their particular products."

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill (p. 657):

"Everyone knows that the businessman cannot guarantee continuous employment for his workers. So if this is true, and if we grant that men and women in a free society must be assured an opportunity to obtain remunerative employment, the job of assuring this employment must rest upon the only institution which has authority over all of us which is subject to our collective will—the Government of the United States."

Mrs. J. B. Caulkins, president, Young Women's Christian Association (pp. 977-978):

"A positive declaration of the intention of the Government to protect the basic right of its people to engage in useful, remunerative work, is an assurance that the workers of this country expect and have the right to expect. It is an assurance that private enterprise should also welcome, because it supports continuous purchasing power and lessens the threat of sudden fluctuations and of depressions that have hovered over business and worker alike."

Miss Loula Dunn, president, American Public Welfare Association, and commissioner of the department of public welfare, State of Alabama (p. 441):

"As I understand the bill, it proposes really to guarantee that there will be full employment, which is an insurance against the very social hazards and problems that I have been talking about. Certainly out of the experience I have had in seeing what happened to people when they did not have economic security, I would be one of the people who would wish to raise my voice in behalf of any measures that would guarantee that there would be that type of employment. I think not enough has been said on the social consequences in broken homes and crime and prison population, all the byproducts of long-time unemployment, as well as your byproducts in the health of the community,

<sup>1</sup>Sec. 2 (b) of S. 380: All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans \* \* \* freely to exercise this right.

which was amply demonstrated, I think, in the number of rejections for physical reasons in the draft."

Harry Golden, president, Magna Products, New York, N. Y. (p. 616):

"I am for this bill because:

"4. It places on the Federal Government the definite responsibility of avoiding unemployment.

"Where else can this responsibility be placed?

"Not on business. My plant employs 150 men and women. How can I hire any more unless I feel that I will be able to sell what these extra people would produce?

"The responsibility for unemployment can't very well be placed on the employee. He can't create jobs.

"The last decade certainly should have taught us that, when depression comes, no one but the Federal Government can assume the prime responsibility for relief. Hasn't the fire department the duty of preventing conditions that may cause or spread fire?

"It aims to give every businessman what he needs most—assurance of a market. Now, let us dwell for a moment on those most important words, 'assurance of a market.' I cannot attempt to tell you how important those four words are.

"Fortune magazine said 7 years ago:

"Every businessman who is not kidding himself knows that he does not know how to guarantee without Government intervention the markets with which alone his free competitive capitalism can function. Every businessman who is not kidding himself knows that, if left to its own devices, business would sooner or later run headlong into another 1930."

"Now, when a little fellow quotes from Fortune magazine he thinks he has a real argument, that he has something worth while."

L. E. Keller, research director, Brotherhood of Maintenance of Way Employees, Detroit, Mich. (p. 985):

"It is our position that the Federal Government has both the right and the absolute duty to concern itself with the behavior of private enterprise to the extent that its activities have any important bearing on the social and economic well-being of the country as a whole, or upon the political well-being of the country. And I want to repeat there that it is not only the right but we insist that it is the absolute duty of the Federal Government to do that.

"We cannot escape social and economic disaster in the days ahead of us, we think, by any program of timidity or delay or evasion."

Florello H. LaGuardia, mayor of New York City (p. 866):

"Senator TOBEY. Before you get to that may I point out in paragraph b the word 'assure.' It is the policy of the Nation to assure the existence—that has been a very moot word here. People have come before us and questioned the word 'assure'; tried to get around it by using some other language, and so forth.

"Is it your thought it is the very intent of the bill to assure?"

"Mayor LA GUARDIA. Well, you either assure their existence by employment or you assure their subsistence by relief."

Col. William C. Menninger, United States Army, Chief, Psychiatric Division, War Department; psychiatrist with Menninger Clinic, Topcka, Kans., pages 676, 678:

"With demobilization of the Army and war industries unemployment will confront us shortly, and not only will we have the inherent problems of unemployment but these will directly contribute to making many of this group of veterans into confirmed invalids. If there were assurance of sustained employment opportunities for all, this possibility would be of less concern."

"So that I think unemployment has had a tremendous impact and will continue to have if we do not bring about some kind of a posi-



tive assurance that a man shall have an opportunity to get a job if he can."

Hon. JAMES E. MURRAY, junior Senator from the State of Montana (p. 9 and 12):

"The full-employment bill is based upon the theory that no single group in the country—either industry, labor, or agriculture—can by itself assure the expanding markets which are necessary for full production and full employment. The bill recognizes the fact that only the Government, acting in cooperation with industry, labor, agriculture, and States and localities, can assure a continuing level of demand sufficient to absorb the goods and services produced under our modern economic conditions.

"In short, the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion of our peacetime economy so that it will be capable of assuring full employment."

Senator MURRAY (in the course of Ralph Flanders' testimony):

"Webster's Dictionary gives as a definition of the word 'assure': 'To make sure or certain; to inspire confidence by declaration or promise.'

"Mr. FLANDERS. That second definition of it, Senator, is applicable a hundred percent.

"Mr. MURRAY. It also says: 'To confirm; to give confidence to.'"

Philip Murray, president, Congress of Industrial Organizations, Washington, D. C. (p. 510):

"The words 'assure' and 'sufficient' are very desirable. (We should) accept no substitutes such as 'promote' or 'encourage' for 'assure' \* \* \* or 'substantial' for 'sufficient.'"

Charles F. Palmer, president, Palmer, Inc., Atlanta, Ga. (p. 727):

"In opposition to the view of Mr. Mosher that this bill will help to bring about depression, I feel that its enactment will help to give assurance to those who fear they will lose their jobs and to those industrialists who believe they will not be able to carry on. There may be some who may oppose such assurance being given industry as well as employees, because there are some in industry who may say they would prefer to have it out with labor now."

Hon. WRIGHT PATMAN, Representative from the First District of Texas (pp. 54-55):

"While clear-cut objectives are indispensable, they are not enough. Our people want and need some assurance that we will not only talk about the twin goals of full employment and free competitive enterprise, but that we shall also attain them.

"During the great depression, the Federal Government had to undertake the responsibility of doing whatever was necessary to prevent destitution and starvation, a responsibility hitherto regarded as the province of private charity and local government. Today the average man and woman feel that their Government is also obligated to do whatever is necessary to prevent unemployment and to maintain full employment in a free competitive economy. The full-employment bill recognizes this obligation.

"The bill makes it the responsibility of the Federal Government, in cooperation with business, labor, agriculture, State governments, and local governments, to assure our people conditions under which they can exercise their right to work as freemen in a free society."

James G. Patton, president, National Farmers Union (p. 569):

"What is essential is the underwriting of confidence. When President Roosevelt many years ago told us that all we had to fear was fear itself he was stating a basic proposition. Now, as then, fear is our greatest enemy. What we must search out is the way to universal confidence, the way to make businessmen lose their fear of risking capital, to make consumers lose their fear of

spending, to make all of us live in confidence and well-founded hope for the future.

"That is all that depressions are anyway—the expression of mass fear. Once the Nation has found a way to end that fear, then it will have found the way to permanent full employment and prosperity."

The Most Reverend Bernard J. Sheil, D. D., auxiliary bishop of Chicago, and director of the Catholic Youth Organization, archdiocese of Chicago (p. 838):

"But it is the primary and essential function of government to secure citizens in the peaceful enjoyment of their natural rights; every government has the bounden duty to see to it that men are not denied the fundamental right of providing for themselves and their dependents a decent livelihood by honest and efficient labor. If, therefore, private industry is unable to afford men the opportunity of a decent and honorable living, government is bound by its very nature to employ all its resources to secure to all citizens this essential right to work. Again Pope Leo XIII is pertinent:

"It is the first duty of every government to make sure that the laws and institutions, the general character and administration of the commonwealth, are such as to produce of themselves public well-being and private prosperity. Above all, the public administration must duly and solicitously provide for the welfare and the comfort of the working people."

Harold D. Smith, Director of the Budget, Washington, D. C. (p. 903):

"Assurance of full-employment opportunities, of course, does not mean a guarantee of specific jobs. It means, rather, that the Government will pursue policies to assure job opportunities for those willing and able to work. In an expanding economy, changes are bound to occur in the type and location of jobs. Some opportunities vanish while others are created. The bill anticipates that there will be time intervals between old and new jobs. Shifts may require retraining or migration. In other words, some 'fictional' employment is inevitable.

"A policy declaration by the Congress is, in itself, an important factor in attaining the goals of a full-employment program. Assurance of full employment is identical with assurance of sustained markets and confidence, the main prerequisites for business investment and a high level of employment opportunities."

Hon. Fred M. Vinson, Secretary of the Treasury (pp. 932-963):

"Too frequently, in the past, it has been popular to place the blame for depression on the businessman.

"But no businessman can continue to employ labor and to produce goods unless he finds a market for his output at a remunerative price. The fact is that if any businessman continued for an extended time to produce goods for which there are no buyers, he would inevitably incur such losses that he could not stay in business. For this reason, businessmen cannot assume the responsibility to keep producing goods and employing labor in the face of an inadequate demand for their products.

"Clearly it cannot be the responsibility of businessmen alone to prevent unemployment. But that is not to say there is no responsibility anywhere to prevent unemployment. We cannot assume that depressions are acts of God, that they are a burden men must inevitably bear. We must face the fact that all of us have a responsibility to see that our economic system works efficiently, that there are jobs for men and women able and willing to work. When we are confronted with problems of national scope involving collective responsibility we must look to the National Government, acting for all the people to take the leadership in their solution.

"Let there be no misunderstanding as to the meaning of the word 'assure.' It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another."

F. R. von Windegger, president, the Plaza Bank of St. Louis, St. Louis, Mo. (p. 647):

"The most enlightened business leaders today acknowledge that business alone, in this machine age, cannot furnish full employment to all those able to and seeking work.

"Therefore, full employment being necessary to the continued existence of our economic and political system and necessary for the general welfare, it becomes incumbent upon the Government to take whatever steps are necessary to fill the gap left by private enterprise."

Hon. Henry A. Wallace, Secretary of Commerce, Washington, D. C. (pp. 692, 694, 696):

"No individual firm, however, should be expected to employ people producing goods or services for which it cannot find a market at a reasonable price. That assurance of adequate market opportunity, which is essential to full production and employment, is the responsibility of all the people, including business management, acting through their chosen representatives in Government.

"It is only the assurance that the Government will use its financial power to prevent shrinking markets that will induce business to continue to produce at full employment levels. Without this assurance and without Government implementation of it, we are sure to see the familiar spectacle of inventory liquidation, cutthroat competition, stoppage of investment programs, mounting unemployment, and farm foreclosures whenever deflationary forces are unloosed."

"Senator TOBEY. I was impressed by the fact that all through your statement, at least 8 or 10 times, you definitely used the words 'give assurance.' I merely ask you this in view of the controversy that has arisen in this committee; do you agree with the authors of the bill, of whom I am one, that the purpose of this bill is to assure—give assurance of opportunities? Is that right?"

"Mr. WALLACE. That is right.

"Senator TOBEY. And the word means just what it says, assure them an opportunity to work.

"Mr. WALLACE. An opportunity; yes. But not any specific job to any specific individual."

James P. Warburg, Greenwich, Conn. (p. 665):

"Those who oppose the bill do so because they oppose the fundamental principle that it has now become both the right and the duty of the American people, acting together through their Government, to make the right to work as much a reality as the right of free speech.

"Let the vote be taken on that principle."

Walter H. Wheeler, Jr., president, Pitney-Bowes, Inc., Stamford, Conn. (pp. 828 and 829):

"I support the underlying principle of this bill, because I am convinced that it is the definite and inescapable responsibility of Government, in a modern society, to see that stable economic conditions prevail affording a high level of employment.

"In the past, action usually has been taken only after some calamity has occurred. This bill puts on Government the responsibility of planning to avoid calamity.

"I do not believe that the private-enterprise system, left entirely to its own devices in our present-day complex economic system, can avoid cyclical fluctuations, the low points of which are so severe as to bring



about extended mass unemployment such as existed in the thirties.

"Of itself, private enterprise has not the power to command widespread action in times of crisis, or to sufficiently influence its membership to avoid crisis. Whether we like it or not, we have reached a point where, despite the risks, we must depend upon Government as the only possible authority to broadly coordinate our activities, to use some of its power directly when necessary, and to plan for us. The only solution lies in wise and sound government. The only logical course open to those who fear government is to do their utmost to improve government. If this attitude is not taken, I am convinced that we will finally end up with all government in a socialized state."

#### JOINT COMMITTEE ON THE BUDGET

Mr. WILEY. Mr. President, I submit a concurrent resolution to create an economic high command for the United States Congress. It will not be called that; it will be called a Joint Committee on the Budget, but its effect will be the same. If agreed to, it will give the United States Congress for the first time in its history the long-range eyes, ears, and voice to play its role adequately in handling the economy of our Nation.

The reasons for this joint committee are obvious:

First. Without it, Congress will continue to lack the economic high command with which to meet the administration high command on its own terms.

Too long have we been "weak sisters" in our equipment with which to evaluate the administration's carefully prepared demands for appropriations.

We already have a Joint Committee on Internal Revenue Taxation to handle the income side of the American ledger. That joint committee has long proved its indispensability. Why, then, should we not have a Joint Committee on the Budget with which to handle the outgo side of the ledger?

The Senate has adopted a resolution to establish a joint committee to investigate the Pearl Harbor disaster. Moreover, there has been proposed a joint committee to investigate the development and control of the atomic bomb. Why, then, should we not have a Joint Committee on the Budget, which would prevent a financial Pearl Harbor—a financial disaster that could blow our way of life sky high?

Second. Right now we are in a position of grave financial stress.

Our national debt is still mounting from its present peak of \$262,000,000,000. Right now a debt of over \$1,870 hangs over every man, woman, and child in our country. A debt of over \$4,170 hangs over every employed worker in our country.

According to revised Budget estimates, our deficit will increase by thirty billions this fiscal year. That is at the rate of \$2,500,000,000 a month, or at the rate of more than \$10 a month on every man, woman, and child or at the rate of more than \$42 a month on every employed worker.

Our \$262,000,000,000 of national debt are owned by the people. The bonds covering that debt are held by individuals and by institutions which have the people's life savings.

Who, specifically, holds those bonds? Here is a table which shows who held the bonds, as of April 30, 1945, when our national debt stood at a sum in excess of \$238,000,000,000:

	<i>Billions of bonds</i>
Banks.....	106.7
Individuals.....	53.8
Corporations and associations.....	25.8
U. S. Government agencies and trust funds.....	23.2
Insurance companies.....	20.5
State and local governments.....	4.3
	234.3

Peril the solvency of our Government and you peril the solvency of every bank, every insurance company, every organization and individual in America. That peril is not an idle speculation. It is a grave possibility.

The false economic philosophy which has permeated America for the last 12 years must be rooted out. Deficit financing must cease.

Third. The minimum Budget needs of America for essential services are of staggering proportions.

In the coming period we will have huge expenditures for such essential items as:

(a) Payment of interest on the Federal debt.

(b) Gradual repayment of the principal of the Federal debt.

(c) Provision for aid to disabled veterans, widows, and orphans of ex-servicemen.

(d) National defense.

(e) Minimum Government services, such as old-age pensions, compensation for the blind, and so forth.

The minimum billions of dollars required for these items will cost far more than we have ever raised in revenues. The greatest amount of Government revenue ever raised prior to 1941 was in 1938, when we raised five and one-half billion dollars. But the debt items alone of our coming Federal Budget will cost us far more than five and one-half billion dollars.

Having determined the essential categories of Federal expenditure, we dare not scrimp on them. We dare not "sock the disabled veteran" or break the back of our national defense as we did after the last war by penny-wise, pound-foolish "thrif."

We dare not allow essential items such as these to go begging. With regard to national defense, our own preparedness is still our best security. The United Nations Organization is still in diapers and cannot be relied upon exclusively.

The nations, such as Russia, are hardly putting their armed forces in moth balls. We must continue to surpass the power of every other nation on earth if we would sleep peacefully at night in this jungle world.

Fourth. The heat is being put on Congress for unnecessary expenditures of staggering proportions.

How can we ever expect to spend adequately for the essential services stated above if we are going to pour money into every financial rat hole promoted by self-interest groups?

Every scrambled brain in the country, every wild-eyed dreamer and diabolic schemer is out to take Uncle Sam for a ride for every dollar Uncle Sam's printing presses can print. The screams for hand-outs are deafening Congress' ears. "Spend—spend—spend."

"Legislate the millennium into existence.

"Pass a law that will enable every American to sit back on his haunches and draw Federal checks while jobs go begging.

"Pass a law that will give every American, on a silver platter, a job at the salary he fancies, of the importance he fancies.

"Finance everything by deficit, by printing-press money.

"Keep blowing up the Government debt balloon. Do not worry about it bursting.

"Cram Federal hand-outs and control down the State and local governments' throats whether they like it or not."

These are the thoughts expressed by selfish self-seekers who present many-point ultimatums to Congress to "spend or else."

The vast amount of synthetic spend-crazy legislation which these self-seekers are demanding must not be allowed to be hidden behind a smoke screen during the coming months and steam-rolled through. The Pearl Harbor investigation will be occupying our attention and must not serve as such a smoke screen behind which ruinous laws are simultaneously pushed.

Where is the money to come from for all the spending that has been proposed? How are we going to pay for it? The highest estimates for this year's revenues are only \$36,000,000,000. Yet expenditures will be \$66,000,000,000, leaving a deficit of \$30,000,000,000.

Postwar budgets, even without provision for extra spending, contemplate that we will be spending, at a minimum, about every cent we may expect to take in by taxes and more. How, then, can we expect to add the extra load of more spending on top of the minimum Budget? How are we going to balance the Budget? How are we going to reduce taxes on the long-overburdened taxpayers?

Let us think the answers to these questions through. Let us create this Joint Committee on the Budget to help us think and act our way through. Let us also do these things:

First. Speed the demobilization of our armed forces. When we release into civilian life the men with jobs and the men who make jobs, these men will add to the potential tax revenue, instead of continuing to drain it. Get the doctors, the dentists, the lawyers, and other professionals and technicians in particular back into our economy which so desperately needs them. I have already written to President Truman respectfully urging that every effort be made to speed up the release of these men.

Second. Scrap the useless bureaus and slash the overstuffed departments in the Federal Government.

Third. Encourage the local communities and the people to look to their own sweat and toil for their prosperity, rather



than to Federal pap. Relearn the lesson of our fathers—depending on ourselves rather than on the Federal Government for our salvation.

Return to the States the constitutional powers thereof which have been taken over by the Federal Government. Let the communities and the States rid themselves of the false notion that they should look to Washington for economic aid in the solution of those problems which are in their nature local and State-wide. The State and local governments are in a far better financial position to look after their respective needs than is the Federal Government.

End the imported European pattern of thinking, with its hatred and intolerance between classes and groups. Let us breathe the free, harmonious atmosphere of America and proceed to build "more stately mansions for the American soul."

Mr. President, I ask unanimous consent that the concurrent resolution be printed in the RECORD following my remarks, and appropriately referred.

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

The concurrent resolution (S. Con. Res. 29), submitted by Mr. WILEY, was referred to the Committee on Finance, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Joint Committee on the Budget (hereinafter referred to as the "joint committee") to be composed of \_\_\_\_\_ members of the Committee on Appropriations of the Senate and \_\_\_\_\_ members of the Committee on Finance of the Senate, to be appointed by the President of the Senate, and \_\_\_\_\_ members of the Committee on Appropriations of the House of Representatives and \_\_\_\_\_ members of the Committee on Ways and Means of the House of Representatives, to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection. The joint committee shall select a chairman from among its members.

SEC. 2. It shall be the duty of the joint committee to make a full and complete study and analysis of the Budget of the United States, and to make such other studies and investigations concerning governmental revenues and expenditures as it may deem necessary, with a view to assisting the Congress in formulating a comprehensive fiscal program. The joint committee shall report, from time to time, to the committees of the Senate and House of Representatives from which the membership of the joint committee was appointed, and, in its discretion, to the Senate or House of Representatives, or both, the results of its studies and investigations, together with such recommendations as it may deem advisable.

SEC. 3. The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

SEC. 4. (a) The joint committee shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary in the performance of its duties, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The joint committee is authorized to request the use of the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government.

(b) The expenses of the joint committee, which shall not exceed \$\_\_\_\_\_ shall be paid out of the contingent funds of the Senate and House of Representatives, one-half to be disbursed by the Secretary of the Senate and one-half to be disbursed by the Clerk of the House of Representatives.

COMPOSITION OF THE POSTWAR NAVY

Mr. WALSH. Mr. President, I submit for reference to the Committee on Naval Affairs a concurrent resolution similar to one that is being submitted in the House of Representatives by Representative VINSON, relating to the proposed size of the postwar Navy, and I ask in that connection that a brief statement summarizing the provisions of the concurrent resolution be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the concurrent resolution submitted by the Senator from Massachusetts will be referred to the Committee on Naval Affairs and the statement will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 30), submitted by Mr. WALSH, was referred to the Committee on Naval Affairs, as follows:

Whereas under the Constitution of the United States the Congress is charged with the responsibility of providing and maintaining a Navy; and

Whereas the wars in which the United States has been engaged are now in the process of being brought to a successful close; and

Whereas it will not be necessary to retain for the Navy all of the ships, vessels, or craft now built, building, or authorized; and

Whereas it is necessary for the Congress to determine the size of the immediate postwar Navy, giving due consideration to the security of the United States and its territories and insular possessions, the protection of our commerce, and the necessity for cooperating with other world powers in the maintenance of peace; and

Whereas such immediate postwar Navy will require an adequate fleet and supporting aircraft, personnel, bases, and establishments: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Navy of the United States should consist of ships of the following types and numbers:

1. Three large aircraft carriers (42,000 tons), 24 aircraft carriers (27,000 tons), 10 light aircraft carriers (11,000 tons), 79 escort aircraft carriers, 18 battleships, 3 large cruisers, 31 heavy cruisers, 48 light cruisers, 367 destroyers, 296 escort destroyers, and 200 submarines.

2. That sufficient aircraft, auxiliary vessels, mine vessels, patrol vessels, landing craft, district craft, and drydocks should be maintained to support the above enumerated fleet.

3. That adequate facilities to support the Navy should be maintained wherever necessary.

4. That sufficient personnel should be provided to adequately maintain and operate the Navy and that proper and adequate facilities be provided and maintained to fully train such personnel.

ities be provided and maintained to fully train such personnel.

5. That ships, vessels, and craft enumerated above should be replaced unit for unit in accordance with existing law, or earlier if the development of weapons or scientific research make such ship, vessel, or craft obsolete or obsolescent.

6. That an orderly shipbuilding and aircraft replacement program should be maintained.

7. That a progressive program of research and development in all fields of naval warfare be carried on and that an adequate organization and facilities for that purpose be maintained.

The statement presented by Mr. WALSH is as follows:

Mr. President, I am submitting today, in conjunction with a similar resolution which is being submitted in the House of Representatives by the Honorable CARL VINSON, chairman of the House Naval Affairs Committee, a concurrent resolution to express the sense of Congress with respect to the postwar Navy. The resolution, in brief, states it is the sense of Congress that the Navy of the United States should consist of ships of the following types:

1. Three large aircraft carriers (42,000 tons), 24 aircraft carriers (27,000 tons), 10 light aircraft carriers (11,000 tons), 79 escort aircraft carriers, 18 battleships, 3 large cruisers, 31 heavy cruisers, 48 light cruisers, 367 destroyers, 296 escort destroyers, 200 submarines.

2. That sufficient aircraft, auxiliary vessels, mine vessels, patrol vessels, landing craft, district craft, and drydocks should be maintained to support the above-enumerated fleet.

3. That adequate facilities to support the Navy should be maintained wherever necessary.

4. That sufficient personnel should be provided to adequately maintain and operate the Navy and that proper and adequate facilities be provided and maintained to fully train such personnel.

5. That ships, vessels, and craft enumerated above should be replaced unit for unit in accordance with existing law, or earlier if the development of weapons, or scientific research make such ship, vessel, or craft obsolete or obsolescent.

6. That an orderly shipbuilding and aircraft replacement program should be maintained.

7. That a progressive program of research and development in all fields of naval warfare be carried on and that an adequate organization and facilities for that purpose be maintained. For the information of the Members of the Senate, I annex a table which sets forth a comparison of the number of vessels in the postwar Navy, the present Navy, and the prewar Navy.

Type vessel	Proposed in postwar Navy	Present Navy (available, building and authorized)	Total authorized up to and including the Naval Expansion Act approved May 17, 1938
Large aircraft carriers (42,000 tons).....	3	3	8
Aircraft carriers (27,000 tons).....	24	27	
Light aircraft carriers (11,000 tons).....	10	10	18
Escort aircraft carriers.....	79	79	
Battleships.....	18	24	53
Large cruisers.....	3	3	
Heavy cruisers.....	31	33	28
Light cruisers.....	48	57	
Destroyers.....	367	450	114
Destroyer escorts.....	296	359	
Submarines.....	200	263	53
Total.....	1,079	1,308	172



international interest. Your letter with enclosures is being referred to the Department. Sincerely yours,

HILLORY A. TOLSON,  
Acting Director.

Mr. HATCH. Mr. President, I merely wish to add my own approval of the thought and idea that this spot where the first atomic bomb was exploded be set aside and marked as a national monument not to the destructive forces of atomic energy, but that it may be a monument to its peace-giving qualities and really, as Mr. McCollum said, a shrine for peace throughout the entire world.

#### THE FULL-EMPLOYMENT BILL—EDITORIAL COMMENT

Mr. MURRAY. Mr. President, since the beginning of the recent hearings before the Banking and Currency Committee on the full-employment bill, S. 380, this significant legislation has been discussed, pro and con, in the editorial columns of scores of newspapers throughout the country.

One of the most interesting editorials that has been called to my attention is one entitled "Seeing Things Under the Bed," which appeared in the Chicago Times on August 25, 1945.

The criticisms of the Murray full-employment bill—

#### States the Chicago Times—

are following the familiar pattern of protests that were spewed forth when social security and unemployment compensation and other such measures were proposed during the thirties. \* \* \* We think the agitators are seeing things under the bed, just as they had nightmares during the thirties.

The editorial then proceeds to point out that—

The bill does not put the Government in competition with business; it does not authorize operation of plants and factories by the Government; it does not guarantee specific jobs to specific workers; it does not authorize compulsory assignment of workers to jobs; it does not provide Government guarantees of individual markets or profits; it does not authorize Government determination of prices or wages; it does not authorize disclosure of trade secrets.

The editorial also states in summation what the full employment bill does do. Let me quote again:

In a nutshell, the plan does set up a system by which we can find out in advance of crises how we stand on jobs. It emphasizes foresight and prevention, to minimize emergency action. It puts our national economy on a "business basis." It emphasizes cooperation with industry, agriculture, labor, and local governments. That's the formula we used to win the war. The Murray bill is an experiment in national teamwork, just as surely as the efforts of the scientists who developed the atom bomb.

Mr. President, in view of the intense interest in this important legislation, I ask unanimous consent that there be inserted in the RECORD at this point, in connection with my remarks, a set of editorials on the full-employment bill from leading newspapers throughout the United States, including the Chicago Times' editorial to which I have just referred.

There being no objection, the editorials

were ordered to be printed in the RECORD, as follows:

[From the Chicago (Ill.) Sun of August 1, 1945]

#### ECHOES FROM ABROAD AND THE JOBS BILL

It was fitting that the initial hearings on the Wagner-Murray full-employment bill should be held this week while the echoes of the British election still reverberated in Washington.

Britain's Labor Government is preparing to carry out the people's mandate for a far-reaching social program aimed at jobs and security for all. Our Government has yet to decide whether a vigorous attempt shall be made to secure the same objectives by strong and positive social planning for an economy based on private initiative.

The decision, to a large extent, rests with the American counterparts of those British Tories whose inflexible hostility to change led them down the pike to political disaster. Such men as Senators TAFT, VANDENBERG, GEORGE, and McKELLAR could assure speedy passage of the full employment bill with bipartisan support if they determined to read wisely the lesson of the British election. Can they read that lesson? Can they read the lesson of our own past?

The lineal ancestor of the Wagner-Murray bill was the Employment Stabilization Act of 1931, and it is instructive to recall the history of that measure, originally introduced by Senator WAGNER in 1928. The act provided for the advance planning of public works as a means of stabilizing fluctuations in private employment. It was an act to plan in good times against the onset of bad times.

Widespread bipartisan support backed the measure. Herbert Hoover several times endorsed its principles and, as President, signed the bill. Senator VANDENBERG and Senator George Wharton Pepper, of Pennsylvania, were among its Republican advocates.

By the time Congress got around to passing the bill, however, the country was no longer riding the crest of a boom. The depression which this bill with others was meant to forestall had become a grim fact. Advance planning had to give way to emergency action on an unprecedented scale. The Employment Stabilization Board established by the act was swept into the background, its functions being absorbed first by the PWA and later by the National Resources Planning Board.

In the end the latter agency was done to death by a reactionary coalition in Congress, anxious to vent its spleen against the New Deal. Today, as we confront the towering problems of demobilization, the need for national economic planning has become more pressing than ever, and the Wagner-Murray bill is the response to that need. The wheel has come full circle.

Events since 1931 have made it evident that public works planning alone cannot stabilize the whole economy. Therefore the Wagner-Murray bill, much broader than its predecessor, provides for the presentation by the President each year of an "employment budget," estimating the number of jobs likely to be available in private industry. If a substantial volume of unemployment is indicated, then the President and Congress would consider (without commitment to enact) a whole series of measures designed first to stimulate private employment and, second, if necessary, to supplement it.

Thus the bill sets up in advance machinery for dealing with economic fluctuations. The machinery might not be wisely used. If used, it might fail. But that it should at least be set up—that the Nation should at least make the effort to mobilize its resources of economic knowledge for the general welfare—is as obvious as the need for a world peace organization to check military aggression.

[From the Raleigh (N. C.) News and Observer of August 29, 1945]

#### FULL EMPLOYMENT BILL

There should be no politics in the full employment bill that is first on the agenda when Congress assembles. In the campaign last year President Roosevelt and Governor Dewey, speaking for the two great parties, promised jobs for all when war ended. President Truman, Secretary of State Byrnes, Secretary of Commerce Wallace, and nearly all responsible leaders are urging prompt action on the sacred promise made to the voters, particularly to those who have served in the armed forces or who have been engaged in making war munitions and war supplies.

It is a measure so humanitarian—not political—that church leaders are uniting with forward-looking businessmen, labor leaders, and public officials in calling for its enactment. We could lend-lease over \$40,000,000,000 for war. We must not fail to do all that is necessary in peace. Bishop Oxnorn, president of the Federal Council of Churches in America, spoke a parable when he said: "An economic order that cannot provide opportunity for all to work cannot endure."

Testifying before the Senate committee, Bishop Oxnorn said:

"This bill, when it becomes law, will take its place in history among the significant legislative acts of our time. It is supported throughout the Nation by church people everywhere.

"Failure to use the full productive power of the Nation is to sabotage the future. It is real labor applied to real material on real machines that means real wealth. To fail to use such labor is to make the future poorer in a material sense, and when we consider what happens to the mind and heart of the unemployed man, it is to make the future poorer likewise in a spiritual sense.

"To many men who objected quite properly to the killing of little pigs were silent in the presence of mass unemployment in which a man's self-respect is killed and as a result of which we failed to produce necessary goods which, as far as true wealth is concerned, has precisely the same effect as the destruction of goods."

"It is not to lose our freedom to use our heads to solve the problems that must be solved if freedom is to endure. There are some who insist that to plan is to enslave. That to me is nonsense.

"But its framers realize that freedom to engage in free competitive enterprise is, in the long run, dependent upon another aspect of freedom, namely, the right of the individual worker to a job. A man who cannot get a job is not free. \* \* \*

"Nothing is more menacing to the public than mass unemployment. This bill is not only an expression of sound ethical ideals, of common sense and of justice, but is fundamental to the preservation of the Republic itself."

[From the Los Angeles (Calif.) News of August 13, 1945]

#### CONGRESS SHOULD ACT NOW

We are pitifully unprepared for an abrupt and unexpected end of the war.

Congress is on vacation. Moreover, the Senate Banking Subcommittee, which is handling the full-employment bill, has recessed until October 9.

The danger of legislative inaction cannot be minimized.

Delays breed dangers in peace as well as in war. Failure of Congress to stay on the job—while the fighting and home fronts have continued the victory drive without respite—is a sad commentary on political responsibility in this critical hour. America deserves better from her elected representatives.

Reconversion, full employment, war-contracts termination—even adjusted-unem-



ployment compensation—are yet principally in the talking stage. We aren't ready to make an orderly transition from war economy to peace economy. And we shall not be ready in the Nation until Congress acts, nor in California until the legislature redeems the failures of the recently concluded fifty-sixth session.

The trouble is that the typical American politician is subject to a great fear. Oftentimes, as J. F. Salter has pointed out, "the politician does not do what he wants to do, but does what he must do, or thinks he must do, in order to keep power."

Inability to judge correctly the probable reaction of the electorate to reconversion legislation is Congress' greatest handicap.

But even in their present short recess, Representatives and Senators must thus far certainly have had demonstrated to them the deep and urgent public sentiment for legislative bridge building into the postwar future.

The full employment bill is the first—and perhaps most important—of several proposals designed to cope with the economic crisis ahead.

Under this bill, the President would send to Congress each year a production and employment budget, together with recommendations for whatever legislation might be necessary to assure full employment for the subsequent year.

The full employment bill has not been hatched out of empty theory. It stems from a great study of the American economic system made by the temporary National Economic Committee, under the chairmanship of Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming.

In its essence, the jobs measure aims to meet the problem of employment by attacking the problem of spending. Full production is made by full spending—either by individuals or Government. Unless someone spends, goods are not bought, production declines, and unemployment results.

It is important to understand, however, that the full-employment measure is not based upon deficit spending by the Government except as a last resort.

Charges, therefore, that it is "collectivist" and "totalitarian" are without foundation. What the bill proposes to do is to stimulate private spending (when necessary, through legislation relating to taxes, monopolies, banking policies) wages and working conditions, foreign trade, social security, and the development of natural resources.

In the event these measures should fail to increase private spending sufficiently, the President would then propose governmental spending or lending to make up the balance.

Basically full-employment legislation is designed to build a stronger floor under free enterprise—to save free economy from its own heretofore planless existence. As O'MAHONEY has said, "Unless our free Government undertakes to plan a free economy, we are in great danger of losing that free government."

Therefore, planning now—not at some unspecified date after VJ-day—but now, while there is time to avert economic dislocation, is an imperative.

Government economists are predicting that at least 6,000,000 and possibly 12,000,000 Americans will be out of work within a few months after Japan capitulates.

The larger figure of 12,000,000 is considered a conservative estimate should victory come before the end of the present year.

An unemployment tide of such vast proportions could well provide a sinister force. Aside from unemployment-insurance payments, there would be no way of coping with it, under present conditions, within a period of many months.

Perhaps, incredible as it seems, there are people who want unemployment—who mistakenly believe that doles are cheaper than

jobs—who delude themselves into fancying profit advantages in a huge pile of idle—and, therefore, low-wage—labor.

But common sense dictates an opposite and almost unthinkable conclusion. Widespread unemployment in the United States would spell not only national but international disaster.

"Mass unemployment," says Senator ROBERT F. WAGNER, Democrat, of New York, co-sponsor of the jobs-bill, "would drive us toward both economic isolationism and economic imperialism."

"Under such circumstances," he points out, "the splendid edifice of the United Nations Charter we are now building \* \* \* would be like a factory building without a dynamo."

Congress alone can supply the dynamo. But Congress is on vacation.

American—and world—security cannot wait while Congressmen go fishing.

[From the Scranton (Pa.) Tribune of August 14, 1945]

#### A FUTURE WITH A JOB

Government's responsibility for full employment, the thesis of the new Murray full employment bill, is officially embraced by several countries. The Labor Party in Britain stands for this objective as does the Australian Government. In Sweden the subject has been receiving active consideration for several years. In Russia the right to work is a constitutional right.

Under the pressure of war demands, American industry has enormously increased its production, not only of direct war materials, but of almost all kinds of civilian-type products. Many persons predict that the American people, after this convincing demonstration of the Nation's productive capacity, will not tolerate any protracted period of mass unemployment after the war. The feeling is that, when the industrial machine is so obviously able to satisfy everyone's material wants, the people will insist that means be found to assure full employment and sustain the purchasing power that will make it possible to utilize total plant capacity and raise the general standard of living.

The opinion that the Government must assume responsibility for providing adequate job opportunities is not confined to those who have popularized the 60,000,000 jobs slogan, nor to the sponsors and supporters of the Murray bill. Governor Dewey, in his capacity of Republican Presidential nominee, said at Seattle, September 18, 1944: "We must have full employment. \* \* \* Those who have come home from the war and those who have produced for the war—all our people—have earned a future with jobs for all." Three days later Dewey was more specific. He observed that the question of job opportunities was everybody's business and therefore the business of the Government.

[From the Nashville (Tenn.) Tennessean of August 27, 1945]

#### TO EACH: A JOB

Among the most misunderstood and misrepresented measures which have been submitted to Congress in many years is the Murray-Wagner full employment bill.

It is frequently stated that the bill assumes that private enterprise cannot supply jobs for the American people. The bill makes no such assumption as this. It is also asserted that the bill rests on the premise that machine-age mass production has exhausted the frontiers on which a private expanding economy could be built. No such premise is held by the proponents of the measure. The bill does not even require government spending to take up an employment slack, as it is often declared.

The bill assumes that private business can enormously expand its production to provide jobs and supply demand, but will do so when general planning and accepted goals of production make such an expansion profitable.

The full employment bill does not obligate the Government to enter the field of employment directly or indirectly through public works to take up the slack of unemployment should it develop. It does assess the Government with responsibility to take whatever action seems advisable to alleviate conditions. Necessary public works is a desirable reserve against the threat of unemployment. But the Government is free to stimulate private employment through fiscal or tax policies or even to do nothing.

The Murray-Wagner bill does propose to do what the existing free enterprise system cannot do for itself that will enable it to produce bountifully without being threatened with the risk of a paralyzing deflation. A national budget of investment, expenditure, jobs, stock on hand, and consumer needs and demands—revised quarterly—together with elastic fiscal and tax policies, international trade policies, and a reserve of public works cannot but have a beneficent influence on the national income.

[From the Chicago (Ill.) Times of August 25, 1945]

#### SEEING THINGS UNDER THE BED

The criticisms of the Murray full employment bill are following the familiar pattern of protests that were spewed forth when social security and unemployment compensation and other such measures were proposed during the 1930's.

The againers have dragged out the old slogan: The full employment bill would bring about a Government-managed national economy, throttle private production, and discourage private investment.

We think the againers are seeing things under the bed, just as they had nightmares during the 1930's. Actually the bill does little more than set up Government policy asserting the right of Americans to have employment if they are able to work and want to work. It establishes machinery to achieve cooperation among business, labor, agriculture, State and local governments, and the Federal Government.

In the last election campaign Governor Dewey, the Republican candidate for President, said: "If at any time there are not sufficient jobs in private employment to go around, then government can and must create additional job opportunities. There must be jobs for all." Beardsley Ruml, chairman of the Federal Reserve Bank of New York, has said, "The basic ideas of the Murray bill have had bipartisan sponsorship and deserve nonpartisan standing."

Businessmen would do well to study what the full employment bill does not do.

The bill does not put the Government in competition with business. It does not authorize operation of plants and factories by the Government. It does not guarantee specific jobs to specific workers. It does not authorize compulsory assignment of workers to jobs. It does not provide Government guarantees of individual markets or profits. It does not authorize Government determination of prices or wages. It does not authorize disclosures of trade secrets.

In a nutshell, the plan does set up a system by which we can find out in advance of crisis how we stand on jobs. It emphasizes foresight and prevention, to minimize emergency action. It puts our national economy on a business basis. It emphasizes cooperation with industry, agriculture, labor, and local governments. That's the formula we used to win the war. The Murray bill is an experiment in national teamwork, just as surely as the efforts of the scientists who developed the atom bomb.



[From the Louisville (Ky.) Courier-Journal of August 28, 1945]

#### JOBS FOR ALL—TODAY AND TOMORROW

There are signs that the so-called full-employment bill requires protection not only from its opponents but also from some of its supporters, and that the best way to provide this protection lies, in both cases, in a proper and unremitting interpretation of its aims.

Simply, the legislation has been devised as an instrument for enduring economic stability and it is not an emergency measure. It is neither vague and unrealistic as it has been described by an Alabama Congressman [CARTER MANASCO], (who seems to be keynoting the arguments against it to be expected from champions of free enterprise, meaning unregulated enterprise) nor is it a plan that can be applied at once to the condition now developing from hour to hour as war contracts are cancelled and workers set adrift. When its friends undertake to hold it up as a means of solving immediate problems, they promise too much and may be doing more harm than good to its genuine and valuable objectives.

At risk of tiring the reader by repetition, it ought to be recalled that the bill provides for the President—any President, not just Mr. Truman—to transmit to Congress at the beginning of each regular session a national production and employment budget; in other words, a budget of jobs that will be provided and people who will need jobs.

If it is found, from as nearly complete and scientific a survey as possible, that private investment and expenditure will be insufficient to employ the estimated labor force, the President is to supply a program of added incentive to private enterprise—adapted banking and currency policies, monopoly controls, tax adjustment, foreign trade, etc.

If there still remains a deficiency (more job seekers than jobs), then the bill provides that the President shall submit to Congress "a general program for such Federal investment and expenditure as will be sufficient to bring the aggregate volume of investment and expenditure by private business, consumers, State and local government and the Federal Government up to the level required to assure a full employment volume of production." Thus, public works may be seen as the last resort.

What, one may ask, is vague and unrealistic about all this? It looks from here like the most realistic proposal ever broached to a capitalistic Nation (resolved to remain capitalistic), if not the only one, by which to level off the peaks and valleys of boom and bust that have marked our economic map with a regularity like the pulse of fate since 1790.

The thing it will not do, however, is to change the economic picture and provide jobs for millions overnight, and one who expects it to do so is likely to be disillusioned and driven perhaps into a reaction of every man for himself, which is the same old thing, the devil taking the hindmost. To be sure, its passage and the prospects of dependability which this will create, is likely to have at once a salutary moral effect, but the direct application will be a matter of fiscal-year planning. Even if it be immediately adopted, the law could not go into effective operation before July 1, 1946, if then.

The point to bear in mind, lest partisan politics and lack of courage to approach new formulas for salvation undo all our hope, is the point made by Harry W. Schacter, of Louisville, in his testimony supporting the bill before the Senate Banking Committee last week:

"Some 10 years ago we in America, mindful of the welfare of all our people, embarked on a program of social security. If we pass this bill, we will be embarking on a program of economic security. It is unthinkable that we could or would give up our social-security program today. In fact, we propose to ex-

pand it. I venture the prediction that if we pass this bill, it will be just as unthinkable 10 years from today that we would give up this program for economic security."

It is not enough, then, to say that because the proposal may not be applied this month, or this year, it should not concern us now or it is unrealistic. At the same time, it is not enough to say that we must depend on it entirely. What of today and today's needs? A very practical answer to this question, suggesting immediate techniques, came yesterday from the Committee on Economic Development, a "private, nonprofit, nonpolitical association of businessmen," which emphasized the necessity of these things as the first consideration:

Rapid demobilization of armed forces and strengthened aid and protection to veterans in obtaining civilian jobs; liberalization of unemployment compensation benefits; stronger general assistance (direct aid) programs; "properly supervised and limited" grants to transport workers from surplus labor areas to good employment areas; strengthened public employment services; rapid blueprinting of a "reserve shelf" of public works by States and communities (harken, Louisville!); provisions for retraining workers for new jobs, and recommendation to individual employers to "move promptly to put their reemployment plans into effect, timing their actions to provide maximum employment in the early months of peace."

There is a difference, then, between reemployment programs and the full employment bill. The two are complements, one of the other, and do not conflict. It is a time for action; but, as well, a time for keeping our heads.

[From the New York PM of August 27, 1945]

#### BUSINESS AND EMPLOYMENT

Events of the past few days have demonstrated that many of the returning Republican and southern Democratic Congressmen who are supposed to be spokesmen in Washington for the people are still the spokesmen for that element of business which has learned nothing from a decade of depression and war.

These Republican and southern Democrats have shown that they aren't even as close to the people's viewpoint as many of the more intelligent businessmen of the country. They blindly follow the line of the National Association of Manufacturers in its:

Blindness to the simple fact that business can expand safely and prosper only if it can be sure of selling its products.

Blind hatred for Government leadership even in matters too big and too vital to all of us to be left to any smaller group.

These Republicans and southern Democrats can't even be as liberal as the middle of the road businessmen in the Committee for Economic Development.

This has been demonstrated by a series of happenings since Congress began to reassemble a week ago:

By the refusal of Republicans on the Senate Banking Committee, except for Senator CHARLES W. TOBEY (Republican, New Hampshire), to come out for the full employment bill which has won the support of many businessmen including such noted figures of Beardsley Ruml, Ralph Flanders, and James P. Warburg.

By the silly statement of Senator KENNETH S. WHERRY (Republican, Nebraska), that Government control of the atomic bomb would be socialism, even though it was Government that developed the bomb. Many businessmen already have conceded that the atomic bomb must be controlled by the Government. WHERRY's logic would compel the Government to get out of such socialistic enterprises as the postal service.

By the demand of Senator HARRY BYRD (Democrat, Virginia) for a balanced Budget

soon—a demand which many businessmen including those on the CED are willing to forget until the Nation gets out of its economic difficulties. BYRD calling at this time for a balanced Budget was a perfect reincarnation of Nero fiddling while Rome burned.

If our system of public education was half what it's cracked up to be such men would not stay in public life beyond the next election. Unfortunately, they will.

The attitude of the Republicans on the Senate Banking Committee toward the full-employment bill is typical of their approach toward most modern economic problems. They don't like the proposal to pledge the Government to "assure" full employment—they would prefer a promise to "promote" or "encourage" that objective.

That Government pledge is the heart of the full-employment bill. It is similar in many respects to the Government's pledge back in the dark days of 1933 to guarantee bank deposits. That guarantee eliminated panic among bank depositors—with the result that the public has shown confidence in the banks, and the Government has not had to dip into the Treasury to fulfill the guarantee.

But suppose that in 1933 the Government had promised only to "promote" or "encourage" the safety of bank deposits? How many billions of dollars do you suppose it would have had to put up by this time?

The guarantee in the full-employment bill has the same objective as the guarantee in the bank deposits insurance law. It is designed to use the power of the Government to underwrite purchasing power so that investors and the public can proceed to invest and spend without fear that sudden panic will ruin them.

Without such a guarantee businessmen will hesitate to invest in business—as they hesitated in the depression—and consumers will save their money instead of spending it, inviting a depression that will force the Government to spend and perhaps go down in financial ruin.

With such a guarantee, men with ideas will invest in new businesses and expand old businesses—confident that there will be a market for their products or services. The public will buy instead of hoarding savings for the rainy day ahead when there will be no work available. The Nation will flourish, Government revenue will roll in, and Government expenditures will be held to a minimum. It will be easy for the Government to fulfill its pledge of full employment.

Yet in the face of such obvious reality, Republicans and conservatives in Congress want to make the word in the full-employment bill "encourage" or "promote" instead of "assure" which means guarantee.

NATHAN ROBERTSON.

[From the Philadelphia (Pa.) Record of August 5, 1945]

#### THAT "AMERICAN WAY" ALSO INCLUDES INSURANCE

Remember when we were told that the reelection of Roosevelt would mean the end of the American way of life? That was back in 1936.

Now some conservatives rush forward to cry that the full employment bill is going to do to the American way what President Roosevelt did not do—ruin it.

One of our contemporaries insists:

"We can provide jobs, real jobs, according to the American way. The burden of proof is on the Murray-Patman bill backers to show that theirs is a better way. The proof hasn't been forthcoming."

This is a typical example of either (a) a Tory attempt to fool the people, or (b) a curious ignorance on the part of the conservatives as to the provisions of the full employment bill.

Our conservative friends have missed the main point:



That so long as private industry provides jobs, the full employment bill will not go into effect.

It will go into effect only when private industry fails to provide enough jobs for the American people.

The Murray-Patman bill is as American as any other form of insurance.

For that is what it is—insurance, against mass unemployment.

Our conservatives insure their businesses, their homes and their lives. They take out insurance protecting them in case of the theft of the family jewels, or the family automobile. Many carry liability insurance not only for employes in their factories, but in case of accident to their domestic help. Not a few are insured against the hazard of a pedestrian skidding on their sidewalk.

Now, we ask, what is wrong in the Federal Government acting to insure the nation against one of the gravest threats to its stability—mass unemployment?

We repeat: The full employment bill, which would provide public works and various other measures to create work, will take effect only if private industry is unable to keep America employed.

Maybe private industry can do the whole job without any Federal help whatever. We hope so.

But we know that private industry could not keep America's labor force employed during most of the prosperous 1920's. And we know that American business found itself utterly unable to combat the mass unemployment which swept the nation in 1929, winding up in the panic of 1933.

American business tried its level best in those days. Earnestly, sincerely, it strove to halt unemployment, which reached an all-time national high of 13 million.

Government had to step in finally—because private industry simply didn't have the means nor the power to combat an economic disaster so great.

The Murray-Patman bill merely proposes to make plans ahead of time in case that happens again.

It proposes to take out insurance before the hurricane—and not after the hurricane starts to blow.

It proposes to cushion private enterprise, to help private enterprise in the postwar years—by providing it with customers and thus insuring the nation against the fear of another disastrous depression.

Who can truthfully say that such an ounce of prevention is not the American way?

[From the Boston (Mass.) Herald of August 27, 1945]

#### FULL EMPLOYMENT

A notable feature of the discussion of the full-employment bill is the absence of party politics. Democrats originated the measure and President Truman will ask for immediate passage of it, but various Democrats are opposed to it, and many Republicans are for it. If Dewey had been elected President, the situation would have been similar, perhaps, with Republicans taking the initiative and Democrats giving some assistance to it.

The underlying principle is obviously so unexceptionable that the differences of opinion have to do with ways and means, not with fundamentals. Everybody is so fearful of the far-reaching social, economic, and political effects of protracted mass unemployment that the partisan issues which would have bulked big 5 or 10 years ago have become almost negligible.

The nonpolitical approaches of Republicans and Democrats in and out of Congress are explained in part by the party platforms, the speeches of the candidates, the statements of practically all the governors in 1944—including Leverett Saltonstall—and by State legislation designed to cushion the shock of unemployment. The Democratic

platform speaks of full employment in the opening paragraphs. Governor Dewey said in his address of acceptance: "We Republicans are agreed that full employment should be a first objective of the national policy. By full employment I mean a real chance for every man and woman to earn a decent living, at a decent wage." Just as they had identical views of the Axis enemy abroad, the two parties saw the great postwar domestic problem eye to eye.

The moderation and steadiness of President Truman have tended to weaken opposition to a full-employment measure. If President Roosevelt had survived, many Republicans and Democrats would have objected to any such measure, in the belief that it would be administered poorly by officials who had a zeal for reform, further centralization of authority, and drastic control of private business. These persons have more confidence in Truman and his associates as administrators than they had in President Roosevelt and the other pronounced New Dealers. "Planning" is not such a terrifying term as it was when the New Dealers made the plans.

The pending bill has various provisions to which Republicans will object as Republicans. But the acceptance of the principle involved seems to point to the passing of legislation of some kind to check unemployment before it becomes so ominously large as to threaten another period of depression and ill-advised political innovations.

[From the Philadelphia (Pa.) Record of July 31, 1945]

#### A BILL TO KEEP SOCIALISM OUT OF THE UNITED STATES

Senate hearings opened yesterday on a bill to keep socialism out of the U. S. A.

The bill was not titled "A bill to keep socialism out of the United States." It was called "A bill to establish a national program for assuring full employment."

But they mean the same thing.

It is a fact of history that throughout the world men have made up their minds that the right to a job is one of the rights of man. And the same men have decided to obtain that right through their governments.

In Russia the right to a job has been won through communism. In Britain the people have just decided to achieve the same end through socialism. In the United States the people made clear in 1932, again in 1936, and again in 1940, and yet again in 1944, that they wanted to gain the right to a job the "middle way," through the New Deal, without radical extremes. And without hamstringing free enterprise.

The bill up for a Senate hearing this week, the 60,000,000 job bill, is the Government's plan to fulfill its commitment to the people.

This bill is not a new idea. Way back in 1927, Senator George Wharton Pepper, conservative Republican of our own city, introduced a resolution for appointment of a Senate committee to study stabilization of employment and industry through advance planning of public works.

Since then, in one form or another, through PWA, the WPA, the CWA, and other agencies, we have had haphazard, makeshift use of public works to cushion joblessness.

Now this new full-employment bill, of Senators MURRAY and WAGNER and Representative DINGELL, aims to apply the same principles to insuring jobs that the New Deal applied to insuring bank deposits.

The principles of the stitch in time, and the ounce of prevention.

It aims to use the idea advocated by George Wharton Pepper and various others, to plan public works and other job-creating programs before we have a depression, instead of hurriedly resorting to the same ideas after depression is far under way.

It aims to abolish soup kitchens the way we abolished runs on banks.

And the bill specifically provides that the major objective is to help private enterprise maintain employment. The report states:

"Federal expenditures are to be used only as a last-resort measure. Moreover, public works are only one of many possible types of Federal expenditures that might be developed under the full-employment bill. Loans, guaranties, subsidies, purchases are also included \* \* \*."

The main point is that each year the President shall prepare a national production and employment budget, estimating probable private employment, the probable unemployment—and call on Congress for measures to "prevent the deficiency in employment to the greatest possible extent."

The plan is to put on the brakes before the machine gets out of control.

The opposition is getting set.

One big Wall Street bank brands the bill as moving toward totalitarianism and disaster. We shall hear more such claims.

In these objections we find frank opposition to any measures giving the Government responsibility for preventing mass unemployment. The Guaranty Trust Co. of New York calls the very idea dangerous.

Now, not even the Republican Party dared preach that in its 1944 campaign. Yet that party, from 1929 to 1933, proclaimed the policy of letting depressions run their course, and letting self-respecting Americans choose between starvation and standing in line before a relief agency.

The United States of America is not going back to that. Governor Dewey conceded as much in his 1944 campaign. History confirms it.

What is important at the moment is to impress upon our conservatives that they utterly misread the real choice which faces this country today.

It is not a choice between this full-employment bill and going back to days of Hoover and the ideas of McKinley.

The choice we have is whether we preserve free enterprise by trying to assure the right of a job through the full-employment bill, or whether our people are to be driven to the same extreme as the British to gain that objective—socialism.

When will it be realized that this full-employment bill is the most conservative job program proposed for any major power in the world today?

#### LABOR DAY ADDRESS BY SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD an address delivered by him on Labor Day at Summit Beach Park, Akron, Ohio, as reported in the Summit County Labor News for September 7, 1945, which appears in the Appendix.]

#### RECONVERSION—ADDRESS BY SENATOR FERGUSON

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a radio address on "Reconversion," delivered by Senator FERGUSON on Tuesday, August 28, 1945, which appears in the Appendix.]

#### PROPOSED DEPARTMENT OF PEACE—ARTICLE BY SENATOR WILEY

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "A Department of Peace for the American Government," written by Senator WILEY, and published in the magazine Free World for September 1945, which appears in the Appendix.]

#### FEDERAL INDUSTRIAL RELATIONS BILL—ARTICLE BY SENATOR HATCH

[Mr. BALL asked and obtained leave to have printed in the RECORD an article by



# Appendix

## Labor Day Address by Hon. Elmer Thomas of Oklahoma

### EXTENSION OF REMARKS

OF

### HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, September 10, 1945

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me on Labor Day at Summit Beach Park, Akron, Ohio, as reported in the Summit County Labor News under date of September 7, 1945.

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

This is Labor Day.

This is the first day in six long years when all the peoples of all the nations have been at peace.

On the battleship *Missouri*, in Tokyo Bay, the representatives of Japan have just signed an order of unconditional surrender.

On yesterday the last of the outlaw nations surrendered, and today the world is again at peace.

Hence it is a coincidence that—today is a holiday in Akron.

This is a holiday in every city and in all our States and Territories.

Today our sons are on every land and on every sea; hence, this, the first Monday in September, is a holiday wherever waves the American flag.

On this national holiday well may we rejoice and celebrate the part that labor played in winning the most terrible war in history.

Many times the question will be asked: "Who won this great military victory?"

The answer:

No man, no group, and no party can claim all the glory that has come to the United States of America.

Our farmers produced the food.

Our wage earners produced and transported the equipment for war, and our citizen soldiers and sailors struck the blows that felled our enemies.

With respect to the part labor played in this greatest of all wars, let me be more specific:

Wage earners and workers designated as labor, cut the timber and processed the lumber necessary for the war effort.

Labor dug the ores and minerals from mines and processed the lead, zinc, copper, iron and steel into weapons of destruction.

Labor dug the coal necessary for the production of heat and power.

Labor drilled the wells and produced the oil necessary for the trucks, tanks, and planes.

Labor converted the raw materials into finished products.

Labor fabricated and constructed trucks, tanks, and planes and the thousands of items necessary to wage a successful war.

Without the machinery produced by labor, farmers could not have produced the food necessary for our armed forces.

Without the implements of war our soldiers and sailors could not have successfully met the challenge of the enemy.

Without railway equipment, supplies could not have been transported on land and without ships, neither military personnel nor military supplies could have been transported across the seven seas.

Here in Akron—the rubber capital of the world—let me observe that without the tires produced by the citizens of this community, the war would still be consuming the blood and treasure of America and the world.

Without the products of labor we could not have even started to win the war.

Let me remind you that the two atomic bombs which brought the Japs to their knees and to their senses were produced by labor.

Yet, this is not all that labor has contributed to the war.

Millions of boys in army and navy uniforms are from homes presided over by patriotic fathers and mothers working in defense industries.

For almost 4 years our people have been engaged in a life and death struggle, and labor has saved our lives.

Today wage earners—labor—the largest massed group in America, is entitled to this holiday on which to celebrate our greatest victory.

In Washington, our Nation's capital, I hear it charged that labor has become too active and too powerful.

I hear it said that labor has too much to say about the policies of our Government.

Why should not the wage earners, the largest group of our citizens, have something to say about the kind of laws under which they are to live?

Why should not the men and women who perform the work have a voice and a hand in shaping our political and economic policies?

Today I am glad to report to you, here in this great rubber and labor center, that you have a voice—a loud and convincing voice, in the Congress and in the administration at Washington.

Now a word about the day we celebrate.

Labor Day—a day for the glorification of those who toil—originated in New York in 1882.

The first celebration was sponsored by the Knights of Labor and took the form of a picnic and parade.

In the early days of our Republic, labor legislation was sponsored, as a rule, by the opponents of those who work, hence the legislation enacted was against the interests of the wage earners of our country.

Later labor legislation took the form of laws for the improvement of the lot of the workers of the propertyless and the common man.

While all goals have not yet been attained, yet it is gratifying to know that working men and women have moved forward since the early days of our Republic.

Let me mention just a few of the benefits that labor has attained.

Industrial compensation.

Unemployment insurance.

Industrial codes for fair labor standards.

National Labor Relations Act.

Social Security Act, providing for old-age assistance.

A law regulating the hours of labor.

In 1934 I introduced in the United States Senate a bill providing a 40-hour workweek, with increased pay for overtime, and such bill was promptly passed and became the law of the land.

In these few years this law has become the basis, or cornerstone, of practically all contracts in private as well as public employment.

This bill was introduced and sponsored by Federal workers in our Navy yards and at the Panama Canal.

It was not long until the workers in private industry demanded the benefits provided by this law.

Later, the railway brotherhoods accepted the principles of the law and today labor contracts between the brotherhoods and railway management are based upon the 40-hour workweek law, and more recently the provisions of the law have been extended to civil-service employees working in the various branches of the Federal Government.

Already all departments of the Federal Government, save the Veterans' Administration, have accepted the principles set forth in the workweek of 40 hours.

At this time let me make another observation.

Of all the many groups it is my conviction that labor is the most efficiently represented before the Congress and the administrative departments of the Government.

Your chosen representatives stationed at Washington know exactly what they want and are most efficient and successful in having your proposals accepted by the Government and enacted into law.

Another matter of interest to labor:

At this time the Senate Committee on Banking and Currency is holding hearings on the Murray-Wagner full employment bill.

The hearings should be completed and the bill should be before the Senate for consideration and action within the next few days.

This bill has for its purpose the organization and correlation of industry, agriculture, labor, and local, State, and Federal Government activities, to the end that full employment of all Americans may be provided.

While we recognize the principle and necessity of free enterprise, yet in order to have all our people employed, it is mandatory that our whole domestic economy should be so correlated, as to secure a maximum sound national income.

A maximum sound national income is not only desirable, but because of the size of the national debt and the annual budget necessary to service such debt, such maximum income is not only necessary but is absolutely mandatory.

In addition to meeting the interest on a national debt of some \$275,000,000,000, we must raise funds through taxation to maintain a proper military establishment.

Also, we must take proper care of our millions of returning veterans as well as veterans of former wars, and this will cost a sizable sum.

All of these war expenses will be over and above the necessary costs of the various branches of the Federal Government and for a few years, at least, will total over \$20,000,000,000 annually.

Such an annual budget cannot be met on part employment and on low wage schedules.

At this point let me remind you that so long as wage earners have good jobs at fair wages, depressions cannot develop and, on the other hand, when labor is unemployed, bankruptcies and panics stalk throughout the land.

Let me remind you further that today you live in and are a part of the strongest, the richest, and the most influential nation of the earth.

Premier Stalin has said that without our aid the war would have been lost.



A few days ago Winston Churchill, former Prime Minister of the British Empire, made the statement that the United States stands at the summit of the world.

What does the winning of the war mean to the United States?

It means that your Government, our Government, your country and our country, is now the leading nation of all the earth.

The United States stands at that point which Italy, Germany, and Japan gave their men, their treasure, their reputation, and their national existence to attain.

Not only did these once great nations commit national suicide, but for a moment reflect upon what happened to their respective leaders.

What happened to Mussolini, the leader of Italy?

By his own people he was captured, clubbed and stoned to death, then hung up by his feet in the public square, where his countrymen passed by and spat upon his lifeless form.

What happened to Hitler, the leader of Germany?

To avoid the public fate of Mussolini, Hitler disappeared, presumably killed and the remains destroyed by the desperate and enraged people of Berlin.

What happened to the Emperor and the god of Japan?

With his cities destroyed, with his navy and air power annihilated, the Japanese god is now taking orders from a citizen of the United States.

Throughout all history such has been the end of dictators and tyrants.

What would it have meant to our people had we lost the war?

The answer:  
Our land would have been invaded.  
Our people would have been disarmed.  
Our banks would have been taken over.  
Our gold and silver and our money would have been confiscated.

We would have lost our Navy and our merchant ships.

Our factories would have been seized.  
Our churches, our schools, our lodges, and our unions would have been closed and our people would have been reduced to economic slavery.

The fate of France, under German control, and the fate of Korea and Manchuria under Japanese rule would have been the fate of the people of the United States.

Now that the war is over, whatever we have left is just that much saved.

Today the world is looking to the United States for leadership.

This responsibility now rests upon the shoulders of all the people of our common country.

This is a responsibility we cannot escape.

If we shirk or falter, chaos may prevail and civilization itself may lapse into another period comparable to the Dark Ages.

Uncle Sam is now the big strong boy on the world's sand lot.

Will he have the intelligence, the sound judgment and the courage to avoid becoming known as the world's bully?

This is the challenge which confronts us at this hour.

In assuming the leadership which has come to us, we have already taken steps to carry forward the program which has been outlined and agreed upon.

In this matter of leadership let me make it definite and plain that I am not boasting of our position in world affairs and I am not claiming undue credit for any group, class or party.

During the war, that is now a costly memory, all groups, classes and all political parties, representing all our people, worked harmoniously to win the contest.

Very briefly I call your attention to a few of the steps we have already taken.

Before the war was over we called the representatives of the free nations of the

world to meet at San Francisco to develop a plan for the prevention of future wars.

The conference was held, a plan was agreed upon and we were the first nation to accept and ratify the United Nations Charter.

There are 96 Members of the United States Senate, and on the final vote 91 Members were present.

Of that number 89 voted for ratification and 2 voted against.

One absent Senator sent word that he was opposed to ratification, and the other absent Senators sent word that if they could have been present they would have voted for the Charter.

The war affected every country on earth, and as a result world trade and national finances have been disturbed.

In an effort to readjust and stabilize the monetary units of the several countries, our Government called a Conference at Bretton Woods, N. H.

This Conference agreed upon a plan proposing the development of two world organizations.

One, the fund, to adjust and stabilize world monetary units, and the other the bank, to assist the devastated nations to rehabilitate themselves.

A third conference to assist agriculture was called and held at Hot Springs, Va.

Trade agreements have been perfected and extended in an effort to help expand our commerce with the other nations of the world.

We are now expanding our good-neighbor policy by suggesting and developing educational agreements between and among the nations of the world.

In a sincere effort to help every group and class of our people, the President has announced that he will soon call another world conference for the expressed purpose of promoting the interests of labor.

Today the people of the United States, in purpose and in action, are more united than they have been in generations.

The national polls taken throughout the States show that our new President is the most popular official since President Monroe.

If we may continue to think and act together, we have the intelligence, the sound judgment, and the intestinal fortitude to assist in leading the liberty-loving peoples of the world back to lasting peace and sound prosperity.

In this new responsibility, with God's help, we shall not fail.

### The President's Message

#### EXTENSION OF REMARKS

OF

#### HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1945

Mr. KNUTSON. Mr. Speaker, the credit for writing the longest message to be submitted to the Congress in my time must go to Mr. Truman. It consisted of 17,000 words and required almost 2 hours in reading. Space will not permit of my commenting in detail upon the document but offhand it would be fair to say that it was a mixture of good, fair, and bad, and must have given considerable comfort to the left wingers. It held out little hope for tax reductions and even less for the early termination of the draft.

As the message may be considered the blueprint for this administration perhaps we should analyze it a bit. The

proposal to increase unemployment benefits up to \$25 a week for 26 weeks would, without doubt, retard recovery and destroy incentive for the displaced to seek new jobs so long as they could draw unemployment benefits, and unnecessarily increase the national debt. Minnesota already pays up to \$20 per week for 20 weeks and any man who cannot find a suitable job in 20 weeks with the present shortage of labor does not need much sympathy.

#### JOBLESS PAY

I am inclined to agree with him that we must have a substantial increase in the now obsolete 40-cent minimum-wage because it is going to be necessary to maintain the very highest possible level in national income if deficit spending is to be avoided. However, I would write in a provision exempting apprentices from such increase in order to encourage employers to train young people in skilled trades—something that has not been done since the New Deal came into power. I believe it would be fatal to our economy if we were to return to the '41 wage and price levels. Some of my readers will say that this is inflation. Yes, but it is only through controlled inflation that we will be able to carry the huge load that has been placed upon us by the New Deal.

#### FULL EMPLOYMENT

For one, I fail to see how the Government can possibly guarantee full employment to all employables because there are too many seasonal activities that only operate a few weeks or months in the year. Mr. Truman's proposal would call for spoon-fed regimentation.

#### EMPLOYMENT PRACTICES

It is regretted that the President has fallen for the fair-employment practice agitation, which means that every employer would be compelled to hire the first applicant who comes along, and failing to do so could be compelled to pay full time from the time the application was made until final settlement. Few employers are going to permit the Federal Government or any individual to tell them whom they must hire. That is their sole right under the Constitution.

#### SELECTIVE SERVICE

The President's request for a continuation of selective service is disappointing. With proper encouragement our military needs can be met by the volunteer system.

#### HOUSING

The President is on sound ground in advocating a broad and comprehensive program to help private enterprise build ten to fifteen million new homes in the next decade. All are quite generally agreed that active building and construction is a prerequisite to prosperity.

#### PUBLIC WORKS

His proposal for a multibillion dollar program for public works and the development of natural resources and grants to States and municipalities may be sound if it is not proposed as another WPA in disguise.

#### FOREIGN FINANCING

The President's reference to loans to foreign countries is quite broad and would open up new avenues for tapping



secretary, and I was delighted to accept. In this new relationship I had obviously a better opportunity to know the man Hiram Johnson than ever before. His keen steel-like mind and the strength of his purpose made a deep impression at once upon the American public, just as those qualities had already won the confidence and support of the people of California, and within the short space of 3 years he became the candidate of a majority of the progressive Republicans of America for President of the United States.

If the wish of the rank and file of the voters, as expressed by their ballots in a majority of the States where primary elections were held, had prevailed, Hiram Johnson would have been elected President in 1920. If so, in the years immediately following, this Nation would have been spared one of the darkest chapters in its executive history. But in 1920 the men in charge of the Republican Party adopted the slogan: "We can win with a yellow dog." Hiram Johnson did not fit that bill, and the GOP leaders would not permit him to be the Presidential nominee of their national convention.

To my personal knowledge, Hiram Johnson was offered three other opportunities by leaders of the Republican Party that year, acceptance of any one of which would have resulted in his eventual elevation to the Presidency. Senator Boise Penrose, of Pennsylvania, then the acknowledged boss of the Republican Party, repeatedly proposed that the GOP convention ticket of 1920 should be: Philander C. Knox for President and Hiram Johnson for Vice President. This proposal was urgently submitted to Johnson on a number of occasions in my presence by representatives of Penrose, who was then ill, but Johnson, although Senator Knox was his seat mate and close personal friend in the Senate, always refused to consider it because he, Johnson, was the candidate of the progressive groups in the Republican Party, while Knox was a recognized conservative.

Later, while the 1920 convention was in progress, Gen. Leonard Wood, a leading candidate for the Republican nomination for the Presidency, walked into the Johnson headquarters in the Auditorium Hotel in Chicago and asked me to arrange an immediate conference between him and Senator Johnson in order to discuss a consolidation of their voting strength in the convention, whereby through agreement one or the other might be nominated for President and the other for Vice President. This proposal was made at a crucial period in the national convention balloting, when Wood and Johnson together still had sufficient votes, if combined, to control the nomination. I was unable to present General Wood's proposal to Senator Johnson until after the landslide to Harding had begun, so it was never seriously considered.

After Harding was nominated, he personally called upon Senator Johnson and invited him to be the Republican Party candidate for Vice President. Johnson declined.

Knox, Wood, and Harding all died long before the next Presidential term of 4 years expired. If Hiram Johnson had accepted any one of the proposals which I have recited he would almost certainly have become President.

In my opinion, had fate decreed otherwise, the course of American history would have been radically changed. Although I have not agreed with Senator Johnson's attitude on foreign policy and some domestic issues in recent years, I shall always regard him as one of the ablest men California has ever sent to our National Legislature, and will be grateful to him for emancipating our State from a condition of political slavery and for his invaluable contribution to the cause of liberalism in the West.

From a personal standpoint, his memory will always be affectionately and devotedly enshrined in my heart.

### About That House

SPEECH  
OF

**HON. EARL C. MICHENER**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 10, 1945*

Mr. MICHENER. Mr. Speaker, this morning I received telegrams as follows:

From Mr. D. A. Gathmann, president of the Jackson County (Mich.) Realty Board:

Urge L-41 be lifted completely from home building and that cost and price controls in OPA be immediately removed. This is one sure way to combat unemployment and provide urgently needed housing through private enterprise. We also urge that the 6-month possession requirements for occupancy of existing property be revoked immediately. Returning veterans must not be penalized in this way. The least we can do for those who have done so much for us is to provide adequate housing as rapidly as possible.

From the Ypsilanti (Mich.) Board of Realtors:

We request immediate lifting of L-41 building controls. Also protest extension of eviction time to 6-month period. OPA promised easing controls after war. Appears property owners are to have increased control.

From Mr. L. H. Stockford, of the Adrian (Mich.) Construction Co.:

Imperative support be given construction industry as outlined in letter to the President by national association and wire to you by Detroit Builders' Association.

From the Monroe (Mich.) Real Estate Board:

This board favors that L-41 be completely lifted and that all cost and price contracts be removed. Will appreciate your cooperation.

In addition, I received 41 similar telegrams from individual constituents residing in the district which I represent in Congress.

Our people are vitally interested in preventing unemployment, and this can only be done if free enterprise is permitted to function in a sound, business-like way. It may be necessary eventual-

ly, for the Government to intervene in order that there may be jobs for all. However, certainly the Government will be compelled to furnish the jobs if by rules, regulations, edicts, and flats, people are not permitted to build homes they are ready and willing to build and pay for, and if private initiative is prevented from securing the material necessary for home construction.

Mr. Speaker, I am not objecting to essential regulation on the part of the Government, but those residing in my district who are familiar with regulation L-41, and those qualified to speak concerning home construction, insist that this regulation should be cancelled at once if the home construction industry is to produce homes and absorb labor now.

In yesterday's Washington Times-Herald there appeared an article bearing on this subject which I am including in these remarks, and which is as follows:

ABOUT THAT HOUSE

(By Frank C. Waldrop)

The hottest undercover fight in the Government at this moment—on the domestic front anyhow—is about houses. The automobile was the big thing at the end of World War I and made America's fortune for 20 years thereafter. Now the new big thing is housing. Judging from the evidence, at least half the people in the United States of America want to buy a house or build a new one.

The building industry is almost hysterical with excitement and worry. The customers right at this moment are eager to do business and have pocketfuls of cash. Banks all over the country report lines at the windows where war bonds are cashed.

A lot of that was saving toward a home, and if deals can be made right now, most of it will go for same. But you know how it is with money. It gets very hot in the pocket.

You would think that with the customers ready to buy and the builders burning to take their orders there would be nothing but joy.

If materials are still not available, at least contracts could be made and specifications agreed on. But not so.

The OPA we still have with us. It still controls rents, which in turn affect prices for buyers.

And the WPB we also still have with us. The National Housing Authority has a directive from WPB limiting the cost of new construction. It is pegged at \$8,000.

You can't build much of a house for \$8,000 today, what with the going wages of carpenters, bricklayers, and plasterers. Not to mention the prices of housing materials driven up by war and completely uncertain in most departments for 1946.

There is no clear line in the Government as to what anybody can expect. On the one hand, WPB says vaguely that it will withdraw its controls "as soon as possible."

On the other hand, OPA says that it wants to control costs of residential construction on into an unspecified future.

And you know what that means. Experience with Government has proved, down through year and years, that once a control is clamped on, getting it off is a problem.

The operatives of that wing in our Government which wants to control American life down to the last detail all know the potential power over our total economy lies inside power over the boom in residential housing.

Housing really looks like the throttle and governor for prosperity. So they are going to be hard to shake loose.



Opposed to their plan for absolute domination of the building trade is another governmental proposition to:

1. Eliminate controls over new residential building entirely and let that spark maximum general production.

2. Discourage speculative building and buying by requiring a 35 percent or 40 percent down payment on houses costing more than \$8,000. That would put a check on inflationary explosions of true values.

3. Quit worrying about insane overexpansion of the housing market, anyhow. The builders will have trouble enough getting together labor, materials and supplies for the next year to knock off any real overdoing.

That makes sense to plenty of people. After all, the Government has to get out of business if it is to follow out the reconversion program laid down in 1944 by B. M. Baruch and John Hancock and adopted as a national aim.

Now let's see that general aim pointed straight at an important target.

This morning I called the attention of the proper authority in the WPB to the necessity of removing this regulation L-41, and am advised that the whole matter is being surveyed, and that we may expect some information very shortly. These controls are being lifted in many instances, and I am convinced that careful survey by the various Government agencies involved will result in giving relief to the homebuilding construction. Time is of the essence in this matter. Some people are almost homeless. Many people are out of employment. These people are not asking for financial aid from the Government. They are asking for permission to spend their own money and provide employment now, I said now, not months from now.

### What Must We Give Up To Get Full Employment?

#### EXTENSION OF REMARKS

OF

#### HON. ROBERT A. TAFT

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, September 10, 1945

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "What Must We Give Up To Get Full Employment?" appearing in today's Baltimore Sun.

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

#### WHAT MUST WE GIVE UP TO GET FULL EMPLOYMENT?

Senator TAFT's proposed changes in the so-called full-employment bill remind one of what a very wise American of an older generation said about reform: "To know what you want and why you think that \* \* \* a [given] measure will help it is the first, but by no means the last, step toward intelligent \* \* \* reform. The other and more difficult one is to realize what you must give up to get it and to consider whether you are ready to pay the price."

In effect, what Senator TAFT does is suggest that the backers of the full employment bill are not telling us about one substantial part of the "price." They iterate and reiterate that we won't have to give up private

enterprise to get their full employment goal. All right, then, says Senator TAFT; here are several things that must be done to preserve private enterprise. Since you want to preserve private enterprise, let's just write these things into the bill.

The Taft proposals have been met at once with ferocious outcries from the backers of the bill. Mr. TAFT is out to cripple their plan, they insist. And that may well be true—which is just the point. For the Senator's critics do not say how they are going to maintain private enterprise in a full-employment policy enforced by the Government without accepting safeguards either identical with those proposed by Senator TAFT or, if some of the Taft proposals are fallacious in method, then safeguards identical in purpose with the Taft proposals.

Indeed, the general fact about the backers of the full employment plan is that they have not yet supplied us with an itemized statement of what we will have to give up for it—the "price" not merely in money but in considerations less tangible and more precious. No one can read the discussion of "full employment" in Britain without noting how much more candid the British full-employment people are than their followers and counterparts in the United States.

For instance, as suggested, Senators WAGNER and MURRAY protest that they want to maintain private enterprise. But Sir William Beveridge, inventor of the whole full employment idea, makes no bones about striking from his list of essential liberties the right "of a private citizen to own means of production and to employ other citizens in operating them at a wage." Again, Sir William is quite frank about accepting Lord Keynes' notion that "the duty of ordering the current volume of investments cannot safely be left in private hands."

And if Sir William is thus cavalier in threatening the very bases of private enterprise in his design for the future, he is only less bold in stating how he proposes to narrow labor's rights. However softly he puts it, Sir William is for what he calls organized mobility of labor. Again, he professes his heartfelt determination to continue labor's freedom to bargain about wages; except, of course, that "irresponsible sectional wage bargaining" must be prevented—he has no clear idea how—in order to escape inflationary developments.

But what does organized mobility of labor mean? It might mean that if people discharged from high-wage jobs in Baltimore war plants wouldn't take jobs in the low-wage postwar cannery plants, then the Government, in the interest of full employment, would force them into such jobs. What does control of "irresponsible sectional wage bargaining" mean? It means that if, say, Mr. John L. Lewis makes wage demands out of line with full-employment needs then Mr. John L. Lewis—not the coal-mine owners, note—must somehow be steamrollered into line with overriding public policy.

One wonders what British commenators would be saying if their own people were as mum as ours on the price labor may have to pay for full employment. For Americans will note with unalloyed astonishment that despite Sir William Beveridge's relative honesty on this all-important point, the London Economist speaks very harshly of his tendency to "omit entirely or gloss over the implications for labor policy of the program he advocates." Yet, says the Economist, "the implications are profound, since they involve nothing less than a transformation of the whole basis of the trade-union movement."

The Economist then goes on to suggest in explicit terms that one of the things British workingmen may have to give up under full employment is union protectionism as they have known it for 75 years. Do our full-employment zealots have any detailed rebuttal of this argument? If so, they ought to reveal it to the public. That is one way they

could parry Dr. William A. Berridge's suspicion that here and elsewhere they may "deliberately blur and withhold large segments of the truth, hoping and preferring to get the program started through mere loose, broad, and emotional appeal."

### Discharge of Servicemen

#### SPEECH

OF

#### HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1945

Mr. SABATH. Mr. Speaker, I wish to assure the gentleman who preceded me and others that I have been and am as much interested as they are in the return and discharge of our service men and women. In that connection I have conferred with the President on the subject and later addressed a letter to him giving him my views and those of many thousands of people who have appealed to me. I take the privilege of inserting the letter for the information of the membership and wish to say that it is the desire of the President to bring about the discharge of our service men and women as soon as conditions will permit. The letter which I addressed to the President is as follows:

AUGUST 31, 1945.

The PRESIDENT,

The White House, Washington, D. C.

DEAR MR. PRESIDENT: During the past few weeks I have received hundreds of letters relative to the discharge of members of our armed forces. After carefully weighing and considering the views expressed in these communications I have come to the conclusion that:

1. All married men over the age of 26, with families, who have seen foreign service, should be released.

2. All married men, with families, who have been in the service over 2 years, should be released.

3. All men who were attending school immediately prior to their entry into the service (under 20 years of age) shall be discharged upon submission of proper evidence that they intend to complete their schooling.

4. Men formerly holding key positions in essential business whose services are vitally needed in reconversion to civilian production, the heads of essential businesses—owners, part owners, officers, or in supervisory positions, including professional men who are actually needed to relieve shortages in given professions, shall be discharged with a view of expediting increased reemployment.

5. Discharge all men in limited service, here and abroad, except those who are serving in administrative capacities in separation centers whose services are imperatively required. Married men with families in this category to be replaced as promptly as possible with men who are not otherwise eligible for discharge.

6. Every effort should be made to return expeditiously as many men from overseas as is possible.

7. Every effort should be made to obtain voluntary enlistments and to that end a recruiting drive should be effected among those still in the service and those who have been discharged. To serve as an inducement to enlistment for 2 or 3 years increased pay should be offered, with further increased pay in occupational zones.



who fails to declare his intention to become a citizen of the United States within 3 years from the date of his entry into this country shall be automatically subject to deportation;

2. That immigrants shall be barred from this country from and after the date of cessation of hostilities of the present war until such time as (a) the number of unemployed in the United States is reduced to less than 1,000,000; (b) all war veterans have been afforded the opportunity of gainful employment; (c) members of imported foreign labor battalions, refugees, war prisoners, and those given temporary sanctuary, employment, or haven during the present war, are returned to the lands of their origin; and be it further

*Resolved*, That it is the sense of this legislature that such legislation should not apply to the foreign-born spouse or children of any person who served in the armed forces of the United States while at war or performed services for or on behalf of the United States in connection with the prosecution of the war; and be it further

*Resolved*, That properly attested copies of this resolution be sent to both Houses of Congress and to each Wisconsin Member thereof.

DONALD C. McDOWELL,  
*Speaker of the Assembly.*

ARTHUR L. MAY,  
*Chief Clerk of the Assembly.*

CONRAD SHEARER,

*President pro tempore of the Senate.*

LAWRENCE R. LARSEN,

*Chief Clerk of the Senate.*

#### Assembly Joint Resolution 80

Joint resolution requesting Harold L. Ickes, Solid Fuels Administrator for War, to relax the restriction on the sale of solid fuel imposed by SFAW Regulation 26

Whereas on March 14, 1945, Solid Fuels Administrator for War, Harold L. Ickes, issued a directive April 1, 1945, providing among other things that consumers be allotted only 80 percent of their normal annual yearly requirements of scarcer solid fuel from April 1, 1945, to March 31, 1946; that the retail dealer cannot deliver to a consumer more than 50 percent of his annual yearly normal requirements of solid fuel before August 31, 1945; that solid-fuel dealers shall be required by the regulation to verify consumers' normal annual requirements of solid fuel; and that retail solid-fuel dealers are frozen to old contracts which they previously served and are not permitted to accept any new business with schools, municipal buildings, government agencies, and farmers; and

Whereas 80 percent of the consumers' normal annual requirements is not sufficient solid fuel to properly insure sufficient heat and to assure healthful conditions during the long winter months encountered in Wisconsin particularly in view of the fact that firewood is not available in sufficient quantities which can be used for heating purposes due to the fact that pulpwood is selling at such a price; that labor is exceedingly scarce so that the usual supply of firewood cannot be cut and as a result more farmers are demanding coal for fuel; and

Whereas because of the severity of the weather conditions in the State of Wisconsin causing bad road conditions due to snow, storm, and blockade, which prohibit wintertime delivering and because of the necessity of providing fuel to the farms, rural schools, industry, and homes, a sufficient stock must be on hand to provide enough fuel to supply this area and therefore the restriction that the retail dealer cannot deliver to a consumer more than 50 percent of his annual yearly normal requirements of solid fuel before August 31, 1945, is not only impractical but is bound to cause severe hardship; and

Whereas the provision contained in SFAW Regulation 26 prohibits dealers from contracting to supply new patrons during the

heating season from April 1, 1945, to March 31, 1946, is unconstitutional and by the provisions of the regulation creates an abnormal distribution of solid fuels in the State of Wisconsin and places certain consumers in a position where they may not be able to obtain solid fuels without great inconvenience and unnecessary delay and whereas the provisions contained in the regulation have been given serious study and consideration. It appears to those who are acquainted with the weather conditions in Wisconsin, the manpower shortage, the lack of equipment and other burdensome wartime delivery restrictions will make the regulation impossible of performance without creating great hardship and suffering on the part of the people. Compliance with SFAW Regulation 26 will create a shortage which will result in severe hardship on the consuming public and retail coal dealers, creating a backlog of solid fuels orders during the winter months: Now, therefore, be it

*Resolved by the assembly (the senate concurring)*, That this legislature respectfully memorializes Harold L. Ickes, Solid Fuels Administrator for War, to relax the provisions of SFAW Regulation 26 so as to permit greater amount of coal to flow into rural areas of Wisconsin, to eliminate the provision pertaining to limiting the fuel supply allocated to the coal consuming public to 80 percent, and to eliminate the restriction providing that only 50 percent of the consumer normal annual requirements can be delivered before August 31, 1945; and be it further

*Resolved*, That properly attested copies of this resolution be forwarded to the President, to the Honorable Harold L. Ickes, to the clerk of each House of the Congress and to each Wisconsin Member thereof.

DONALD C. McDOWELL,  
*Speaker of the Assembly.*

ARTHUR L. MAY,  
*Chief Clerk of the Assembly.*

CONRAD SHEARER,

*President of the Senate.*

LAWRENCE R. LARSEN,  
*Chief Clerk of the Senate.*

### Full Employment a Dream

#### EXTENSION OF REMARKS

OF

### HON. GEORGE B. SCHWABE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1945

Mr. SCHWABE of Oklahoma. Mr. Speaker, we have heard much recently, both before the cessation of hostilities and after the war ended, of what has been referred to as the "full employment bill."

Full employment of labor is only a dream. Under no system of economy has such a condition ever existed. The nearest approach to full employment of all available labor would be under a strict totalitarian form of government. It would necessarily involve a dictatorship of the most rigid form, where labor would be regimented and controlled to the *n*th degree. Wages would be fixed and no latitude for variations would be left to either employer or employee. The hours of labor would be controlled and determined. The type of work that each would be required to do would be left to coordinators and directors, who might become very tyrannical and oppressive. Under such a system, those in authority would determine, and with finality, the

number of hours per day a laborer must work and the pay he should receive. The dictator might decide that an emergency existed which would require shorter hours and more pay. At another time the same dictator might determine that the emergency suggested longer hours and less pay. The rule could work either way and would depend largely upon the whim of the one in authority. In the end this would mean veritable slave labor. Free labor should oppose any legislation that could possibly so result.

I am in receipt of a letter from Morris M. Blair, professor of economics in the School of Commerce, of the Oklahoma Agricultural and Mechanical College, at Stillwater, dealing with this measure, and I am pleased to quote from Professor Blair's letter as follows:

I wish to urge the defeat of the so-called full-employment bill, S. 380, the Wagner-Murray, etc., bill. This bill is misnamed. It is all high-sounding preamble with no body or substance. It was so purposely designed. It is an entering wedge—a camel's nose in the tent—to openly commit Congress to the vagaries of so-called full employment and unlimited deficit spending.

After it is passed, additional pressure from the same pressure groups—Socialists, Communists, PAC, radical labor, Federal spending deficit groups—will continually press for more Federal spending until our Nation is bankrupt and ruined. The camel's nose must be gotten out of the Federal tent now if private industry is to survive.

It is the shrewdest and most dangerous political move of the radicals in a generation, because so-called full employment seems so desirable to most persons.

There is no such thing as full employment and never has been. The nearest we ever came to it was in the boom years 1922-29. We did not have full employment during World War II as some assert. During this war, 11,000,000 of our best workers were taken out of employment and production and isolated in the work of destruction—some 5,000,000 of them outside the country. They were not employed in industry.

It is not the function of the Federal Government to guarantee full employment. Any protracted effort to do so will turn the United States into a socialistic dictatorship. That is precisely what the radical leaders wish. Millions of loyal Americans who would recoil from this perilous program if they understood it are now supporting it because they have not thought it through.

We who do see its deadly long-end results are counting on men like you in Congress to kill it now. Nine-tenths of all Americans would oppose it if they understood its end results. It cannot prevent unemployment. It is promoted for sinister political influences only. May we count on your full support against it?

One of my constituents refers to the proposed full-employment bill now pending as socialistic and backed by a left-wing press, and urges my opposition to the bill.

Scores of other constituents have written me and almost all of them are bitterly opposed to the passage of such legislation. Of course, it goes without saying that all consider a system of economy ideal where every person able to work would be provided with a job. This would be a utopia. But it is not possible of fulfillment and realization under any system of economy. Neither can it be closely approximated. It is only a dream, a day dream. It is merely a catchword calculated to lure those who



will not think for themselves. It is a beautiful theory, but not workable. It sounds nice, but it is not sound. Moreover, everyone who cherishes the American ideals of free enterprise and free labor is against drifting into any form of dictatorship or totalitarianism. If we are to save our American system of free enterprise, we cannot afford to take chances of going totalitarian. We cannot afford to place the power in any man or set of men which will enable them to inaugurate a system of slave labor, or communistic regimentation.

### Labor Day and VJ-Day Address

#### EXTENSION OF REMARKS

OF

### HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1945

Mr. DONDERO. Mr. Speaker, I offer for the RECORD an address which I delivered before the citizens of my home city of Royal Oak, Mich., on Labor Day and VJ-day, Monday evening, September 3, 1945:

This is Labor Day. This meeting and our presence here this evening is to serve a double purpose. One in recognition of labor and to pay tribute and respect to the dignity and accomplishment of labor.

Secondly, we have come together to celebrate, not with exultation, but with gratitude and satisfaction, the end of the most cruel tragedy in the history of the human race.

Tonight the guns are silent; they remain only to preserve peace and order in a sad and distressed world. Everywhere on earth where people believe in the Christian faith and in the guidance of a just God, they are lifting their prayers and giving thanks that the world is again at peace. God grant that it may be permanent.

An old era has come to an end. A new era of the world begins. With it a great responsibility falls upon us of the United States to make as great a contribution to the preservation of justice and decency as we made to the destruction of evil and brute force. With the help of the Great Architect of the Universe, who has never forsaken this favored land, America will not fail. Civilization is now on trial. The forces of science and invention in another war would destroy it.

To American labor and industry history must forever record the tremendous part they played in bringing victory to our armed forces and those of our allies, and peace on earth. Let all nations take note what free men and free women can do when their freedom is endangered by the forces of aggression. The laboring men and women of this country and our industrial genius, with hearts and minds, judgments and consciences unfettered and free, have left a record of achievement that must and will forever stand as one of the miracles of our age.

To the brave men and women, living and dead, everywhere, who wielded the weapons of righteousness, civilization owes an eternal debt, and a tear-drenched world eternal gratitude, for the sacrifices they made that liberty and justice should not perish from the earth.

As a Nation we have paid a fearful price to preserve our way of life. Only when one is privileged to stand in the presence of the white crosses—27,000 of them in one burial lot outside of Paris—beneath every one a son

of freedom, does one realize the awful cost in life, in blood and tears, which America yielded upon the altar of freedom. We told them it was to preserve the land of liberty and self-government, and for that they died. Upon us, the living, rests the task to guard well that for which they yielded life itself, that they shall not have died in vain.

They met and destroyed, with the aid of our brave allies, the greatest and most powerful war machine ever assembled on this earth. The purpose of that machine of the Nazis and Japan was world domination and power. As I viewed the defenses of war built by the Germans, much with slave labor, in southern France, along the coast of the Atlantic, the English Channel, the North Sea, and the Baltic, one came to but one conclusion—that Hitler and his regime had but one purpose—they had come to stay for world control. Billions of dollars in materials were wasted in erecting the works of war. Not even the brick pavements in the Hague (a city of a half million people) were spared by the ruthless hand of the invader. They were taken up and used to build forts by the Germans. Grass and weeds meet the eye of the visitor as he looks down some of the most populous streets of that city. The only crime committed by the people of Holland was that their country stood in the path of Hitler's objective.

One of the mysteries in the minds of some of our military leaders in Europe is why a nation of 80,000,000 people, which had everything known to modern civilization, gambled it for world domination and lost. The German Nation and the German Government in the hands of an insane leader and his henchmen will forever stand as an example of what can happen to a people when they forget God and surrender their conscience, their judgment, and their spirit to threat, intimidation and fear and "go along" as we say in our language, with a leadership that knows neither humanity nor justice. They had everything and lost it all, because a paper-hanger quit hanging paper.

In talking with many Germans, in their language, both young and old, as to why they followed their leader blindly into the most terrible war in history, I received but one answer—they "had to go along" or go to a concentration camp and death. With the exception of small villages and rural sections, Germany is destroyed. Her government no longer exists; her capital, Berlin, is a heap of rubble. Only 10 percent of that once beautiful city of four and a half million souls remains. The once powerful German Army of millions of men has been utterly and completely routed and destroyed. Nothing remains. A once proud people are dazed and punch drunk from the most powerful and devastating might ever created in history. Starvation and death faces helpless millions in Europe this coming winter. This applies to the innocent and guilty alike. May the world never again see the complete destruction of the work and toil of centuries. That is the condition of Europe today and all because a people "went along."

If the time ever comes in this land when our people are willing to surrender their judgment, their consciences, and the principles of justice, freedom, and self-government under which we live and "go along" with a leader or leaders who seek to rule through fear and intimidation, then this Nation, now viewed by nearly every country in Europe as the hope of the world, may very probably meet the same fate and the same doom as that race and nation which believed it was the superpeople of the earth.

Everyone desires and hopes that our armed forces will be returned home at the earliest possible date. I share that desire and hope, but we must also realize that to withdraw all our forces from either Europe or Japan now, would mean chaos and the loss of that cause for which they fought and died.

Let us on this day, on which we pay tribute to labor, and celebrate with thankful hearts the victory of truth and righteousness over darkness and brutality approach our task of turning to the ways of peace and the building of a better world.

### Democracy Flowering

#### EXTENSION OF REMARKS

OF

### HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 10, 1945

Mr. HOBBS. Mr. Speaker, the House having granted permission, it gives me great pleasure to include herein an article which appeared in the Tallassee Tribune of Tallassee, Ala., of August 23, 1945.

So outstanding is this achievement, redounding as it does to the credit of every man and woman who compose the splendid personnel of Tallassee mills, that I feel their magnificent loyalty, patriotism, and unselfishness ought to be recognized by every American.

The article follows:

FIFTH E AWARD PRESENTED TO TALLASSEE MILLS PEOPLE

"This Army-Navy E Flag with its four stars is your symbol of achievement at your mill, and the Government's symbol of appreciation to you in behalf of all the people of the United States and the members of our armed forces," Lt. Col. Henry A. Johnson of the United States Army told the personnel of Tallassee Mills at a meeting held Tuesday afternoon in the assembly room at the filter plant.

The officer was speaking to members of the safety committees who officially represented all men and women of Tallassee mills in accepting a fifth renewal of the Army-Navy E. The flag, symbolic of excellence in war production, was originally awarded to our mills in April 1943. Three stars were added at intervals. Recently the Army and Navy authorized the award of a fourth star as a testimonial of continued excellence. In announcing the award 2 weeks ago, before war's end, the armed services said that the award would extend over a 12-month period.

Colonel Johnson, himself a veteran of 11 months overseas, asserted that the E award is the highest honor that can come to soldiers on the production front and that our Government authorized these awards in just the same manner as she rewards heroes of battle for their valorous performance in war.

Superintendent T. Holmes Floyd accepted the awards in behalf of the personnel, stating that all people of the mill appreciated it. "It has been a real pleasure for us to do our part," he said, "and we all expect to carry our work during the reconversion period to make an even bigger contribution than during the war."

Agent B. G. Stumberg presented Colonel Thompson and expressed appreciation for his visit to our community. The officer, now stationed at Atlanta, served in Europe, being in charge of one of the largest subdepots on the continent following the invasion.

He spoke to the safety committee quite informally, and answered a number of questions put to him by his listeners. He pictured the tremendous devastation inflicted upon German cities by the Allies, and in the war-torn regions of France and other countries invaded by the Germans.

"You live in the greatest country in the world," he explained, as he contrasted the







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 17, 1945, for actions of Friday, September 14, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Sen. Brewster introduced a bill to provide for fair potato prices. Senate passed over bills to discontinue certain reports, to establish a Research Board and to provide for a school-lunch program. Rep. Pittinger urged reorganization in the executive branch. Rep. Rankin urged release of military personnel needed on farms. Senate passed bills relating to civil-service status, retirement, leave, employment, classification, and retirement.

HOUSE

1. RECLAMATION; VETERANS. Rules Committee reported a resolution for the consideration of H.R. 520, providing for the settlement of veterans and others on reclamation lands (p. 8759).
2. VETERANS; PERSONNEL. Rep. Hees, Kans., criticized CSC's reduction-in-force policies and stated that "veterans are being eliminated from the Federal service while war-service employees are being retained" (pp. 8758-9). (See item 35.)
3. FULL EMPLOYMENT BUDGET. Rep. Outland, Calif., urged support for full-employment legislation "without crippling amendments" (pp. 8754-6).
4. FARM LABOR; MILITARY SERVICE. Rep. Rankin, Miss., criticized military policies which prevented the release of men needed for farm labor (p. 8750).
5. FLOOD CONTROL. Received War Department's flood-control survey report on the Red River, La., Ark., Okla., and Tex. (H.Doc. 285). To Flood Control Committee. (p. 8759.)
6. ROAD AUTHORIZATIONS. Roads Committee reported without amendment H.Con.Res. 81, providing that the war emergency be considered relieved to the extent to justify proceeding with highway construction under the Federal-aid Highway Act of 1944 (H.Rept. 947) (p. 8759).
7. PATENTS Committee reported with amendment H.R. 3424, to permit renewal of trademarks (H.Rept. 948) (p. 8759).
8. MERCHANT MARINE. Rep. Welch, Calif., inserted a San Francisco C of C's resolution urging support for the U.S. Merchant Marine (pp. 8749-50).



9. ADJOURNED until Mon., Sept. 17 (p. 8759).

SENATE

10. REPORTS. At the request of Sen. Langer, N.Dak., passed over H.R.2504, to provide for discontinuing certain reports now required by law (including AAA, FS, and condition-of-work reports) (p. 8734).

11. CLAIMS. At the request of Sen. Revercomb, W.Va., passed over H.R.129, to provide for the barring of certain claims by the U.S. in connection with Government checks and warrants (p. 8735).

12. ADMINISTRATIVE LAW. At the request of Sen. Revercomb, W.Va., passed over S. 958, to provide for more effective inspection and supervision by the Congress with respect to the administration of laws (p. 8734).

13. RESEARCH. At the request of Sen. Langer, N.Dak., passed over S. 825, to establish a Research Board for National Security (p. 8735).

14. SCHOOL-LUNCH PROGRAM. At the request of Sen. Ball, Minn., passed over S. 962, to provide for a school-lunch program (p. 8736).

15. TRANSPORTATION. At the request of Sen. Revercomb, W.Va., passed over S. Con. Res. 25, favoring an extension of the U.S. air-transportation system to small cities and towns (p. 8736).

Discussed and on objection of Sen. Bilbo, Miss., passed over H.R.694, to amend the Transportation Act to remove the statutory obligation to transport military and naval traffic over land-grant railroads at 50% of their established tariff charges for such transportation (pp. 8735-6).

16. WILDLIFE CONSERVATION. At the request of Sen. Reed, Kans., passed over S. 518, to provide for the issuance of permits for the use of live decoys in the taking of ducks (p. 8732).

17. RECONVERSION; UNEMPLOYMENT COMPENSATION. Finance Committee reported with amendment S. 1274, to amend the war Mobilization and Reconversion Act of 1944 so as to provide for an orderly transition from a war to a peacetime economy through supplementation of unemployment compensation payable under State laws (S.Rept. 565)(p. 8727).

18. FULL-EMPLOYMENT BUDGET. Sen. Murray, Mont., inserted a resolution of national civic organizations endorsing S. 380, the full-employment bill (p. 8726).

Sen. Wagner, N.Y., stated that the leading religious groups supported this bill (p. 8731).

19. FARM LABOR. Received an Artesia Growers Association petition favoring continuation of the present system of recruiting and distributing farm labor (p. 8726).

20. PERSONNEL; POST-WAR INVESTIGATION. Discussed and passed over S. Res. 172, to investigate certain economic conditions in the Pacific Coast and Rocky Mountain States resulting from the termination of the war, including population shifts resulting from separation from industrial and governmental employment and the disposition of surplus property (p.8737). (See item 22.)

21. NOMINATIONS. Confirmed the nominations of Donald S. Russell and William Benton to be Assistant Secretaries of State, and Paul V. McNutt to be U.S. High Commissioner to the Philippines (p. 8746).





United States  
of America

# Congressional Record

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No. 161

## Senate

(Legislative day of Monday, September 10, 1945)

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

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

Our Father God, in the quiet of this moment of prayer, we would make our souls the sanctuary of Thy spirit. Be Thou our chart and compass in all the complex problems of state. Endue with understanding and sympathy, as well as with a sense of stern justice, those who as Thy ministers in great capitals of the world are planning peace and plenty for lands torn and uprooted by the ghastly horrors of war.

Grant us brotherhood, not of words but of acts, not bounded by barriers of tongue—a brotherhood that sees that freedom must be nurtured or it dies, that if our brethren anywhere are oppressed we are oppressed, that if they hunger we hunger. As workers together with Thee, teach our hearts and our hands to build, in these our days, that city where Thou shalt dwell with man, where darkness and sorrow and pain and want shall be no more. In the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, September 12, 1945, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3660. An act to provide for financial control of Government corporations; and  
H. R. 3974. An act to provide for termination of daylight saving time.

### ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the bill (H. R. 3907) to provide for administration of the Surplus Property Act of 1944 by a Surplus Property Administrator, and it was signed by the President pro tempore.

### REPORTS OF COMMITTEE FILED DURING THE RECESS

Under authority of the order of the Senate of the 12th instant,

Mr. DOWNEY, from the Committee on Civil Service, to which were referred the following bills, reported them on September 13, 1945, and submitted reports thereon:

S. 102. A bill to amend section 2 (b) of the act entitled "An act extending the classified executive civil service of the United States," approved November 26, 1940, so as to provide for counting military service of certain employees of the legislative branch in determining the eligibility of such employees for civil-service status under such act; without amendment (Rept. No. 560);

S. 405. A bill to amend further the Civil Service Retirement Act approved May 29, 1930, as amended; with an amendment (Rept. No. 563);

S. 576. A bill to amend the act entitled "An act extending the classified executive civil service of the United States," approved November 26, 1940, so as to eliminate the time limit within which incumbents of positions covered into the classified service pursuant to such act may be recommended for classification; without amendment (Rept. No. 561);

S. 1036. A bill to provide for the payment of accumulated or accrued leave to certain members of the military and naval forces of the United States, who enter or reenter civilian employment of the United States, its Territories or possessions, or of the District of Columbia, before the expiration of such leave; without amendment (Rept. No. 562); and

H. R. 3256. A bill to amend the Civil Service Retirement Act approved May 29, 1930, as amended, in order to protect the retirement rights of persons who leave the service to enter the armed forces of the United States; with amendments (Rept. No. 564).

### JOINT COMMITTEE TO INVESTIGATE PEARL HARBOR ATTACK

The PRESIDENT pro tempore. The Chair appoints the Senator from Ken-

tucky [Mr. BARKLEY], the Senator from Georgia [Mr. GEORGE], the Senator from Illinois [Mr. LUCAS], the Senator from Maine [Mr. BREWSTER], and the Senator from Michigan [Mr. FERGUSON] as the members on the part of the Senate of the Joint Committee to Investigate the Pearl Harbor Attack, authorized by Senate Concurrent Resolution 27.

The Secretary will notify the House of Representatives of these appointments.

### EXPRESSION OF APPRECIATION FOR FLORAL WREATH ON OCCASION OF FUNERAL OF THE LATE SENATOR JOHNSON, OF CALIFORNIA

The PRESIDENT pro tempore laid before the Senate a letter from Hiram W. Johnson, Jr., of San Francisco, Calif., expressing appreciation on the part of the family of the late Senator Johnson, of California, for the floral wreath sent by the Senate on the occasion of his funeral, which was ordered to lie on the table.

### EXECUTIVE COMMUNICATIONS, ETC.

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

### RESCISSIONS OF PORTIONS OF NAVY DEPARTMENT AND NAVAL SERVICE APPROPRIATIONS (H. Doc. No. 286)

A communication from the President of the United States, transmitting proposed rescissions of portions of appropriations available for the Navy Department and naval service for the fiscal year 1946 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

### ADJUSTMENT OF CERTAIN CLAIMS OF POSTMASTERS

A letter from the Postmaster General, transmitting a draft of proposed legislation, to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended (with an accompanying paper); to the Committee on Post Offices and Post Roads.

### PERSONNEL REQUIREMENTS

A letter from the Alien Property Custodian transmitting, pursuant to law, an estimate of personnel requirements for his office for the quarter ending December 31, 1945 (with



accompanying papers); to the Committee on Civil Service.

#### PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from Floyd W. Nelson, president of the Artesia Growers Association, Bell Flower, Calif., praying for the continuation of the present system of recruiting and distributing farm labor; to the Committee on Agriculture and Forestry.

A telegram from Erwin Clarkson Garrett, of Germantown, Philadelphia, Pa., relating to the purchase of war bonds by members of the armed services; to the Committee on Finance.

A resolution adopted by the Thirty-seventh Annual Governors' Conference, at Mackinac Island, Mich., favoring the location of the headquarters and capitol site of the United Nations organization at some place within the United States; to the Committee on Foreign Relations.

A petition of several citizens of the States of California and Minnesota, praying for the completion of the monument to the late President Franklin D. Roosevelt in the granite of the Mount Rushmore National Memorial in the Black Hills of South Dakota; to the Committee on the Library.

A letter in the nature of a petition from F. W. Brown, Sr., of Pell City, Ala., relating to the secret of the atomic bomb; to the Committee on Military Affairs.

A radiogram in the nature of a petition, from the American Chamber of Commerce of the Philippine Islands, Manila, P. I., praying for the enactment of legislation to provide for reimbursement of a part of the war damage losses in the Philippines, and the extension of free trade between the Philippine Islands and the United States for a specified period, so as to provide immediate economic rehabilitation to the islands; to the Committee on Territories and Insular Affairs.

By Mr. WALSH:

A resolution adopted by mothers of infants receiving care at the South Boston (Mass.) nursery, favoring the enactment of legislation to continue the nursery to care for the children of men in the armed forces at South Boston (Mass.); to the Committee on Education and Labor.

A resolution adopted by Clinton Post, No. 523, Veterans of Foreign Wars, Clinton, Mass., favoring the enactment of legislation providing that a veteran of the armed forces be allowed to return to his former employment after discharge from the service, and that this right be not dependent upon the official date set for the end of the war; to the Committee on Finance.

By Mr. CAPPER:

A petition of sundry citizens of Duluth, Minn., praying for the enactment of Senate bill 599, to prohibit the advertising of alcoholic beverages in periodicals, newspapers, radio, motion pictures, or any other form of alcoholic advertising; to the Committee on Interstate Commerce.

#### RESOLUTION BY NATIONAL ORGANIZATIONS ENDORSING FULL-EMPLOYMENT BILL

Mr. MURRAY. Mr. President, a national conference of civic organizations was held at the Hamilton Hotel, Washington, D. C., on September 12, 1945, for the purpose of studying the full-employment bill. This conference adopted a resolution endorsing the full employment bill, S. 380, to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local

governments, and the Federal Government, and urging its early passage by the Congress. During the course of the conference Mr. Lewis G. Hines, legislative representative of the American Federation of Labor, in discussing the proposed legislation, said:

The 7,000,000 members of the AFL stand squarely behind the Murray bill, better known as the full-employment bill, now pending before Congress. The approval of the AFL for this legislation was contained in a statement presented by AFL President William Green to the Senate Committee on Banking and Currency during the recent hearings. There is insistent need for this type of legislation to insure the perpetuation of free enterprise and sufficient employment for all who need work and are willing to work. Our membership has been fully apprised of the merits of this legislation through contacts with our national, State, and city bodies. Wide response from the millions of wage earners represented by the AFL reflects the demand of the American workers that this legislation should pass without delay.

Mr. President, I ask that the resolution which I have just mentioned, together with a list of the organizations represented at this conference, be appropriately referred and printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the resolution and list of organizations represented at the conference were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

#### RESOLUTION IN SUPPORT OF EARLY ENACTMENT OF AN EFFECTIVE FULL-EMPLOYMENT BILL (PROPOSED AND ADOPTED AT A MEETING OF NATIONAL ORGANIZATIONS, SEPTEMBER 12, 1945, WASHINGTON, D. C.)

The following statement is made by the undersigned in behalf of their organizations:

"Action to assure confidence in continuing full employment is necessary for the transition to peace and later. The sequence of temporary dislocation, postwar boom and final collapse are deadly threats to economic and social stability at home and to the maintenance of peace throughout the world.

"Dislocation and transition are already upon us. Millions of Americans are already turned out unwanted to look for jobs. Measures to alleviate these temporary hardships are necessary and should be taken immediately but confidence in postwar prosperity and stability is the essential to prompt and lasting recovery.

"Nothing can so foster that necessary confidence in the hearts of workers, farmers, business and professional people and all others as to know that their Government will, in their names, dedicate its full constitutional power to the performance of this duty.

"It is necessary and proper for the Government of the United States to adopt immediately legislation which will recognize the right of all Americans willing and able to work to useful, regular, remunerative, and full-time employment, and which will recognize the responsibility of the Government, acting on behalf of all the people, to assure opportunities to exercise that right.

"Legislation which will commit the power of the Federal Government to assure sustained full employment is the first step needed. Such legislation must contain these vital and indivisible principles:

"1. All Americans willing and able to work have the right to useful, remunerative, suitable, regular, and full-time employment;

"2. It is the responsibility and the duty of the Federal Government to assure, by whatever means are needful, that sufficient

employment opportunities exist for all Americans to exercise this right at all times;

"3. It is the responsibility and the duty of the Federal Government to coordinate the appropriate activities of the Federal Government in order to foster the highest possible sustained level of employment through private enterprise and to provide useful Federal investment and expenditure adequate to maintain full production and full employment.

"We urge the Congress of the United States to pass promptly legislation containing as a minimum these positive commitments and to this end we pledge our efforts and support."

#### NATIONAL ORGANIZATIONS (TO DATE) WHICH SIGNED THE ABOVE JOINT RESOLUTION IN SUPPORT OF THE FULL-EMPLOYMENT BILL AT THE FULL-EMPLOYMENT CONFERENCE, SEPTEMBER 12, 1945

Amalgamated Clothing Workers of America.  
American Association of Social Workers.  
American Federation of Labor.  
American Jewish Congress.  
Americans United for World Organization.  
American Veterans Committee.  
Brotherhood of Maintenance of Way Employees.  
Brotherhood of Railroad Trainmen.  
Congress of Industrial Organizations.  
Council for Social Action of the Congregational Christian Churches.  
Disabled American Veterans.  
Hosiery Wholesalers National Association.  
Independent Citizens' Committee of the Arts, Sciences, and Professions.  
League of Women Shoppers.  
National Association for the Advancement of Colored People.  
National Board, Y. W. C. A.  
National Citizens Political Action Committee.  
National Conference of Jewish Women.  
National Consumers League.  
National Council of Negro Women.  
National Council of Scientific, Professional, Art, and White Collar Organizations.  
National Council for the Social Studies.  
National Education Association of the United States.  
National Farmers Union.  
National Lawyers' Guild.  
National Urban League.  
National Women's Trade Union League of America.  
Non-Partisan Council of Alpha Kappa Alpha.  
Progressive Businessmen, Inc.  
Railway Labor Executives Association.  
Southern Conference for Human Welfare.  
Union for Democratic Action.  
United Christian Council for Democracy.  
United Council for Church Women.  
United States Conference of Mayors.  
United Steel Workers of America.  
W. I. V. E. S.  
Methodist Federation for Social Service.  
Business Men of America, Inc.  
National Catholic Welfare Conference.  
Synagogue Council of America.

#### SENIORITY RIGHTS FOR SERVICEMEN

Mr. HICKENLOOPER. Mr. President, on the 13th of August 1945, the Grain Processors Union No. 18619, of the American Federation of Labor, of Cedar Rapids, Iowa, adopted resolutions proposing that veterans of this war be given seniority rights in employment equal to the length of their service in the war. The story of this action appeared in the Cedar Rapids Tribune about August 17. The article tells the story concisely, and I ask unanimous consent that it be printed as a part of my remarks at this point in the RECORD.

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



I received a letter yesterday from a little mother at Maysville, Ky. She sent me the pictures of her three children pasted on a sheet of paper, and on the same sheet is a poem. She said each of the children in substance wrote four lines, which appear opposite each picture. I want the Senate to hear this poem because we cannot renounce the sentiment and the love we have in our hearts for the men and women and children of this country who have contributed so much in these troublous times.

The letter is addressed to me.

DEAR SENATOR "HAPPY"—

Then follows the verse written by the first boy:

I'm Johnny, jr. I go to school.  
And I know all the answers to things as a rule.  
The war's over now. I heard people cheer.  
Can somebody tell me why Daddy's not here?

Then comes the verse written by the little girl whose picture appears in the middle:

I'm Dianne; and I tell my Mommy all day  
"I want my Daddy. Why he go away?"  
Mommy say he at sea, and I say, "You go get him!"  
Why she say, "He can't come home because they won't let him."

Next comes the picture of a little one, and he says:

I'm Charlie. I'm not sure I know what they mean.  
But I wait for this Daddy that I've never seen.  
Mommy says I'm the most patient one of all three  
Because I don't know what I'm missing, you see.

Then the fourth verse:

We can't understand why our Daddy must go  
To some other country when we miss him so.  
Will somebody somewhere on land or on foam  
Please tell us WHY or else let him come home?

The letter is signed

John Leslie Carter, Jr.; Diane Morgan Carter; Charles Wright Carter.

Then follows a postscript:

We thought you might help us find the answer. Our daddy is Pvt. John Leslie Carter, 35954783, Misc. Co. A, First Platoon, APO 21142, c/o P. M., New York, N. Y.

I sincerely hope that in some convenient season and at some early time men who have earned the right to come home, like perhaps Pvt. John Leslie Carter, may be delivered safely, with God's help, to their children and their faithful wives.

#### THE FULL-EMPLOYMENT BILL

Mr. WAGNER. Mr. President, during the recent hearings on the full employment bill, S. 380, before the Senate Banking and Currency Committee, testimony was received from the leading religious groups in the country. Bishop G. Bromley Oxnam, president of the Federal Council of Churches of Christ in America; the Most Reverend Bernard J. Sheil, auxiliary bishop of Chicago; Msgr. John O'Grady, secretary of the National Conference of Catholic Charities; and Rabbi Ahron Opher, of the Synagogue Council of America—all endorsed the specific principles of this vitally essential legislation.

Dr. Stephen S. Wise, president of the American Jewish Congress, had also been

expected to testify on the full-employment bill. Unfortunately, he was in London at the time and was unable to attend the hearings.

However, I have just received a personal letter from Dr. Wise endorsing the full employment bill on behalf of the American Jewish Congress.

The paramount considerations that prompt my endorsement of S. 380—

States Dr. Wise—

are of an ethical, indeed, religious nature \* \* \* As rabbi of a Jewish congregation, I am on the solid ground of an age-old tradition, which makes of work a right and a duty of all, regardless of need, of income, of learning, or status.

In answer to those who mistakenly regard the full employment bill as a step toward collectivism, Dr. Wise makes the following statement:

Confronted with a choice between the attainment of economic benefits and preservation of a free society, I should not hesitate for a moment in renouncing and denouncing any scheme of legislation that would presume to create abundance at the cost of destroying liberty. I advocate a full employment program, not because my concern is prosperity but because it is freedom.

Mr. President, I ask unanimous consent that the letter which I have just received from Dr. Stephen S. Wise on behalf of the American Jewish Congress be inserted at this point in the record in connection with my remarks.

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

AMERICAN JEWISH CONGRESS,  
New York, N. Y., September 6, 1945.  
Hon. ROBERT F. WAGNER,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR WAGNER: It is a matter of deep personal regret that your invitation to testify before a subcommittee of the Senate Committee on Banking and Currency on the full employment bill came to me while I was on the high seas returning from the recent London conferences of the World Zionist Organization and the World Jewish Congress. Unfortunately, I arrived too late to be able to accept your invitation to testify, but I do wish to avow my complete support for S. 380, the full employment bill.

As president of the American Jewish Congress, I endorse S. 380 wholeheartedly, not because the Jews of America have any interest in full employment apart from the interest of non-Jews, but because this bill is vital to all Americans. Nor am I especially concerned with the strictly economic effects of employment and unemployment. The paramount considerations that prompt my endorsement of S. 380 are of an ethical, indeed, religious nature.

The full employment bill does much more than lay the basis for a freedom from want—it creates a freedom from idleness. Men could be freed from want by many devices. Atomic energy, concentrated in the hands of a few, and operated by them could conceivably assure a sufficient income to the rest of mankind. But no boon or dole under whatever form or name can free man from the humiliation and corruption which idleness inevitably causes.

Confronted with a choice between the attainment of economic benefits and preservation of a free society, I should not hesitate for a moment in renouncing and denouncing any scheme of legislation that would presume to create abundance at the cost of destroying liberty. I advocate a full employment pro-

gram not because my concern is prosperity, but because it is freedom.

Unemployment—and underemployment—mean spiritual scrdom. Not unlike the evils of war, the main evils of unemployment are not material in nature. No society is freer than the individuals who comprise it, and no man is free unless he has respect for himself. Human nature is fortunately such that only those who know that they are useful can have genuine self-respect and enjoy genuine freedom. As rabbi of a Jewish congregation, I am on the solid ground of an age-old tradition, which makes of work a right and a duty of all, regardless of need of income, of learning or status.

Unemployment—or underemployment—reaches in its corroding effects far beyond the circle of its immediate victims. It menaces the texture and fabric of society and threatens its prime basis, the home and the family. Wives and children have no respect for a husband and father who does not have a real job while others do. Those who are not employed hate those who are. Those who have work do not enjoy the fruit of their labor because they fear the hatred of the jobless of today and know that they themselves may be among the jobless of tomorrow. The cancer of unemployment generates contempt, hatred, and fear. However unreasonably, it incites class against class, people against people, race against race, creed against creed, one generation against another. It destroys the national cultural capital, which must be transmitted by education or perish. It throws its dark shadow upon generations to come and gnaws at a country's life core. Empty factories mean not empty schools, but empty cradles as well.

In a few days, during the high holy days, Jews all over the world will listen to the words of Jeremiah, which foretold the days in which "the planters will plant and enjoy their fruit in common." I support the full-employment bill because it lays the foundation for a great human freedom, the freedom of work. I support it because it will bring us nearer to the prophetic vision of a society in which men will be fully themselves, in which all planters will plant, all workers will work, all builders will build.

Faithfully yours,

STEPHEN S. WISE,  
President.

#### SUFFRAGE FOR RESIDENTS OF THE DISTRICT OF COLUMBIA—HEARINGS ON PROPOSED CONSTITUTIONAL AMENDMENT

Mr. CAPPER. Mr. President, I wish to congratulate the Senator from New Mexico [Mr. HATCH] upon the decision of the subcommittee of the Judiciary Committee of which he is chairman to hold hearings, starting September 25, on the resolution to submit a constitutional amendment that will give voting rights to the residents of the District of Columbia.

I wish especially to congratulate him upon the statement he made supporting the joint resolution sponsored by Representative HATTON SUMNERS, of the House of Representatives and myself, and urging its adoption. I have been asserting for years that deprivation of citizens residing in the District of Columbia of their voting rights is an injustice which should be corrected by submitting the necessary constitutional amendment.

In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD, as part of my remarks, the front-page, byline story of Don S. Warren in the Washington Star of September 11, and also a letter to me from Mr. Victor Schormann, 1527 New Hampshire



Avenue NW., Washington, D. C., on this subject.

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

HEARING CALLED SEPTEMBER 25 ON D. C. SUFFRAGE—HATCH BACKS PLAN; SEEKS TO SPEED COMMITTEE ACTION

(By Don S. Warren)

Calling for early action on proposed amendments to the Constitution—now that the war has ended—the Hatch subcommittee of the Senate Judiciary Committee today ordered public hearings for September 25 on the proposal to empower Congress to grant suffrage to the disfranchised people of the National Capital.

While announcing hearings on this joint resolution, Senator HATCH, Democrat, of New Mexico, the subcommittee chairman, announced his personal approval of the object of the proposed constitutional amendment and said he would vote for it.

"I have always been of the conviction," said Senator HATCH, "that a member of a political party should support pledges which are made in the platform of the party. The Democratic platforms, more than once, have called for extension of the rights of suffrage to the people of the District of Columbia. Therefore, I believe we should act on the proposal and I believe we should carry out the pledge which we have made."

#### AMENDMENT PROPOSED

The national representation joint resolution is sponsored in the Senate by Senator CAPPER, Republican, of Kansas, a former chairman of the Senate District Committee, and in the House by Chairman SUMNERS of the House Judiciary Committee, a Texas Democrat.

It proposes an amendment to the Constitution, to be ratified by the legislatures of three-fourths of the States within 7 years of its submission by Congress. The proposed amendment provides that people of the District may vote in Presidential elections and have representation in Congress in such numbers and with such powers as Congress shall determine.

It reads: "The Congress shall have power to provide that there shall be in the Congress and among the electors, of President and Vice President Members elected by the people of the District constituting the seat of the Government of the United States, in such numbers and with such powers as the Congress shall determine. All legislation hereunder shall be subject to amendment and repeal."

#### AMENDMENT BAN ENDED

The Hatch subcommittee acted promptly today after the full Senate Judiciary Committee yesterday brought to an end its policy against consideration of constitutional amendments, now that the war has ended. This policy was enunciated as a wartime measure because millions of voters were overseas in the armed services.

The doors were opened again, however, with the war's end, because it is assumed that by the time ratification is voted by the States, most all the veterans will be back home.

The national representation movement had a bright outlook in the House early this year until the Senate judiciary group adopted its policy. The No. 1 subcommittee of the House Judiciary Committee, headed by Representative CELLER, Democrat, of New York, reported favorably on the Sumners-Capper plan, but later the full committee voted 8 to 7 against placing the resolution before the House for action, presumably because of the position taken on the Senate side.

In a desire to speed action on various proposed constitutional amendments, the Hatch subcommittee scheduled hearings for three of them, including the District vote proposal, for September 25. However, Senator HATCH gave assurances that additional hearings

would be granted by his group if it were not possible to give desired study to the plan on the single day.

On the other hand, he declared his belief extensive hearings would not be necessary and he asked that advocates select a few of their best witnesses.

"It is my hope," he said, "that the statement of the case will be direct, brief, and concise."

In addition to Chairman HATCH, members of the Constitutional Amendment Subcommittee are Senators O'MAHONEY, of Wyoming, and WHEELER, of Montana, Democrats; and WHERRY, of Nebraska, and MOORE, of Oklahoma, Republicans.

Senator CAPPER, a veteran champion of the District's right to vote, has called for action repeatedly during the past year, stressing that the failure to grant this democratic right to District residents has been strikingly and painfully demonstrated when District boys, fighting America's wars overseas, were humiliated by having to stand aside while those from the States were given absentee ballots in the last Presidential election.

WASHINGTON, D. C.,  
September 9, 1945.

Senator ARTHUR CAPPER,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR CAPPER: In yesterday's Post I read of the efforts you and Congressman SUMNERS are exerting to continue the fight for District suffrage.

I commend you on your determination and on your regard for fairness.

You no doubt feel too the tragic comedy, not to say great injustice, which deprives several hundred thousand American citizens of the right to vote, and prevents them from having representation in Congress. Washington is 1 of the 15 largest cities in the United States. It is no longer tolerable that her people should be deprived of one of the most fundamental privileges and duties of citizens. It is as if the whole people of a small or sparsely populated State were denied the right to vote.

Taxation without representation has never been in accord with the basic American philosophy of governing.

The present unfair situation is not one deliberately planned by evil genius. It grew this way. This makes it much harder to combat. Indifference and uninformed or misinformed judgment on the part of many makes the establishment of fair practice hard. The fight will probably create little appeal nationally or in your home States. The fight will no doubt get a full share of ridicule and small-minded criticism. When the decisive battle is won, the blessings of victory will largely be taken for granted.

In view of all this, you deserve praise and warm, active support for your courageous stand in the interest of fairness and equality for all.

With admiration,  
VICTOR SCHORMANN.

#### CONSIDERATION OF THE CALENDAR— ORDER FOR RECESS

Mr. BARKLEY. Mr. President, I am compelled to leave the Chamber and the city for a day or two, and I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning at the point where we left off at the last call of the calendar.

While I am on my feet I also wish to ask unanimous consent that the Senate, when it concludes its deliberations for today, stand in recess until 12 o'clock on Tuesday next.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

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

Mr. BARKLEY. I yield.

Mr. WHITE. Does the Senator intend to take up any other business than the calendar today?

Mr. BARKLEY. No.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and without objection, it is so ordered.

The clerk will call the calendar for the consideration of measures to which there is no objection, beginning with Calendar No. 503.

#### SALE OF CERTAIN PUBLIC LANDS IN ALASKA TO THE ROMAN CATHOLIC CHURCH

The bill (H. R. 1992) to authorize the sale of certain public lands in Alaska to the Catholic bishop of Alaska, in trust for the Roman Catholic Church was considered, ordered to a third reading, read the third time, and passed.

#### BILLS PASSED OVER

The bill (S. 518) to provide for the issuance of permits for the use of live decoys in the taking of ducks was announced as next in order.

Mr. REED. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1064) to authorize the discharge of midshipmen from the United States Naval Academy by the Secretary of the Navy because of unsatisfactory conduct or aptitude was announced as next in order.

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill?

The PRESIDENT pro tempore. The Senator from Massachusetts [Mr. WALSH] is in charge of the bill.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### REIMBURSEMENT OF CERTAIN MARINE CORPS PERSONNEL FOR LOSS OF PER- SONAL PROPERTY ON STEAMSHIP MAASDAM

The bill (S. 1215) to reimburse certain Marine Corps personnel and former Marine Corps personnel for personal property lost in the disaster to the steamship *Maasdam* on June 26, 1941, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$2,859.35, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Marine Corps personnel and former Marine Corps personnel for the value of personal property lost in the sinking of the steamship *Maasdam* on June 26, 1941: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor



I will read you his answer to the first one:

It has been much discussed, unfavorably, by the officers on this ship and all of us are worried that the views expressed by the writer may be the views of Congress and/or the Navy Department. As a matter of fact most of us are convinced that they are the views of the Navy—the real question being: can the Navy get away with it.

This boy is on a carrier.

You will note the writer makes three points opposing quick demobilization.

1. "Mass demobilization would seriously interfere with the national economy."

That is a quotation from the paper. Then he writes:

Did we get into the Navy and this war to improve the national economy and working conditions or to lick the Japs. What do they want to do—exile three or four million of us out here so the shipyard workers and your CIO friends won't have their economy dislocated—and if you don't think this is exile, Clare, come out and get a taste of it. From April till July we operated off Okinawa without setting foot on land. After 5 days in the Philippines we went down to Borneo—then back to the Philippines where we hung at anchor for a month, then back up here where we've been for the last 30 days without doing a damned thing. During that time we've been able to get ashore a total of about 10 times—and the men (enlisted) have not been able to do that, and our experience is typical of all the ships in our division.

There, my friend from Pennsylvania, you will find one ship, the one that man is on, that might come home and bring some of the men with it.

So you can see that I don't look kindly on the idea of staying out here, not seeing my wife and the children just so somebody back there can continue to earn a good salary.

2. There aren't enough facilities to handle separation—the answer to that is there's plenty of facilities if they would use them and take the Navy red tape out of the program—as to points.

3. Impairing the fighting forces—one answer is let some of the others do their share—this providing it's going to take more than the regular peacetime Navy to do the job. Right now, and from the time the Japs quit, there is no reason for any escort carrier to be out here—there isn't a single thing for them to do. As a matter of fact, there's no reason for any carrier to be out here now that we have land-based planes with adequate bases. Ask any military or naval authority and he will tell you that carriers are a poor substitute for land-based aircraft. In my opinion, CLARE, the whole problem boils down to this—there are about 300,000 officers in the Navy; 85 percent are Reserves; 15 percent USN; the 15 percent USN officers hold all the commissions of admiral, captain, and commander—the three top ranks in the Navy. Practically all of their present ranks are temporary. As soon as demobilization is effected they will drop back several grades to their permanent ranks. In order to prevent this they will do anything they can to slow down and impede demobilization in general and in particular of their own commands.

"In order to prevent this, they will do everything they can to slow down and impede demobilization in general and in particular of their own commands."

It makes me think of one of my boys who was in for 2 years and 8 months. When he was down here in an office in Philadelphia in a shipyard, there were six of those young fellows down there, six

lieutenants, and the boy said, "Dad, I can do all the work in 3 hours that the whole outfit does all day long." He said "But the admiral is happy and contented." There you are, with that kind of treatment for a bunch of young fellows who enlisted and who had wives and children and left them to go into the service to fight Japs and Germans. They put them at a desk.

The SPEAKER pro tempore (Mr. PATRICK). The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for an additional 5 minutes in order to read the rest of this letter, that is, if the gentlemen who have special orders at this time will permit me to do so.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. The letter reads further as follows:

For example, about 7 officers and 32 men on this ship (out of a total complement of about 900) are now and have been for the past 3 weeks eligible for discharge—to date not a single one has left the ship.

In closing I think I should point out that the present Navy point system allows nothing for overseas duty and makes no distinction between a man with one dependent and another man with several dependents. Under the present point system, although I have been in the Navy 22 months with 17 months foreign sea duty, I will not be eligible for discharge until around September 1947. And if you think I'm going to wait that long before going home to my wife and the kids you're crazy.

My roommate is a little younger—has a wife and child—same length of sea duty and a little longer duty in the Navy, plus a Purple Heart received in the battle of Leyte—will not be eligible for discharge until November of 1947. How do you think he likes that?

In all of the foregoing, CLARE, I've said little about the enlisted men. They really have a more legitimate complaint than the officers. We stand an officer of the deck watch (4 hours long) once every other day—as such we have some responsibilities and do a little work—but how would you like to be an enlisted man and have to dress up in a white monkey suit and sit on a quarter deck for 4 hours at a time—just so when the admiral or captain came aboard or left the ship you could jump up, stand in line, and salute him—sure they're "side boys" and that's what's called "piping the admiral aboard." He gets eight of them, CLARE, and that's better than you rate as a Congressman.

We started doing that aboard this ship today—the second day after the peace was signed. Do you wonder we want to get out of the Navy and fast?

I don't know what you can do about this, CLARE, but somebody has got to do something quickly. I do know that if conditions continue as they are and if the program outlined in the enclosed article is carried out there is literally going to be hell to pay.

Talk to ——— about this and see what he says. My guess is he will verify most of what I have said, and you can take this for granted, I for one do not intend to let the personal ambitions of a bunch of admirals and captains keep me from my family now that the war is actually over.

I'd like to request two things, first, do everything you can to hasten demobilization; second, if you have or can obtain any information as to the Navy's demobilization send it to me by return mail. I'd like to start to make some plans for my future and that's

damned hard to do when you don't know whether you are going to be in this outfit for 2 more months or 2 more years.

Best wishes.

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

Mr. HOFFMAN. I yield.

Mr. MOTT. The gentleman knows of course that since the date of that letter the Navy discharge point formula has included one-fourth of a point for each month of sea duty or service in a station beyond the continental limits of the United States.

Mr. HOFFMAN. Will that get this boy out in 1946 or in '45?

Mr. MOTT. It will take them all out in 1946. In July 1946, the Navy will be reduced to the standing figure contemplated for a peacetime Navy.

Mr. HOFFMAN. The gentleman says it will take them all out in '46. That is not soon enough. May I write this boy, saying that the gentleman, as a member of the Committee on Naval Affairs, told me he will be out soon?

Mr. MOTT. This is what you can write them, that by July 1946 it is the program of the Navy to reduce the personnel to a peacetime establishment of approximately 500,000.

Mr. HOFFMAN. Could you not shove that date up to Christmas 1945?

Mr. MOTT. That is as fast as the Navy thinks it can do it.

Mr. HOFFMAN. Can we not expedite the Navy's thinking?

Mr. MOTT. Just a moment. Now, you can write and tell the boy something valuable. There is no indication that the Navy is not carrying out this program of demobilization as fast as possible. Within a few days the Navy is to submit to the Committee on Naval Affairs of the House its entire plan and what has been accomplished under it for the purpose partly of getting the advice of Members as to how it may be speeded up and expedited. And, as I say, there is no indication that anyone can see now that the Navy is not doing the very best it can under the circumstances.

The gentleman, and his correspondent, must remember in the conquering of Japan we have taken literally hundreds of islands and others are being surrendered every day. These islands are still being surrendered every day. You cannot simply take the Fleet away from all these places and expect the war to come to a logical conclusion in an orderly way in the near future.

Mr. HOFFMAN. Not overnight, I know. And I would not desert that area until every island has been searched for lost Americans.

Mr. MOTT. No; some of them have to be retained.

Mr. HOFFMAN. I wish the gentleman would write the man about that because I would like to finish this letter.

Mr. MOTT. I would like to tell the gentleman something else which I believe he would be interested in.

Mr. HOFFMAN. I am sure that these boys will not be satisfied until they get out. They have been told a lot of "bunk."



Mr. MOTT. You will be interested in this, that when the Navy gets down to its peacetime strength, which the Congress has yet to set, the entire personnel establishment will be voluntary.

Mr. HOFFMAN. That is fine—that is the way it should be—and in the Army as well. That is the American way.

Mr. MOTT. Will the gentleman yield further?

Mr. HOFFMAN. I cannot. I want to finish this letter first. I am going to send the gentleman's statement to the Stars and Stripes and the naval publications and see if it will not help these boys out. But this is what I want you to listen to. This boy is not a crackpot.

Mr. MOTT. I may say to the gentleman that I have a son-in-law who has been in combat on an LCT for a year, so I am just as much interested as the gentleman is.

Mr. HOFFMAN. I am not interested from a personal angle. This boy is not a crackpot. He enlisted when he had a wife and children. A home and a lucrative profession. He did not have to go. Now listen to what he says, because it is along the same line as that expressed in that letter. I am sure this man does not mean it.

If you think I am going to wait that long before going to my wife and kids you are crazy.

The Navy had better think about that, and the Army better think about the letter I just read.

The SPEAKER pro tempore (Mr. PATRICK). The time of the gentleman from Michigan has again expired.

#### EXTENSION OF REMARKS

Mr. BOREN asked and was given permission to extend his own remarks in the RECORD.

#### FULL EMPLOYMENT LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. OUTLAND] is recognized for 15 minutes.

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

Mr. OUTLAND. Mr. Speaker, before the recent recess 103 Members of the House of Representatives—both Democrats and Republicans—joined together as cosponsors of the full employment bill (H. R. 2202), a bill "to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government." The House sponsors now total 106.

Mr. Speaker, I ask unanimous consent to insert at this point in my remarks the names of the cosponsors and coauthors of H. R. 2202.

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

There was no objection.

The list referred to follows:

Alabama: PATRICK, LUTHER.  
Arizona: MURDOCK, JOHN R.  
California: DOUGLAS, HELEN GAHAGAN; DOYLE, OLYDE; ENGLE, CLAIR; HAVENNER, FRANCK R.; HEALY, NED R.; HOLIFIELD, CHET;

IZAC, ED. V.; KING, CECIL R.; MILLER, GEORGE P.; OUTLAND, GEORGE E.; PATTERSON, ELLIS E.; SHEPPARD, HARRY R.; TOLAN, JOHN H.; VOORHIS, JERRY; WELCH, RICHARD J.

Connecticut: GEELAN, JAMES P.; KOPPELMANN, HERMAN P.; LUCE, CLARE BOOTHE; RYTER, JOSEPH F.; WOODHOUSE, CHASE GOING.  
Delaware: TRAYNOR, PHILIP A.

Illinois: DOUGLAS, EMILY TAFT; DAWSON, WILLIAM L.; GORDON, THOMAS S.; GORSKI, MARTIN; KELLY, EDWARD A.; LINK, WILLIAM W.; O'BRIEN, THOMAS J.; PRICE, MELVIN; RESA, ALEXANDER J.; ROWAN, WILLIAM A.; SABATH, ADOLPH J.

Indiana: MADDEN, RAY J.

Kentucky: BATES, JOE B.

Massachusetts: LANE, THOMAS J.

Michigan: LESINSKI, JOHN; DINGELL, JOHN D.; HOOK, FRANK E.; O'BRIEN, GEORGE D.; RABAUT, LOUIS C.; SADOWSKI, GEORGE G.

Minnesota: GALLAGHER, WILLIAM J.; STARKEY, FRANK T.

Missouri: CARNAHAN, A. S. J.; COCHRAN, JOHN J.

Montana: MANSFIELD, MIKE.

New Jersey: HART, EDWARD J.; NORTON, MARY T.; WOLVERTON, CHARLES A.

New York: BALDWIN, JOSEPH CLARK; BARRY, WILLIAM B.; BYRNE, WILLIAM H.; CELLER, EMANUEL; DELANEY, JAMES J.; DICKSTEIN, SAMUEL; MARCANTONIO, VITO; PFEIFER, JOSEPH L.; POWELL, ADAM C., JR.; QUINN, PETER A.; RAYFIEL, LEO F.; ROGERS, GEORGE F.; ROONEY, JOHN J.; TORRENS, JAMES H.

Ohio: BENDER, GEORGE H.; BREHM, WALTER E.; GARDNER, EDWARD J.; HUBER, WALTER B.; KIRWAN, MICHAEL J.; RAMEY, HOMER A.

Oklahoma: STIGLER, WILLIAM G.; WICKERSHAM, VICTOR.

Oregon: ANGELL, HOMER D.

Pennsylvania: BARRETT, WILLIAM A.; EBERHARTER, HERMAN P.; FLOOD, DANIEL J.; GERLACH, CHARLES L.; GRANAHAN, WILLIAM T.; GREEN, WILLIAM J., JR.; HOCH, DANIEL K.; KELLEY, AUGUSTINE B.; MCGLINCHY, HERBERT J.; MURPHY, JOHN; WEISS, SAMUEL A.

Rhode Island: FOGARTY, JOHN E.; FORAND, AIME J.

Tennessee: GORE, ALBERT; KEFAUVER, ESTES; PRIEST, J. PERCY.

Texas: COMBS, J. M.; PATMAN, WRIGHT.

Utah: GRANGER, WALTER K.; ROBINSON, J. WILL.

Virginia: FLANNAGAN, JOHN W.  
Washington: COFFEE, JOHN M.; DE LACY, HUGH D.; JACKSON, HENRY M.; SAVAGE, CHARLES R.

West Virginia: BAILEY, CLEVELAND M.; HEDRICK, E. H.; KEE, JOHN; NEELY, MATTHEW M.; RANDOLPH, JENNINGS.

Wisconsin: BIEMILLER, ANDREW J.; O'KONSKI, ALVIN E.

Mr. OUTLAND. Mr. Speaker, in sponsoring this measure, we joined with the four Democrats and four Republicans who are sponsors of the bill in the Senate.

When we first joined our forces in support of this historic measure, our aim was to obtain enactment of the bill before the end of the war so that our businessmen, our farmers, our working people—all the men and women of America could face the economic shocks of reconversion confident in the knowledge that we as a nation were moving forward into a period of sustained full employment and full production. But events have moved faster than the legislative process. The war has been happily brought to an end before our most optimistic estimates indicated it possible. War contracts are being canceled every day, war plants are being shut down. Reconversion is upon us.

Today, with the single exception of the unemployment compensation bill, early enactment of the full employment bill

is the most important business before the United States Congress. This was indicated by President Truman when he summoned the Senate Banking and Currency Committee back to Washington to complete the Senate's hearings on the bill, which had started earlier in the summer. It was indicated in the President's recent message to Congress.

If this bill is to be effective—and it must be effective—it must be passed without crippling amendments. It must be passed in such form as to be the clearest possible expression of our principles and objectives in drafting it.

A number of constructive amendments designed to strengthen the principles or to simplify the language of the bill have been made by the Senate sponsors of the bill. We, too, will have similar amendments to clarify and strengthen the principles of the bill. Accordingly, it is of the greatest importance that we who sponsor the full employment bill in the House restate the principles that we advocate in the enactment of this measure. We must know the basic principles on which there can be no compromise, in order to maintain perspective on the many suggestions and amendments that will be offered.

First. We are wholeheartedly committed to the principle that every American who is able to work and desires work has the right to the opportunity for useful, remunerative, regular, and full-time employment. This basic human right is clearly stated in section 2 (b) of the full employment bill.

It has been attacked and will be increasingly attacked by those who are disdainful of human rights and who are against full employment.

We sponsors of the full employment bill, however, take our stand with our former colleague, Clinton P. Anderson, now Secretary of Agriculture. Let me quote from Secretary Anderson's recent testimony on the full employment bill before the Senate Committee on Banking and Currency:

The "right to a job" which this bill proposes to make a basic policy of our Government, is as important to the preservation and sound functioning of democracy as are the time-honored rights of free speech, a free press, and freedom of religion.

Second. We sponsors of the full employment bill are committed, without qualification, to the principle that the Federal Government has the responsibility of assuring continuing full employment opportunities.

This responsibility also is clearly stated in the provision of section 2 of H. R. 2202, which reads:

It is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans \* \* \* freely to exercise this right (to employment).

This provision has been attacked and will be increasingly attacked by those who are against full employment. The sponsors of the bill will not compromise on this question.

As the Secretary of the Treasury, Fred Vinson, has stated:

Clearly it cannot be the responsibility of businessmen alone to prevent unemployment. We must face the fact that all of us



have a responsibility to see that our economic system works efficiently, that there are jobs for men and women able and willing to work. When we are confronted with problems of national scope involving collective responsibility we must look to the National Government, acting for all the people to take the leadership in their solution. Let there be no misunderstanding as to the meaning of the word "assure." It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another.

Third. We are committed to the principle that the Federal Government must make full use of all its powers and functions relating to employment and production and must in addition specifically pledge its financial resources to make good on the assurance of continuing full employment opportunities.

No stone must be left unturned in our efforts to obtain the highest feasible levels of employment and production with the lowest feasible amount of Federal investment and expenditure. But to the extent that continuing full employment cannot otherwise be assured, we must provide sufficient useful investment and expenditure by the Federal Government to assure the existence of employment opportunities for all who are able and willing to work.

This provision will be attacked, and is already being attacked, by those who prefer to spend billions for relief after we have a depression, rather than to use useful public expenditure as a means of preventing depression. On this point, I should like to quote a recent statement by Mr. Harold Smith, Director of the Budget:

Several critics of the full-employment bill have suggested that the bill is designed to pave the way for huge deficit spending. This is a distortion of the meaning of the bill. I believe it was the intention of the authors to reach the objective—full employment—with maximum reliance on private enterprise and minimum reliance on Government spending.

It is my conviction that a policy designed to prevent depression and unemployment is the best contribution we can make to hold down Federal expenditures and the public debt.

Fourth. We believe that the President should submit to Congress every year a national production and employment budget. This budget should include the proposed economic goals for the Nation—in terms of employment opportunities, production of goods and services needed to provide such employment opportunities, and the amount of consumption we require in order to absorb the goods and services that are produced at full employment. It should include his appraisal of growth and foreseeable economic trends—in terms of employment, production, and consumption. And, finally, it should include the general outlines of the administration's program to assure continuing full employment.

Since the introduction of the bill, the idea of having a National Budget of this type has been generally accepted.

Fifth, and finally, we believe that the United States Congress, through a Joint Committee on the National Budget, must

take the responsibility for considering and acting upon the President's program as a whole. The Congress must take the responsibility for considering and acting upon all specific legislation within the framework of its approved, coordinated program for full employment. This provision of the Full Employment Bill has also received widespread endorsement.

The controversial principles I have listed have been firmly and specifically endorsed by President Truman, Secretary of the Treasury Fred Vinson, Secretary of Agriculture Clinton Anderson, Secretary of Labor Lewis B. Schwellenbach, Director of the Budget Harold Smith, Secretary of Commerce Henry Wallace, and other officials in the executive branch of the Government.

These principles have whole-heartedly and specifically been endorsed by innumerable businessmen, by representatives of the Protestant, Catholic, and Hebrew faiths, by mayors, the American Federation of Labor, the Railroad Labor Executives Association, the Congress of Industrial Organizations, the United Mine Workers, and by a large number of other national organizations: Amalgamated Clothing Workers of America, American Association of Social Workers, American Jewish Congress, Americans United for World Organization, American Veterans Committee, Brotherhood of Maintenance of Way Employees, Brotherhood of Railroad Trainmen, Business Men of America, Inc., Council for Social Action of the Congregational Christian Churches, Disabled American Veterans, Hosiery Wholesalers National Association, Independent Citizens' Committee of the Arts, Sciences, and Professions, League of Women Shoppers, Methodist Federation for Social Service, National Association for the Advancement of Colored People, National Board of Y. W. C. A., National Catholic Welfare Conference, National Citizens Political Action Committee, National Conference of Jewish Women, National Consumers League, National Council of Negro Women, National Council of Scientific, Professional, Art and White Collar Organizations, National Council for the Social Studies, National Education Association of the United States, National Farmers Union, National Lawyers' Guild, National Urban League, National Women's Trade Union League of America, Non-Partisan Council of Alpha Kappa Alpha, Southern Conference for Human Welfare, Synagogue Council of America, Union for Democratic Action, United Christian Council for Democracy, United Council for Church Women, United States Conference of Mayors, United Steel Workers of America, W. I. V. E. S.

Above all these are the principles which the authors and the sponsors of this bill have staked out as representing the essential prerequisites to full employment and full production in the post-war period. We have written these principles in this bill. Minor changes may be made; we will not compromise on basic principles. We would rather see this bill defeated than to have these principles emasculated.

In this moment in history, our hopes for world peace and for the very preservation of the human race, depend to a large degree on whether or not we Americans can maintain a healthy and expanding economy, and avoid a depression that would plunge the world into economic chaos.

With so much in the balance, the sponsors of the full employment bill will make no compromise with those short-sighted individuals who are opposed to full employment. We will grant no concessions to those faint-hearted souls who believe that full employment is impossible in our free enterprise system.

We shall press forward toward swift passage of this bill.

We shall then move forward toward development of our comprehensive full employment program in all the basic fields of Federal action—taxation, agriculture, small business, housing, social security, wages and hours, and so on—to translate the promises of the bill into a living reality to all American who are able and willing to work and make effective the right to employment for those who wish to exercise it.

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

Mr. OUTLAND. I yield to the gentleman from Illinois.

Mr. VURSELL. The gentleman states this bill will be opposed by those who do not believe in and who do not want to obtain full employment. I do not know what position personally I shall take on the bill because I have not read it. But would the gentleman be more specific in pointing out who these people are who do not want full employment in this country?

Mr. OUTLAND. I should be glad to refer the gentleman to an article in a national business magazine of a few weeks ago in which it was said that an unemployment pool of between three and five million people in this country is a good thing for America. I also recall a statement that was made by the mayor of a certain city to the effect that depressions are a good thing for the American people and that depressions are wholesome. May I also say that I hope very much the gentleman will read the bill and would welcome him as a member of our steering committee.

The SPEAKER pro tempore (Mr. SPARKMAN). The time of the gentleman from California has expired.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Is not the gentleman willing to concede that most of the little and big businessmen of this country and 98 percent of the thinking people of this country want full employment? If so, the gentleman cannot afford to indict men or organizations, including millions of business people and millions of farmers, or the Members of this Congress who believe this is the wrong approach to the problem. The gentleman's indictment is much too broad.



Mr. OUTLAND. I may say, in answer to the gentleman, that I am not indicting anyone. May I say, too, that there are people all over the country who pay lip service to full employment but are not willing to take concrete steps to achieve it.

Mr. VURSELL. There are people on this floor who will pay lip service to full employment probably for political purposes.

Mr. OUTLAND. Anyone who treats the full employment bill as a political proposition or from a partisan standpoint is toying with human suffering. I will join with you in condemning him. However, I am certain the gentleman must realize that we cannot have full employment merely by hoping for it. Wishing, alone, will not bring jobs. We must work and we must plan if we are to achieve such a goal. Many different approaches can be made. I do believe that H. R. 2202 is the first important step, and I sincerely trust that the Members of this House, regardless of partisan affiliation, will get solidly behind it. I hope that as many members of the minority as of the majority party will join with me in putting this bill across. It is not partisan and should not be made partisan. There may be honest disagreement. I certainly think there may be honest disagreement on any controversial issue. This bill is an enabling act only; it states a policy, and it seems to me that that policy cannot very well be controverted by anyone who truly desires full employment in the United States.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. CHELF. Mr. Speaker, I ask unanimous consent that on Wednesday, September 19, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The Speaker pro tempore. "Is there objection to the request of the gentleman from Kentucky?"

There was no objection.

#### TREATMENT OF RETURNING VETERANS

The SPEAKER pro tempore. Under previous order of the House the gentleman from New York [Mr. O'TOOLE] is recognized for 10 minutes.

Mr. O'TOOLE. Mr. Speaker, a great many of the Members of the House, knowing that the New York Port of Embarkation headquarters is in my district, have been inquiring of me as to the type of treatment men returning from overseas receive. I feel it best rather than to reply to them individually to make a statement here on the floor of the House as in that way, I can reach the greatest number of Members.

The New York Port of Embarkation has been the greatest embarkation point in the United States. From Pearl Harbor to VE-day, the New York port shipped 3,080,355 soldiers and 35,213,037 tons of supplies to the European theater. This achievement completely dwarfed all previous military movements and led the Army to call the New York Port of Embarkation the greatest port of war the world has ever known.

Now, under the direction of Maj. Gen. Clarence H. Kells, the New York Port of Embarkation is setting newer and greater records. One of every two home-bound American soldiers passes through the piers and staging areas of the New York Port of Embarkation, and few remain there more than 24 to 36 hours before continuing on their way.

From VE-day through August 25, a total of 510,090 American soldiers debarked at the New York Port of Embarkation and about 500,000 more came through other east-coast ports. That means that the New York Port of Embarkation handled a daily average of 4,465 soldiers.

For the month of May 54,187 troops returned through the New York port of embarkation, 86 percent of them on 85 American troop ships, and 14 percent of them on 5 British troop ships.

For the month of June 132,948 troops came back through New York's great port of war, 79 percent of them on 134 American troop ships, and 21 percent of them on 3 British troop ships.

For the month of July the returns increased to 140,901, 78 percent on 153 American transports, and 22 percent on 9 British transports. The incomplete figure for August up to the 25th is 132,054 soldiers who have come through the New York port of embarkation. It is expected that the peak load will not be reached until November.

This monumental job which is being carried out under the direction of the Army Transportation Corps is America's guaranty from the Army that every single soldier who is not needed for occupation duty in Europe will come home quickly.

I know that the average Member of the House is more interested in the actual treatment these men receive, more interested in the humane side than in cold statistics.

Every ship that returns from Europe and enters the port of New York passes my home. With this opportunity and coupled with the fact that I have made personal trips down the harbor to meet some of the ships gives me first-hand information that I will endeavor to describe to you.

As the transport comes in from the ocean to the mouth of the Lower Bay, it is met by the private boat of the commanding general of the New York Port of Embarkation. Also present in the waters are a former Central Railway of New Jersey boat that has been taken over by the Transportation Corps of the Army, together with a yacht known as *Miss America*. On the former Jersey Central boat are the press and several hundred civilian employees of the port of embarkation. On the *Miss America* is a WAC band. All three of these boats accompany the transport from the time she enters the Lower Bay until the moment that she docks either in the North River or at Staten Island. The people on these accompanying ships do everything that is humanly possible to make it known to the veterans that they are happy to have them back and that they have been missed.

As the transport passes the Fort Hamilton Military Reservation, the soldiers see a gigantic sign, "Welcome Home—Well Done." Every ship in the harbor has been alerted by General Kells as to the time of arrival of each transport, and as she proceeds up the bay and the river each ship in the harbor salutes with three blasts of a whistle which is answered in return by the transport.

The Army Transportation Division has requested that all of the hundreds of piers in the harbor be decorated and the pier owners have responded magnificently. The entire water front presents a festive appearance to those on board the ship when they see the red, white, and blue signs expressing such sentiments as "Our Heroes, Welcome Home," "We Thank You."

By this time the men on the transports being aware of the fuss that is being made over them have become so joyous that it amounts almost to a hysteria. Their cries of delight can be heard on the Brooklyn, Jersey, Staten Island, and Manhattan shores. The ship is finally docked at a pier that is spotlessly clean and decorated with thousands of flags and "Welcome home" banners.

The men are then immediately taken by train to either Camp Kilmer, near New Brunswick, N. J., commanded by Col. Cecil L. Rutledge, or to Camp Shanks, near Orangeburg, N. Y., commanded by Col. H. D. W. Riley.

When the train pulls into either of these camps, there is a truck alongside of each railroad coach. The men's baggage is loaded aboard by prisoners of war. Then our veterans march to a theater about 600 feet away where they are welcomed by the commanding officer of the camp. This is something that I wish every Member of Congress could see. As the men march into the theater they find the stage occupied by a jazz band that is making some real hot licks. The men go crazy and whoop it up all during the music. After three or four numbers are played, the commanding officer addresses the men, thanking them for the splendid job that they have done and assuring them that they are welcome and that during their stay in the camp every effort will be made to prove the truthfulness of this statement. He then informs them of the essential movements they must make and assures them if they will cooperate, and he is sure they will, they will be out of the camp and on the way to their homes the next day. This statement brings down the roof. The commanding officer then informs them that a major will address them and inform each unit as to which barrack they will be assigned and that their baggage is already at the barrack.

By this time the men are delighted at the service they are receiving. The commanding officer further informs them that as soon as they receive new equipment, which will be within the next hour, they will be compelled to go to the mess hall where they must eat as much steak, ice cream, and drink as much milk as they can hold. By that time one would think that the theater was going to be taken apart.







ASSURING FULL EMPLOYMENT IN A FREE  
COMPETITIVE ECONOMY

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REPORT

FROM THE

COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

S. 380

A BILL TO ESTABLISH A NATIONAL POLICY AND PROGRAM  
FOR ASSURING CONTINUING FULL EMPLOYMENT IN  
A FREE COMPETITIVE ECONOMY, THROUGH  
THE CONCERTED EFFORTS OF INDUSTRY,  
AGRICULTURE, LABOR, STATE AND  
LOCAL GOVERNMENTS, AND THE  
FEDERAL GOVERNMENT



SEPTEMBER 22, 1945.—Ordered to be printed

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(S. 380)

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## ASSURING FULL EMPLOYMENT IN A FREE COMPETITIVE ECONOMY

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SEPTEMBER 22, 1945.—Ordered to be printed

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Mr. WAGNER (for himself and Mr. TOBEY), from the Committee on Banking and Currency, submitted the following

### REPORT

[To accompany S. 380]

The Committee on Banking and Currency, to whom was referred the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, having considered the same, report favorably thereon with an amendment in the nature of a substitute, and recommend that the bill as amended do pass.

#### I. INTRODUCTORY STATEMENT

In reporting the full employment bill, we are fully conscious of the historic character of this legislation.

The full employment bill deals with the central economic problem of our time—the problem of providing employment opportunities for all Americans able to work and desiring to work. Failure to solve this problem, as pointed out in part II of this report, would shatter our social and political institutions, undermine the health and well-being of our people, and wreck our hopes for avoiding a Third World War.

Part III explains the basic principles of the full employment bill and indicates how they are designed to meet our fundamental needs for an intelligent and cooperative attack upon the problem of unemployment.



Like the San Francisco Charter, the bill cannot be effective without continuous and conscientious implementation—for, like the Charter, it is limited to the enunciation of general policy and the creation of machinery and procedures. This question is discussed in part IV.

As indicated in part V, the principles of the bill have received the enthusiastic support and endorsement of leaders and individuals in all walks of life.

As outlined in part VI, the major opposition to the bill comes from those who believe that continuing full employment cannot be achieved under our system, who are afraid of the effects of sustained full employment, and who think that the Government's responsibility should be limited to the relief of distress.

A number of proposals for weakening amendments to the bill are discussed in part VII. If the bill is not to be converted into a meaningless scrap of paper, it is essential that such amendments be rejected.

The bill, as reported, adequately meets all valid criticisms. The changes that have been made are explained in part VIII. No further changes are needed.

Accordingly, we strongly urge the early enactment of this bill. We are convinced that its passage, without crippling amendments, will inspire business, labor, agriculture, and above all, the men and women who fought and won the war, with a new confidence in America's ability to fight and win the peace.

## II. THE NEED FOR THE FULL EMPLOYMENT BILL

### A. THE UNEMPLOYMENT DANGER

The history of employment and production in the United States is a record of boom and bust. It is a record of brief periods of growth and development culminating in peaks of prosperity that gave way to disastrous collapse.

The shift from an agrarian economy where each family was largely self-sufficient to a modern industrialized economy has brought greater vulnerability to economic storms. The very wealth of our modern industrial state with its comforts and luxuries has made us more susceptible to recurrent collapse.

Witnesses before the subcommittee and correspondents whose letters are in the Record emphasized that the present postwar outlook is as unstable as our past experience. Some of them expect an immediate postwar boom. Some think we will not immediately recover from the dislocation period but will slip into an undertow of deflation. Almost all agree that unless appropriate Government action is taken, there is a prospect of ultimate collapse.

Temporary dislocation, of course, cannot be avoided; it can hardly result in less than 6 or 7 million unemployed toward the end of the coming winter. But within a few months there will be a critical point at which we shall face (1) the danger of boom and bust, or (2) the danger of stagnation.

In contrast to these two dangers, there is the possibility of rapid recovery during 1946 and 1947 and a steadily expanding level of production, based upon full employment, during the following years. This is the goal toward which we must strive. This is the road that we can, and must, travel.

Yet in the absence of conscious, rational action, it is to be expected that we shall have either a recurrence of boom and bust or that we shall sink steadily into stagnation.

These twin dangers cannot be coped with merely by a program dealing with the immediate transitional problems of conversion from war to peace. In fact, the transitional problems cannot be adequately handled unless, at the same time, we come to grips with the long-range problem of maintaining full employment and full production.

It was for these reasons that the Honorable John W. Snyder, Director of War Mobilization and Reconversion, appeared before your committee and called for the enactment of the full employment bill as a means of helping the immediate reconversion program.

Stated Mr. Snyder:

My task is the one of redirecting from war to peace the four main resources from which the health of our economy springs—our manpower, our raw materials, our plant and equipment, and our managerial know-how. It would be a useless task if it did not have as its goal full production and employment—a high standard of living and long-range stability.

Therefore, the mechanism by which we will attain our long-range goal should be established now. If this is done, present policies can readily be integrated with long-term measures and the new machinery can be functioning effectively by the time we have finished our immediate task of reconversion.

#### B. THE THREAT TO OUR INSTITUTIONS

Unemployment and the fear of unemployment are deadly threats to American social institutions and to the American way of life.

Witnesses before the subcommittee emphasized this from many viewpoints—religious, social, economic, and political. They stated gravely and emphatically that such intolerable conditions of indignity and frustration, if they occur again, may produce drastic changes in our economic and social institutions.

Ten years ago it would have been superfluous to state these things. Today it appears that many have forgotten the sheer, stark misery and despair that stalked our land during the last depression. It seems therefore pertinent to restate these somewhat unpalatable truths as they have been set before us in recent weeks by men and women whose counsel commands our respectful attention.

##### 1. *Mass misery, frustration, despair*

The memory of the 1930's is fresh in the minds of those who are in close contact with the people and especially those who know the minds and hearts of youth. Boys and girls who were 10 years old at the time of the collapse of 1929 are now young men and women of 26, many of them members or veterans of the armed services. They have not forgotten that their formative years were spent in a condition where there were not enough opportunities to go around.

Witnesses in responsible positions recalled experiences that dramatized this living memory of depression. Spokesmen for veterans recalled the bonus march of 1932. Farm-organization people recalled foreclosures where the sheriff was intimidated by embattled neighbors. Businessmen recalled the bankruptcies. Public officials concerned with the problems of youth reiterated the impossible situation they faced when they could not convey to their young people a feeling of confidence and hope.



## 2. *15,000,000 veterans*

During World War II there have been 15,000,000 Americans who have served their country in the armed services—about one-fourth of the total postwar labor force.

In the Selective Training and Service Act (sec. 8) Congress took action to guarantee the right of any drafted worker to return to his former employment. It has been brought to the attention of your subcommittee that this congressional guaranty is in danger of being frustrated because of the lack of confidence, on the part of veterans and civilians alike, that there will be jobs for all. Already, there are the makings of a sharp conflict over a dwindling supply of jobs. The former Administrator of Retraining and Reemployment, Brig. Gen. Frank T. Hines, in his report to the committee of April 30, 1945, endorsing the full employment bill, warned of "the potentiality of difficult and grave consequences of cleavage along this line \* \* \*". In the same report, he also pointed out that, "continuing full employment would very largely dissipate or entirely eliminate this risk."

But our obligation to returning veterans cannot be limited to guaranties of return to their former employment. Many jobs formerly held by veterans have vanished. Many veterans will be newcomers to the labor force.

This means that all veterans must have job opportunities—if not at former jobs, then at new jobs.

Yet if we attempted to provide jobs for all veterans without providing jobs for civilians as well, we would sow the seeds of conflicts between veterans and nonveterans, and would also frustrate the objective of jobs for veterans.

Our obligation to veterans can be discharged only by assuring all our people that the American economy will avoid the twin dangers of boom and bust and economic stagnation. It can be discharged only by the assurance of sustained employment opportunities for all who are able and willing to work.

## 3. *The family*

Unemployment and the fear of unemployment are deadly threats to family life which is the very foundation of a civilized society. Where the head of the family, the principal breadwinner, is driven by a feeling of frustration, harmonious family life becomes impossible. The homemaker and her children are forced to seek employment. Young people cannot marry or cannot maintain a proper household with children brought into the world under conditions that will build sound citizenship.

## 4. *Group conflict*

When there are too few jobs to go around, bitter conflict develops between groups and individuals. Under these conditions, human virtues lose significance. The ethics of society recede to the ethics of the jungle, where "dog eats dog." Racial and personal hates emerge. Group is set against group and class against class. The forces of intolerance and fear come forth in racial and religious conflict.

That these grim threats were present in the 1930's and will stalk the land again if we have another depression was stated soberly by responsible witnesses before the subcommittee.

## 5. *Social and political institutions*

In despair and frustration the people lose their ability to weigh social and political values. What price tradition to a starving man?

We cannot expect unwanted youth to respect our cherished institutions. No group or class is exempt from the gnawing attrition of a realization that society has no place for it.

Unemployment, therefore, has always been looked upon as a golden opportunity for demagogues and for enemies of our established order.

In Germany the rise of the Nazi Party during the 1920's and early 1930's closely paralleled the growth of unemployment. In 1928 unemployment in Germany amounted to less than 2,000,000, and Hitler had only 108,000 followers. By 1933, when unemployment had soared to more than 4,733,000, membership in the Nazi Party had leaped to 3,500,000. It was in that fateful year that Hitler assumed power in Germany and initiated his program for world conquest.

In this connection, we respectfully call attention to the statement submitted to the committee by Prof. James H. Sheldon, administrative chairman of the Nonsectarian Anti-Nazi League. In his statement, Professor Sheldon pointed out that—

Every evidence indicates that the known leaders of Nationalist, anti-Semitic, anti-Catholic, Ku Klux Klan-like and other subversive movements in this country are looking forward to a possible period of unemployed defense workers and jobless veterans as a time for reaping a golden harvest and as *Der Tag* at which these vile manipulators may fasten their influence upon the American Nation. \* \* \*

The Nazi or "Nationalist" agitator finds a fertile field for his activities in any group of jobless men or women—and he is always at pains, as his first move toward ensnaring their minds, to promise them money, jobs, and security. His next move is to blame their unhappy condition upon the shortcomings of democracy, or upon some minority or different religious or racial group—whether Jews, Catholics, Negroes, Italians, Mexicans, or whatever group will most conveniently serve as a scapegoat.

This propaganda pattern was very clear in the first days of Benito Mussolini's rise to power, and it was developed to its ultimate extreme in Adolf Hitler's climb to the dictatorship of Germany.

### C. THE THREAT TO OUR ECONOMIC HEALTH

#### 1. *The money cost*

The depression of the 1930's cost in money more than the war debt of World War II.

In business volume the depression of the 1930's cost 350 billion dollars; in business profits, corporate and other, it cost 106 billion. In farmers' net income it cost 24 billion. In wage and salary income to workers it cost 175 billion.

In the early 1930's banks, railroads, States, and cities were bankrupt. The Federal Government was compelled to step in with money and with guaranty of credit. The RFC loaned billions to private concerns and to States and cities. Huge outlays were made to save the banks, the railroads, and State and local governments. Revenue collections dropped and the national debt increased.

There is only one thing that this rich Nation cannot afford—another major depression. The war has left the Federal Government with a huge financial liability in the claims of millions of bondholders. The taxes needed to finance these payments can be collected without hardship only from a full-employment national income. They will be oppressive if income and employment are permitted to drop.

#### 2. *The cost in human resources*

There are various estimates of the number of millions of man-hours lost through unemployment during the depression of the 1930's.



Concealed in the unemployment figures are unknown losses through partial unemployment, through partial use of skills, through deadening of the will to work. But the figures as quoted are sufficiently disturbing.

More important, however, is the damage to the vital factor in our national economic life—the hope of improvement, the desire for betterment. In the early 1930's about one-third of our workers were unwanted, and all the rest shared in the fear of being unwanted. Hardly a family escaped the burden of some relative who had lost his job. All shared or feared the bitter necessity of abandoning the living standards to which they had become accustomed. All shared the frustration of the loss of skills, the loss of effective productive capacity, the loss of economic competence, the loss of self-respect, the loss of pride, the loss of ambition, the loss of hope. These injuries to human dignity will not again be tolerated by a free and self-reliant people.

#### D. THE THREAT TO WORLD PEACE

In the postwar world there will be competition among nations and—if we believe our tenets of competitive enterprise—this is as it should be. If this competition takes the form of rivalry to see which nation can provide the better living standards and the more liberty and opportunities for its citizens, then the result should be favorable in terms of the advancement of the human race.

But if inadequate markets at home cause nations to adopt restrictive measures in foreign trade, there can be only one outcome: Continuous economic warfare and the ever-present threat of a Third World War.

It is impossible to construct a picture of economic health in the postwar world without assuming economic health in the United States. Our direct responsibilities to our own citizens and our direct or implied moral responsibilities to the world compel us to action that will assure economic health in the United States—and this means full employment.

### III. THE PRINCIPLES OF THE FULL EMPLOYMENT BILL

The basic principles of the bill are contained in sections 2, 3, 4, and 5.

Section 1 merely sets forth the short title. Section 6 is designed to prevent any possible interpretation that the bill directs or authorizes Government operation of war plants, forced labor, any change in appropriation procedure, or the carrying out of any program not otherwise authorized by law.

Section 2 deals with the fostering of free competitive private enterprise, the right to employment opportunity, the responsibility of the Federal Government to assure continuing full employment, the policy on Federal investment and expenditure, and the policy of full employment without economic warfare.

Sections 3 and 4 provide for the preparation and transmission to the Congress of a national production and employment budget.

Section 5 sets up a joint congressional committee on the national budget.

A. FOSTERING OF FREE COMPETITIVE PRIVATE ENTERPRISE, SECTION 2 (a)

Subsection (a) of section 2 declares that—

It is the responsibility of the Federal Government to foster free competitive private enterprise and the investment of private capital.

This principle is based upon the conviction that full employment and free enterprise are twin objectives. It is based upon the rejection of the belief that sustained full employment is impossible under our free enterprise system. In fact, we cannot have continuing full employment under our institutions without the expansion of private enterprise and the investment of private capital. Full employment without free enterprise, granted that it could be obtained that way, would be contrary to the traditions and desires of the American people.

B. THE RIGHT TO AN OPPORTUNITY FOR EMPLOYMENT, SECTIONS 2 (c) AND 2 (b)

Subsection (c) of section 2 in setting forth the responsibility of the Federal Government to assure continuing full employment begins as follows:

In order to assure the free exercise of the right to an opportunity for employment set forth above \* \* \*

And above, in subsection (b) of section 2 it is declared that—

All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

To quote from the report presented to the Senate Committee on Military Affairs, on September 18, 1944, by the then Senator from Missouri, Mr. Truman, and the Senator from Montana, Mr. Murray:

No thoughtful American—no matter what his creed or station in life—would deny that every man or woman in the country who is willing to work and capable of working has the right to a job.

President Truman restated his views on this subject in his message to Congress of September 6, 1945, in which he called for—

a national reassertion of the right to work for every American citizen able and willing to work.

In the same message, President Truman quoted the economic bill of rights presented to Congress on January 11, 1944, by the former President, Franklin D. Roosevelt. He reemphasized the first of the economic rights set forth by President Roosevelt:

The right to a useful and remunerative job in the industries, or shops, or farms, or mines of the Nation.

In our industrial age, the right to employment opportunity is basic to all our other rights as free men and women. As stated by Msgr. John O'Grady, secretary of the National Conference of Catholic Charities, in his testimony before the subcommittee (p. 1009):

The time has, therefore, come to devise ways and means of implementing the individual's right to a job. There is no use in implementing his other rights if we overlook this basic right.

The affirmation of this right emphasizes the supremacy of the individual, as opposed to the state. It emphasizes the fact that the sole purpose of government is to serve human beings. It was with



this thought in mind that Bishop G. Bromley Oxnam, president of the Federal Council of Churches of Christ in America, told the committee that—

Christianity believes that men and not things are the goal of social living. \* \* \* Democracy likewise insists upon the worth of the human being and recognizes the dignity of man. Speaking, therefore, as a Christian and an American, I regard the right to work as fundamental.

The international significance of the right to work was dramatized by the former Secretary of State, Mr. Stettinius, when, during the San Francisco Conference, he referred to the "four freedoms" of Franklin D. Roosevelt and stated that "the freedom from want encompasses the right to work, the right to social security, the right to opportunities and advancements."

Because of world-wide interest in the right to employment opportunity, and in similar human rights, the San Francisco Charter provides for the creation of an International Commission on Human Rights. In this connection, we call attention to The Eighteen Articles of Essential Human Rights,<sup>1</sup> drafted by a committee representing principal cultures of the world, appointed by the American Law Institute. The chairman of this committee is Prof. William Draper Lewis, director of the American Law Institute. Article 12 of the 18 articles reads as follows:

Everyone has the right to work.

The state has a duty to take such measures as may be necessary to insure that all residents have an opportunity for useful work.

The right to work has occasionally been misinterpreted as a right to specific jobs of some specific type and status. This misinterpretation has been answered by the Senator from Montana, Mr. Murray, in the following statement:

The right to a job does not mean guaranteed jobs carrying set salaries and definite social standing. It is not the aim of the bill to provide specific jobs for specific individuals. Our economic system of free enterprise must have free opportunities for jobs for all who are able and want to work. Our American system owes no man a living, but it does owe every man an opportunity to make a living. That is the proper interpretation of the right to work.

The statutory enunciation of the right to employment opportunities does not imply resort to the courts. The redress for individuals who feel that they do not have the opportunity to exercise this right is through action either to have their Government improve its economic program or to obtain an improved administration of the Government.

#### C. THE RESPONSIBILITY TO ASSURE CONTINUING FULL EMPLOYMENT SECTION 2 (c)

Subsection (c) of section 2 declares that—

\* \* \* the Federal Government has the responsibility to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

This principle is based upon the universally recognized fact that fear of unemployment and dwindling markets restrains business investment and consumer buying—and thereby breeds unemployment and dwindling markets.

<sup>1</sup> See appendix F.

Only the assurance that there will be sustained full employment can overcome this fear. Pious phrases about "encouraging" or "promoting" full employment will not help.

Only the Federal Government can provide this assurance. Business, by itself, cannot assume the responsibility for assuring full employment. This is readily admitted by the overwhelming majority of businessmen. Neither State governments nor local governments, by themselves, can assure full employment. This is well recognized by our governors and mayors.

The exercise of this responsibility by the Federal Government cannot detract in any way from the innumerable responsibilities of industry, agriculture, labor, and State and local governments. In fact, the successful discharge of the Government's responsibility will ultimately depend upon the extent to which these groups properly exercise their own responsibilities. This fact has been admirably presented by Mr. Ralph E. Flanders in his letter to the chairman on June 14, 1945 (p. 205 of the record). A few brief quotations from Mr. Flanders' letter are here in order:

On business devolves the duty of operating at its best possible efficiency and of thereby making it possible for it to expand production and employment, which it should do to the limit of its capacity for solid, sustained growth. It has no duty to furnish employment at a continued loss. \* \* \* Organized labor has serious responsibilities in implementing the right to a job. \* \* \* Local and State governments have duties in connection with the wisdom of their tax policies, the effectiveness of their preservation of human and property rights, and, in particular, the timing of construction work and any other expenditures which are not on a current basis.

Subsection (e) also affirms that continuing full employment means "the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work."

"Continuing full employment," therefore, does not necessarily refer to a situation in which everybody willing and able to work is working. It merely means that the opportunities to work must exist. While statisticians may argue among themselves as to how much "frictional unemployment" is unavoidable under conditions of "continuing full employment," it is obvious that there will always be a certain percentage of individuals who, although willing and able to work, will not be working. There will always be a certain percentage of unfilled job opportunities.

Since all calculations of the labor force and employment include the self-employed in industry and agriculture, the words "employment opportunities" are also to be construed as including the self-employed in industry and agriculture.

Some of the fundamental reasons why we need the assurance of continuing full employment are also set forth in subsection (c).

Above all, this assurance is needed in order "to assure the free exercise of the right to an opportunity for employment."

As stated by the then Senator from Missouri, Mr. Truman, and the Senator from Montana, Mr. Murray, in the Military Affairs Subcommittee report of December 18, 1944—

the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion for our peacetime economy so that it will be capable of assuring full employment.

Point 1 of subsection (c) emphasizes that this assurance is necessary in order to "foster free competitive private enterprise and the investment of private capital." Without full employment, the markets



will not exist to make private enterprise profitable. Without the assurance of sustained full employment, private enterprise must cope not only with the normal risks of competition but also with the risk of mass unemployment and the risk of unstable and inconsistent Government policies which always flow from mass unemployment. When business faces the risks of mass unemployment and the risk of unstable and inconsistent Government policies, business will inevitably look for ways to eliminate the risk of competition. This means private restrictions on prices and production, an increased trend toward monopolization of business activities, and the destruction of competitive enterprise.

The assurance of continuing full employment will provide confidence in the existence of markets sufficient to absorb the goods and services produced by private enterprise. It will thereby contribute to the elimination of the risk of mass unemployment and the risk of unstable and inconsistent Government policies. By so doing, it will allow business to forego restrictive practices and aggressively face, rather than dodge, the risks of competition.

Points 2, 3, 4, 5, and 6 of subsection (c) emphasize that the assurance of continuing full employment is essential in order to promote the general health and welfare of the Nation, foster the American home and American education as the foundation of the American way of life, raise the standard of living of the American people, provide adequate employment opportunities for returning veterans, and develop trade and commerce among the several States and with foreign nations.

Point 7 asserts the fact that the assurance of sustained full employment is necessary to "maintaining expanding markets for agricultural production and assuring expanding income for agriculture enterprise." Without full employment, no postwar agricultural program—no matter how far it may go in supporting farm prices or in subsidizing individual groups—can succeed in preventing acute depression and widespread hardship in the rural and agricultural areas of the country. As stated by Albert Goss, Master of the National Grange:

There can be no prosperity for agriculture without full employment. We recognize that as clearly as anyone. In fact, whenever we have had a prosperous agriculture, there has always been full employment

Naturally, sustained full employment will not provide a substitute for an effective agricultural policy. In fact, a sound agricultural policy will have to be an essential part of the full-employment program under this legislation.

Points 8, 9, and 10 in subsection (c) bring out the need for the assurance of continuing full employment in order to contribute to the economic development of underdeveloped areas of the country, encourage and strengthen competitive small business enterprise, and strengthen the national defense and security.

The final point, point 11, is of particular significance. It stresses that one of the major purposes of assuring full employment is to "contribute to the establishment and maintenance of lasting peace among nations."

In his statement before your subcommittee, the Honorable James F. Byrnes, Secretary of State, emphasized that the success of our international policies will—

depend, in large measure, upon the character of the policies which we pursue at home \* \* \*. The victory we have won is in a large measure attributable to

the magnificent performance of the American economy at war. In the years ahead, the performance of the American economy will determine, in equally large measure, whether we shall win the peace.

Secretary of State Byrnes also pointed out that the same fear of mass unemployment in America which exists today throughout this country also exists in other countries. He explained that this fear on the part of the other nations undermines American prestige and may well contribute to a renewal of economic warfare. His words deserve to be indelibly imprinted in the minds of all thoughtful Americans:

The fear that is felt today in many foreign capitals, is not that America will misuse its vast economic powers but that we may fail to use them to the full. If this fear is realized, the prestige and the influence that we have earned in every part of the world will be thrown into jeopardy and the success of our proposals for world reconstruction will be imperiled.

Nations will not long adhere to liberal trading principles if they feel their own stability is threatened by the persistence of depressions which may originate outside their borders. On the contrary, they will raise new barriers to trade in an effort to insulate themselves against a troubled world. There will be a renewal of competition in restriction; trade, instead of expanding, will contract. In such an atmosphere, the will for international cooperation, on other fronts, may be lost. This is the danger that must be averted if our hopes for peace and plenty are not to fail.

On the basis of these facts, Secretary Byrnes endorsed the principles of the bill, and made the following statement thereon:

Its enactment would demonstrate to the other nations of the world, in a dramatic way, that this country is determined to prevent depressions and to eliminate mass unemployment. It would thus contribute to the establishment of a liberal trading system and the attainment of an expanding world economy.

Mr. Ulric Bell, executive vice president of Americans United for World Organization, made a similar point in his testimony supporting the full employment bill. Stated Mr. Bell:

Sustained employment in the United States undoubtedly would increase the confidence of other nations in the ability of this country to contribute potency to the world organization. That uncertainty out of which grow political abuse and military devastation is a byproduct of unstable economic conditions. The rest of the world is watching us to see whether we can manage our abundance and enjoy it, to the benefit of all nations, in the time of peace, without sacrificing our free enterprise system.

#### D. POLICY ON FEDERAL INVESTMENT AND EXPENDITURE, SECTION 2 (d)

Section 2 (d) describes the type of economic program needed to make good on the assurance of continuing full employment.

First of all, it indicates that the Government must have "a consistent and carefully planned economic program." This is based upon the fact that there cannot be an employment program as distinguished from the entire economic program of the Federal Government; everything the Government does has some bearing upon employment and production.

A number of specific fields of Federal action—such as taxation and agriculture—are specifically mentioned, in order to emphasize that the Government's program must be completely comprehensive and cover all its revenue, investment, expenditure, service and regulatory activities. This program, naturally, includes public works and public services.

Moreover, the Government's program is to be developed "in cooperation with industry, agriculture, labor, State and local governments and others." This recognizes the fact that cooperation between these groups and their Government is a *sine qua non* of any full employment program.



Finally, section 2 (d) sets forth certain necessary characteristics of the "economic program."

The first and foremost is that it should—

(1) stimulate, encourage, and assist private enterprises to provide, through an expanding production and distribution of goods and services, the largest feasible, volume of employment opportunities.

The second is that the program should—

(2) stimulate, encourage, and assist State and local governments, through the exercise of their respective functions, to make their most effective contribution to assuring continuing full employment.

The third is that the program should—

(3) provide for an income for the aged sufficient to enable them to maintain a decent and healthful standard of living, and promote the retirement from the labor force of the older citizens.

The fourth is that the program should—

(4) to the extent that continuing full employment cannot otherwise be assured provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment. Such Federal investment and expenditures, whether direct or indirect, or whether for public works, for public services, for assistance to business, agriculture, home owners, veterans, or consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.

The policy set forth in these provisions is extremely close to that enunciated by Gov. Thomas E. Dewey, in San Francisco on September 21, 1944:

Government's first job in the peacetime years ahead will be to see that conditions exist which promote widespread job opportunities in private enterprise \* \* \*. If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours.

If there is any difference between these two policies, it is that the latter goes much further. Governor Dewey says that, if necessary, the Government "must create job opportunities."

The full employment bill, on the other hand, provides not for the direct creation of work by the Government but, if necessary, merely for "such volume of Federal investment and expenditure as may be needed \* \* \* to assure continuing full employment." This can include loans or grants to State and local governments and other "assistance to business, agriculture, home owners, veterans or consumers."

The policy on Federal investment and expenditure set forth in paragraph (4) of section 2 (d) indicates that the Government means what it says and will assure continuing full employment. It serves notice that the Government will not allow any rigid mathematical formula on the balancing of the Federal Budget to interfere with its moral and legal commitment to assure continuing full employment.

This policy is essential if we are to avoid the large-scale Government expenditures that will be inevitable if we have widespread unemployment. General knowledge of the mere readiness of Government to provide additional investment and expenditure, to the extent needed, and thereby to assure sufficient markets for the goods and services

produced at full employment, will largely reduce the need for Federal investment and expenditure.

Furthermore, the program clearly emphasizes the intention of the Federal Government not to use Federal investment and expenditure except to the extent that is absolutely necessary.

It clearly and uncompromisingly establishes a firm priority upon the creation of an economic climate in which private enterprise can "provide, through an expanding production and distribution of goods and services the largest feasible volume of employment opportunities."

It clearly and uncompromisingly establishes a priority upon measures to assist State and local governments "to make their most effective contribution to assuring continuing full employment."

It clearly sets forth the objective of reducing the size of the labor force by making more attractive the voluntary retirement of the older citizens.

Finally, by providing the machinery for developing a "consistent and carefully planned economic program" it emphasizes the need for the use of the Government's entire "tool chest" in order to stimulate private activity and minimize the necessity of investment and expenditure by the Federal Government. The breadth of this "tool chest" is described in detail in the testimony of Mr. Harold D. Smith, Director of the Bureau of the Budget (pp. 902-931 of the record).

The following quotation from Mr. Smith is also relevant:

Several critics of the full employment bill have suggested that the bill is designed to pave the way for huge deficit spending. This is a distortion of the meaning of the bill. \* \* \* It is my conviction that a policy designed to prevent depression and unemployment is the best contribution we can make to holding down Federal expenditures and the public debt.

This fact has also been emphasized by the Honorable Fred M. Vinson, Secretary of the Treasury (p. 965 of the record):

There is one point I want to emphasize particularly. This is not, as many seem to believe, a mere spending bill or deficit financing bill. Whenever there is inadequate demand, the primary duty of the Government under this bill will be to encourage an expansion of consumption and investment and the private purchase of the products of industry.

In a similar vein, Dr. Ernest Minor Patterson, professor of economics, Wharton School of Finance and Commerce, University of Pennsylvania, made the following statement:

I urge, secondly, in connection with any proposals that may eventuate as a result of the passage of the bill, that in all probability the expenditures will be less than would be incurred if no plans are laid and if emergency measures have to be presented and acted upon when the emergency arises.

The proposals, if intelligently carried out, would directly or indirectly be productive of expenditures to a considerable extent and would actually add to the national income, while a great many hurriedly proposed relief measures are apt to amount to merely a redistribution of a smaller national income.

Attention is called to the fact that subsection (d) is to avoid another WPA. In addition to orientating the Government's program toward preventing a situation such as gave birth to the WPA during the 1930's, it provides that Federal construction be performed under contract, except in special circumstances, and under laws relating to labor standards. Naturally, this should not be construed as indicating that "Federal investment and expenditure" is limited to construction activities.



Subsection (d) also sets up a general standard to govern Government's investment and expenditure program. This standard is that the program—

shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.

#### E. FULL EMPLOYMENT WITHOUT ECONOMIC WARFARE, SECTION 2 (e)

Subsection (e) of section (2) provides that:

It is the policy of the United States to discharge the responsibilities herein set forth in such a manner as will contribute to an expanding exchange of goods and services among nations and without resort to measures or programs that would contribute to economic warfare among nations.

This provision is based upon the amendments offered by the Senator from Oregon, Mr. Morse, the Senator from New Hampshire, Mr. Tobey, the Senator from Vermont, Mr. Aiken, and the Senator from North Dakota, Mr. Langer. It emphasizes that the day of economic isolationism in America is over. It indicates that the full employment program will be oriented toward obtaining "an expanding exchange of goods and services among nations."

It also declares to all the world that America is not interested in obtaining additional employment within its borders through an imperialistic drive for markets throughout the world.

This provision, in an earlier form, was endorsed by the Honorable James F. Byrnes, Secretary of State, in his letter to the chairman of August 18, 1945. In this letter, Secretary Byrnes made the following statement:

The proposed amendment is in accord with the position of the Department as expressed in its letter to you of March 31, 1945. It gives explicit recognition to the substantial contribution which higher levels of foreign trade can make to the success of our domestic full employment program, and stresses the importance of avoiding measures which would be detrimental to other countries.

I believe that it is highly important that the act should contain such a declaration which clearly indicates that it is the policy of this Government to achieve the objectives of the act through measures which will contribute to an expansion of world trade and investment and without resort to measures which are likely to create unemployment in other countries. Full employment and higher standards of living for the people of the United States are dependent in large degree upon a stable and prosperous world economy. Only if all countries work together in the achievement of these basic economic goals can we hope to create a firm foundation for the peace which has been achieved at such great cost.

#### F. THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET, SECTION 3 AND SECTION 4

Section 3 provides that at the beginning of each regular session the President shall transmit to the Congress a national production and employment budget. The most important features in this budget are:

1. A statement of economic goals;
2. An appraisal of current economic trends; and
3. A general program for attaining the goals.

Paragraph (1) of section 3 (a) indicates that these goals are to be stated in terms of—

the number of employment opportunities needed for full employment, the production of goods and services at full employment, and the volume of investment and expenditure needed for the purchase of such goods and services—

in other words, in terms of employment, production, and consumption. This recognizes the fact that employment depends upon production, and production depends upon the purchase of the goods and services that are produced. To speculate as to which of the three comes first is like the old argument about the chicken and the egg; the essential point is that all three are of equal importance.

Paragraph (2) closely parallels paragraph (1). It provides for a presentation of "current and foreseeable trends" in employment, production, and consumption.

Paragraph (3) of section 3 (a) calls for the submission of a general program to achieve the goals set forth on employment, production, and consumption. It is to be based upon the principles set forth in section 2 and to include—

whatever recommendations for legislation the President may deem necessary or desirable.

It is also to include—

whatever measures he may deem necessary to prevent inflationary or deflationary dislocations or monopolistic practices from interfering with the assurance of continuing full employment.

Subsection (b) provides that the national budget shall include—

a review of the economic program of the Federal Government during the preceding year and a report on its effect upon the amount of national income and upon the distribution of the national income among agriculture, industry, labor, and others.

Subsection (c) calls for quarterly reports to Congress. This means that the President must regularly review his goals, his appraisal of economic conditions, and his general program, and submit the results of this review to the Congress.

Subsection (d) provides that the national budget shall be referred to the Joint Committee on the National Budget.

Section 4 deals with the preparation of the national production and employment budget.

Subsection (a) provides that it would be prepared—

under the general direction and supervision of the President, and in consultation with heads of departments and establishments.

The administrative machinery to be used in preparing the national budget must be left to the President's discretion—since it is his program and his responsibility. Only experience can indicate what type of administrative machinery would prove most effective. It would be a serious error to freeze a specific set-up into law before any experience had been gained in the preparation of a national budget. The President should be left unhampered to work out the problem.

Subsection (b) provides for mandatory consultation with economic groups and State and local governments on the preparation of the national budget. No specific boards or committees are established. This, also, must be worked out on the basis of experience. It is possible that a number of boards set up for specific purposes or for a specific length of time may prove most effective.

Testifying before the subcommittee, Mr. John W. Snyder, Director of War Mobilization and Reconversion, highly approved the principle of a national budget. Mr. Snyder stated:

This bill provides a procedure for determining the state of health of the country as far as production and employment are concerned. It is a barometer by which to gage the economic climate.



The information which would be furnished the Congress would contain not only comprehensive analyses of current economic conditions but also a forecast of future conditions. Perfect forecasting is, of course, out of the question, but judgments concerning the future are necessary in any case. Businessmen make such judgments and base production plans upon sales forecasts, as do concerns in planning construction programs for a year or more in advance.

Mr. Harold D. Smith, Director of the Budget, also approved the national budget concept.

The appraisal and recommendation required by this bill—  
said Mr. Smith—

are of such importance that in my judgment, they should be transmitted not only at the discretion of the President, but should become part of his statutory responsibility. \* \* \* The basic requirements of this bill are in line with a development that began with the Budget and Accounting Act of 1921.

Mr. William Green, president of the American Federation of Labor, stated that—

The national budget which the President would be directed to prepare would aid in pressing home the responsibility of private enterprise and in disclosing next steps.

In line with Mr. Green's thesis, Mr. Harry Golden, a small businessman, testified as follows with regard to the national budget:

I am for this full-employment bill because: (1) It states definite objectives for the Nation, just as I have definite objectives in my own business. I am for this bill because (2) once a year I would be advised by the President as to the outlook for employment and business during the ensuing year. In my business, I get the announcements of new automobiles and bicycle models at the start of each year and study the possible after-market for parts and accessories the following year.

In urging the early enactment of the full-employment bill, your committee points out that if this measure is promptly written into law, the Congress will receive its first national production and employment budget in January 1946, at the beginning of the coming session.

The transmittal of a national budget at that time will be of incalculable value to the Congress in its efforts to deal with the many perplexing problems of reconversion and postwar adjustment.

#### G. THE JOINT COMMITTEE ON THE NATIONAL BUDGET, SECTION 5

Section 5 establishes a joint committee composed of 15 Members of the Senate and 15 Members of the House of Representatives. This committee would make a continuing study of matters relating to the national budget.

The purpose of this joint committee was admirably expressed in the testimony of Albert S. Goss, master of the National Grange (p. 824):

Too frequently we have approached the consideration of such basic economic problems as taxation, transportation, tariffs, labor legislation, farm legislation, financial legislation, and a host of others in a detached and narrow manner, without adequate consideration for the effect of the policy established upon our whole economy. Every sore spot affects our whole economy, but we have been too much inclined to consider each problem separately. Here, in the joint committee, the interdependence of all segments of our economy would be recognized in a practical way.

After making a study of the national budget, the joint committee is to prepare and report a joint resolution to be acted upon by the

Congress. This resolution would indicate acceptance, with or without reservations, or rejection of the President's program.

The joint resolution would be accompanied by a report summarizing the committee's "findings and recommendations with respect to each of the main recommendations made by the President in the national budget."

The joint resolution—

to quote Representative Wright Patman of Texas, House sponsor of the bill,

would then become the basis for a Congressional debate on national economic policies. This debate would focus upon the relationship of the Federal Budget and the economy as a whole. It would help to orientate the thinking of our Congress and of our people in terms of the whole economic picture. It would make a tremendous contribution to the prestige of Congress and to the general public understanding of the national problem and national issues.

Today there is no single vehicle through which the Congress can make a decision on the entire Federal Budget or upon the general policy of the Government.

The joint resolution provides the vehicle for such a decision. When agreed to, it would serve as a framework and guide for the development of individual policies and programs. It would help provide that over-all consistency which business investors need if they are to make future plans for expansion. It would also provide the flexibility needed to meet changing conditions.

Finally, we should like to quote the statement made with respect to the joint committee by the Honorable Clinton P. Anderson, Secretary of Agriculture, and a former Member of the House of Representatives (p. 523):

Although the establishment of this joint committee of the Senate and House of Representatives is an innovation in congressional procedure, I believe that it is a sound and desirable step. It will greatly simplify and improve the present congressional procedures for handling budgetary legislation.

#### IV. IMPLEMENTATION OF THE FULL EMPLOYMENT BILL

##### A. COMPREHENSIVE PROGRAM NEEDED TO IMPLEMENT BILL

The enactment of the full employment bill, by itself, will not assure continuing full employment. This was clearly pointed out in the report submitted to the committee on May 30, 1945, by the Honorable Fred M. Vinson, in his capacity as Director of War Mobilization and Reconversion.

S. 380 does not profess to present a fully conceived program for the achievement of full employment—

stated Mr. Vinson.

It is the necessary first step from which a full-dress program of economic policies to promote the well-being of our free competitive economy will stem.

On August 31, 1945, Mr. Vinson again emphasized this point, stating that the full employment bill—

is a landmark, but not the end of the road.

On September 1, 1945, testifying on behalf of the full employment bill, the Honorable John W. Snyder, who has succeeded Mr. Vinson as Director of War Mobilization and Reconversion, stated this point in the following fashion:

Some have the impression that the full-employment bill in itself, when passed, will produce jobs. Of course, it will not produce as much as a single job. What it does is to fix a responsibility on the President and the Congress with respect to the attainment of full employment and provide an effective mechanism to assure that the Congress will be in a position to discharge these responsibilities.



## B. MANY PROGRAMS SUBMITTED DURING HEARINGS

There was general agreement among the witnesses who testified before the subcommittee that it would be impracticable to try to write into the full employment bill specific programs in any one or more fields of action.

There was also substantial agreement on the various fields of action that should be covered in any program to implement the bill. The major fields that were mentioned are, without reference to the order of importance, taxation, public works and conservation, small business, natural resources, veterans' benefits and preferences, agriculture, wages and hours, and foreign trade.

There was considerable variation, however, with respect to the specific policies that might be followed in these various fields of action. The most comprehensive programs were proposed by Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago; William Green, president, American Federation of Labor; Ira Mosher, president, National Association of Manufacturers; Philip Murray, president, Congress of Industrial Organizations; and the Honorable Fred M. Vinson, Secretary of the Treasury. Appendix C contains quotations from the testimony of these five witnesses, summarizing the programs they presented to the subcommittee.

## C. MANY TYPES OF PROGRAM POSSIBLE UNDER THE BILL

In his testimony of July 30, 1945, the Senator from Wyoming, Mr. O'Mahoney, presented a chart to the committee which indicates that there are three different types of full-employment programs that might be developed. This chart is printed on page 37 of the hearings, and deserves careful study.

The three alternatives in Senator O'Mahoney's chart are—

- (a) High business investment.
- (b) High Government expenditures.
- (c) High consumers' expenditures.

Upon introducing the full-employment bill in the Senate, the Senator from Montana, Mr. Murray, also developed this point. Stated Senator Murray:

The full employment bill recognizes that we live in a world of changing conditions and changing requirements in national economic policy. For that reason, it provides no fixed proportions of the national budget to be supplied by consumers, business, or Government. In certain circumstances, Congress may find it desirable or necessary to provide:

First. A national budget that emphasizes increases in consumers' expenditures;

or  
Second. A national budget that emphasizes increases in the capital outlays of business; or

Third. A national budget that emphasizes increases in Government expenditures.

Naturally there could be all degrees of difference between these three general types, as well as combinations of any types.

\* \* \* \* \*

It is my own personal opinion—and I have stated this before on the floor of the Senate—that the royal road to prosperity is high wages, low prices, and a tax system that is unequivocally based upon the ability to pay and the encouragement to produce. It is my belief that in this way, with only moderate Government expenditures for desirable Government services, we could achieve a more equitable distribution of the national income which would give us an unprecedented expansion in consumers' expenditures and a vigorous, though not excessive, expansion in the capital outlays of business.

But my personal opinion on how the national economy might best be balanced is not relevant to the question of how it would be balanced under this bill. The specific national budget that would result in any given period would be determined, not by the operations of any one individual or any one group but on the basis of that active interplay between all groups and all our political leaders which is the very essence of the democratic process in our democratic America.

## V. WIDESPREAD SUPPORT FOR THE FULL EMPLOYMENT BILL

The principles of the full employment bill have been firmly and specifically endorsed by President Truman, Secretary of the Treasury Fred M. Vinson, Secretary of Agriculture Clinton Anderson, Secretary of Labor Lewis B. Schwellenbach, Secretary of Commerce Henry A. Wallace, Director of the Budget Harold D. Smith, and other officials in the executive branch of the Government.

They have also been strongly endorsed by innumerable businessmen.

They have received the strong support of all sections of organized labor.

They have been endorsed by farm leaders, religious leaders, and experts in all walks of life.

A partial list of the organizations that have endorsed the bill include the following:

- The American Federation of Labor.
- The Railroad Labor Executives Association.
- The Congress of Industrial Organizations.
- The United Mine Workers.
- The American Association of Social Workers.
- American Jewish Congress.
- Americans United for World Organization.
- American Veterans Committee.
- Brotherhood of Maintenance of Way Employees.
- Brotherhood of Railroad Trainmen.
- Business Men of America, Inc.
- Central Council of American Rabbis.
- Council for Social Action of the Congregational Christian Churches.
- Disabled American Veterans.
- Hosiery Wholesalers National Association.
- Independent Citizens' Committee of the Arts, Sciences, and Professions.
- League of Women Shoppers.
- Methodist Federation for Social Service.
- National Association for the Advancement of Colored People.
- National Board of Young Women's Christian Association.
- National Catholic Welfare Conference.
- National Conference of Jewish Women.
- National Consumers League.
- National Council of Negro Women.
- National Council of Scientific, Professional, Art, and White Collar Organizations.
- National Council for the Social Studies.
- National Education Association of the United States.
- National Farmers Union.
- National Grange.
- National Lawyers' Guild.
- National Urban League.
- National Women's Trade Union League of America.
- Non-Partisan Council of Alpha Kappa Alpha.
- Southern Conference of Human Welfare.
- Synagogue Council of America.
- Union for Democratic Action.
- United Christian Council for Democracy.
- United Council of Church Women.
- United States Conference of Mayors.
- United Steel Workers of America.



The majority of the witnesses who testified before the subcommittee also supported the bill. The names of all the witnesses appear in appendix A. Appendix B contains a set of excerpts from their testimony relating to—

- (1) The right to employment opportunity;
- (2) The Government's responsibility to assure continuing full employment;
- (3) The policy on Federal investment and expenditures;
- (4) The national production and employment budget; and
- (5) The Joint Committee on the National Budget.

The great majority of correspondents whose letters appear in the record have also endorsed the bill.

This widespread support for the full employment bill is reflected in its broad sponsorship. In the Senate it is cosponsored by eight Members. In the House it is cosponsored by 106 Representatives. In each House the sponsorship includes members of both the Democratic and Republican Parties.

## VI. THE OPPOSITION TO THE FULL EMPLOYMENT BILL—AND THE ANSWERS

The great majority of the witnesses who testified on the bill endorsed its principles.

The opponents were in a decided minority. In fact, the chairman of the committee personally solicited testimony from some who had publicly expressed their position against the bill, or who were regarded as possible opponents of the bill, but who subsequently decided that they were not interested in appearing against this measure.

Nevertheless, there has been a certain amount of vocal opposition to the bill. This has appeared in privately circulated articles and brochures. It has appeared in a portion of the press. It has appeared in the testimony of Ira Mosher, president of the National Association of Manufacturers; William L. Kleitz, vice president of the Guaranty Trust Co. of New York; and James L. Donnelly, executive vice president of the Illinois Manufacturers Association; as well as in some of the letters sent to the chairman of the committee.

Accordingly, we feel that it is important to summarize the main arguments which have been made against the basic principles of the full employment bill.

Upon examination, we find that the major opposition to the bill is based upon the conviction that—

- A. Continuing full employment is impossible under our free enterprise economic system;
- B. Continuing full employment is in itself undesirable; and
- C. The responsibility of the Government should be limited to the relief of destitution.

Naturally, there are other arguments made. But these other arguments—whether they deal with the role of Government expenditure or with the feasibility of the National Budget—usually consist of a re-statement in different language of one or another of the above arguments.

In the same way the amendments that have been proposed to weaken or cripple the bill are usually based upon the philosophy that continuing full employment is impossible under our economic system—that it would be undesirable in any case, or that the Government's responsibility should be limited to the relief of destitution.

In view of the importance of these arguments, an analysis of each is herewith presented—together with the answer to each.

This list includes not only the three fundamental arguments referred to above, but also a number of variations on the same theme.

#### A. CONTINUING FULL EMPLOYMENT IS IMPOSSIBLE UNDER OUR ECONOMIC SYSTEM

This argument takes two forms.

The first is that booms and depressions are inevitable.

In his testimony of Tuesday, August 28, 1945, Mr. William L. Kleitz, vice president of the Guaranty Trust Co., New York City, stated that—

I think that they (depressions) are inevitable under the free enterprise system and that the best we can hope to do is to limit their depth and their duration.

One of the correspondents whose letter appears in the record (p. 140) has stated:

There is no question but what this country made the greatest progress that has ever been made by any nation up to the point of the great depression in 1932. This was made in alternate increases and declines in business. We will always have these because that is human nature \* \* \* it cannot be overturned by laws, and it cannot be changed by laws \* \* \*.

A more elaborate presentation of this doctrine of the inevitability of depression is provided in an attack upon the full employment bill entitled, "Full Employment and the National Budget" which has been printed and widely circulated by the Citizens National Committee, Inc. This brochure charges that the full employment bill rests upon the fallacious assumption "that 'full employment' is practicable as well as desirable." The following quotation from this brochure (p. 15) is particularly relevant:

The practicability of such a full employment objective is dubious. At only a few times in our national history—during relatively brief periods of extraordinary wartime activity—has there been a condition nearly approaching full employment.

This approach is echoed by those who say that they agree with the objectives of full employment, as set forth in the proposed legislation, but that they are afraid it is leading people to expect too much.

The second form in which this argument is stated is that continuing full employment would mean regimentation.

Those who claim that full employment is impossible under our system point not only to the experience of the past but also to the experience of other countries. Russia provides full employment, they point out, but on the basis of a socialist system. Germany and Italy provided full employment, they state, but on the basis of a Fascist state. Therefore, we cannot have full employment except through a change in our own economic system.

The Citizens National Committee brochure puts the argument as follows:

Of course, it would be possible to provide extensive employment if something akin to wartime conditions were perpetuated by adoption of a form of totalitarian economy such as exists in Russia or formerly existed in Germany. Such action does not appear to be contemplated within the framework of the Murray bill. It is difficult, however, to conceive of how full employment can be arrived at short of such a step.

In similar vein, the Chamber of Commerce of the State of New York has approved a report (March 1945 Bulletin of the Chamber of Commerce of the State of New York) which states that depressions are "the price we pay for freedom."



*The answer*

The argument that booms and depressions are inevitable is a defeatist argument.

It is on a par with saying that because we have always had wars there is no hope of averting a third world war. If this line of argument were to be followed in international relations, then there would have been no use in approving the San Francisco Charter.

In fact, if this argument were to be accepted, it would amount to breaking faith with the other nations with whom we joined in signing the San Francisco Charter—for if we have another depression in America, world-wide depression will follow and the Charter will be reduced to an empty dream.

Those who support the full employment bill maintain that continuing full employment is possible under our economic system. We believe that full employment and free enterprise are entirely compatible. We believe that each one supplements and helps the other. We have studied the lessons of past depressions and are resolved that the future of America shall not be shaped by the dead hand of the past.

Those who argue that continuing full employment means regimentation are themselves sowing the seeds of economic and political revolution. No hostile foreign agent could do more to wreck the fabric of our society than to tell our people that unemployment is the price we pay for free enterprise.

In earlier years it was customary on the part of those who yearned for the past and feared the future to brand every progressive proposal as being a step toward regimentation and the destruction of the American system. More than a century ago this argument was used against those who proposed free public schools. Later, it was used against Abraham Lincoln when he campaigned for internal improvements of the country. The same argument was made against the creation of the Federal Reserve System, the enactment of the income-tax law, the regulation of the stock exchanges, and the establishment of the right to collective bargaining.

In the case of these past measures, the net result of the cry that we were heading toward communism was to impair the reputation of those who shouted "wolf."

In the case of the full employment bill, however, those who say that full employment is impractical and that the sponsors of the full employment bill are promising too much are jeopardizing more than their personal reputes. They are publicly inviting the American people to search for some new economic system that would be compatible with sustained full employment. They are jeopardizing the future of economic and political democracy.

#### B. CONTINUING FULL EMPLOYMENT WOULD BE UNDESIRABLE

This argument breaks down into several variations.

The first is the belief that full employment is inflationary. It is argued that under conditions of sustained full employment, business would raise prices excessively, and labor would obtain excessive increases in wages, thus leading to an inflationary spiral and then inevitable collapse.

The second approach is based upon the lure of "boom and bust profits." Booms and depressions both present opportunities for an agile and well-financed few to better their fortunes. Over the past decades, many fortunes have been made by "riding the business cycle." In time of boom, there is always a small minority who can reap fabulous profits. In fact, the possibility of boom-time profits is often so attractive as to counterbalance the fear of what might happen during a subsequent depression.

Likewise, there are some who have learned to profit during periods of mass unemployment. For some large corporations, depression provides the opportunity to push small competitors to the wall. In this connection, we should like to quote from an article entitled, "We Need Those Depressions," written by Mr. Ralph B. Blodgett, head of an advertising agency in Des Moines, Iowa.<sup>1</sup>

It is to be hoped that depressions are never abolished, for they have many desirable features. Those who learn to ride the business cycle can find as many advantages in depressions as in booms—personal as well as business advantages. Smart folks take advantage of the boom \* \* \* they are then ready for depression-time bargains, bargains in every conceivable thing from a suit of clothes to a railroad.

The third variation is based upon the fear of a "tight labor market." A small minority of employers feel that full employment creates a situation in which organized labor has too much bargaining power. They prefer to have a safe "pool of unemployed."

An argument along this line is contained in the letter (p. 213 of the record) from Mr. Carlyle Fraser, chairman of the national affairs committee of the Atlanta Chamber of Commerce, which states that "private competitive capitalism requires a floating number of unemployed."

Those who advocate a floating pool of unemployed people usually believe, in all sincerity, that this pool should be kept to safe proportions. Estimates of how large the pool should be usually range from 4,000,000 unemployed to seven or eight million unemployed.

This point of view was identified—and criticized—by Mr. Charles F. Palmer, president of Palmer, Inc., also of Atlanta, Ga. (p. 727 of the record). Mr. Palmer testified immediately following Mr. Ira Mosher, the head of the National Association of Manufacturers, and began his statement as follows:

In opposition to the view of Mr. Mosher that this bill will help to bring about depression, I feel that its enactment will help to give assurance to those who fear that they will lose their jobs and to those industrialists who believe they will not be able to carry on. There may be some who may oppose such assurance being given because there are some in industry who may say they would prefer to have it out with labor now.

The fourth argument is that if there are jobs for all, people will be less interested in working. Those who advance this view, claim that there are a large number of people who go through life doing as little work as possible, and that the fear of unemployment is a necessary incentive to obtain a good day's work. Under conditions of sustained full employment, they claim that this fear would not exist and initiative would decline. In support of this theory, they allege that

<sup>1</sup> This article appeared in the University of Illinois Bulletin, Opinion and Comments, dated August 25, 1945.



during the war, as a result of the labor shortage, both initiative and productivity have disastrously declined.

The fifth argument is that the prevention of mass unemployment is sufficient. Since continuing full employment has so many undesirable characteristics, it is argued, and since it cannot be obtained in a free society, we should stop talking about the assurance of continuing full employment and limit our objective to the prevention of mass unemployment.

*The answer*

The argument that full employment is inflationary is based upon the defeatist assumption that American business and American labor would take advantage of prosperity. It is grounded upon the belief that under our free enterprise system, it is impossible to have a cooperative effort between business, labor, and government, and that under conditions of full employment, we would need regimentation to prevent inflation. This is another way of stating that continuing full employment is incompatible with free enterprise.

This argument also overlooks the basic economic fact that the fear of unemployment and depression is one of the fundamental causes of inflation. When a businessman assumes that there will be unemployment and depression some time in the foreseeable future, he tries to protect himself against the future. This means a price policy that will allow him (1) to build up reserves to help carry his business through the coming depression, and (2) to break even, or perhaps even have a profit, at the low level of production that will be necessary during the coming period of depression. Such a policy leads to inflation—and then collapse.

This fact was emphasized to your committee by the Honorable Chester Bowles, Price Administrator, in his March 27, 1945, report on the full employment bill:

In the absence of any assurance that business will continue to operate at high levels, many firms want to make all they can while the opportunity exists. I am firmly convinced that this desire to make a killing during the war, which is one of the main difficulties operating beneath the surface not only in minds of many businessmen but also farm and labor groups, is at bottom a result of fear of the future and would disappear if they had any solidly based reason to believe that large markets, high levels of production, sales, and jobs would continue as a normal characteristic of the economy rather than as a mere wartime phenomenon.

By providing an assurance that there will be sustained full employment, we shall be able to counteract or eliminate this fear of the future and thereby remove one of the most dangerous inflationary factors.

The lure of boom and bust profits has no place in civilized society. Rather than boom-time windfalls and depression bargains, the great majority of American businessmen and investors would prefer the stable profits to be obtained under an expanding economy based upon continuing full employment.

The fear of a tight labor market is likewise based upon an outmoded philosophy. It stems from the thought that wages must be kept down at all costs, and organized labor must be "curbed." In part, this reflects the fear of depression and the desire to build up huge profit reserves to serve as a cushion during the depression.

Sustained full employment in peacetime does not mean the same kind of labor markets we have had during the war. Skilled workers

who have served in the Army and Navy will soon be available. Certain types of unskilled and "marginal" labor will, to a considerable extent, voluntarily retire from the labor force. Above all, under conditions of continuing full employment, both the demand for labor and the desire to work will not be nearly so great as it has been during the war.

Those who want a "safe" pool of unemployed overlook the dynamics of our economic system. They fail to see that it would be impossible to hold any pool of unemployed to safe proportions. Men and women who are unemployed—whether they number 4,000,000 or 8,000,000—are poor customers for the goods and services produced by American industry and agriculture. Their very inability to purchase enough goods and services would precipitate a deflationary spiral that would rapidly increase the number of unemployed and bring on a major depression.

The argument that full employment would destroy individual initiative overlooks the fundamental fact that it is the desire for betterment which is the driving force in our free enterprise system. The full employment bill does not aim to assure improved status, or increased wages for individual employees; these goals can be obtained only through their individual and joint efforts. Under sustained full employment, individuals who fail to perform could and would be fired. Fear would still serve as a motive for individual initiative—but it would be the fear of "not getting ahead," rather than the fear of not having an opportunity to get ahead. The desire for advancement and improvement, on the other hand, would provide a far greater stimulus to individual initiative and to hard work than has yet been seen in our past history. Just as there is nothing that can stultify initiative more than the lack of opportunity, sustained full employment would mean an unprecedented expansion of initiative in all forms of labor and enterprise.

The belief that the prevention of mass unemployment is sufficient is merely another echo of the defeatist dogma that full employment is impossible under our economic system. Those who advance this thesis ignore the fact that a breadwinner who is unemployed will not obtain food and clothing for his family out of the thought that mass unemployment has been prevented. The fact that he is in a statistical minority will give little comfort to a veteran of this war who finds that he has no opportunity for useful and remunerative employment.

#### C. THE GOVERNMENT'S RESPONSIBILITY SHOULD BE LIMITED TO THE RELIEF OF DESTITUTION

First, it is argued that relief is cheaper. This approach has been ably presented to your committee by Mr. Rufus Tucker, chief economist of the General Motors Corp. (p. 364 of the record):

If the Government is asserted to be under an obligation to provide work for citizens, that means that the taxpayers as a whole are under an obligation to pay out money irrespective of the value of what they get for it. The taxpayers collectively may have a moral obligation to keep any citizen from starvation or excessive suffering, but it may frequently happen that that obligation can more adequately and cheaply be fulfilled in other ways than by providing jobs.



Second, it is argued that since relief is inevitable we may as well get used to the thought.

It is stated that rather than have an assurance of continuing full employment, we should plan now to have (1) a certain amount of home relief; (2) a certain amount of work relief; (3) a certain amount of public works and other forms of public investments and expenditures.

In this connection, attention is called to the statement on unemployment relief by Mr. Ira Mosher, president of the National Association of Manufacturers (p. 1223 of the record). After presenting a so-called program for permanent prosperity, this statement then proceeds to set forth the following principles to be used to cope with "depression unemployment":

That if depression unemployment occurs, which would be unemployment in excess of what the records indicate is merely the "normal" volume of frictional unemployment, then the Federal Government shall make such contributions to the States as necessary to enable them to provide the needed relief. The maximum of such contribution should not exceed a dollar-for-dollar matching of the amount contributed by the States.

That in using these funds each State shall make payments based upon the average per capita income of that State, with allowance made for the need of the recipient.

That it shall be provided that the unemployment aid may be given either in cash or in kind, or either as relief or for useful work performed, as determined to be in the best interest of the recipient by the local relief administration.

#### *The answer*

The argument that relief is cheaper than full employment ignores human values. It sets corporate reserves on a level above the health and dignity of the human being. It sets the fear of heavy taxation above our country's obligation to assure the existence of sufficient employment opportunities for all of those who fought this war, whether on the battlefield or in the factories.

The argument that relief is cheaper than full employment also ignores economic facts. In time of depression, the provision of relief may be cheaper than providing jobs. But relief is not cheaper than the prevention of depression. In fact, if we allow another depression and then adopt a relief program, we shall be spending billions of dollars that might otherwise be saved. An ounce of prevention is cheaper than a pound of cure.

The argument that relief is inevitable merely restates the theme that full employment and free enterprise are incompatible. Those who support the full employment bill have implicit faith in the strength and vigor of free enterprise.

#### D. THE RIGHT TO AN OPPORTUNITY FOR EMPLOYMENT SHOULD NOT BE WRITTEN INTO LAW

This argument takes three forms.

First, it is stated it cannot be enforced through the courts.

Second, it is stated that a statutory declaration of the right to an opportunity for employment would lead people to expect too much.

Third, it is stated that the right to employment is communistic. In attacking the bill, for example, Merwin K. Hart, president of the

National Economic Council, New York (p. 1135 of the record) quotes from article 118 of the Constitution of the Union of Soviet Socialist Republics. This article states that the citizens of the Soviet Union have:

the right to work, that is, are guaranteed the right to employment and payment for their work in accordance with its quantity and quality. The right to work is insured by the forces of Soviet society, the elimination of the possibility of economic crises, and the abolition of unemployment.

*The answer*

The statutory enunciation of the right to an opportunity for employment does not imply redress through the courts. As stated elsewhere in this report, the redress for individuals who feel that they do not have the opportunity to exercise this right is through action either to have their Government improve its economic program, or to obtain an approved administration of the Government.

The argument that the right to employment opportunity would lead people to expect too much is, like most of the opposition to the full employment bill, based upon the mistaken belief that sustained full employment and free enterprise are incompatible. The supporters of the full employment bill believe that the statutory enunciation of the right to employment opportunity is fundamental and that it would lead people to look forward to obtaining no more than what they have a just right to obtain.

The argument that the right to employment opportunity is communistic is another expression of lack of faith in our economic system. In answer to this argument before your committee, the Senator from Utah, Mr. Thomas, made the following statement:

In the beginning of the discussion of this bill it was charged that the full employment idea was taken from the Russian Constitution. The Russian Constitution does contain the concept of the right to work and the right to a job, but the idea was not taken from the Russian Constitution, although it is there; and the concept as expressed in our full employment bill and the concept as would be expressed in any American consideration would be just as different from the concept as it is worked out under a communistic-sponsored constitutional theory. It should be remembered that the basic difference between the American constitutional concept in doing for its people and doing for the individuals is that in America we have all the time the welfare of the individual person in mind.

Under the full employment bill, the free exercise of the right to an opportunity will be assured by "the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work"—in other words, by continuing full employment. It is assured by the effectiveness of our democratic form of government, the steady growth of the productive forces of private competitive enterprise and the willingness of business, labor, agriculture, State and local governments, and the Federal Government to work together in the common interest of all the people.

E. NO NEED FOR ACTION BECAUSE WE FACE A NEW ERA OF  
PROSPERITY

The argument is made that the full employment bill is unnecessary because natural forces are moving in the direction of full employment and full production.



Mr. Ira Mosher, president of the National Association of Manufacturers, names the following "prosperity factors" in the reconversion period (p. 701 of the record).

- (a) The greatest productive organization in the history of our Nation.
- (b) The greatest reservoir of new practical ways for increasing productive efficiency in the history of our Nation.
- (c) The greatest skilled-labor force in the history of the Nation.
- (d) The greatest backlog of demand for goods and services in the history of our Nation.
- (e) The greatest accumulation and the widest distribution of buying power in the hands of the public in the history of our Nation.

Such factors—

states Mr. Mosher—

spell an almost inevitable period of prosperity. Though we must anticipate certain disruptions and hardships during the transition period \* \* \* it will take only a very short while until industry again is equipped to satisfy the Nation's pent-up demands, thus producing enough goods to provide employment for all our citizens who want to work.

*The answer*

It is noteworthy that nobody who has propounded this argument has maintained that the postwar prosperity to be generated by the natural forces of accumulated demand and other factors will be permanent. Even the most ardent dramatists of the coming "new era of prosperity" admit that sooner or later such natural forces, will, if left to themselves, end in collapse and depression.

In any case our productive forces have increased so vastly during the war that it is unlikely that deferred domestic demand and the demands of other nations for the purposes of relief and reconstruction can be relied upon for more than an extremely brief period. It would be the height of folly to allow the existence of temporarily unfilled demands to lull us into a do-nothing attitude with respect to the future.

F. THE POLICY ON FEDERAL INVESTMENT AND EXPENDITURE WOULD MEAN ENDLESS DEFICIT FINANCING

First, it is argued that a huge gap would mean a huge volume of Federal investment and expenditure.

Those who make this argument usually assume an astronomical gap between the level of economic activity needed for full employment and the prospective level of economic activity. They generally suppose a situation in which a gross national product of \$200,000,000,000 is needed and in which expenditures by business, consumers, and State and local governments add up only to \$140,000,000,000. After having made these assumptions, they then allege that the Federal Government, under the full employment bill, would have to make up the difference between \$200,000,000,000 and \$140,000,000,000—that is, provide \$60,000,000,000 worth of Federal investment and expenditure.

Second, it is argued that inflated economic goals would mean huge expenditures. In other words, the higher we aim in establishing goals for employment, production, and consumption, the greater would be the possible liability of the Federal Government in supplying Federal investment and expenditure for the purpose of attaining these goals.

*The answer*

The purpose of the full employment bill is to prevent a "gap." Those who are so quick to assume the inevitability of a serious deficiency in production and consumption are thereby confessing their lack of faith in our free enterprise system.

Moreover, under the full employment bill the first resort is not to Federal investment and expenditure. Basic emphasis in the full employment program called for by this measure is upon private enterprise and upon activities by State and local governments. Federal investment and expenditure is specifically to be used only to the extent that the objectives of the bill cannot otherwise be reached. As explained in detail in part III of this report, unmistakable emphasis is placed upon the necessity of reaching these objectives with the minimum resort to Federal investment and expenditure.

Those who make this argument also overlook the stimulating effect that Government expenditures have upon private activity. A small amount of Federal investment and expenditure can, if properly planned, stimulate a large amount of business investment and consumer purchases.

There is no reason why our goals should be inflated. Under the full employment bill the goals on employment, production, and consumption transmitted by the President are to be studied by the Joint Committee on the National Budget. The Joint Committee is under obligation to submit a joint resolution to the Congress which would indicate endorsement, modification, or rejection of the President's Budget. This means that the President's goals on employment, production, and consumption could, if they are regarded as excessive, be modified or rejected. In the course of this process, those who are worried about the danger of inflated goals will have a full opportunity to present their views to both the Joint Committee and the Congress as a whole.

#### G. THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET CALLS FOR IMPOSSIBLE FORECASTS

First, it is stated; it is impossible for anyone to foresee the future.

Second, it is alleged that the Government's estimates on the Federal Budget have always been wrong.

Finally, it is stated that the President's message might itself help to produce a boom or a depression.

*The answer*

The full employment bill can be operated on the basis of short-range projections of current trends. It is incorrect to assume that precise long-range forecasts are called for in this measure. The term used in the bill is "current and foreseeable trends."

In this connection, it should be pointed out that the bill calls for a quarterly report to Congress. This means that the President would have to review both the economic goals and his appraisal of current trends in the light of the most recent economic information.

In recent decades every sensible business organization has operated on the basis of forecasts of current trends. To do otherwise would be to jeopardize the capital of those who have invested in the business.



In recent years the Government has amassed a great wealth of economic information. Not to use this information in an effort to maintain economic stability would be to jeopardize the welfare of those whom the Government has been set up to serve.

Furthermore, it is incorrect to draw a parallel between the estimates called for in the full employment bill and the Government's past estimates on the Federal Budget. Broadly speaking, the estimated Federal expenditures as contained in the Federal Budget represent the requests of the President for appropriations within the framework of congressional policies as embodied in existing legislation. Therefore, a difference between estimated and actual Government expenditures may reflect a change in Federal policies as enacted by Congress. In addition, the Budget estimates of prospective Federal expenditures have not always aimed to present a complete summary of the President's proposals for Government expenditures. For instance, the Budget message of 1935 (p. VIII) states explicitly that the estimates do not include certain expenditures which will be necessary in order to provide additional relief. A rough estimate of the supplementary appropriations that might be needed is, however, given in the text of the message. Thus the estimates contained in past Federal Budgets represented at most what it would cost to implement existing congressional policies. Owing to the accepted mechanism of supplementary appropriations there was no particular incentive to make them complete even in this respect. A difference between estimated and actual Government expenditures is accordingly due as much to the fact that these estimates were not intended to be forecasts in the sense in which this term is commonly used, as to errors in forecasting.

Moreover, the most important reason for the inaccuracy of past estimates of prospective Federal expenditures has been the existence of widespread unemployment. Another factor was the absence of any general planning framework as contemplated in the full employment bill. Since the purpose of the full employment bill is to assure continuing full employment and to establish an intelligent procedure for appraising Federal expenditures against the background of the entire economy, the enactment of this bill will contribute to future accuracy in estimates on Federal expenditures.

Finally, there is no basis whatsoever for stating that under the full employment bill the President's message would itself precipitate either a boom or a depression. It is actions more than words that affect the level of production and employment. If, in the National Budget, a President should indicate that current trends are moving in the direction of a boom, his statement could help precipitate a boom only if there were a general realization that there would be no effective action to counteract the trend toward boom. But if it were known that the Government will take measures to keep the economy on an even keel, there would be no occasion for such psychological reactions. There will be no inflationary scramble to participate in hypothetical booms which one knows will not be allowed to materialize. There is no reason to restrict business operations because of a hypothetical depression which one knows will in fact be prevented.

#### H. FULL EMPLOYMENT WITHOUT MEASURES THAT WOULD CONTRIBUTE TO ECONOMIC WARFARE IS UTOPIAN

The argument is made that if we are to increase employment through foreign trade we must take measures which may hurt other countries, either by depriving them of markets or by depriving them of sources of raw materials. Since the full employment bill calls for full employment without resort to measures or programs that would contribute to economic warfare among nations, it has been stated that the bill is utopian.

##### *The answer*

The language of section 2 (e) as now written was framed to meet the constructive criticisms of many, including the Secretary of State, who wished to make it clear that United States domestic policy would not be so written as to conflict with world peace and security. In view of our commitments under the San Francisco Charter to pursue a full employment policy, and our moral obligation as a leader among nations in the postwar world, such fears must be dismissed. Any domestic policy that would injure the legitimate interests of other peaceful nations must be rejected.

The argument that full employment cannot be achieved except through measures that contribute to economic warfare among nations is doubly defeatist. It is based, not only upon lack of confidence in our capacity to develop our domestic markets, but also upon lack of faith in the ability of the United States and other nations to work together as good neighbors rather than as deadly enemies.

#### I. ACTION ON THE BILL SHOULD BE DELAYED

First, it has been argued that the bill is not a reconversion measure and that its early passage could have no effect upon the immediate problems from war to peace.

Second, it is asserted that even if the bill were to be enacted now it could not be effective until the fiscal year of 1947.

##### *The answer*

Both of these arguments are without foundation.

The policy and procedures provided by the bill are essential to the immediate reconversion program. As the Honorable John W. Snyder, Director of War Mobilization and Reconversion, has stated:

The mechanism by which we will attain our long-range goal should be established now. If this is done, present policies can readily be integrated with long-term measures and the new machinery can be functioning effectively by the time we have finished our immediate task of reconversion.

Further, the bill will become effective immediately upon its passage. The policy set forth in the bill will become binding as soon as the measure is signed by the President. As soon as is feasible thereafter, the Joint Committee on the National Budget would be established. If the bill is enacted promptly, the President would transmit to Congress his National Production and Employment Budget at the beginning of the next session of Congress in January 1946. This National Budget would become of immediate use in the operations of the Congress and as an aid to business, agriculture, labor, and State and local governments.



J. THERE IS NO ASSURANCE OF PROPER CONGRESSIONAL ACTION WITHIN THE FRAMEWORK OF THE FULL EMPLOYMENT BILL

It has been argued that the bill is meaningless because neither this nor future Congresses will carry out its policies.

It is stated, first, that there is no assurance that there will ever be a vote on a joint resolution to be submitted by the Joint Committee on the National Budget.

Second, it is stated that there is no assurance there will be implementation of the full employment bill through proper action on specific measures.

*The answer*

It is inconceivable that a Joint Resolution setting forth approval, modification, or rejection of the President's full employment program would not be called up for action on the floor of each House. This is the normal procedure on all important measures. A resolution of this character would certainly not be allowed to die on the calendar.

The policies set forth in the bill will become binding as soon as it is signed by the President. Naturally, either this or any future Congress would always have the power, through subsequent amendments, to weaken or strengthen the policy set forth in this legislation. This does not mean the policy is not binding. The American people will regard the enactment of the bill as a firm commitment.

However, its enactment would not mean a commitment to adopt any specific type of full employment program or any specific set of legislative measures. This could not be provided for in a long-range bill which aims at establishing general policies and procedures for the development of specific programs and specific measures in tune with changing needs and changing conditions.

Under the bill, the President and the Congress jointly have the responsibility of working out our full employment program and the specific measures that add up to full employment. If they are not successful in their efforts, the people of the country will put the blame on those whom they regard as responsible for the failure.

VII. OPPOSITION AMENDMENTS TO THE FULL EMPLOYMENT BILL

Because of the widespread support for the full employment bill throughout the country, the opponents of the measure have ceased to argue that it should be defeated.

Knowing that it will be enacted in one form or another, they now favor amendments which would eliminate or weaken one or more of its basic principles.

The major amendments of this type deal with the right to employment opportunity, the Government's responsibility to assure continuing full employment, the policy on Federal investment and expenditure, and the National Production and Employment Budget.

A. AMENDMENTS TO DELETE THE RIGHT TO EMPLOYMENT OPPORTUNITY

A number of amendments have been offered to delete entirely the concept of "right" to employment opportunity.

When the bill was reported to the full committee by the subcommittee that had held the hearings on it, section 2 (b) declared that—

All Americans able to work and desiring to work have the right to an opportunity for useful, remunerative, regular, and full-time employment.

Section 2 (c), in affirming the Government's responsibility to assure continuing full employment, began with—

in order to assure the free exercise of the right to an opportunity for employment set forth above. \* \* \*

In the full committee, section 2 (b) was amended so that the words "have the right" were supplanted by the words "are entitled."

No change, however, was made in section 2 (c) which still begins with the words—

in order to assure the free exercise of the right to an opportunity for employment set forth above. \* \* \*

Other amendments would confuse the issue by adding additional rights. Any amendment of this type should also be defeated.

#### B. AMENDMENTS TO REMOVE THE ASSURANCE OF CONTINUING FULL EMPLOYMENT

A number of amendments have also been proposed to delete or qualify the Federal Government's responsibility to assure continuing full employment as set forth in section 2 (c).

The most important of such amendments would substitute a statement that the Federal Government should, consistent with its needs, obligations, and other activities, encourage action that would help the objective of full employment. Such an amendment would provide merely a weak and pious hope that full employment be attained. It would cripple the commitment contained in the bill.

In this connection, the committee regards the following statement with respect to "assure" made by the Honorable Fred M. Vinson in his testimony on this measure, as particularly relevant:

Let there be no misunderstanding as to the meaning of the word "assure." It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another.

Other proposals, by inserting legalistic verbiage in various parts of section 2 (c), would serve to confuse the issue and impair the Government's responsibility.

#### C. AMENDMENTS TO WEAKEN THE POLICY ON FEDERAL INVESTMENT AND EXPENDITURE

Four amendments have been proposed to weaken the policy on Federal investment and expenditure set forth in section 2 (d), which reads as follows:

To the extent that continuing full employment cannot otherwise be assured (such program shall) provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment. Such Federal investment and expenditure, whether direct or indirect, or whether for public works, for public services, for assistance to business, agriculture, home owners, veterans and consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.



1. The first amendment of this type would strike out this provision and substitute a provision for the mere acceleration of public works when private employment declines. The purpose of this amendment is to remove the policy of providing enough investment and expenditure, if needed, to assure continuing full employment.

The argument is made that there is a very definite limit to the amount of useful Federal public works construction in any given year—say, about \$5,000,000,000. It is then argued that if there is a serious decline in private activities, it would be impossible to assure full employment through the provision of public works.

It is true, of course, that public works alone cannot meet every conceivable emergency. But it is also true—and this point deserves particular emphasis—that “Federal investment and expenditure” as referred to in section 2 (d) is not limited to public works. It also includes public services and assistance to business, agriculture, home owners, veterans, or consumers. It includes loans and guaranties, as well as grants-in-aid and other direct disbursements. “Federal investment and expenditure,” therefore, as contrasted with Federal public works, is broad enough to meet any conceivable emergency.

Because of this fact, the provision as it now stands is well calculated to prevent emergencies. It is designed to show that the Government really “means business.” This provision provides the basis for confidence in sustained markets and will make it possible to achieve full employment with a minimum of Federal investment and expenditure. If it is stricken, the costs to the Government will be incalculably greater.

2. The second proposal of this type aims to eliminate paragraph (4) of section 2 (d) by striking out the entire section 2 (d) as it now stands and substituting a long set of specific policies in many specific fields of action.

While the basic purpose of such a proposal is to eliminate paragraph (4) of section 2 (d), this proposal has other serious implications. It would bog the bill down in endless controversy as to the merits of the specific policies enunciated in the specific fields. It would lead inevitably to proposals for additions and elaborations of the specific policies offered. It would tend to frustrate the basic purposes of the bill by writing specific programs into a measure which is designed to establish a general policy and procedure for the subsequent development of specific programs in tune with changing needs and changing conditions.

3. The third amendment of this type would restrict the Federal Government from engaging in activities competing with private enterprise. This amendment is exceedingly dangerous, since the line of demarcation between the sphere of private enterprise and the legitimate sphere of public enterprise cannot be drawn without reference to specific situations. Any attempt to write a policy of this type into the bill would, on the one hand, inevitably restrict the necessary operations of the Federal Government with respect to public utilities, public lands, and natural resources, or, on the other hand, would unwittingly open the door to an unprecedented invasion of the sphere of private enterprise.

4. The fourth amendment of this type would provide that the Government's economic program be accompanied by a program of taxation to prevent any net increase in the national debt over a 6-year period.

This is another example of a specific program which should be dealt with under the procedures set up by the bill, rather than in the

bill. Taxation is already listed as one of the fields to be encompassed within the economic program called for in the first part of section 2 (d).

If a provision of this type were added to the bill, it would seriously impair the commitment to assure continuing full employment. It would serve notice upon the country that the Federal Government is not willing to assure continuing full employment if the action to provide such assurance might lead, over a 6-year period, to any deficit whatsoever in the Federal Budget. This again is an amendment that, by tying the hands of the Government, would defeat its own purpose.

If this proposal were added to the bill, there could be only two interpretations.

On the one hand, the Government would not be committed to provide enough Federal investment and expenditure to assure continuing full employment.

On the other hand, it would be committed to an extremely drastic tax policy to be announced at the very time that private activity declines. Such a policy would curtail private activity still further and jeopardize the objective of the bill.

Since each of these interpretations is out of line with the purposes of the bill, this amendment should also be rejected.

An amendment of this type was rejected by your committee. If it is offered on the floor, it should be rejected by the Senate.

In rejecting this amendment, your committee refused to accept the idea that a balanced Federal Budget in any specific period is more important than a balanced economy. It refused to go along with any limitation upon the obligation of the Federal Government to assure to its citizens the opportunities for employment which are their heritage as Americans.

In rejecting this amendment, the committee also refused to accept the concept that there can be a rigid mathematical formula setting forth a specific period of years over which the Federal Budget can be balanced.

The supporters of this amendment argued that by providing a 6-year period, it would be possible to have deficits in part of the period and a surplus in the remaining years, thus providing a balance over the full period. It was further conceded that the period might be extended from 6 years to 10 years. On this basis, stated its proponents, the amendment would provide for a forward-looking "compensatory tax policy" and should therefore be accepted.

The committee, however, felt that any specific period of years would be unfeasible. At the same time, this action by the committee should not be construed as opposition to the principle of higher taxes when private activity is on the upgrade and lower taxes when there is the prospect of a decline in private activity. In fact, the committee wishes to express itself as favoring the application of this principle if and when economic conditions render it necessary.

The committee also wishes to point out that the creation of a Joint Committee on the National Budget insures congressional consideration of the relationship between expenditures and revenue. No program of Federal investment and expenditure would be enacted without a careful study of where the money is coming from.



Above all, it is the hope of your committee that, in the implementation of the full employment bill, the President and the Congress will develop a full-employment program that will, to the fullest extent possible, render it unnecessary to incur increases in the debt burden. An improved distribution of the national income would provide an expanding level of consumer spending, help to avoid ups and downs in business investment, and minimize the need for using Government investment and expenditure as a means of stimulating employment. If the Government's program under the bill is orientated toward an emphasis on a constantly rising standard of consumption, our economy can move along on a more even keel and we shall be able to prevent or minimize the deficits that become inevitable in a period of declining activity.

#### D. AMENDMENTS TO WEAKEN THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

An amendment has been proposed to strike out of section 3 (a) the references to the submission of economic goals and to reduce the appraisals of eurrent trends to a report on the extent of unemployment. This amendment, which runs counter to the advice of responsible business leaders and Government officials, would seriously weaken the bill.

Another amendment would set up a new official to prepare the national production and employment budget for the President. An amendment of this type would also impair the bill. Before there has been any experience in the development of a national production and employment budget, there can be no sound basis for establishing a specific administrative framework within which the President should operate. The wiser course is to allow the President to work out this problem in consultation with his Cabinet.

#### VIII. MAJOR DIFFERENCES BETWEEN THE BILL, AS REPORTED, AND ORIGINAL BILL

The revised version of the full employment bill represents no changes in the basic principles of S. 380 as introduced on January 22, 1945. It consists of a simplified and stronger presentation of these principles.

The only important additions that have been made, aside from minor questions of language, deal with (1) old age retirement (sec. 2 (d)); (2) agriculture (point 7 in sec. 2 (c)); (3) full employment without economic warfare (sec. 2 (c)); (4) mandatory consultation with industry, agriculture, labor, etc. (sec. 4 (b)). The first was proposed by the Senator from Idaho, Mr. Taylor; it is based on a previous proposal offered by the Senator from California, Mr. Downey. The others are in accordance with the amendments submitted jointly on July 28, 1945, by the Senator from Oregon, Mr. Morse; the Senator from New Hampshire, Mr. Tobey; the Senator from Vermont, Mr. Aiken; and the Senator from North Dakota, Mr. Langer.

The only substantial deletions that have been made are (1) the omission in section 5 of specific references to the several committees that might be represented upon the Joint Committee on the National Budget; (2) the dropping of section 6; and (3) the dropping of section 7.

Section 2 and section 3 have been considerably simplified.

## DETAILED EXPLANATION

*Title*

The words "and full production" are inserted after the words "full employment."

*Section 1*

No change.

*Section 2**Subsection (a)*

The word "policy" has been changed to "responsibility." "United States" has been changed to "Federal Government." "Private" has been inserted before "enterprise." This clarifies the original intent.

The words "in trade and commerce and in the development of the natural resources of the United States" have been deleted because they are not comprehensive in scope and would unnecessarily qualify the Government's responsibility.

*Subsection (b)*

This subsection has been changed to deal only with the "opportunity for \* \* \* employment." The language dealing with the assurance of full employment has been transferred to subsection (e).

The new draft uses the words "able to work and desiring to work" instead of "able to work and seeking work." People have this right even when they are actively engaged in working, as well as when they are seeking work. "Desiring" covers both situations.

"Are entitled to an opportunity for" has been inserted in place of "have the right to."

*Subsection (c)*

A number of changes have been made in the listing of the various other objectives to which continuing full employment contributes. The seventh point in the redraft deals with the relation between full employment and agriculture. It is based upon the agricultural amendment proposed by Senators Morse, Tobey, Aiken, and Langer—without getting into the intricacies of postwar agricultural policy.

Point 8 emphasizes the need for economic development of the South and the West.

Point 9 emphasizes the need for encouraging small business. The redraft of this point eliminates repetition with point 1.

The last five lines of the subsection represent the basic statement of the Federal Government's responsibility with respect to full employment, previously stated in subsection (b) of the original bill. As in subsection (a), the word "policy" has been changed to "responsibility."

The redraft drops the following from the original bill: "who have finished their schooling and do not have full-time housekeeping responsibilities."

The last three lines of the subsection render it unnecessary to have any formal definition of "full employment."

*Subsection (d)*

This subsection is a clarified presentation of (d), (e), and (f) in the original bill. It emphasizes the fact, implicit in the original bill, that the Federal Government shall have a consistent and carefully planned economic program.



The full scope of this program is indicated by a listing in subsection (d) of the various fields and functions that might be included in this economic program. A similar listing appeared in section 3 (b) of the original bill. The redraft not only transposes the listing to subsection (d) of section 2 but also considerably enlarges it.

Paragraphs (1), (2), and (4) of subsection (d) represent a clearer statement of the policy previously set forth in section 2 (d) and (e) of the original bill. Paragraph (3) is added.

Paragraph (1) emphasizes employment through private enterprise, and the production and distribution of goods and services.

Paragraph (2) gives explicit recognition (which was implicit in the original bill) to the role of State and local governments.

Paragraph (3) deals with the retirement from the labor force of the older citizens.

Paragraph (4) represents a consolidation of the language which appeared in the original bill in section 2 (e), 2 (f) and the last 11 lines of section 3 (c).

In paragraph (4) language is inserted which indicates that Federal investment and expenditure may include loans and guaranties as well as direct outlays, and may be made not only for public works but also "for public services, for assistance to business, agriculture, home owners, veterans, or consumers."

In the redraft the standards applying to Federal investment and expenditure—namely, national wealth and well-being, the promotion of private employment, and use of public contracts for Federal construction—are now clearly applicable to the entire program of Federal investment and expenditure. The previous draft was open to the interpretation that these standards applied only to additional Federal investment and expenditure, and failed to recognize the administrative impossibility of drawing a line between normal and additional Federal investment and expenditure.

The last three lines of section (d) have been added in order to assure that all Federal construction, whether or not under contract, shall conform to laws relating to labor standards.

#### *Subsection (e)*

In modified form, this is one of the amendments introduced by Senators Morse, Tobey, Aiken, and Langer. This amendment has been endorsed by the Secretary of State.

### *Section 3*

This section has been considerably shortened.

#### *Subsection (a)*

Subsection (a) presents in simplified form the material contained in subsections (a), (b), (c), (d), and (e) of section 3 in the original bill. It eliminates any reference to a "deficiency" and any repetition of the policies set forth in section 2.

Paragraph (1) sets forth the goal. This goal is described in terms of employment, production, and consumption.

Paragraph (2) sets forth an appraisal of current trends. This appraisal is likewise described in terms of employment, production, and consumption. The phrase "current and foreseeable trends" is used to emphasize the fact that forecasts must be based on current trends and must be limited to what is foreseeable.

Paragraph (3) sets forth the program to attain the goals. It is to be based on the principles of section 2 and to include whatever legislative proposals may be needed. It is also to include whatever measures may be necessary to "prevent inflationary or deflationary dislocations or monopolistic practices from interfering with the assurance of continuing full employment."

*Subsection (b)*

This subsection represents a redrafting of subsection (f) of the original bill. It now calls for "a review of the economic program of the Federal Government." This was implicit in the original bill, but was not specifically stated.

It also indicates that the report on national income shall indicate the distribution among "agriculture, industry, labor, and others," and include the amount of the national income. This elaboration is made at the request of farm groups.

*Subsection (c)*

This subsection represents a revision of subsection (g) in the previous draft. It calls for a report to Congress quarterly instead of merely from time to time.

*Subsection (d)*

This is an addition to the original bill which makes it explicit that the National Budget and quarterly reports thereon are to be transmitted to the Joint Committee on the National Budget.

*Section 4*

*Subsection (a)*

The words "in the Executive Office of the President" have been deleted, so as not to limit the President's discretion.

The reference to Cabinet members is stricken because they are all included in the phrase "heads of departments and establishments."

Subsection (b) in the original bill has been deleted because it is unnecessary.

*Subsection (b)*

This subsection now makes consultation with industry, agriculture, labor, and others, mandatory instead of permissive. It is substantially the same as the amendment on this question offered by Senators Morse, Tobey, Aiken, and Langer.

*Section 5*

*Subsection (a)*

The references to the individual committees that might be represented upon the joint committee are deleted.

*Subsection (b)*

Paragraph (1), a new insertion, makes it clear that the joint committee is to make a continuing study of the National Budget.

Paragraph (3) clarifies the function of the joint committee in filing a report and reporting a joint resolution.

*Section 6*

This corresponds to section 8 in the original bill; the original sections 6 and 7 have been deleted because they are unnecessary.

The only change is the substitution of the word "directing" in place of "calling for."



## APPENDIXES

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### APPENDIX A.—WITNESSES WHO TESTIFIED ON FULL EMPLOYMENT BILL (S. 380) BEFORE THE FULL EMPLOYMENT SUBCOMMITTEE OF THE SENATE COMMITTEE ON BANKING AND CURRENCY<sup>1</sup>

#### MEMBERS OF CONGRESS

Senator Robert F. Wagner, New York.  
Senator James E. Murray, Montana.  
Senator Joseph C. O'Mahoney, Wyoming.  
Representative Wright Patman, Texas.  
Senator Elbert D. Thomas, Utah.  
Senator Wayne Morse, Oregon.  
Senator Sheridan Downey, California.

#### GOVERNMENT

Gen. Omar N. Bradley, Administrator of Veterans' Affairs.  
Dr. Willard C. Thorp (on behalf of Secretary of State James F. Byrnes), deputy  
to Assistant Secretary of State.  
Hon. Clinton P. Anderson, Secretary of Agriculture.  
Hon. Tom Clark, Attorney General of the United States.  
Col. William C. Menninger, United States Army, chief psychiatrist, War Depart-  
ment, and psychiatrist with Menninger Clinic, Topeka, Kans.  
Hon. Henry Wallace, Secretary of Commerce.  
Hon. Lewis B. Schwellenbach, Secretary of Labor.  
Hon. Harold D. Smith, Director of the Budget.  
Hon. Fred M. Vinson, Secretary of the Treasury.  
Hon. John W. Snyder, Director of War Mobilization and Reconversion.  
Maj. Gen. Philip B. Fleming, Administrator, Federal Works Agency.

#### MAYORS

Fiorello LaGuardia, mayor of New York City.  
Edward J. Kelly, mayor of Chicago.  
W. Cooper Green, mayor of Birmingham.

#### PROFESSORS

Dr. Ernest W. Burgess, University of Chicago, professor of sociology.  
Dr. Wilford I. King, chairman, Committee for Constitutional Government.  
Dr. Ernest Minor Patterson, Wharton School of Finance and Commerce, Univer-  
sity of Pennsylvania, professor of economics.

#### RELIGIOUS GROUPS

Bishop G. Bromley Oxnam, president, Federal Council of Churches of Christ in  
America, and Bishop of the Methodist Church, New York.  
The Most Reverend Bernard J. Sheil, D. D., director, Catholic Youth Organiza-  
tion, Archdiocese of Chicago, and Auxiliary Bishop of Chicago.  
Msgr. John O'Grady, secretary, National Conference of Catholic Charities.  
Rabbi Ahron Opher, assistant to the president, Synagogue Council of America.

<sup>1</sup> In order of appearance. Includes personal testimony only and does not include statements filed in the record.

## BUSINESS

- Ralph E. Flanders, chairman, Boston Federal Reserve Bank, and president, Jones & Lamson Machine Co.  
 Harry Golden, president, Magna Products, New York, N. Y.  
 Beardsley Ruml, chairman, Federal Reserve Bank of New York, treasurer of R. H. Macy & Co.  
 Harry W. Schacter, president, Kentucky Merchants Association, and managing director, Kaufman-Straus, Inc., Louisville, Ky.  
 F. R. von Windegger, president, Plaza Bank of St. Louis.  
 Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago.  
 James P. Warburg, Greenwich, Conn.  
 Ira Mosher, president, National Association of Manufacturers.  
 Charles F. Palmer, president, Palmer, Inc., Atlanta, Ga.  
 William L. Kleitz, vice president, Guaranty Trust Co. of New York,  
 Walter Wheeler, Jr., president, Pitney-Bowes, Inc., Stamford, Conn.  
 James L. Donnelly, executive vice president, Illinois Manufacturers Association, Chicago.  
 Paul Hoffman, president, Studebaker Corp. and chairman of the board of trustees of the Committee for Economic Development.

## VETERANS

- Omar B. Ketchum, national legislative representative, Veterans of Foreign Wars.  
 Millard W. Rice, national service director, Disabled American Veterans.  
 Harry Malisoff, disabled veteran.  
 David Pogoloff, disabled veteran.  
 Charles G. Bolté, chairman, American Veterans' Committee.

## WELFARE

- Miss Loula Dunn, president, American Public Welfare Association, and commissioner of the Alabama State Department of Public Welfare.  
 Judge T. J. S. Waxter, director, department of public welfare, Baltimore, Md. and chairman of the National Committee on Public Social Policies of the American Association of Social Workers.  
 Miss Helen Hall, director, Henry Street settlement, New York City  
 Mrs. J. B. Caulkins, president, Young Women's Christian Association.

## LABOR

- Philip Murray, president, Congress of Industrial Organizations.  
 William Green, president, American Federation of Labor.  
 George Harrison, chairman, postwar subcommittee of the Railway Labor Executives Association, and president of the Brotherhood of Railway Clerks.  
 Martin Miller, national legislative representative, Brotherhood of Railway Trainmen.  
 L. E. Keller, research director, Brotherhood of Maintenance of Way Employees.  
 John L. Lewis, president, United Mine Workers of America.

## AGRICULTURE

- Albert N. Goss, master, National Grange.  
 James G. Patton, president, National Farmers Union.

## MISCELLANEOUS ORGANIZATIONS

- Ulric Bell, executive vice president, Americans United for World Organization.  
 Dr. Donald DuShane, secretary, Defense Commission of National Education Association.  
 Mrs. Glen L. Swiggett, national legislative committee, National Congress of Parents and Teachers.  
 Walter White, secretary, National Association for the Advancement of Colored People.  
 Francis J. Brown, consultant, American Council of Education.  
 Dr. Harlow Shapley, vice president, Independent Citizens Committee of the Arts, Sciences, and Professions.  
 Thomas K. Finletter, Council on Foreign Relations.  
 Benedict Wolf, chairman, postwar planning committee, National Lawyers' Guild.  
 Paul Sifton, director, Washington Bureau, Union for Democratic Action.  
 Abraham J. Isserman, counsel, National Federation for Constitutional Liberties.



APPENDIX B. EXCERPTS FROM SENATE BANKING AND CURRENCY COMMITTEE TESTIMONY ON THE FULL EMPLOYMENT BILL (S. 380) <sup>1</sup>

## 1. THE RIGHT TO EMPLOYMENT

Section 2 (b) of S. 380: "All Americans able to work and desiring to work have the right to an opportunity for useful, remunerative, regular, and full-time employment."

Hon. Clinton P. Anderson, Secretary of Agriculture, pages 521-522:

"The 'right to a job,' which this bill proposes to make a basic policy of our Government, is as important to the preservation and sound functioning of democracy as are the time-honored rights of free speech, a free press, and freedom of religion."

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., page 656:

"The right to work: I do not say, nor do I think anyone else will argue, that the Government owes anyone his living. I do believe, however, that in a free society one must have an opportunity to earn a living, to do constructive work; and to be paid a reasonable wage therefor. I know there are those who will argue that there is no such thing as a right to work, and even if one does admit that such a right exists, that it is unenforceable, but I also know that we have just fought the most terrible and destructive war in history to establish the fact that men as individuals do have rights. These political rights and civil rights, based upon the concept that the individual is the most important one and that governments exist only to satisfy his needs, can be enjoyed in a modern, industrial society only if every person is able to support himself—to have those basic necessities of food, shelter, clothing, medical care, and a reasonable amount of leisure, without which all other rights are meaningless. If we are to maintain those rights for which so many have given their lives in these recent years, we must admit the necessity to add to those rights another which is most basic and upon which the other rights depend. This is the right to work, to earn a decent living, and to do something creative for oneself and one's fellow men."

L. Garland Biggers, *New Florida Liberator*, page 144:

"It is essential that specific declarations be provided in legislative enactments, and these specific declarations seem to be sufficiently comprehensive to accomplish the primary objective. Free, competitive enterprise; the encouragement of the investment of private capital; the right of all citizens of the Nation to useful, remunerative, full-time employment; a constantly rising standard of living; the prevention of restrictions on production; the designation of the Federal Government as the guarantor of these salutary and desirable attainments, are succinctly stated and are so self-evident that only the most self-centered and unpatriotic individuals can object to them."

Charles G. Bolte, chairman, American Veterans' Committee, page 417:

"We veterans and servicemen have a right to expect that, when all this is over, jobs will be available for all of us."

Ralph E. Flanders, president, Jones & Lamson Machine Co. and Bryant Chucking Grinder Co.; chairman, Boston Federal Reserve Bank; and chairman of the research committee of the Committee for Economic Development, page 596:

"This right to a job is a right which I myself have come, after much thought, to accept as an objective which our society may attain. Like all rights, it carries with it duties which are an indissoluble part of it \* \* \*. While the right to a job resembles the elements of the Bill of Rights in carrying with it certain duties, it differs from the rights of the Constitution in certain important particulars. The privileges under the Bill of Rights come automatically to the citizen unless he is restrained from exercising them. Preserving rights is, therefore, a matter of overcoming resistance. In contrast we do not assure ourselves of a job by simple resistance to some person or some group who is keeping jobs from us, as in the case of those who seek to impede free speech and free assembly. The duties involved in supporting the right to a job are of a different sort. They involve constructive action, cooperatively undertaken by many different elements of society in a rather difficult field of operation."

<sup>1</sup> All page references apply to the unrevised prints of the hearings.

Maj. Gen. Philip B. Fleming, Administrator, Federal Works Agency, page 1085:

"I am thoroughly in sympathy with the objective set forth in the bill, which is full employment defined as 'the right to useful, remunerative, regular, and full-time employment' for all willing and able to work."

Frank D. Graham, Princeton University, page 226:

"The opportunity to work is, quite obviously, an indispensable phase of the right to life, liberty, and the pursuit of happiness."

Leonard Hall, Liberal Voters League of St. Louis, page 232:

The principle of the right to employment for all workers should be written into law by Congress through such a bill as S. 380."

Daniel W. Hoan ex-mayor, Milwaukee, Wis., page 241:

"Every citizen of the country should have as a right the privilege of earning his own livelihood. If such opportunity is not available it is because of either the inefficiency or break-down of our free-enterprise system, which no locality or State can remedy. This is a national problem and therefore the basic responsibility of the Federal Government. This must be obvious from the experience gained in the last depression. No other agency was powerful enough to solve the problems."

Paul G. Hoffman, president, Studebaker Corp., and chairman of the board of trustees of the Committee for Economic Development, page 941:

"Now I shall address myself to the specific questions in your letter. You asked first, for my views on: (1) The declaration that 'All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment.' Mr. Ralph Flanders in his testimony expressed my views on this statement better than I can myself."

Abraham J. Isserman, counsel, National Federation for Constitutional Liberties, page 1051:

"The other day Secretary of Agriculture Anderson said, at this hearing: 'The right to a job is as important to the preservation and sound functioning of democracy as are the time-honored rights of free speech, free press, and freedom of religion.' The federation takes the position, after careful study and deliberation, that the time-honored rights mentioned by the honorable Secretary and all other constitutional and civil rights depend basically and fundamentally upon the right to a job and the fulfillment of that right."

Martin H. Miller, national legislative representative, Brotherhood of Railroad Trainmen, page 855:

"The Brotherhood of Railroad Trainmen supports the principle of the declaration of policy in section 2 (b) as being a clear, forthright statement of that which we need and must have, if we are to have economic security. Economic security is needed for all persons able and willing to work. We think such a declaration is really American and genuinely democratic, for it will apply to all able and willing to work."

"We believe that section 2 (b) would more clearly set forth the policy if it were amended to read: 'All Americans able and willing to work have the right to useful, remunerative, regular, and full-time employment, and it is the responsibility of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans able and willing to work freely to exercise this right.'"

Hon. James E. Murray, Senator from the State of Montana, page 10:

"On December 18, 1944, the then Senator from Missouri, Mr. Harry S. Truman, and myself submitted to the Senate Committee on Military Affairs a subcommittee report entitled 'Legislation for Reconversion and Full Employment.' The report discussed the Government's responsibility toward postwar employment, and I quote: 'In January 1944 President Roosevelt, in his message to Congress on the state of the Union, outlined an "economic bill of rights." The first point in this document was the following: "The right of a useful and remunerative job in the industries, or shops, or farms, or mines of the Nation \* \* \*."

"Statisticians may debate among themselves as to whether the precise goal should be a little more or a little less than the President's 60,000,000 figure. But no thoughtful American—no matter what his creed or station in life—would deny that every man or woman in the country who is willing to work and capable of working has the right to a job."



“The right to a job is not self-enforceable. It can be translated into reality only through the joint action of the people of our country—business, labor, agriculture, and all other groups—acting through the medium of their duly elected Government. In short, the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion of our peacetime economy so that it will be capable of assuring full employment.’”

Philip Murray, president, Congress of Industrial Organizations, page 465:

“I insist that every citizen has a right to a job at a high income, commensurate with work performed. I insist that it is the responsibility of the National Government to assure that right. I insist that all the resources of the Government should be applied to make it effective.”

Bishop G. Bromley Oxnam, bishop of the Methodist Episcopal Church and president, Federal Council of Churches of Christ in America, page 593-594:

“\* \* \* freedom to engage in free competitive enterprise is, in the long run, dependent upon another aspect of freedom, namely, the right of the individual worker to a job. A man who cannot get a job is not free.

“Christianity believes that men and not things are the goal of social living. It believes in the solidarity of the human family and seeks to put the common good first. It believes in equal rights for all \* \* \*. Democracy likewise insists upon the worth of the human being and recognizes the dignity of man. Speaking therefore as a Christian and an American, I regard the right to work as fundamental.”

Msgr. John O’Grady, secretary, National Conference of Catholic Charities, page 1009:

“The time has, therefore, come to devise ways and means of implementing the individual’s right to a job. There is no use in implementing his other rights if we overlook this basic right. The citizen has a right to the things that are necessary for life. For the ordinary wage earner this means a full-time job. In the last analysis, he must look to Government to protect this right for him.

“Many people claim that this will undermine individual initiative. The same has been said about other reforms. In the minimum-wage movement one used to hear about the inefficient workers. The problem was attacked, and it has been worked out. We heard the same about old-age pensions and about unemployment compensation. There are individuals who will abuse it—some malingerers—but they are few.”

Rabbi Ahron Opher, assistant to the president of the Synagogue Council of America, page 1017-1018:

“It (the bill) instills confidence in every workingman by declaring that the Government recognizes his right to employment \* \* \*. The bill acknowledges the right of all Americans to jobs; the responsibility of the President and the Congress to evolve programs and policies for the maintenance of continual employment in cooperation with private enterprise, and it provides, through the proposed national production and employment budget, a pattern for the gaging and dealing with economic reverses. If pursued earnestly, this measure will serve as an important step in the long road toward industrial democracy.”

Hon. Wright Patman, Representative in Congress from the First District of Texas, pages 77 and 53:

“This bill is based upon the rights of the individual and the dignity of man \* \* \*. This is the right to which the former Secretary of State, Mr. Stettinius, referred when, during the San Francisco Conference, he cited the ‘four freedoms’ of Franklin D. Roosevelt, and stated that ‘the freedom from want encompasses the right to work, the right to social security, and the right to opportunity and advancement.’

“To make this right meaningful, to provide the conditions under which this right can be freely exercised, we must have continuing full employment. \* \* \* So many conflicting arguments have been made against the bill that it is difficult to determine what is really the basis of the opposition to this measure.

“From behind this welter of defeatism, self-delusion, and contradiction there emerges, in my opinion, only one fundamental issue on the full employment Bill. That issue is: Do we really want all Americans able to work and seeking to work to have the right to useful, remunerative, regular, and full-time employment? In short, do we really want continuing full employment? There are some in this country—unfortunately men of influence—who do not want all Americans to have the right to work, who do not want continuing full employment. They will be content with the avoiding of serious mass unemployment.”

Walter P. Reuther, vice president, International Union, United Automobile, Aircraft, and Agricultural Implement Workers of America (UAW-CIO), page 325:

"Section 2 (b) is, of course, the heart of this bill; and it is unnecessary for me to register my hearty accord with it. I note with approval the improvement in its language over the previous version, which referred only to the 'right to a useful and remunerative job.' You now speak of 'the right to useful, remunerative, regular, and full-time employment.'"

Col. Lewis Sanders, industrial engineer, page 1095:

"Every citizen is entitled to the opportunity for gainful employment. This is not a guarantee of a job or an expression of the philosophy that the world owes an individual a living. It is simply the adoption as a guide to Government policy and procedure of the obvious moral obligation of an industrial society to afford to each of its members the opportunity to earn a living. The people of the United States long ago accepted as the obligation of society the care of helpless members. Even more does it owe an opportunity to work to all its able and willing members when by its very nature a highly industrialized society has closed to most of its members all avenues of self-support except employment within its economic system."

The Most Reverend Bernard J. Sheil, D. D., Auxiliary Bishop of Chicago, and director of the Catholic Youth Organization, Archdiocese of Chicago, page 838:

"It is the primary and essential function of government to secure citizens in the peaceful enjoyment of their natural rights; every government has the bounden duty to see to it that men are not denied the fundamental right of providing for themselves and their dependents a decent livelihood by honest and efficient labor. If, therefore, private industry is unable to afford men the opportunity of a decent and honorable living, government is bound by its very nature to employ all its resources to secure to all citizens this essential right to work. In the words of Pope Leo XIII: 'Each man has the right to procure what is required in order to live; and the poor can procure what is required in order to live in no other way than by work and wages.'"

John W. Snyder, Director of War Mobilization and Reconversion, pages 1062-1063:

"Mr. Chairman, at this point I would like to read into my statement an excerpt from a statement of Senator James E. Murray which I think defines what we have been referring to in this bill as the right to work and the right to a job. It is an approved condensation from his speech, and if I may I would like to read that here."

"The CHAIRMAN. Very well.

"Mr. SNYDER. I think it defines that very well.

"The right to a job does not mean guaranteeing jobs carrying set salaries and definite social standing. It is not the aim of the bill to provide specific jobs for specific individuals. Our economic system of free enterprise must have free opportunities for jobs for all who are able and want to work. Our American system owes no man a living, but it does owe every man an opportunity to make a living. That is the proper interpretation of the right to work."

Hon. Elbert D. Thomas, senior Senator from the State of Utah, pages 114 and 117:

"What is meant in the bill by the 'right to full employment,' the 'right' idea as a legal concept? I am not afraid of the question, and I think that we have plenty of evidence in our constitutional history to point out that we are not entirely moving into a sphere that has been unknown to our constitutional scheme. While it is true in this bill the 'right to a job' refers to that type of right which is mentioned in the Declaration of Independence, there are other things which our Government has done which have set up partially the right, in a constitutional way, to a continuation of employment."

"There would be no sense at all to compensation laws if the Government hadn't, for example, accepted the theory. There would be no sense in our civil service, the tenure in civil service, if we hadn't in some way or another accepted the theory of a right to continue employment. Tenure has no meaning if it has not the right with it, that is, in a strictly legal sense. Retirement of the Army, the Navy, and all of the various services of our country indirectly point to a right."

"In the beginning of the discussion of this bill it was charged that the full employment idea was taken from the Russian Constitution. The Russian Constitution does contain the concept of the right to work and the right to a job,



but the idea was not taken from the Russian Constitution, although it is there; and the concept as expressed in our full employment bill and the concept as would be expressed in any American consideration would be just as different from the concept as it is worked out under a communistic-sponsored constitutional theory. It should be remembered that the basic difference between the American constitutional concept in doing for its people and doing for the individuals is that in America we have all the time the welfare of the people in mind."

Senator Robert F. Wagner, senior Senator from the State of New York, pages 1 and 2:

"I can define full employment very simply, by quoting a statement which I made 15 years ago. Then I said: 'The right to work is synonymous with the inalienable right to live. The right to work has never been surrendered and cannot be forfeited. Society was organized to enlarge the scope of that right and to increase the fruits of its exercise.'

"Any person who accepts the proposition that the right to work is of all-prevailing practical importance; any person who recognizes that all other rights, the freedoms and liberties which we cherish, depend upon this all-important right to work; any such person is committed to the principle of full employment."

Henry A. Wallace, Secretary of Commerce, pages 687-688:

"I am wholeheartedly in favor of the passage of this bill. I consider it a most essential step in making a living reality of the economic bill of rights so clearly set forth by Franklin Delano Roosevelt. The economic bill of rights embodies the fundamental aspirations of all our citizens, which our great production potential will allow us to realize if only we have the vision, the courage, and the will to take the necessary action.

"The full employment bill would give legislative recognition to the most essential economic right—the right to a useful and remunerative job in the industries or shops or farms or mines of the Nation.' Under this measure the Federal Government would, for the first time, recognize its over-all responsibility for assuring opportunity of employment to all who are able and willing to work."

James P. Warburg, Greenwich, Conn., pages 662, 665, 668, 669:

"The full employment bill will for the first time enact into law the responsibility of the people as a whole, acting through their Government, to see that the right to work becomes a reality.

"Those who oppose the bill do so because they oppose the fundamental principle that it has now become both the right and the duty of the American people, acting together through their Government, to make the right to work as much a reality as the right of free speech.

"Actually I believe that we will—and I hope that we will—come to a revision of that concept of property, and that we will come to a concept of property where we recognize that the man who makes tools usefully by using them, by adding labor to the tool, has a right to that plant very similar to the right of the fellow who buys the tools for him.

"\* \* \* he hasn't any right to that particular tool. He has a right to go on performing that service or a similar service by which he can earn a living. That is what we are talking about here. We are talking about a man's right to earn his living, really. Whether you call it the opportunity to work or the right to work, it is a right to earn a decent living, and that is implicit, I think, in the contribution that a worker makes who works steadily and well in a factory."

Arnold S. Zander, general president, American Federation of State, County, and Municipal Employees (AFL), page 379:

"This federation is in full agreement with the basic premise of S. 380 that all Americans able to work and seeking work should have the right to a useful, remunerative, regular, and full-time employment and that the Government should have the responsibility of guaranteeing such rights."

## 2. THE GOVERNMENT'S RESPONSIBILITY TO ASSURE CONTINUING FULL-EMPLOYMENT OPPORTUNITIES

Section 2 (c) of S. 380: "In order to assure the free exercise of the right to an opportunity for employment \* \* \* the Federal Government has the responsibility to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work."

John J. Ahern, Mayor, Troy, N. Y., page 138:

"Certainly, the fundamental thought of all in these troublous times, is to assure, under all circumstances, sufficient employment and that all Americans be engaged in useful and remunerative full-time occupation.

"This, of course, is a basic responsibility of the Federal Government."

Hon. Clinton Anderson, Secretary of Agriculture, page 522:

"If we are to have full employment, as I believe we must have, the Federal Government will have to assume the responsibility for maintaining it. This bill, S. 380, recognizes this fact. There is no one segment of our economy which can provide the necessary guaranties. Yet all of us, farmers, businessmen, laborers—producers and consumers alike—can together, through the instrumentality of our democratic Government, assure the maintenance of full production and, hence, full employment.

"The assurance that Government is committed to a policy of maintaining full employment, within the framework of our free-enterprise system, is one of the greatest encouragements that Government can give to individual producers. They will know that with a fully employed labor force there will be a market for their particular products."

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., page 657:

"Everyone knows that the businessman cannot guarantee continuous employment for his workers. So if this is true, and if we grant that men and women in a free society must be assured an opportunity to obtain remunerative employment, the job of assuring this employment must rest upon the only institution which has authority over all of us and which is subject to our collective will—the Government of the United States."

Charles A. Beard, historian, page 142:

"\* \* \* in my view of things, the Federal Government must carry a heavy responsibility for employment after the war and should be preparing for it now, before a crash comes upon us—a crash such as we had in 1933, probably far worse."

Virgil Browne, chairman, State Board of Public Affairs, Oklahoma, page 157:

"I think it is highly important that the Government cooperate with business in every way it can possibly do to encourage free enterprise and private business toward full employment, not only in furnishing all necessary information to this end, but in the event private industry cannot keep up full employment, then to supplement Government work and employment so that full employment will be maintained."

Mrs. J. B. Caulkins, president Young Women's Christian Association, pages 977-978:

"A positive declaration of the intention of the Government to protect the basic right of its people to engage in useful, remunerative work, is an assurance that the workers of this country expect and have the right to expect. It is an assurance that private enterprise should also welcome, because it supports continuous purchasing power and lessens the threat of sudden fluctuations and of depressions that have hovered over business and worker alike."

S. H. Dalrymple, president, United Rubber Workers of America (CIO), page 190:

"Although the responsibilities of our Federal Government have never been clearly defined in the direction of maintaining full employment, I contend that the obligation is a very definite one. Years ago the responsibility was clearly enunciated in this phraseology—"government of the people, by the people, and for the people." The meaning of this is incontrovertible. The Government exists for the sole purpose of functioning in behalf of and in the interests of the American people. By seeking to maintain full employment throughout our country, the Government will promote the best interests of our people by improving our national economic conditions, with a related improvement in the direction of health, security, and happiness."

A. C. Denison, president, Fulton Foundry & Machine Co., Cleveland, Ohio, page 192:

"It would seem to me that basically government exists to make peaceful living of many people a possibility. Therefore, it must assume an interest in the welfare of those peoples whom it is trying to hold together peacefully. And therefore, it has a responsibility in the maintenance of continuing full employment because there is nothing more vital to its people's needs and interests."



William F. Devin, mayor, Seattle, Wash., pages 195-196:

"It has become increasingly apparent to me that the people of our Nation are looking to the Federal Government to assume considerable responsibility for full employment after the war. I think the people as a whole have no definite or concrete suggestions as to how this should be done, but they do feel that there must be full employment. I think they lack confidence that it can be accomplished except by the aid of the Government.

\* \* \* \* \*

"I am unable to see how private business is able to guarantee these benefits. If such a guarantee is to be made, the Federal Government is the one to make it. Therefore it would seem to be the responsibility of the Federal Government to provide a safety net under the free enterprise of our Nation and to encourage the citizens in every way possible to establish businesses and through individual industry and initiative develop those enterprises to the greatest possible extent."

Francis R. Draper, Mabel Newcomer, Marietta Stevenson, Caroline F. Ware, Faith Williams, members of National Social Studies Committee, American Association of University Women, page 299.

"The basic responsibility to assure conditions leading to full employment must rest with the Federal Government. Under modern economic conditions such responsibility cannot be left to any private controls, to the unregulated forces of the market, or to any governmental units smaller than the National Government.

\* \* \* \* \*

"In the absence of full employment, no other public program can be successful. In order to provide a foundation upon which to carry out whatever specific measures the Nation may desire, the Government must be prepared to take steps leading to full employment."

Miss Loula Dunn, president, American Public Welfare Association, and commissioner of the Department of Public Welfare, State of Alabama, page 441:

"As I understand the bill, it proposes really to guarantee that there will be full employment, which is an insurance against the very social hazards and problems that I have been talking about. Certainly out of the experience I have had in seeing what happened to people when they did not have economic security, I would be one of the people who would wish to raise my voice in behalf of any measures that would guarantee that there would be that type of employment. I think not enough has been said, on the social consequences in broken homes and crime and prison population, all the byproducts of long-time unemployment, as well as your byproducts in the health of the community, which was amply demonstrated, I think, in the number of rejections for physical reasons in the draft."

Harry Golden, president, Magna Products, New York, N. Y., page 616:

"I am for this bill because:

"It places on the Federal Government the definite responsibility of avoiding unemployment.

"Where else can this responsibility be placed?"

"Not on business. My plant employs 150 men and women. How can I hire any more unless I feel that I will be able to sell what these extra people would produce?"

"The responsibility for unemployment can't very well be placed on the employee. He can't create jobs.

"The last decade certainly should have taught us that, when depression comes, no one but the Federal Government can assume the prime responsibility for relief. Hasn't the fire department the duty of preventing conditions that may cause or spread fire?"

"It aims to give every businessman what he needs most—assurance of a market. Now, let us dwell for a moment on those most important words, 'assurance of a market.' I cannot attempt to tell you how important those four words are."

"Fortune magazine said, 7 years ago:

"Every businessman who is not kidding himself knows that he does not know how to guarantee, without Government intervention, the markets with which alone his free competitive capitalism can function. Every businessman who is not kidding himself knows that, if left to its own devices, business would sooner or later run headlong into another 1930."

"Now, when a little fellow quotes from Fortune magazine he thinks he has a real argument, that he has something worth while."

L. E. Keller, research director, Brotherhood of Maintenance of Way Employees, Detroit, Mich., page 985:

"It is our position that the Federal Government has both the right and the absolute duty to concern itself with the behavior of private enterprise to the extent that its activities have any important bearing on the social and economic well-being of the country as a whole, or upon the political well-being of the country. And I want to repeat there that it is not only the right, but we insist that it is the absolute duty, of the Federal Government to do that.

"We cannot escape social and economic disaster in the days ahead of us, we think, by any program of timidity or delay or evasion."

Fiorello H. LaGuardia, mayor of New York City, page 866:

"Senator TOBEY. Before you get to that may I point out in paragraph b the word 'assure.' 'It is the policy of the Nation to assure the existence'—that has been a very moot word here. People have come before us and questioned the word 'assure'; tried to get around it by using some other language, et cetera.

"Is it your thought it is the very intent of the bill to assure?"

"Mayor LAGUARDIA. Well, you either assure their existence by employment or you assure their subsistence by relief."

Col. William C. Menninger, United States Army, Chief, Psychiatric Division, War Department; psychiatrist with Menninger Clinic, Topeka, Kans., pages 676 and 678.

"With demobilization of the Army and war industries, unemployment will confront us shortly, and not only will we have the inherent problems of unemployment, but these will directly contribute to making many of this group of veterans into confirmed invalids. If there were assurance of sustained employment opportunities for all, this possibility would be of less concern.

"So that I think unemployment has had a tremendous impact and will continue to have if we do not bring about some kind of a positive assurance that a man shall have an opportunity to get a job if he can."

E. E. Milliman, president, Brotherhood of Maintenance of Way Employees, page 288:

"It is the basic responsibility of the Federal Government to encourage the fullest possible measure of regular full-time employment, to be provided through private enterprise; to assist private enterprise in the complete fulfillment of this essential economic necessity; and to supplement these efforts on the part of private enterprise if and when it develops that private enterprise cannot or will not provide regular, full-time employment for all those who depend upon work and wages for their economic security.

"It is not only the right but it is the absolute duty of the Federal Government to see to it that the American home and the American family are made secure in the economic field just as it is government's responsibility to promote and preserve their security in other respects."

Walter Morrow, president, American Retail Federation, page 290:

"It is the basic responsibility of government to see to it that private business is given an opportunity to provide jobs that will enable those who are able and want to work to maintain a decent standard of living and improvement upon it. When private industry fails in this purpose it should be the function of government to fill the employment gap."

Hon. James E. Murray, Senator from the State of Montana, pages 9 and 12:

"The full employment bill is based upon the theory that no single group in the country—either industry, labor, or agriculture—can by itself assure the expanding markets which are necessary for full production and full employment. The bill recognizes the fact that only the Government, acting in cooperation with industry, labor, agriculture, and States and localities can assure a continuing level of demand sufficient to absorb the goods and services produced under our modern economic conditions.

"In short, the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion of our peacetime economy so that it will be capable of assuring full employment."

Senator Murray (in the course of Ralph Flanders' testimony) page 605:

"Webster's Dictionary gives as a definition of the word 'assure': 'To make sure or certain; to inspire confidence by declaration or promise.'

"Mr. FLANDERS. That second definition of it, Senator, is applicable a hundred percent.

"Mr. MURRAY. It also says: 'To confirm; to give confidence to.'"



Philip Murray, president, Congress of Industrial Organizations, Washington, D. C., page 510:

"The words 'assure' and 'sufficient' are very desirable. (We should) accept no substitutes such as 'promote' or 'encourage' for 'assure' \* \* \* or 'substantial' for 'sufficient.'"

Jean Trepp McKelvey, president, Rochester Group for Liberal Action, page 302:

"The group is of the opinion that the responsibility for maintaining full employment after the war rests with the Federal Government. Nor is this responsibility for assuring the economic health of the Nation anything new in American history. In our frontier days Uncle Sam was called upon to provide individuals with homesteads, while through tariff subsidies and land grants the Federal Government stimulated private enterprise."

Naomi Nash, president, The WIVES, page 315:

"The WIVES feel that the basic responsibilities of the Federal Government in the maintenance of continuing full employment after the war must be an absolute guaranty, that anyone who wants to work will have the opportunity to earn an annual living. We are particularly concerned that persons who are working during the war years for the first time, may have an opportunity to continue to utilize the skills they have learned for war production, and that the veteran will find immediate absorption as an income-earning citizen in the community, upon his discharge."

Mabel Newcomer, Vassar College, page 316:

"Unless every precaution is taken, we shall be faced with a far more serious depression than that of the 1930's, in view of the serious economic dislocation of this war. This will not only prove costly, both in human suffering and Government expenditure, but it will threaten the peace of the entire world, since depressions spread from one country to another.

"It is clearly the responsibility of the Federal Government to prevent this, since no other authority has adequate power and resources."

Charles F. Palmer, president, Palmer, Inc., Atlanta, Ga., page 727:

"In opposition to the view of Mr. Mosher that this bill will help to bring about depression, I feel that its enactment will help to give assurance to those who fear they will lose their jobs and to those industrialists who believe they will not be able to carry on. There may be some who may oppose such assurance being given industry as well as employees, because there are some in industry who may say they would prefer to have it out with labor now."

Hon. Wright Patman, Representative from the First District of Texas, pages 54-55:

"While clear-cut objectives are indispensable, they are not enough. Our people want and need some assurance that we will not only talk about the twin goals of full employment and free competitive enterprise, but that we shall also attain them.

"During the great depression, the Federal Government had to undertake the responsibility of doing whatever was necessary to prevent destitution and starvation, a responsibility hitherto regarded as the province of private charity and local government. Today the average man and woman feel that their Government is also obligated to do whatever is necessary to prevent unemployment and to maintain full employment in a free competitive economy. The full employment bill recognizes this obligation.

"The bill makes it the responsibility of the Federal Government, in cooperation with business, labor, agriculture, State governments, and local governments, to assure our people conditions under which they can exercise their right to work as freemen in a free society."

James G. Patton, president, National Farmers Union, page 569:

"What is essential is the underwriting of confidence. When President Roosevelt many years ago told us that all we had to fear was fear itself, he was stating a basic proposition. Now, as then, fear is our greatest enemy. What we must search out is the way to universal confidence, the way to make businessmen lose their fear of risking capital, to make consumers lose their fear of spending, to make all of us live in confidence and well-founded hope for the future.

"That is all that depressions are anyway—the expression of mass fear. Once the Nation has found a way to end that fear, then it will have found the way to permanent full employment and prosperity."

Walter P. Reuther, vice president, International Union, United Automobile, Aircraft, Implement Workers of America (UAW-CIO), page 325:

"The policy set forth in subsections 2 (d) and 2 (e) is one with which no intelligent American can quarrel. It gives every active encouragement of Government to the task of making private enterprise work. But it insists that if private enterprise, though stimulated and encouraged by Government in every possible way, is unable to deliver on full employment the Government must step in and discharge its responsibility to assure continuing full employment.

"It seems to me that this is the very least that we in America can expect for both civilian and veteran after this war. We shall never accept a system in which jobs for all can exist only at the price of spilling our blood and in which peace must be the harbinger of unemployment. There can be no compromise on these provisions of your bill."

Lloyd G. Reynolds, Johns Hopkins University, page 326:

"It seems to me inescapable that the Federal Government must assume basic responsibility for maintaining full employment after the war. No State government, business corporation, or group of business corporations is large enough to assume this responsibility and make good on it."

Harrison M. Robertson, Brown & Williamson Tobacco Corp., page 331:

"It is not a question now of what should be the basic responsibility of the Federal Government in meeting full employment. This responsibility exists if our great form of government is to be continued. The question is, not what is the responsibility of the Federal Government but how shall the Federal Government meet that responsibility."

Diarmuid Russell, Russell & Volkening, Inc., page 338:

"There is no doubt in my mind that the Government will have to take responsibility for employment.

\* \* \* \* \*

"The idea that dominates men's minds now is security. They want to be free from the threat of starvation for themselves and their families; they want medical attention in case of illness; they want work, for work is part of life and the denial of this by any economic means is a denial of part of their vitality. I do not see how this can fail to be recognized, nor how the Government can be denied an interest in the happiness or health of those who make up the country and in whose talents the real wealth of the country resides. So I am for anything the country can do which will assure full employment and give to its citizens opportunity."

Wesley E. Sharer, Wesley E. Sharer & Associates, page 346:

"I believe the basic responsibility of the Federal Government is to assure the continuing of full employment. In the course of the war we have had a phenomenal growth in our power to produce, which has been reflected in the fact that our gross national product has been roughly one and one-half times greater than the previous all time high of 1929. Our problem for the reconversion and postwar period will be to create the markets necessary for the goods that can be produced by our national economy. When markets are available, businessmen, in an effort to meet the demand created by these markets, will have to employ as many people as possible."

The Most Reverend Bernard J. Sheil, D. D., auxiliary bishop of Chicago, and director of the Catholic Youth Organization Archdiocese of Chicago, page 838:

"But it is the primary and essential function of government to secure citizens in the peaceful enjoyment of their natural rights; every government has the bounden duty to see to it that men are not denied the fundamental right of providing for themselves and their dependents a decent livelihood by honest and efficient labor. If, therefore, private industry is unable to afford men the opportunity of a decent and honorable living, government is bound by its very nature to employ all its resources to secure to all citizens this essential right to work. Again Pope Leo XIII is pertinent:

"It is the first duty of every government to make sure that the laws and institutions, the general character and administration of the commonwealth, are such as to produce of themselves public well-being and private prosperity. Above all, the public administration must duly and solicitously provide for the welfare and the comfort of the working people."



Harold D. Smith, Director of the Budget, Washington, D. C., page 903:

"Assurance of full employment opportunities, of course, does not mean a guaranty of specific jobs. It means, rather, that the Government will pursue policies to assure job opportunities for those willing and able to work. In an expanding economy, changes are bound to occur in the type and location of jobs. Some opportunities vanish while others are created. The bill anticipates that there will be time intervals between old and new jobs. Shifts may require retraining or migration. In other words, some 'frictional' unemployment is inevitable.

"A policy declaration by the Congress is, in itself, an important factor in attaining the goals of a full-employment program. Assurance of full employment is identical with assurance of sustained markets and confidence, the main prerequisites for business investment and a high level of employment opportunities."

H. Chr. Sonne, National Planning Association, page 353:

"I am on record as having said that the elimination of unemployment should be a national policy, second only to that of winning the war, and is a necessary step to winning the peace."

Morey Sostrin, president, Younkers, Des Moines, Iowa, page 355:

"Just as it is the responsibility of the Government to mobilize our resources in time of war, so it should be the responsibility of the Federal Government to set forces in motion to maintain reasonably full employment in time of peace. Unemployment on any broad scale will be a constant threat to our domestic peace and security."

Sam Sponseller, regional director, Congress of Industrial Organizations, Cleveland, Ohio, page 356:

"\* \* \* this bill represents what I think to be the first duty and responsibility of the Government, that is, that of assuring full employment after victory has been won and the war is ended. Responsibility, if not fully accepted and shouldered by the Federal Government will leave them with a much worse problem, which obviously can only be their responsibility, that of unemployment benefits, which is a negative approach to the problem and responsibility, as compared with that of responsibility for full employment."

Hon. Fred M. Vinson, Secretary of the Treasury, pages 962 and 963:

"Too frequently, in the past, it has been popular to place the blame for depression on the businessman.

"But no businessman can continue to employ labor and to produce goods unless he finds a market for his output at a remunerative price. The fact is that if any businessman continued for an extended time to produce goods for which there are no buyers, he would inevitably incur such losses that he could not stay in business. For this reason, businessmen cannot assume the responsibility to keep producing goods and employing labor in the face of an inadequate demand for their products.

"Clearly it cannot be the responsibility of businessmen alone to prevent unemployment. But that is not to say there is no responsibility anywhere to prevent unemployment. We cannot assume that depressions are acts of God, that they are a burden men must inevitably bear. We must face the fact that all of us have a responsibility to see that our economic system works efficiently, that there are jobs for men and women able and willing to work. When we are confronted with problems of national scope involving collective responsibility we must look to the National Government, acting for all the people to take the leadership in their solution.

"Let there be no misunderstanding as to the meaning of the word 'assure.' It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another."

Edward J. Volz, president, International Photo Engravers' Union of North America (AFL), page 369:

"In view of the great dislocation of the manpower of the country to fill the Government's military needs both in the armed forces and on the production lines, and the necessary reconversions and reconstruction which must follow, the responsibility of the Federal Government in maintaining full employment after the war is quite generally realized, and will undoubtedly receive Nation-wide approval."

J. P. Wernette, Harvard University Graduate School of Business Administration, page 371:

"The basic responsibilities of the Federal Government in the maintenance of continuing full employment after the war are two:

"1. The fullest possible encouragement of free enterprise, and the cooperation in helpful policies by labor, industry, agriculture, and all other segments of our economy.

"2. The maintenance of an adequate supply of money so as to facilitate the large market for goods and services which is essential to full employment."

A. F. Whitney, president, Brotherhood of Railroad Trainmen, page 372:

"It is the basic responsibility of the Federal Government to stand by on the problem of employment, and when private industry, for any reason, fails to furnish job opportunities for all who seek them, to have a shelf of public works and feasible plans which will furnish employment to all who seek it."

F. R. von Windegger, president, The Plaza Bank of St. Louis, St. Louis, Mo., page 647:

"The most enlightened business leaders today acknowledge that business alone, in this machine age, cannot furnish full employment to all those able to and seeking work.

"Therefore, full employment being necessary to the continued existence of our economic and political system and necessary for the general welfare, it becomes incumbent upon the Government to take whatever steps are necessary to fill the gap left by private enterprise."

Hon. Henry A. Wallace, Secretary of Commerce, Washington, D. C., pages 692, 694, 696:

"No individual firm, however, should be expected to employ people producing goods or services for which it cannot find a market at a reasonable price. That assurance of adequate market opportunity, which is essential to full production and employment, is the responsibility of all the people, including business management, acting through their chosen representatives in Government.

"\* \* \* it is only the assurance that the Government will use its financial power to prevent shrinking markets that will induce business to continue to produce at full-employment levels. Without this assurance and without Government implementation of it, we are sure to see the familiar spectacle of inventory liquidation, cutthroat competition, stoppage of investment programs, mounting unemployment, and farm foreclosures whenever deflationary forces are unloosed.  
\* \* \*

"Senator TOBEY. I was impressed by the fact that all through your statement, at least 8 or 10 times, you definitely used the words 'give assurance.' I merely ask you this in view of the controversy that has arisen in this committee; do you agree with the authors of the bill, of whom I am one, that the purpose of this bill is to assure—give assurance of opportunities? Is that right?"

"Mr. WALLACE. That is right.

"Senator TOBEY. And the word means just what it says, assure them an opportunity to work.

"Mr. WALLACE. An opportunity, yes. But not any specific job to any specific individual."

James P. Warburg, Greenwich, Conn., page 665:

"Those who oppose the bill do so because they oppose the fundamental principle that it has now become both the right and the duty of the American people, acting together through their Government, to make the right to work as much a reality as the right of free speech.

"Let the vote be taken on that principle."

Walter H. Wheeler, Jr., president, Pitney-Bowes, Inc., Stamford, Conn., pages 828 and 829:

"I support the underlying principle of this bill, because I am convinced that it is the definite and inescapable responsibility of Government, in a modern society, to see that stable economic conditions prevail affording a high level of employment.

"In the past, action usually has been taken only after some calamity has occurred. This bill puts on Government the responsibility of planning to avoid calamity.

"I do not believe that the private-enterprise system, left entirely to its own devices in our present-day complex economic system, can avoid cyclical fluctuations, the low points of which are so severe as to bring about extended mass unemployment such as existed in the thirties.



"Of itself, private enterprise has not the power to command widespread action in times of crisis, or to sufficiently influence its membership to avoid crisis. Whether we like it or not, we have reached a point where, despite the risks, we must depend upon Government as the only possible authority to broadly coordinate our activities, to use some of its power directly when necessary, and to plan for us. The only solution lies in wise and sound government. The only logical course open to those who fear government is to do their utmost to improve government. If this attitude is not taken, I am convinced that we will finally end up with all government in a socialized state."

### 3. POLICY ON FEDERAL INVESTMENT AND EXPENDITURE

Section 2 (d) of S. 380: "The Federal Government shall \* \* \* develop and pursue a consistent and carefully planned economic program. \* \* \* Such program shall \* \* \*

"(3) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment."

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., page 657-658:

"Among the measures which the Federal Government could take without destroying the free, competitive, private-enterprise system are the following: \* \* \*

"9. Assisting in the development of natural resources or the direct development of them if private enterprise fails to do so."

Clinton P. Anderson, Secretary of Agriculture, Washington, D. C., page 523:

"It is important that first priority will be given to ways and means of expanding non-Federal expenditures, whenever market outlets begin to shrink. This will afford private enterprise an opportunity at all times to go 'full steam ahead.' Moreover, it will prevent heavy Government spending except when it is absolutely essential to the maintenance of full employment."

Chester Bowles, Administrator, Office of Price Administration, Washington, D. C., page 1082:

"Some oppose this bill because they claim it will bankrupt the Federal Government. On the contrary, it seems to me that this bill and the program necessary to make it effective provide our only practical hope of a balanced Federal Budget. With a national production of \$200,000,000,000 worth of goods and services annually, a regularly balanced budget should be readily obtainable with relatively moderate taxes. But who would assume that with a national production of, let us say, only \$110,000,000,000 and with 20,000,000 men walking the streets in search of jobs, we could raise the necessary funds to meet our Federal commitments within the bounds of practical taxation?"

Ulric Bell, executive vice president, Americans United for World Organization, page 426:

"Resolved, That Americans United urge the aims of the full-employment bill that private industry be encouraged by the Government to sustain full employment and that the Government adopt a program for the expenditure of public funds for public improvements to be used if there is indicated the likelihood of mass unemployment."

Vincent L. Browner, Small Business Advisory Committee, United States Department of Commerce, page 158:

"I am particularly impressed with the manner in which Federal expenditures are to be directed under the full-employment bill, in the event, as a last resort, such expenditures are needed."

Mrs. J. B. Caulkins, president, Young Women's Christian Association, page 979:

"Carefully worked out, socially useful projects can and should be planned in advance. The cost of such projects will be little compared with the cost of war, or the cost of public-relief programs. If only a fraction of our population is employed, these few will have to bear the burden of taxes for paying off our national debt and for carrying the load of public relief. If more people are working and fewer are relief recipients, the tax burden can be more widely and evenly shared by the employed people of the Nation."

Ralph E. Flanders, president, Jones & Lamson Machine Co. and Bryant Chucking Grinder Co.; chairman, Boston Federal Reserve Bank; and chairman of the Research Committee of the Committee for Economic Development, page 597-598:

"The Federal Government has very large and serious duties to perform if the right to a job is to be made effective. It must do much more than store up work for release when unemployment is large. It must prevent the growth of that unemployment by policies which encourage business to expand and investors to undertake new ventures.

"Nevertheless, governmental expenditures, properly proportioned and properly timed, is one of the important weapons in the arsenal for fighting unemployment."

Thomas K. Finletter, Washington, D. C., page 1021:

"The Murray bill is drawn very carefully. It is not a spending bill; for no Federal spending is envisaged until every effort to maintain full employment by all other means has failed. Indeed it may be said that the purpose of the bill is to avoid Federal spending, since the bill clearly requires Congress to use all its efforts to aid private enterprise to eliminate any unemployment which may exist before any direct financial assistance from the Federal Government is to be forthcoming. Obviously the Federal Government's policies on money and credit, on taxes, on legislation affecting labor and the farmers, the security exchanges, foreign trade, and many other subjects, have an effect on the national economy and therefore on the national product and on employment. Under the Murray bill these Federal policies are to be first revised and improved, with the purpose of keeping the Federal Government out of more direct help to the economy and of making it possible for private enterprise to handle the problem by itself or with State and other local aid, before Federal spending is even to be considered."

Maj. Gen. Philip B. Fleming, Administrator, Federal Works Agency, Washington, D. C., page 1092:

"Properly conceived and constructed at an appropriate time, public works do not compete with private industry; rather they tend to supplement and stimulate private industry. Extension of streets and water and sewer lines create new opportunities for home building. Good highways promote the speedy and cheaper dissemination of agricultural and manufactured products. Much manufacturing requires for its efficient operations an abundant supply of uncontaminated water and adequate sewerage for the disposal of industrial wastes. It is no exaggeration to say that the expansion of production which will be needed to assure a continuing high level of national income and to provide abundant jobs will be contingent upon a like expansion of the social overhead."

Varian Fry, executive director, American Labor Conference on International Affairs, page 218:

"It is our sincere conviction that this bill is of enormous significance \* \* \* the most important proposal in regard to policies for postwar full employment in the political sphere.

"We have four reasons for attributing this significance to the bill. First, because of the firm stand it takes on the Government's responsibility for full employment. Second, because it makes the excellent suggestion that a National Employment and Production Budget be prepared annually so that the Government and the Nation can always be kept informed about the employment situation. Third, because it embodies the principle that the Government must intervene whenever the total spending of the Nation is not large enough to maintain full employment and must compensate for insufficient spending. And fourth, because it proposes that Congress set up a Joint Committee on the Budget, another important prerequisite of successful employment policies."

Harry Golden, president, Magna Products Corp., New York, N. Y., page 618:

"I am for this full-employment \* \* \* bill because it does not call for specific deficit spending. If all other measures taken do not provide job opportunities for all willing and able to work, then and only then it would be up to Congress to determine how much additional should be spent by the Federal Government to take up the slack through long-range improvements such as health, education, and housing. Those may be intangibles, but to me that's good business."



W. Cooper Green, mayor of Birmingham, Ala., pages 946-947:

"We think we can take up a lot of that slack through new business created, through city and county governments going forward with works and other types of programs and projects, and that at least some of the people will be retained in the services for several years, and some will go back to the farm.

"We believe that in spite of that we will have some unemployment. We believe that a work program is necessary in advance so that we can combat this unemployment if and when it comes, although we hope and pray and believe that it is a good way off."

Mrs. Henry A. Ingraham, president, National Board of the Young Women's Christian Associations of the United States of America, page 244:

"The point mentioned by Senator Murray in his speech in the Congressional Record in answer to the question, 'Does the bill provide for "deficit financing"?' is well taken and may have to be discussed at length with opponents of the measure. In his words, 'The bill provides a positive way for bringing about the greatest possible activity on the part of business. This, in turn would make it possible to reduce Government expenditures to a minimum.' If we return to the restricted economy of the early thirties, and have another depression, the Government will once more have to resort to 'deficit financing.'"

Omar B. Ketchum, national legislative representative, Veterans of Foreign Wars of the United States, page 390:

"I believe in freeing them from certain types of restrictions and regulations. At the same time I think there is a proper sphere in which Government spending can be beneficial to stimulate business. I think there is a proper use of Government funds and credit which can be used to assist in an extension of free enterprise and industry. I think that is important."

Fiorello H. LaGuardia, mayor of New York City, page 864 and pages 873-874:

"Now, I say that it is less costly and more constructive to deal with the problem as intended in S. 380, because you are going to deal with the problem in any case. The Congress will either do it now, intelligently, constructively, and economically, or you are going to do it in 6 months, in a year, or in 18 months, and it will be much more costly \* \* \*."

"The intelligent way to plan a national public-works program is to have a 3-year plan and a 5-year plan on the same projects, so that if private industry calls, you can thin out. If unemployment increases, you increase the intensity of the work. That is the very purpose of it.

"Gentlemen, precious time has been lost which is going to cost the American people billions of dollars for relief. I hate to get back to that, but you cannot get these plans overnight."

Martin H. Miller, national legislative representative, Brotherhood of Railroad Trainmen, page 856:

"Therefore it should be the responsibility of the Federal Government to coordinate the appropriate activities of the Government to foster the highest possible sustained level of private investment and expenditure and, if necessary as a last resort, provide Federal investment and expenditure to maintain full production and full employment."

Philip Murray, president, Congress of Industrial Organizations, Washington, D. C., page 465:

"The total dollar cost of the war will be more than 400 billions. The sales lost through mass unemployment of Americans during the depression totaled \$355,000,000,000. Even greater than wages and profit loss was the suffering of people which cannot be measured.

"My idea is not merely that work shall be created through appropriation of public funds to keep people from starving on a \$55-a-month WPA. We are talking here today about potentials of new wealth greater than we have ever conceived, created by the application of skill, intelligence, and energy in such volume that really substantial fruits of victory will spread throughout the world."

H. T. McCreedy, assistant director, CIO Political Action Committee, Detroit, Mich., page 294:

"I am in full accord with the approach to the problem suggested in the bill, that is, that full production and full employment be stimulated and directed through governmental use of the credit structure. Such an approach, which is economically sound, also avoids the undesirable characteristics of bureaucracy that might tend, through use of other means, to vitiate the purposes of the bill."

Hon. Joseph C. O'Mahoney, senior Senator from the State of Wyoming, page 26:

"The theory of the bill is that where investment by private enterprise is not sufficient to provide job opportunities and, thereby, business opportunities, then the Government must come in. Now, my own belief is that, once this plan is clearly understood by the public, the need for Government investment will gradually diminish. Everybody recognizes and nobody denies that when a crisis comes, when an economic crisis hits us, the Government must assume the responsibility of spending for relief."

Charles F. Palmer, president, Palmer, Inc., Atlanta, Ga., page 732:

"Another comment and I am done. The New York Times editorial of August 23 headed 'Free enterprise now,' in referring to this bill, states:

"It is talking of a huge spending plan just at the moment when it may at last be possible to get the national budget into manageable shape."

"The Times overlooks that S. 380 is the club in the closet to be used only when needed. If the national budget can be balanced without it, so much the better. But it should be ready, 'jes' in case'."

Hon. Wright Patman, Representative in Congress from the First District of Texas, page 55:

"Third, as a last resort, if unemployment still looms ahead the Federal Government is to develop an investment and expenditure program which will provide the additional purchasing power to maintain production and keep people working.

"Such additional Federal investment and expenditure must be designed—and I quote from section 2 (f)—

"To contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprise."

"This can mean useful public works. It can mean necessary and desirable public services. It can mean direct or guaranteed loans to veterans, home owners, businessmen, or State and local governments.

"An additional standard is established for public works, which must be built by private concerns under contract. While certain exceptions might be made under extraordinary circumstances, the major point is that there is to be no new WPA.

"I should like to stress the fact that an ounce of prevention is worth a pound of cure. Under this bill, the responsibility of the Government is not to cure unemployment after it hits us. It is our job to do our best in looking ahead and preventing unemployment before it can develop and—if it develops—of stopping it in its tracks without any delay whatsoever."

Ernest Minor Patterson, professor of economics, Wharton School of Finance and Commerce, University of Pennsylvania, page 847:

"I urge, secondly, in connection with any proposals that may eventuate as a result of the passage of the bill, that in all probability the expenditures will be less than would be incurred if no plans are laid and if emergency measures have to be presented and acted upon when the emergency arises.

"The proposals, if intelligently carried out, would directly or indirectly be productive of expenditures to a considerable extent and would actually add to the national income, while a great many hurriedly proposed relief measures are apt to amount to merely a redistribution of a smaller national income."

D. B. Robertson, president, Brotherhood of Locomotive Firemen and Engineers, page 330:

"(1) The basic responsibility of the Federal Government in the maintenance of cooperation of labor can be assured so long as the program works, since full employment policies affecting the economy of the country in such a manner as to contribute most to the maintenance of full employment and should underwrite the objective by declaring its willingness through governmental investment and expenditure to take up any slack."

Col. Lewis Sanders, industrial engineer, pages 1101-1102:

"The full-employment bill makes use of variations in the volume of public works only as the last element of several adapted to maintain full employment.

"First reliance is placed on actions by the Government to stimulate and assist private enterprise. These to be devised as the occasion arises and adapted to meet the circumstances at that time.

"Next are expenditures by the Federal Government that will stimulate private enterprise, likewise to be prepared at the time to meet the particular situation existing.



“Only as the final step the expediting or retarding of necessary public-works programs.”

Harold D. Smith, Director of the Budget, Washington, D. C., page 906:

“Several critics of the full-employment bill have suggested that the bill is designed to pave the way for huge deficit spending. This is a distortion of the meaning of the bill. I believe, it was the intention of the authors to reach the objective—full employment—with maximum reliance on private enterprise and minimum reliance on Government spending.

“It is my conviction that a policy designed to prevent depression and unemployment is the best contribution we can make to hold down Federal expenditures and the public debt.

“The bill clearly states that Federal expenditures recommended by the President should ‘contribute to the national wealth and wellbeing.’ This committee may wish to emphasize this point even more by providing that the President shall recommend authorizations for a program of developmental projects.”

Russell Smith, legislative secretary, Farmers Educational and Cooperative Union of America, page 352:

“We must enlarge the volume of purchasing power through Government expenditures and investment, such as—

“(a) Expanded social services in the fields of education, recreation, nutrition, and public health.

“(b) Extended social-security guaranties through unemployment, old-age, and survivor insurance; sickness and accident benefits.

“(c) Public works in the field of urban redevelopment, transportation, regional projects, housing construction.”

John W. Snyder, Director of War Mobilization and Reconversion, Washington, D. C., pages 1060, 1062, and 1069:

“America cannot afford the human misery nor the economic waste of large-scale protracted unemployment. During the depression of the thirties, our country suffered a loss of over \$300,000,000,000 in terms of goods and services that we could have produced but did not, due to economic stagnation. This is more than the cost of the war. \* \* \*

“When we talk about a program for full employment there is a tendency to think about a big public-works program, but clearly we must rely on jobs in private business for the overwhelming majority of job opportunities and, therefore, we must direct our policies so that they will promote the expansion of private business. We all hope the days of make-work will never be necessary again. We must have a fundamental program if we are to achieve full employment. \* \* \*

“It is my definite belief that the emphasis must be put on the development of private enterprise. That is where the great part of the employment is coming from, the healthy part of it, and by directing all these forces toward stimulating private enterprise I believe that the margin of Government employment on public works will be reduced to the minimum.”

Alan B. Sweezy, Williams College, page 359:

“Both the experience of the last two decades and the most important developments in recent economic analysis point unmistakably to the conclusion that we can no longer rely on the automatic functioning of our economy to prevent large-scale unemployment and distress. The Federal Government is the only agency capable of assuming the responsibility for maintaining full employment. This does not mean that the Federal Government will at all times be called on to contribute to the maintenance of the necessary volume of investment (and investment type) expenditure. But it does mean that the Federal Government must stand ready to make such contribution.”

Hon. Fred M. Vinson, Secretary of the Treasury, page 965:

“There is one point I want to emphasize particularly. This is not, as many seem to believe, a mere spending bill, or deficit-financing bill. Whenever there is inadequate demand, the primary duty of the Government under this bill will be to encourage an expansion of consumption and investment, the private purchase of the products of industry. For short periods, until demand is restored, investment in necessary and useful public works, planned in advance, will help prevent a serious depression. And whatever expenditure is made by the Government for such projects will be subject to thorough scrutiny under the national budget and by the joint congressional committee for which it provides. In addition, of course, all appropriations must be authorized by regular legislation and will be subject to the usual review of the Appropriations Committees and the

Congress itself. But I say again, ultimate reliance for jobs must come from an expansion of private consumption and investment. The only solution to unemployment is to see that there are enough jobs at good wages in private industry."

James P. Warburg, Greenwich, Conn., page 663:

"The chairman of the executive committee of J. P. Morgan & Co. condemns the Murray-Wagner-Thomas-O'Mahoney full-employment bill, S. 380, on the grounds that it is a bill to 'make work.' As such, he asserts that it will endanger the soundness of our currency, lead to inflation, and destroy the democratic system of private enterprise.

"I wish to take issue with Mr. Leffingwell primarily upon a question of fact.

"There is no bill to 'make work' before the Senate.

"The measure which Mr. Leffingwell attacks as a 'make work' bill is in fact a bill to study, anticipate, and prevent mass unemployment. It proposes to maintain full employment in the first instance by stimulating private investment and expenditure and, only if all else fails, by Federal Government investment and expenditure. Even then, Federal expenditure is proposed, not to 'make work' but to increase the national wealth and stimulate private expenditure."

Arnold S. Zander, general president, American Federation of State, County, and Municipal Employees (AFL), page 379:

"Full employment can be accomplished only by a combination of measures on the financial, consumption, production, and investment level. Our monetary and credit policies, our tax system, and our policy of wages and salaries should be reexamined with the view of making such changes as are necessary in order to promote and maximize production. In short, our economic and fiscal policies should be used unreservedly to attain desirable economic goals, the most important of which we now recognize as full employment.

"Federal expenditures and Federal investments in the postwar period will have to play a most important and probably crucial part. If private investments and private expenditures should lag behind and prove insufficient to secure full employment, the slack can be taken up only by a general program of Federal investments and expenditures. We approve of such expenditures wholeheartedly to the extent necessary to bring the aggregate national volume of investments and expenditures up to the level which will guarantee high levels of production and consumption."

#### 4. THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

Section 3 (a) of S. 380: "The President shall transmit to Congress at the beginning of each regular session the National Production and Employment Budget."

Clinton P. Anderson, Secretary of Agriculture, Washington, D. C., page 522:

"The bill provides for a straightforward, businesslike way of approaching the problem. It requires the President to set before Congress each year a national production and employment budget. This budget will indicate, on one hand, the estimated volume of goods and services that will be produced in the ensuing year if the labor force is fully employed; and, on the other hand, the total volume of expenditures necessary to provide market outlets for this full-employment volume of production."

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., page 657:

"The third basic concept dealt with in this bill is the national production and employment budget. As a businessman, I have always felt that the Federal Government can do a great deal to promote full employment, without assuming direct management or operation of business and industry. Among the measures which the Federal Government could take without destroying the free, competitive, private enterprise system, are the following: \* \* \*. 4. Widely disseminated information on the status of the economy, as storm warnings to management."

Tom C. Clark, Attorney General of the United States, page 630:

"The bill \* \* \* seeks to facilitate individual endeavor by such measures as the collection and dissemination of basic economic facts, thus providing the necessary materials for the formulation of intelligent decisions as to future courses of action by business, agriculture, and labor. \* \* \* It further seeks to formulate over-all policies, thus making possible a degree of coordination of unfettered individual activities indispensable to the continued stability of our institutions and the orderly progress of our economy."



James L. Donnelly, executive vice president, Illinois Manufacturers Association Chicago, page 898:

"I am not complaining about getting all facts necessary to carry out an intelligent program. \* \* \* Certainly any facts that can be accumulated, and any planning that can be done, is desirable."

Ralph E. Flanders, president, Jones & Lamson Machine Co., and Bryant Chueking Grinder Co.; chairman, Boston Federal Reserve Bank; and chairman of the research committee of the Committee for Economic Development, page 599:

"Inquiry is next made as to views on the preparation by the President and the transmitting to Congress every year of a national production and employment budget setting forth economic goals and trends in terms of employment, production, and purchasing power, and a general program to attain such goals.

"This is a highly desirable process, provided it is not intended to use current information to effectuate policies for too long in advance. Current information used for current administrative and legislative policies, and as a guide only to legislation for the future, is highly desirable. It is particularly desirable that all the elements pertinent to the problem of maintaining profitable employment should be gathered in one operation and channeled through one source to the administration and the Congress."

Harry Golden, president, Magna Products Corp., New York, N. Y., page 616:

"I am for this full-employment bill because: (1) It states definite objectives for the Nation, just as I have definite objectives in my own business. I am for this bill because (2) once a year I would be advised by the President as to the outlook for employment and business during the ensuing year. In my business, I get the announcements of new automobiles and bicycle models at the start of each year and study the possible aftermarket for parts and accessories the following year."

William Green, president, American Federation of Labor, pages 736 and 739:

"There must be willingness to get the facts and face their consequences by individual managements as well as by industries, so that exercise of the right to do business shall be accompanied by obligation to plan for sustained employment for the work force at levels of pay enabling workers to have rising standards of living. For this purpose we need the basic economic statistics which we have repeatedly asked Congress to authorize.

"The national budget which the President would be directed to prepare would aid in pressing home the responsibility of private enterprise and in disclosing next steps.

"The national production and employment budget proposed by this legislation would provide us with a tool for dealing with some of these future problems. It will give us what Ernest Bevin calls a human budget or a national balance sheet indicating our success in providing useful opportunity for all citizens. But just as cost accounting must be supplemented and interpreted by production accounting, so our national balance sheet must be supplemented by the kind of national plans and policies that would result from consultation and cooperation between Congress, the President and his administrative officers, and the representatives of the major functional groups of private enterprise."

Fiorello H. LaGuardia, mayor of New York City, page 868:

"This is not the expression of a wish. This should operate as a factual report. Where would we get the figures from? From the very gentleman who states that he fears the effect of any such report."

Monsignor John O'Grady, secretary, National Conference of Catholic Charities, page 1005:

"It really calls for a 'social budget,' for as accurate a statement as possible in regard to expenditure and investment—public and private—during the forthcoming year, and also in regard to the total labor supply. If investment and production are not sufficient to maintain the labor supply, then the deficit will have to be made up by stimulated private effort or presumably by governmental effort."

Ernest M. Patterson, professor of economics, Wharton School of Finance and Commerce, page 851:

"I would say that we human beings try as best we can to look around a little bit and form at least a rough judgment of the possible amount of unemployment, and then make some kind of plans to care for it, realizing that there can be no precision in the estimates; that the amount of employment will depend on wages and on countless other conditions \* \* \*. I take it the alternative would be to do nothing until the emergency is on."

James P. Patton, president, National Farmers Union, page 568:

"We believe that the present basic estimates of the size of the labor force, of the prospective volume of investment and expenditure by Government and by private enterprisers, are essential."

Harold D. Smith, Director of the Budget, pages 926, 903-904:

"\* \* \* the important point, it seems to me, is that you take all the information available, with its imperfections, whatever they may be, and you use them in a common coordinated purpose. I would certainly admit imperfections, but it seems to me that the objective is still important. \* \* \*

"Some critics have said that no law is needed to oblige the President to transmit such recommendations because he can and has submitted an appraisal of facts and policy recommendations under existing power and authority. Recent Presidential Budget messages have moved in the direction of the requirements of this bill. This proves not that the bill is superfluous but that it is in line with present needs and developments. The appraisals and recommendations required by this bill are of such importance that, in my judgment, they should be transmitted not only at the discretion of the President, but should become part of his statutory responsibility.

"The basic requirements of this bill are in line with a development that began with the Budget and Accounting Act of 1921. \* \* \* Although the act of 1921 provided only for the inclusion of financial data, it laid the foundation and opened the way for broader developments. The experience of subsequent decades has taught us that no examination of expenditures, revenues, or borrowing, and that no recommendations pertaining to these fields, can be purely financial. The Budget is really a catalog of Government activities with a dollar sign in front of each item. The Budget recommendations reflect the President's program for the Government as a whole.

"Preparation of the Budget is, in essence, a job of integrating all activities of Government into a consistent, coordinated program. In working out such a program, the relationship of Government to economic conditions is of paramount importance. The Budget total was about \$5,000,000,000 in the fiscal year 1921, about \$100,000,000,000 in fiscal year 1945, and cannot be expected to fall much below \$25,000,000,000 in coming years. Expenditures of that magnitude and the method of financing them have a profound effect on our economy. Not because of any specific theory or ideology, but simply because of the size of present-day Federal operations, the Budget must be considered with all its impact upon the national economy."

Col. Lewis Sanders, industrial engineer, pages 1098 and 1100:

"The foundation of the operating procedure of the full-employment bill is the collection and digesting of information. From this information it is sought to make a forecast for the coming 12 months of the functioning of the national economy. This is simply what every well-run business seeks to do; that is, plan future operations on the best forecast it can make from all the information available to it. This bill would enable private enterprise to plan from the basis of well-integrated national information instead of the limited information now available to them. Therefore, they will be able to make more effective plans. \* \* \*

"I am convinced that failure to make specific and adequate provision for compiling the National Budget will result in failure to secure an accurate and valid Budget which can be used as a safe guide and will cause this bill to degenerate into little more than a large-scale public-works bill, which seems to me to be the last thing that its sponsors desire."

John W. Snyder, Director of War Mobilization and Reconversion, pages 1062 and 1063:

"Secondly, this bill provides a procedure for determining the state of health of the country as far as production and employment are concerned. It is a barometer by which to gage the economic climate.

"The information which would be furnished the Congress would contain not only comprehensive analyses of current economic conditions but also a forecast of future conditions. Perfect forecasting is, of course, out of the question, but judgments concerning the future are necessary in any case. Businessmen make such judgments and base production plans upon sales forecasts, as do concerns in planning construction programs for a year or more in advance.

"The Bureau of the Budget and the executive agencies make such forecasts regularly in connection with their appropriation requests.

"The executive agencies, with their growing knowledge of economic forces and their ability to make surveys of the intentions of businessmen and others throughout the country, can anticipate changes in economic conditions with increasing



accuracy. These changes would be reported in periodic messages to the Congress as provided in the bill, so that the Congress would be able to plan and carry out its legislative program on the basis of the most up-to-date information available.

"In order that the Congress will be in a position to carry out this continuous program with maximum effectiveness, it must be furnished with the best data obtainable concerning the economic situation at a given time and the best estimates obtainable concerning the prospects for the immediate future."

F. R. von Windegger, president, Plaza Bank of St. Louis, St. Louis, Mo., page 652:

"Of course, the very heart of S. 380 is the new and revolutionary idea of the National Budget. It is a most helpful idea, indeed, and the one which will be most criticized."

Hon. Robert F. Wagner, senior Senator from the State of New York, pages 4 and 5:

"For this reason, the bill directs the President each year, in consultation with industry, agriculture, and labor, and with the Government departments, to assemble and correlate the Nation-wide figures bearing upon full employment. This sets the goal.

"In the second place, we have learned that private and public action can achieve a goal only if the action is tested constantly in terms of its relation to the goal. Therefore, the bill requires that all economic policies and programs be evaluated continuously and pragmatically in terms of whether they are helping to get closer to the goal or carrying us further away from the goal.

"But one of the reasons why we have done too little and been too late is that we have made no over-all budget of what needs to be done. We have no full perspective, and consequently we have not set sufficiently high goals. By giving us the perspective and setting the goals, enactment of the full employment bill will make it vastly more practical to enact specific measures."

Henry A. Wallace, Secretary of Commerce, pages 694-695:

"As I have publicly stated, I am against a planned economy but I am for intelligent planning to keep our American economic system competitively free and vigorous. I agree with Senator Taft that 'someone should be doing the job of studying and collecting the facts so that we can have intelligent planning.' The full-employment bill would provide a mechanism for using the combined intelligence of the Nation to increase the efficiency of both individual enterprises and of Government policy and action. The suggested National Budget procedure is an effective way of developing the factual information necessary to promote full production and full employment under the American system of private enterprise.

"The organization and procedures outlined in the full-employment bill for the preparation of the National Budget and the quarterly reports on the economic situation would provide the mechanism for bringing about the needed coordination and consistency. The work of the various executive departments that has bearing on full employment would be better integrated. So would, through the creation of the Joint Committee on the National Budget, the work of the various congressional committees that deal with economic problems which have over-all implications. Just as important, the organization background would be set for efficient cooperation between the executive and the legislative branches of the Federal Government in the formulation of these key economic policies and programs."

Benedict Wolf, chairman of the postwar planning committee, National Lawyers' Guild, pages 1038-1039:

"It will make available Nation-wide economic data on prospective investment, expenditures, production, and employment. The industrialist will be able to plan his investments, the farmer and worker their purchases, with greater certainty than ever before. Most important, it will permit us to act in advance of threatened economic crisis rather than follow our past policy of trying to do a patchwork job after the crisis is upon us."

##### 5. THE JOINT COMMITTEE ON THE NATIONAL BUDGET

Section 5 (a) of S. 380: "There is hereby established a Joint Committee on the National Budget \* \* \*"

Hon. Clinton P. Anderson, Secretary of Agriculture, page 523:

"Although the establishment of this joint committee of the Senate and House of Representatives is an innovation in congressional procedure, I believe that

it is a sound and desirable step. It will greatly simplify and improve the present congressional procedures for handling budgetary legislation."

Charles G. Bolte, chairman, American Veterans' Committee, page 418:

"The AVC is aware that S. 380 will not, in itself, cure unemployment. All it will do is to establish responsibility for coping with the problem in advance, and to create a working partnership between the President and Congress. It should put an end to the political jockeying and buck passing that takes place in the early stages of a depression, when the question of Government initiative in dealing with any part of the problem tends to become a political football."

Ralph E. Flanders, president, Jones & Lamson Machine Co. and Bryant Chuckling Grinder Co.; chairman, Boston Federal Reserve Bank; and chairman of the research committee of the Committee for Economic Development, page 600:

"The bill proposes the creation in Congress of a Joint Committee on the National Budget to study the President's Budget message and transmit its recommendations thereon in the form of a joint resolution, which would be debated and acted upon by each House of the Congress. This is a sensible suggestion."

Albert D. Goss, master, National Grange, page 824:

"We believe the bill, when perfected, will be a distinct contribution to our economic thinking. Too frequently we have approached the consideration of such basic economic problems as taxation, transportation, tariffs, labor legislation, farm legislation, financial legislation, and a host of others in a detached and narrow manner, without adequate consideration for the effect of the policy established upon our whole economy. Every sore spot affects our whole economy, but we have been too much inclined to consider each problem separately. Here, in the joint committee, the interdependence of all segments of our economy would be recognized in a practical way. A comprehensive national survey is made and the findings reported to a joint committee of both Houses made up of representatives of the major committees to which most of these problems are referred."

Paul G. Hoffman, president, Studebaker Corp.; and chairman of the board of trustees of the Committee for Economic Development, page 939:

"Perhaps you will agree with my major conclusion, namely, that there is most urgent need for a comprehensive and penetrating study of the many and varied types of Government action which can contribute to full employment. Such a study, in my opinion, is essential to the formulation of the many-sided, integrated program which is required.

"To speed the development of such a program, I recommend:

"(1) The immediate creation of the Joint Congressional Committee on Full Employment as proposed in Senate bill 380."

Hon. Lewis Schwellenbach, Secretary of Labor, page 799:

"Through the creation of a Joint Committee on the National Budget there is created a new congressional check upon the planning for public works in a broader area and on a more definite scale than has heretofore existed. If I understand the provision for this joint committee, it gives the Congress a much more important place in the public works program than it has ever before had."

John W. Snyder, Director of War Mobilization and Reconversion, pages 1062 and 1064:

"\* \* \* this legislation provides the mechanism to marshal all our forces and to coordinate all policies of Federal agencies to bring about full employment and it provides a method for the Congress to look at all legislation from the viewpoint of its effect on full employment. This is of the utmost importance  
\* \* \*

"The President will present a program and the Congress will have the final decision as to the steps it wishes to take. That is the best possible assurance that the full-employment bill will not mean regimentation."

Hon. Henry A. Wallace, Secretary of Commerce, page 695:

"Particularly desirable is the coordinating procedure outlined for the Congress and the executive establishments. The Federal Government, throughout its history, has dealt with problems affecting the economy as a whole, but sufficient provision has never been made to insure that the various measures taken were integrated and consistent. The vastness of our Federal establishment and the multitude of problems confronting the Congress have made it difficult for either the executive or legislative branches of the Government to obtain a balanced over-all view of the total economic effects of Federal policies."



APPENDIX C. SPECIFIC PROGRAMS PROPOSED DURING THE HEARINGS<sup>1</sup>

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., pages 657-658:

"Among the measures which the Federal Government could take without destroying the free, competitive, private-enterprise system are the following:

- "1. Higher minimum wages.
- "2. More liberal unemployment insurance.
- "3. Special training and other assistance for those seeking employment or reemployment.
- "4. Widely disseminated information on the status of the economy, as storm warnings to management.
- "5. Incentive taxation providing inducements to private enterprise to act in the interest of full employment in times of threatened recession, and against inflation in times of too rapid expansion.
- "6. Cycling of public works to act as a counterbalance to private enterprise, to the extent possible.
- "7. Controlling credit to the extent necessary to prevent too radical expansion or contractions.
- "8. Rendering technical assistance in the development of new enterprise, particularly to small business.
- "9. Assisting in the development of natural resources or the direct development of them if private enterprise fails to do so.
- "10. Regulating basic industries and public services.
- "11. Strict enforcement of the antitrust laws.
- "12. A broad and comprehensive program of social security including a national system of medical care."

William Green, president, American Federation of Labor, pages 740-741:

"Action on this bill would constitute the initial responsibility of Congress, to be supplemented by other legislation needed to provide a national economic environment favorable to 'full employment.' That is an essential requirement—favorable environment.

"There must be guaranties to agriculture to enable the farmers to produce needed amounts of food and to maintain rising levels of living in agricultural communities. That is an essential requirement.

"Congress should act to expedite disposition of war surplus goods in ways to promote 'full employment.'

"Congress should guarantee a high level of scientific research in the interests of national progress and security.

"Congress should raise the minimum rate in the Fair Labor Standards Act.

"Congress should institute a national housing program, assuring high and sustained levels of public and private construction so that all citizens may be well housed, with opportunities for home ownership.

"Congress should enact legislation to provide for the stimulation of planning and construction of community facilities such as hospitals, health centers, schools, roads, airports, and other improvements.

"Congress should promptly enact emergency unemployment compensation legislation requested by the President as necessary to protect workers and maintain national buying power.

"Congress should maintain the United States Employment Service at the Federal level to provide for efficient service to workers and industries for the maintenance of 'full employment.'

"Congress should enact legislation providing Federal aid for all schools to equalize educational opportunities and services for citizens in all localities and to make such appropriations effective by aid for all children needing it.

"Congress should provide a program for the development, conservation, and use of our national resources.

"Congress should develop and maintain fiscal and tax policies conducive to 'full employment.'

"In our efforts to establish and maintain 'full employment' in this country, we must be aware of the relations of our problems to the same problems in other countries, knowing that the principles of progress at home apply universally. We can have security at home by helping other countries to have security and progress."

<sup>1</sup> All page references apply to the unrevised prints of the hearings.

Ira Mosher, president, National Association of Manufacturers, pages 704-707:

A. On money and credit:

"It is apparent, therefore, that proper management of our money and credit system, and particularly of our huge public debt, is essential if we are to avoid booms and 'busts' in these coming years.

"There is no man or group of men alive today who can sit down and spell out the exact manner in which that money and credit system must be managed. Most authorities will agree that it must be based on a stable, clearly defined monetary unit; most will agree that we must have definite limits placed upon the credit extension powers of our commercial banks; there is growing appreciation of the fact that our Federal policy must be revised so that interest rates may again become a guide to the degree of strain to which our financial system is being subjected. And there is well-nigh universal agreement that it is important for us to get the public debt into the hands of those who will hold it as a permanent investment until the bonds mature and are paid off.

"The specific adjustments which are necessary to achieve these results need concentrated study by the best monetary and banking experts in the country. Our program, therefore, proposes that Congress create a special committee of such experts, commissioned to report specifically on what legislative changes are needed, what policies must be followed by the banking authorities in order to assure that we shall realize the maximum benefits from our money and credit system, and will not again have our whole economic system thrown into a tailspin through mismanagement in the financial field."

B. On special privileges:

"NAM's complete program recommends, therefore, three main points:

"1. That all monopolistic conspiracies whether by management, labor, or any other element in our economy, be eliminated promptly. This will require—

"(a) Vigorous and impartial enforcement of the antitrust laws no matter how important economically or politically he may be who thus gets hit.

"(b) Legislation compelling the recording in the United States Patent Office of all patent agreements, both existing and future, and both domestic and international, except those covering simple nonexclusive licenses and exchange of licenses.

"(c) Vigorous efforts by the Federal Government to enter into agreements with other nations which will prevent the operation of all cartels which attempt to control production, distribution, or prices.

"2. That Congress immediately initiate a program for the systematic elimination from the economic system of all subsidies (except those necessary for military security) as rapidly as possible without unduly disrupting our domestic trade and employment. Now, this means:

"(a) That our over-all national policy should be one of gradual reduction of protective tariff duties, the reductions in each case to be continued to that point which will maximize production and consumption under competitive conditions in the United States. The rate of reduction should be such that it does not unduly disrupt our domestic trade and employment. We should continue to regard the tariff as a proper means for protecting American industry, American workers, and American agriculture against "dumping" of foreign products in our markets and all other forms of unfair competition.

"2. That Congress immediately initiate a program for the systematic elimination from the economic system of all subsidies (except those necessary for military security) as rapidly as possible without unduly disrupting our domestic trade and employment. Now, this means:

"(a) That our over-all national policy should be one of gradual reduction of protective tariff duties, the reductions in each case to be continued to that point which will maximize production and consumption under competitive conditions in the United States. The rate of reduction should be such that it does not unduly disrupt our domestic trade and employment. We should continue to regard the tariff as a proper means for protecting American industry, American workers, and American agriculture against "dumping" of foreign products in our markets and all other forms of unfair competition. \* \* \*

"(b) On agriculture we urge that farm leaders provide the Nation with a sound agricultural program which will assure that farming will be restored as a free, self-supporting, profitable division of our economic system.

"3. Much of the existing labor legislation is based on the principle of special privileges for labor. In recent years, these laws and their administration have



created a situation which has operated against the public interest and has, in specific respects, retarded production and curtailed jobs. Much of this situation has resulted from the fact that the statutes and regulations dealing with labor relations have in the past few years become unworkable. They need revision to fit the conditions we now face in the reconversion and postwar period, revision which will eliminate the special privileges granted labor while, at the same time protecting labor's rights.

"We therefore recommend legislation to correct existing labor laws to provide specific responsibilities and obligations for labor as well as management; and to protect individuals in their right to work; to regulate union practices which restrict efficiency and maximum production or limit job opportunities; to permit management the same free choice in selecting its representatives (foremen and higher levels of management) as is accorded labor; to require that labor unions, as well as management, abide by their collective-bargaining contracts."

C. Stimulating private investment:

"But aside from \* \* \* psychological factors, there is one very tangible problem which must be met effectively in order to stimulate a high rate of investment. That tangible problem is our Federal tax program.

"Recognizing that this committee is not charged with the responsibility for developing revenue measures, I shall not attempt at this time to spell out the complete tax program which industry recommends for permanent prosperity in this Nation. A comprehensive statement on this subject will be found in the complete program we will file with your committee. For the purposes of this hearing it will suffice to say that it is unwise to have rates so high that, through discouraging investment, we diminish the revenues of the Government."

Philip Murray, president, Congress of Industrial Organizations, pages 464-465:

"We want this Senate bill 380 passed, but it is only a part of the legislation we know is necessary. There are some other bills pending before this Congress which are long overdue.

"The Kilgore-Forand unemployment-compensation bill should be picked up at once and moved on to passage.

"We must have the Pepper amendment to the Wage-Hour Act, so there will be an increased number of workers provided a minimum wage; and to increase that minimum wage from 40 to 65 cents an hour.

"There has been 2 years of dawdling over the Wagner-Murray-Dingell bill to improve old-age retirement pensions, establish health insurance, and provide other social-security advances. Hearings should begin at once.

"We expect Congress to pass the permanent Fair Employment Practice Act to abolish discrimination from our midst. We have just finished a war to stamp out racial discrimination in Hitler Germany; shall we stand by and have it remain in our own country?

"There must be further improvement in existing laws that provide help for demobilized veterans, especially for those permanently disabled in the service of democracy.

"A whole new concept of tax legislation must be worked out, to provide relief for low-income groups and to pull the idle wealth of the Nation into healthy economic circulation.

"We insist that the anti-poll-tax measure is a nonpartisan responsibility of both Senate and House, so that we may extend the franchise to every American.

"The need is great to modernize America postwar. There must be prompt action on the great program of roads, schools, hospitals, housing. The money already authorized for highways should be available at once. The Missouri Valley Authority is imperative, because of the new wealth it will bring to our Nation.

"The control of atomic power must forever rest in the hands of the whole American people. No group of private monopolists can be allowed to seize and wield control over these forces of life and death.

"All these things and this full-employment bill add up to continued prosperity, which is the basis and foundation of true peace—peace among Americans as well as among nations."

Fred M. Vinson, Secretary of the Treasury, page 966:

A nine-point agenda "showing the major points for an economic charter for high levels of employment with a steadily rising American standard of living \* \* \*:

"1. Taxation: A complete modernization of tax laws to help achieve stable high levels of employment and production.

"2. Small business: A program to foster small business and encourage the birth of new business.

"3. Competition: A fair, vigorous antimonopoly program, because competition is a keystone to our free society.

"4. Labor, management, and wages: Measures to reduce industrial strife, the broadening of the minimum-wage laws, and the discouragement of a high-wage policy by business.

"5. Foreign trade: The breaking down of artificial barriers to trade and positive measures to encourage world trade.

"6. Social security: The broadening and expansion of unemployment compensation, old-age pensions, health and education programs of Federal, State, and local governments.

"7. Farm program: Measures to assure the farm population an opportunity to enjoy the same standards of living, health, and educational facilities as the rest of the American people.

"8. Public works and construction: A long-term program of public works tied in with the Government's fiscal policy, and a program to encourage far greater volume of private construction for housing than we have ever had in the past.

"9. Fiscal policy: A fiscal policy aimed at maintaining the economy at or near full employment, and coordinating all Government programs that have either an inflationary or deflationary effect."

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#### APPENDIX D.—MAJOR DIFFERENCES BETWEEN THE FULL EMPLOYMENT BILL AND THE EMPLOYMENT STABILIZATION ACT OF 1931<sup>1</sup>

What are the basic differences between the Employment Stabilization Act of 1931 and the full employment bill of 1945?

The essential difference is that the Employment Stabilization Act was in fact aimed at the reduction of unemployment during periods of business depression. This, of course, is due to the fact that it was enacted during the depths of a major economic crisis.

The full employment bill, on the other hand, is oriented toward preventing depression—or in other words, toward the maintenance of employment opportunities for all who are willing and able to work.

There is also a difference in basic method.

The Federal Employment Stabilization Act was basically a public works measure. Its aim was to reduce unemployment by proper planning and proper administration of public works.

The full employment bill, on the other hand, is much broader. Its approach is toward the creation of conditions under which employment can be maintained by private enterprise. Federal expenditures are to be used only as a last resort measure to prevent unemployment. Moreover, public works are only one of many possible types of Federal expenditures that might be developed under the full employment bill. Loans, guaranties, subsidies, purchases, and any other types of Federal outlays are also included under the term "Federal expenditure and other investment."

A Federal Employment Stabilization Board, consisting of four members of the Cabinet, was created to write reports and advise the President as to the approach of a business depression under the Employment Stabilization Act. No similar board is created by the full employment bill, but the advisory and reporting functions are to be performed in the Executive Office of the President in consultation with the Cabinet and heads of agencies. Also, the President is empowered to create advisory boards of representatives of economic and governmental groups to consult on methods to use in effectuating the policies of the bill.

A unique feature of the full employment bill, which was not to be found in the Employment Stabilization Act, is the joint congressional committee that would study the National Budget and report its findings and recommendations to the Senate and House.

The informational basis of the full employment bill is much broader than that of the Employment Stabilization Act. Under the Employment Stabilization Act estimates of business activity in the national economy were made on the volume of contracts awarded for construction work in a sample 3-month period and on the monthly index of employment published by the Bureau of Labor Statistics. Under

<sup>1</sup> From History of the Employment Stabilization Act of 1931, July 30, 1945, Senate Committee Print No. 3, pp. 1-3. Quotations from the full-employment bill are from the draft of January 22, 1945.



the full-employment bill the estimated size of the labor force, the aggregate volume of investments and expenditures by private enterprise, consumers, State and local governments, and the Federal Government are all included in the National Employment and Production Budget.

Table I presents a tabular summary of some of these differences.

TABLE I.—*Major differences between the Employment Stabilization Act of 1931 and the full-employment bill of 1945*

	Employment Stabilization Act of 1931	Full employment bill of 1945
Policy.....	<p>Aims to aid in prevention of unemployment during periods of business depression, by—</p> <p>Federal public works planning and construction.</p> <p>Federal Government responsibility to appropriate for, accelerate, and plan in advance for Federal public works.</p>	<p>Aims to maintain continuing full employment in a free competitive economy, by—</p> <p>Development and pursuit of "consistent and openly arrived at economic policies and programs" to "encourage the highest feasible levels of employment opportunities" to be reached through non-Federal activity; and as a last resort, Federal expenditures to maintain employment.</p> <p>Federal Government responsibility in cooperation with State and local governments and basic economic groups, to assure continuing full employment.</p>
Administration.....	Federal Employment Stabilization Board—Secretary of Agriculture, Secretary of Commerce, Secretary of Labor, Secretary of Treasury—to write reports and advise President of approaching depression.	<p>President, through his Executive Office, and with aid of Cabinet members, department heads, and advisory boards, representing industry, agriculture, labor, State and local governments. To prepare annual Employment and Production Budget including comprehensive program to transmit to Congress.</p> <p>Joint Congressional Committee on the National Employment and Production Budget.</p> <p>Preparation of joint resolution by joint committee; annual debate and decision by Congress.</p>
Basic information...	Estimates of business activity made on basis of volume of construction contracts and on BLS monthly index of employment.	<p>Comparison between full employment goals and existing trends with respect to—</p> <ol style="list-style-type: none"> <li>1. Jobs;</li> <li>2. Production of goods and services; and</li> <li>3. Demand for goods and services.</li> </ol>
Implementation.....	Federal expenditures for public works.	<p>Application of the whole tool kit of Federal policies and procedures to encourage the highest feasible levels of employment opportunities to be reached through non-Federal activity; Federal expenditures only as a last resort to prevent any gap that might otherwise occur. All such expenditures "to contribute to the national wealth and well-being, and to stimulate additional non-Federal investment and expenditure."</p> <p>Appropriations to be made in connection with each specific program enacted.</p>
	Specific appropriations made for public works.	

APPENDIX E. REPORTS SUBMITTED TO THE BANKING AND CURRENCY COMMITTEE BY SENATOR ROBERT F. WAGNER, CHAIRMAN, IN CONNECTION WITH THE FULL-EMPLOYMENT BILL

The following reports have been submitted to the Banking and Currency Committee by Senator Robert F. Wagner, chairman, in connection with the full-employment bill:

1. Summary of Federal Agency Reports of Full Employment Bill, July 12, 1945 (Senate Committee Print No. 1).
2. Bibliography on Full Employment, June 25, 1945 (Senate Committee Print No. 2).
3. History of the Employment Stabilization Act of 1931, July 30, 1945 (Senate Committee Print No. 3).
4. Basic Facts on Employment and Production, September 1, 1945 (Senate Committee Print No. 4).

APPENDIX F. STATEMENT OF ESSENTIAL HUMAN RIGHTS DRAFTED BY A COMMITTEE REPRESENTING PRINCIPAL CULTURES OF THE WORLD, APPOINTED BY THE AMERICAN LAW INSTITUTE

FOREWORD

Men cannot have peace without an organization to adjust their changing relations with one another in an orderly manner. This is true of any community, whether it be one village or one world. Also, no organization can keep the peace without force to curb the vicious and those who refuse to cooperate for the common good.

On these primary facts public opinion in the United Nations seems agreed (regardless of what action the governments may take) and so supports the Dumbarton Oaks Proposal for a Security Council with power to use armed force to prevent war. So far so good. This support represents a big step forward. Yet there remains a danger that can cancel it out: the danger that public opinion in the United States and in other lands will think that joining an international organization with police power is all that is required to keep the peace.

Police power can be abused—to exploit, to uphold the dead hand of the past, to give effect to intolerance and ignorance. An international organization, no less than a national organization, can serve destructive ends—power politics, the welfare of limited groups in the population, the status quo. The temptation to uphold the status quo seems to be the particular danger of international organizations, for example, the Holy Alliance of 1815.

Clearly to join an international organization with power to keep the peace by force is only the beginning of our responsibility. An international organization—for what purpose? That is the crucial question we must ask and answer. First, the purpose must be new. If we really want peace and prosperity we cannot go back to the past because the past had not found these blessings. An international organization must break new ground, just as the American Constitution and Government in 1789 broke new ground. The situation of the uncertain, suspicious, but unself-sufficient nations of the world today finds perhaps its most instructive parallel in the situation of the uncertain, suspicious, but unself-sufficient American Colonies immediately after the Revolution.

Secondly, the purpose of the world organization must be specific and practical enough to mean something in the daily life of every human being so that men everywhere will understand and actively support the organization. Thirdly, the purpose must be so compelling as gradually to unite the majority of men in spite of all the differences of nationalism, of color, of creed, of economic system, or of custom and tradition that divide them. In short, the purpose of a successful international organization can be nothing less than a common aim for mankind.

What purpose can satisfy these requirements? Certainly not the negative purpose of keeping the peace by force. Certainly not the exclusive interest of any one power or group of powers, the United States, Great Britain, Russia, China, or the small nations as such. The one objective that is big enough and specific enough to be common to all men is the welfare, the dignity, the inviolability of the individual human being.

Any world organization or any society that hopes to survive in this age of the buzz bomb, of the B-29 Superfortress, of industrial chemistry, of electronics, of practically unlimited destructive power, will have to recognize the individual human being as its supreme value. This is not idealism or utopianism. Hitler's extermination of peoples has demonstrated to all who can read that a world society with so much power as ours must be organized to serve the dignity and welfare of the individual human being or it will destroy itself. Only as the world organization fixes its eyes on the welfare of the individual and on the increase of his freedom and responsibility will it find the means and the popular support to carry it through the political, economic, and ideological storms ahead.

From this point of view, the most encouraging feature of the Dumbarton Oaks proposal is that providing for an Economic and Social Council to "facilitate solutions of international economic, social, and other humanitarian problems and promote respect for human rights and fundamental freedoms." With such a goal and such a tool, and behind the protecting police power of the Security Council the world organization can hope to enlist mankind in the cooperative action necessary for peace and survival.



The first step is to define the indispensable human rights, if possible in terms that will be acceptable to men of good will in all nations. A most careful attempt to do this has been made by a committee of lawyers and political scientists representing most of the principal cultures of the world, appointed by the American Law Institute. The committee was instructed to see if its members could agree on and draft the rights essential to make effective the freedom of the individual. The committee found a very large measure of agreement which, in view of its multinational make-up, was most encouraging. Over a period of 18 months it drafted the Statement of Essential Human Rights. This is not a statement made by the American Law Institute, which is composed exclusively of United States citizens. It is a statement by a committee representing many different nations. The institute neither approves nor disapproves of the document.

The statement differs from the Bill of Rights in the United States Constitution because and to the extent that the conditions of human existence in our interdependent, mass-production society differ from those under which self-sufficient farmers and craftsmen lived in colonial America. Perhaps one of the most useful achievements of the statement is that it throws additional safeguards around the traditional freedoms of speech, religion, and assembly while providing for the indispensable minimum of economic security. One of the greatest dangers immediately ahead of us is that the groups concerned with security will lose sight of civil liberties and vice versa.

The Statement of Essential Human Rights is not a statement of means. It does not blueprint the varied steps, international and national, political and economic, essential to reach the goal. But it does blueprint the goal, and by so doing it gives the citizens a yardstick by which to test any institution or action; for example, a foreign policy. To understand that the ultimate purpose of international relations is to secure peace, freedom, food, and education for all men is to strip them of their mystery. It gives every man a stake in the success of those relations.

Because the Statement of Essential Human Rights is the work of responsible men from many nations, and because it has been drafted in clear and unambiguous language, it seems especially suitable to stimulate the discussion necessary to enable the peoples of the world to make up their minds on what rights they consider indispensable and so what they want the goal of their international organization to be. Americans United for World Organization, while not taking a position in respect to all details of the document, considers it to be directly in line with its purposes and function to submit the statement to the forum of public debate.

AMERICANS UNITED FOR WORLD ORGANIZATION, INC.

#### DRAFTING COMMITTEE

The cultures or countries represented, besides the United States, are the Arabic, British, Canadian, Chinese, French, pre-Nazi German, Italian, Indian, Latin American, Polish, Soviet Russian, and Spanish.

William Draper Lewis, chairman—Jurist and educator; director, American Law Institute.

Ricardo J. Alfaro—Statesman and jurist; President of the Republic of Panama, 1931-32; Minister to the United States, 1922-30 and 1933-36.

George M. Barakat—Lawyer. President, Syrian and Lebanese-American Federation of the Eastern States.

Percy E. Corbett—Jurist and educator; with Institute of International Studies, Yale University; dean, faculty of law, McGill University, 1928-36.

Julio A. del Vayo—Statesman and journalist; Foreign Minister of the Spanish Republic, 1936-39.

Noel T. Dowling—Professor of law, Columbia University.

Kenneth Durant—Journalist and authority on Soviet Russia.

John R. Ellingston—Sociologist; special adviser on criminal justice-youth, American Law Institute.

Hu Shih—Diplomatist and philosopher; Chinese Ambassador to the United States, 1938-41.

Manley O. Hudson<sup>1</sup>—Jurist and educator; judge, Permanent Court of International Justice since 1936.

C. Wilfred Jenks—Barrister at law of Gray's Inn, London; legal adviser of the International Labor Office.

Charles E. Kenworthy—Lawyer; judge, Superior Court of Pennsylvania, 1941-44.

<sup>1</sup> Judge Hudson is doubtful about the phrasing in some places, and Warren A. Seavey is not in agreement with the essential character of the rights stated in Articles 11 to 15, relating to social rights.

- Henri Laugier—Physiologist and statesman; dean, Algiers University, since 1943; chief of cabinet, Ministry of Education, France, 1936–37.
- Karl Loewenstein—Lawyer and educator; professor of political science and jurisprudence, Amherst College.
- K. C. Mahindra—Industrialist; head of India Supply Mission to the United States since 1942.
- Roland S. Morris—Lawyer and diplomatist; United States Ambassador to Japan, 1917–21.
- John E. Mulder—Lawyer and educator; professor of law, University of Pennsylvania.
- Ernst Rabel—Jurist and legal writer; founder and director, Kaiser Wilhelm Institute of Foreign and International Private Law in Berlin; formerly judge, Permanent Court of International Justice.
- Ludwik Rajchman—Doctor of medicine; Director, Health Section, League of Nations, 1921–39; director, State Institute and School of Hygiene, Warsaw, Poland, 1919–21.
- David Riesman, Jr.—Lawyer and educator; formerly, professor of law, University of Buffalo.
- Warren A. Seavey—Professor of law, Harvard University since 1927; head of Law School, Pei Yang University, China, 1906–11.
- Angelo P. Sereni—Lawyer and educator; formerly, professor of law, University of Ferrara, Italy.
- Paul Weill—Lawyer; vice president, Franec Forever; counsel to the Ministry of the Interior, France, 1936.
- Quincy Wright—Professor of international law, University of Chicago.
- George M. Wunderlich—Lawyer and educator; associate in law, University of Pennsylvania Law School; prior to 1936 in private practice in Berlin, Germany.

#### THE EIGHTEEN ARTICLES OF ESSENTIAL HUMAN RIGHTS

##### *Article 1. Freedom of Religion*

Freedom of belief and of worship is the right of everyone.  
The state has a duty to protect this freedom.

##### *Article 2. Freedom of Opinion*

Freedom to form and hold opinions and to receive opinions and information is the right of everyone.  
The state has a duty to protect this freedom.

##### *Article 3. Freedom of Speech*

Freedom of expression is the right of everyone.  
The state has a duty to refrain from arbitrary limitation of this freedom and to prevent denial of reasonable access to channels of communication.

##### *Article 4. Freedom of Assembly*

Freedom to assemble peacefully with others is the right of everyone.  
The state has a duty to protect this freedom.

##### *Article 5. Freedom to Form Associations*

Freedom to form with others associations of a political, economic, religious, social, cultural, or any other character for purposes not inconsistent with these articles is the right of everyone.  
The state has a duty to protect this freedom.

##### *Article 6. Freedom From Wrongful Interference*

Freedom from unreasonable interference with his person, home, reputation, privacy, activities, and property is the right of everyone.  
The state has a duty to protect this freedom.

##### *Article 7. Fair Trial*

Everyone has the right to have his criminal and civil liabilities and his rights determined without undue delay by fair public trial by a competent tribunal before which he has had opportunity for a full hearing.



The state has a duty to maintain adequate tribunals and procedures to make this right effective.

*Article 8. Freedom From Arbitrary Detention*

Everyone who is detained has the right to immediate judicial determination of the legality of his detention.

The state has a duty to provide adequate procedures to make this right effective.

*Article 9. Retroactive Laws*

No one shall be convicted of crime except for violation of a law in effect at the time of the commission of the act charged as an offense, nor be subjected to a penalty greater than that applicable at the time of the commission of the offense.

*Article 10. Property Rights*

Everyone has the right to own property under general law. The state shall not deprive anyone of his property except for a public purpose and with just compensation.

*Article 11. Education*

Everyone has the right to education.

The state has a duty to require that every child within its jurisdiction receive education of the primary standard; to maintain or insure that there are maintained facilities for such education which are adequate and free; and to promote the development of facilities for further education which are adequate and effectively available to all its residents.

*Article 12. Work*

Everyone has the right to work.

The state has a duty to take such measures as may be necessary to insure that all its residents have an opportunity for useful work.

*Article 13. Conditions of Work*

Everyone has the right to reasonable conditions of work.

The state has a duty to take such measures as may be necessary to insure reasonable wages, hours, and other conditions of work.

*Article 14. Food and Housing*

Everyone has the right to adequate food and housing.

The state has a duty to take such measures as may be necessary to insure that all its residents have an opportunity to obtain these essentials.

*Article 15. Social Security*

Everyone has the right to social security.

The state has a duty to maintain or insure that there are maintained comprehensive arrangements for the promotion of health, for the prevention of sickness and accident, and for the provision of medical care and of compensation for loss of livelihood.

*Article 16. Participation in Government*

Everyone has the right to take part in the government of his state.

The state has a duty to conform to the will of the people as manifested by democratic elections.

*Article 17. Equal Protection*

Everyone has the right to protection against arbitrary discrimination in the provisions and application of the law because of race, religion, sex, or any other reason.

*Article 18. Limitations on Exercise of Rights*

In the exercise of his rights everyone is limited by the rights of others and by the just requirements of the democratic state.

## COMPLETE TEXT OF THE STATEMENT OF ESSENTIAL HUMAN RIGHTS WITH COMMENT

*Preamble*

Upon the freedom of the individual depends the welfare of the people, the safety of the state and the peace of the world.

In society complete freedom cannot be attained; the liberties of the one are limited by the liberties of others, and the preservation of freedom requires the fulfillment by individuals of their duties as members of society.

The function of the state is to promote conditions under which the individual can be most free.

To express those freedoms to which every human being is entitled and to assure that all shall live under a government of the people, by the people, for the people, this declaration is made.

*Article 1. Freedom of Religion*

Freedom of belief and of worship is the right of everyone.

The state has a duty to protect this freedom.

*Comment*

Provisions for establishing a right comparable to that in this article are contained in the current or recent constitutions of 52 countries.

This article on belief and worship covers not only organized religion but also individual religious opinions and philosophic systems.

"Freedom of worship" covers religious services under the leadership of a minister or without it, and individual worship. It does not include all practices claimed to be of a religious nature—such, for example, as run counter to hygienic regulations.

Article 5 expresses the right "to form with others associations of a \* \* \* religious \* \* \* character." Articles 1 and 5 together, therefore, imply the right of the individual to join and leave religious organizations. Article 3 states the right to "freedom of expression." Consequently, articles 1 and 3 together imply the right of free communication among religious authorities, and between religious authorities and the faithful.

The duty of the State expressed in this article and in succeeding articles involves some or all of the following steps: (1) To abstain from enacting laws which impair the right, (2) to prevent its governmental agencies and officials from performing acts which impair the right, (3) to enact laws and provide suitable procedures, if necessary, to prevent persons within its jurisdiction from impairing the right, and (4) to maintain such judicial, regulatory, and operative agencies as may be necessary to give practical effect to the right.

With respect to this article the duty of the State involves the protection, for example, of churches and other establishments devoted to religious purposes. It restrains the state from forcing the individual to participate in religious ceremonies or rites or to join any religious sect, communion, or organization.

*Article 2. Freedom of Opinion*

Freedom to form and hold opinions and to receive opinions and information is the right of everyone.

The state has a duty to protect this freedom.

*Comment*

Provisions for establishing freedom to hold opinions are contained in the current or recent constitutions of seven countries. Moreover this freedom is implied in the freedom of expression, for which see article 3.

The term "opinion" is used in its widest sense. In order that the freedom to form and hold opinions may be enjoyed, the individual must be free to receive opinions expressed by others by any means of communication such as books, newspapers, pamphlets, or radio.

*Article 3. Freedom of Speech*

Freedom of expression is the right of every one.

The state has a duty to refrain from arbitrary limitation of this freedom and to prevent denial of reasonable access to channels of communication.



*Comment*

Provisions for establishing a right comparable to that in this article are contained in conjunction with the right to freedom of opinion in current or recent constitutions of 55 countries.

This article protects freedom of expression, whatsoever may be the means employed. The term "expression" is used as of wider coverage than "speech." It includes the freedom of the individual to speak, write, use the graphic arts, the theater, or any other art form to present his ideas. In this sense freedom of expression embraces the basic "freedom of the press" in its classic meaning of the right of the individual to print and distribute his ideas.

In conjunction with article 2, which protects the individual's right to receive information and opinions, this article protects the freedom of the press as an institution for gathering and disseminating information and opinions.

The duty of the state "to refrain from arbitrary limitation on this freedom" restrains the state from the use of arbitrary censorship on expression in any of the forms listed above. The duty of the state "to prevent denial of reasonable access to channels of communication" means that if, through physical limitations or other circumstances, the ordinary channels—such as the mails, the telephone, the telegraph, the radio—are limited, the state where necessary must exercise its controlling or regulatory power to insure to the individual such opportunity of use as is practicable.

*Article 4. Freedom of Assembly*

Freedom to assemble peaceably with others is the right of everyone.  
The state has a duty to protect this freedom.

*Comment*

Provisions for establishing a right comparable to that in this article are contained in the current or recent constitutions of 47 countries.

This article protects assemblies for political, economic, religious, social, cultural, and other purposes. It includes indoor and outdoor private and public meetings, as well as parades and processions. In the interests of public safety and convenience, a state may make requirements as to time and place of meetings. In the fulfillment of its duty the state may have to make provisions for police at meetings and against the breaking up of public meetings.

*Article 5. Freedom To Form Associations*

Freedom to form with others associations of a political, economic, religious, social, cultural, or any other character for purposes not inconsistent with these articles is the right of everyone.

The state has a duty to protect this freedom.

*Comment*

Provisions for establishing a right comparable to that in this article are contained in the current or recent constitutions of 39 countries.

This article recognizes man's fundamental instinct for and protects his vital need for group activity. It expresses the right to exercise in association with others the essential freedoms stated in the other articles and such other rights as are recognized by law.

Only such association as does not infringe the essential rights of others is "not inconsistent with these articles." Thus, political association that involves the attainment of ends by free elections and by the democratic principle of majority rule is protected, but political association that aims at totalitarianism and the destruction of the political rights of others is prohibited.

The state may prescribe reasonable requirements governing the establishment and supervision of associations. Thus it may require associations to be registered, to declare their purposes, and to register the names of their members and responsible officers.

*Article 6. Freedom From Wrongful Interference*

Freedom from unreasonable interference with his person, home, reputation, privacy, activities, and property is the right of everyone.

The state has a duty to protect this freedom.

*Comment*

Provisions for establishing elements of the right defined in this article are contained in the current or recent constitutions of 49 countries.

This article imposes a duty upon the state to take measures to prevent the use of force and falsehoods by individuals or groups of individuals which would interfere with the safety, honor, and welfare of others. It sanctions and requires the state to organize such police force and to impose such criminal or civil liability or both, against the offenders, as may be necessary to give to the people within the borders of the state a reasonable degree of security against the aggressions and frauds of others.

*Article 7. Fair Trial*

Everyone has the right to have his criminal and civil liabilities and his rights determined without undue delay by fair public trial by a competent tribunal before which he has had opportunity for a full hearing.

The state has a duty to maintain adequate tribunals and procedures to make this right effective.

*Comment*

Provisions, in varying degrees of fullness, for establishing a right comparable to that in this article, are contained in the current or recent constitutions of 50 countries.

The article states the basic requirements for orderly and just procedure not only for the protection of individuals against arbitrary action by government or by public officials but also for the settlement of disputes among individuals themselves. It implies that in all matters which affect him, any human being is entitled to access to a competent tribunal and a procedure which will insure fairness of determination.

"Public trial" means that there shall be an opportunity for some members of the public to be present and that the proceedings can properly be reported by those who have witnessed them.

A "competent tribunal" is one which, whether a court or an administrative agency, is empowered by the law of the state to entertain an action.

The requirement of a "fair trial" provides protection against trial which, although public and before an otherwise competent tribunal, may proceed under such pressures that justice cannot be done. This would be true, for example, where public opinion is so hostile that a local tribunal would be unduly affected by the hostility, or where the tribunal itself, although competent, is unduly biased or has been corrupted. It also protects against improper methods of trial, as where rational procedures are not used or where obvious errors have led to an improper result. Customary trial procedures of civilized communities must be used as a standard to discover whether, in view of all the circumstances of the particular case, a fair trial is accorded. No displacement of traditional methods of punishment for contempt is intended.

The requirement for a "full hearing" makes certain that the person whose rights or liabilities are being determined shall have a reasonable opportunity to present his side of the case. It does not mean that a hearing, formal or informal, must necessarily be had; it does mean that either party on demand may have one, the extent of which will depend upon the sound discretion of the tribunal. In a criminal proceeding, a "full hearing" implies that a person must be informed in advance of the charge against him, be permitted the assistance of counsel, and be given a reasonable time to prepare for the hearing.

*Article 8. Freedom From Arbitrary Detention*

Everyone who is detained has the right to immediate judicial determination of the legality of his detention.

The State has a duty to provide adequate procedures to make this right effective.

*Comment*

Provision, in varying degrees of fullness, for establishing a right comparable to that in this article are contained in the current or recent constitutions of 34 countries.

This article implies that no one can be detained except pursuant to law, and provides a check on arbitrary arrest as well as a release from unlawful detention.

"Immediate" determination means not only that he shall have access without delay to a competent tribunal but also that the tribunal shall promptly decide the question. Whatever the character of the tribunal may be, it is indispensable that the determination be "judicial" in the sense of the judicial tradition of responsibility, independence, and impartiality.



The statement of the right does not include a statement of the grounds on which a person may be taken into custody and held for trial; that will depend upon the laws and legal system in the particular State.

*Article 9. Retroactive laws*

No one shall be convicted of crime except for violation of a law in effect at the time of the commission of the act charged as an offense, nor be subjected to a penalty greater than that applicable at the time of the commission of the offense.

*Comment*

Provisions, in varying degrees of fullness, for establishing a right comparable to that in this article are contained in the current or recent constitutions of 30 countries.

This article assumes that the law has defined certain acts or omissions to be crimes with sufficient particularity so that the definition can be used as a standard to determine guilt. The article prohibits ex post facto or retroactive laws.

*Article 10. Property rights*

Everyone has the right to own property under general law. The State shall not deprive anyone of his property except for a public purpose and with just compensation.

*Comment*

Provisions in varying degrees of fullness for establishing a right comparable to that in this article are contained in the current or recent constitutions of 50 countries.

This article recognizes that to be free, man must have the right to acquire, use, and dispose of a large variety of things. It would violate the article for the State to curtail unreasonably, in view of conditions existing at any given time the number and variety of things which could be the subject of private ownership.

The second sentence preserves the protections traditionally granted to rights in specific property in connection with the State's exercise of its power of eminent domain.

*Article 11. Education*

Every one has the right to education.

The State has a duty to require that every child within its jurisdiction receive education of the primary standard; to maintain or insure that there are maintained facilities for such education which are adequate and free; and to promote the development of facilities for further education which are adequate and effectively available to all its residents.

*Comment*

Provisions, in varying degrees of fullness, for establishing a right comparable to that in this article are contained in the current or recent constitutions of 40 countries.

This article makes primary education compulsory for "every child" within the jurisdiction of a State. The age limits within which the individual is to be considered a "child" are left to reasonable interpretation in the light of local physiological and other conditions. Existing constitutions usually fix the lower limits at 6 or 7, and the upper limits variously at 12, 14, 16, and 18. The article does not make attendance at school compulsory, although the great majority of children will be able to meet the requirements only by attendance at a public or private school.

The phrase "to maintain or insure that there are maintained facilities for such (primary) education which are adequate and free" does not prohibit education at home and permits special arrangements necessary to meet special conditions, as for the mentally and physically incapacitated. The expression "adequate and free" does not prohibit private schools from charging tuition or other fees. It does, however, impose upon the State the duty of insuring that there are maintained schools at which each child has the opportunity to receive a primary education free.

The article does not prescribe the extent to which schools and other educational facilities for "further education" may be provided by the State or by churches, endowed institutions, or other voluntary bodies; the nature of the public control, if any, exercised over privately provided schools; the conditions under which privately provided schools may receive financial assistance from the State; or the status of universities. It does impose on the State the responsibility of insur-

ing that adequate educational facilities are provided by either public or private action, a responsibility which would include the duty of providing such facilities itself whenever they are not effectively provided in some other manner. Thus the article, while affirming the responsibility of the State, allows unlimited variety in the means by which the responsibility is discharged.

The phrase "to promote the development of facilities" recognizes the inevitability of gradualness in the implementation of the right to education; the interpretation of the phrase "adequate and effectively available" will vary with local conditions from either a quantitative or qualitative standpoint. Facilities adequate at one stage of social and economic development will cease to be adequate as further progress becomes possible.

#### *Article 12. Work*

Everyone has the right to work.

The state has a duty to take such measures as may be necessary to insure that all its residents have an opportunity for useful work.

#### *Comment*

Provisions for establishing this right are contained in current or recent constitutions of nine countries.

This article does not require the state to furnish work to the individual unless private enterprise fails to provide him the opportunity to work and unless he has no opportunity to earn a living as an independent worker, for example, an artisan, farmer, shopkeeper, or member of a profession.

The phrase "useful work" excludes mere relief work which has no positive social value from being regarded as an adequate fulfillment of the duty of the state.

#### *Article 13. Conditions of Work*

Everyone has the right to reasonable conditions of work.

The state has a duty to take such measures as may be necessary to insure reasonable wages, hours, and other conditions of work.

#### *Comment*

Provisions for establishing a right comparable to that in this article are found in the current or recent constitutions of 18 countries. Comprehensive international labor standards have been evolved by representatives of governments, management, and labor at the annual meetings of the International Labor Conference and are contained in the 67 international conventions and 66 recommendations embodied in the International Labor Code.

This article applies particularly, though not exclusively, to persons employed by others. Standards to determine what are "reasonable wages, hours, and other conditions" necessarily depend on prevailing economic conditions. Wages to an adult insufficient to maintain a family of average size at a level essential to health as determined by objective statistical studies are not reasonable.

The phrase "other conditions of work" includes such matters as rest periods, holidays, and protection against accident and disease incidental to the work.

#### *Article 14. Food and Housing*

Everyone has the right to adequate food and housing.

The state has a duty to take such measures as may be necessary to insure that all its residents have an opportunity to obtain these essentials.

#### *Comment*

Food has not been dealt with in constitutional instruments hitherto. Nutrition policies have developed very rapidly since 1936. The United Nations Conference on Food and Nutrition, at which 44 states were represented, recommended that governments should recognize and embody in a formal declaration or agreement their obligation to their respective peoples and to one another to raise levels of nutrition and standards of living, to improve the efficiency of agricultural production and distribution, and to cooperate, so far as may be possible, with other nations for the achievement of these ends. An Interim Commission of representatives of 44 nations, meeting at Washington, D. C., has been entrusted with the preparation of a plan for a permanent international organization for the furtherance of these objects.

The current or recent constitutional instruments of 11 countries state or imply a right to adequate housing.



This article insures the individual the "opportunity to obtain" food and housing. The state is not required to provide food or housing unless the individual cannot under existing conditions obtain them by his own efforts.

It may be sufficient for the state to protect its residents against diseased or unwholesome food and to insure a continuous flow of food at prices within his reach. With respect to housing, it may be sufficient for the state by the exercise of its regulatory power to insure that adequate housing shall be available at prices within the reach of all its residents.

What is "adequate food and housing" must be determined at any given time in the light of developing knowledge and of the material and technical resources within a country. Like article 11 on education, this article recognizes the inevitability of gradualness in the implementation of the right to adequate food and housing.

Should conditions make it physically impossible for the time being for an individual to be insured or supplied with adequate food and housing, he would be entitled only to what is reasonable under the circumstances.

#### *Article 15. Social Security*

Everyone has the right to social security.

The state has a duty to maintain or insure that there are maintained comprehensive arrangements for the promotion of health, for the prevention of sickness and accident, and for the provision of medical care and of compensation for loss of livelihood.

#### *Comment*

Provisions concerning social security are contained, generally in the form of provisions concerning social insurance, in the current or recent constitutions of 27 countries. A further precedent for the provisions of this article is afforded by the Declaration of Santiago de Chile, 1942, adopted by representatives of the 21 American Republics and of Canada at an official conference organized by cooperation between the Chilean Government and the International Organization.

The duties imposed upon the state by this article are to see that resources of society are organized:

- (1) To raise standards of health.
- (2) To prevent sickness and accident.
- (3) To provide medical care wherever needed, including maternity cases.
- (4) To provide for the financial support of persons deprived of earnings who lack means of livelihood, including the involuntarily unemployed and their dependents, the aged, widows, and orphans.

The wording of the article leaves full scope to private initiative, in countries where this is considered desirable, to accept as much of the responsibility as it can and will. The article allows diversity of types of organization and of standards of protection provided the essential right stated in the Article is reasonably secured.

#### *Article 16. Participation in Government*

Everyone has the right to take part in the government of his state.

The state has a duty to conform to the will of the people as manifested by democratic elections.

#### *Comment*

The right stated in this article is embodied in the constitutions of all countries having a democratic constitutional form of government. All such constitutions provide for an elected representative body to determine national policies.

This article requires the government of the state to be a government of the people, by the people, for the people. It defines one procedure as indispensable to secure such government, namely, "democratic elections." Except for requiring this procedure, the article leaves the state free to mold its political order in conformity with such standards, techniques, or institutions as may correspond with its national traditions and requirements. Every known variety of democratic government satisfies the requirements of this article. No authoritarian or dictatorial form of government does satisfy them.

"The right to take part in the government" includes specifically the right to vote in "democratic elections" and by implication the right to be a candidate for and to hold office. The exercise of the right is, therefore, limited to "his state"—the state of which the individual is a citizen. However, the experience of all organized communities and particularly of free self-governing communities shows that the right to take part in government includes the right to express support

of and opposition to office holders and policies, and to form political associations. These rights are guaranteed by articles 3 and 5 to everyone, alien as well as citizen. The use of the word "his" state in this article does not by implication deny these rights to anyone.

"Democratic elections" means electoral procedures and practices that guarantee the honest translation of "the will of the people" into representative institutions. Since the will of the people changes and evolves, elections must be recurrent. The specification of elections does not exclude the use of supplementary means of determining the will of the people such as the initiative, recall and referendum, town meetings, and popular polls.

#### *Article 17. Equal Protection*

Everyone has the right to protection against arbitrary discrimination in the provisions and application of the law because of race, religion, sex, or any other reason.

#### *Comment*

Provisions for establishing a right comparable to that in this article are contained in the current or recent constitutions of 47 countries.

This article protects the right of everyone to equal treatment by the state. The protection from "arbitrary discrimination" applies to the substantive provisions of the law and also to their administration by executive or judicial authority. The article accomplishes what is achieved in the United States Constitution by the statement that no person shall be denied "the equal protection of the laws."

The determination of what is "arbitrary discrimination" depends to some extent on the national traditions and the sense of justice of the public in the particular country. Barring an individual or group from the exercise of any right stated in the preceding articles on the grounds of who they are (e. g. women Negroes, Catholics) as distinguished from what they have done (e. g. criminals or mental incompetents), would constitute "arbitrary discrimination."

#### *Article 18. Limitations on Exercise of Rights*

In the exercise of his rights everyone is limited by the rights of others and by the just requirements of the democratic state.

#### *Comment*

No general article in this form is contained in existing constitutions. Limitations on the exercise of rights are included in the statement of each right in practically all constitutions except that of the United States. The limitations on all rights granted in the preceding articles are expressed in this supplementary article.

The article forbids any person from abusing his rights, whether because of hereditary status, official position, economic power, or other condition.

The article recognizes the general relativity of rights. Any right can be abused by so exercising it that it deprives another individual or the state of important rights. Thus, freedom of religion does not permit practices such as human sacrifice, nor in countries where the prevailing standards profoundly disapprove, of practices such as polygamy. Freedom of speech does not forbid the state from adopting reasonable laws forbidding libel and slander; nor does it permit blasphemy or utterances tending to promote panic, mob violence, insurrection, or war. The organization of parties seeking to establish a dictatorship is not consistent with freedom of assembly or association because it would tend to destroy the rights of others.

#### *Appendix. The Bill of Rights in the Constitution of the United States*

In order that the statement of essential human rights may be compared with the individual rights guaranteed by the Constitution of the United States, the first 10 amendments to the Constitution and all or the pertinent sections of the thirteenth, fourteenth, fifteenth, and nineteenth amendments as well as sections from the body of the Constitution are here reproduced.

ARTICLE I. Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

ARTICLE II. A well regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.



ARTICLE III. No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war but in a manner to be prescribed by law.

ARTICLE IV. The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

ARTICLE V. No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service, in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation.

ARTICLE VI. In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defence.

ARTICLE VII. In suits at common law, where the value in controversy shall exceed \$20, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any court of the United States, than according to the rules of the common law.

ARTICLE VIII. Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

ARTICLE IX. The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

ARTICLE X. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

ARTICLE XIII. Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

Section 2. Congress shall have power to enforce this article by appropriate legislation.

ARTICLE XIV. Section 1. \* \* \* No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

Section 5. The Congress shall have power to enforce by appropriate legislation the provisions of this article.

ARTICLE XV. Section 1. The right of the citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Section 2. The Congress shall have power to enforce the provisions of this article by appropriate legislation.

ARTICLE XIX. Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

SECTION 2. Congress shall have power, by appropriate legislation, to enforce the provisions of this article.

While most of the specific protections of individual rights are found in the amendments, the Constitution proper contains the following important protections:

ARTICLE I. Section 9-2. The privilege of the writ of habeas corpus shall not be suspended, unless when in cases of rebellion or invasion the public safety may require it.

3. No bill of attainder or ex post facto law shall be passed.

ARTICLE III. Section 2-3. The trial of all crimes, except in cases of impeachment, shall be by jury. \* \* \*

ARTICLE VI. 3. \* \* \* but no religious test shall ever be required as a qualification to any office or public trust under the United States.

APPENDIX G. S. 380, THE FULL EMPLOYMENT BILL, AS REPORTED BY THE  
BANKING AND CURRENCY COMMITTEE

A BILL To establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Full Employment Act of 1945".

FREE ENTERPRISE AND FULL EMPLOYMENT

SEC. 2. (a) It is the responsibility of the Federal Government to foster free competitive private enterprise and the investment of private capital.

(b) All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

(c) In order to assure the free exercise of the right to an opportunity for employment set forth above and in order to (1) foster free competitive private enterprise and the investment of private capital; (2) promote the general health and welfare of the Nation; (3) foster the American home and American education as the foundation of the American way of life; (4) raise the standard of living of the American people; (5) provide adequate employment opportunities for returning veterans; (6) develop trade and commerce among the several States and with foreign nations; (7) maintain expanding markets for agricultural products and assure expanding income for agricultural enterprises; (8) contribute to the economic development of underdeveloped areas of the country; (9) encourage and strengthen competitive small business enterprises; (10) strengthen the national defense and security; and (11) contribute to the establishment and maintenance of lasting peace among nations, the Federal Government has the responsibility to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

(d) To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation; banking, credit, and currency; monopoly and monopolistic practices; wages, hours, and working conditions; foreign trade and investment; agriculture; education; housing; social security; natural resources; the provision of public services, works, and research; and other revenue, investment, expenditure, service, or regulatory activities of the Federal Government. Such program shall, among other things—

(1) stimulate, encourage, and assist private enterprises to provide, through an expanding production and distribution of goods and services, the largest feasible volume of employment opportunities;

(2) stimulate, encourage, and assist State and local governments, through the exercise of their respective functions, to make their most effective contribution to assuring continuing full employment;

(3) provide for an income for the aged sufficient to enable them to maintain a decent and healthful standard of living, and promote the retirement from the labor force of the older citizens; and

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment. Such Federal investment and expenditure, whether direct or indirect, or whether for public works, for public services, for assistance to business, agriculture, home owners, veterans, or consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises. Any such Federal investment and expenditure calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private enterprises under contract, except where the performance of such work by some other method is necessary by reason of special circumstances or is authorized by other provisions of law; and all such work shall be performed in accordance with all applicable laws, including laws relating to labor standards.



(e) It is the policy of the United States to discharge the responsibilities herein set forth in such a manner as will contribute to an expanding exchange of goods and services among nations and without resort to measures or programs that would contribute to economic warfare among nations.

#### THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

SEC. 3. (a) The President shall transmit to Congress at the beginning of each regular session the National Production and Employment Budget (hereinafter referred to as the "National Budget"), which shall set forth—

(1) for the ensuing fiscal year and such longer period as the President may deem appropriate, an estimate of the number of employment opportunities needed for full employment, the production of goods and services at full employment, and the volume of investment and expenditure needed for the purchase of such goods and services;

(2) current and foreseeable trends in the number of employment opportunities, the production of goods and services, and the volume of investment and expenditure for the purchase of goods and services, not taking into account the effects of the general program provided for in paragraph (3) hereof; and

(3) a general program, pursuant to section 2, for assuring continuing full employment, together with such recommendations for legislation as he may deem necessary or desirable. Such program shall include whatever measures he may deem necessary to prevent inflationary or deflationary dislocations or monopolistic practices from interfering with the assurance of continuing full employment.

(b) The National Budget shall include a review of the economic program of the Federal Government during the preceding year and a report on its effect upon the amount of the national income and upon the distribution of the national income among agriculture, industry, labor, and others.

(c) The President shall transmit quarterly to Congress a report on economic developments, together with such modifications in the National Budget and such legislative recommendations as he may deem necessary or desirable.

(d) When the National Budget and the quarterly reports thereon are transmitted to the Congress, they shall be referred to the Joint Committee on the National Budget hereinafter established.

#### PREPARATION OF NATIONAL BUDGET

SEC. 4. (a) The National Budget shall be prepared under the general direction and supervision of the President, and in consultation with heads of departments and establishments.

(b) The President shall consult with industry, agriculture, labor, consumers, State and local governments, and others, with regard to the preparation of the National Budget, and for this purpose shall establish such advisory boards, committees, or commissions as he may deem desirable.

#### JOINT COMMITTEE ON THE NATIONAL BUDGET

SEC. 5. (a) There is hereby established a Joint Committee on the National Budget, to be composed of fifteen Members of the Senate, to be appointed by the President of the Senate; and fifteen Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation of the Joint Committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and the House of Representatives.

(b) It shall be the function of the Joint Committee—

(1) to make a continuing study of matters relating to the National Budget and to consult with the President with respect thereto;

(2) to make a study of the National Budget transmitted to Congress by the President in accordance with section 3 of this Act; and

(3) as a guide to the several committees of Congress dealing with legislation relating to the National Budget, not later than April 1 of each year (A) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the National Budget, and (B) to prepare and report a joint resolution setting forth for the ensuing fiscal year its summary recommendations concerning the National Budget.

(c) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

(d) The Joint Committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpoena, or to testify when summoned, under authority of this section.

(e) The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments.

(f) The expenses of the Joint Committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman.

#### INTERPRETATION

SEC. 6. Nothing contained herein shall be construed as directing or authorizing—

(a) the operation of plants, factories, or other productive facilities by the Federal Government;

(b) the use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower;

(c) any change in the existing procedures on appropriations; or

(d) the carrying out of, or any appropriation for, any program set forth in the National Budget, unless such program shall have been authorized by provisions of law other than this Act.







Calendar No. 582

79TH CONGRESS  
1ST SESSION

**S. 380**

[Report No. 583]

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IN THE SENATE OF THE UNITED STATES

JANUARY 22, 1945

Mr. MURRAY (for himself, Mr. WAGNER, Mr. THOMAS of Utah, Mr. O'MAHONEY, Mr. MORSE, Mr. TOBEY, Mr. AIKEN, and Mr. LANGER) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

SEPTEMBER 22, 1945

Reported, under authority of the order of the Senate of September 20 (legislative day, September 10), 1945, by Mr. WAGNER (for himself and Mr. TOBEY), with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

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**A BILL**

To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SEC. 1. This Act may be cited as the "~~Full Em-~~  
4 ~~ployment Act of 1945~~".



## DECLARATION OF POLICY

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SEC. 2. The Congress hereby declares that—

(a) It is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States;

(b) All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and who do not have full-time housekeeping responsibilities freely to exercise this right;

(c) In order to carry out the policies set forth in subsections (a) and (b) of this section, and in order to (1) promote the general welfare of the Nation; (2) foster and protect the American home and the American family as the foundation of the American way of life; (3) raise the standard of living of the American people; (4) provide adequate employment opportunities for returning veterans; (5) contribute to the full utilization of our national resources; (6) develop trade and commerce among the several States and with foreign nations; (7) preserve and strengthen competitive private enterprise, particularly small business enterprise; (8) strengthen the national defense and security;

1 and (9) contribute to the establishment and maintenance of  
2 lasting peace among nations, it is essential that continuing  
3 full employment be maintained in the United States;

4 (d) In order to assist industry, agriculture, labor, and  
5 State and local governments in achieving continuing full  
6 employment, it is the responsibility of the Federal Govern-  
7 ment to pursue such consistent and openly arrived at eco-  
8 nomic policies and programs as will stimulate and encourage  
9 the highest feasible levels of employment opportunities  
10 through private and other non-Federal investment and  
11 expenditure;

12 (e) To the extent that continuing full employment  
13 cannot otherwise be achieved, it is the further responsi-  
14 bility of the Federal Government to provide such volume  
15 of Federal investment and expenditure as may be needed  
16 to assure continuing full employment; and

17 (f) Such investment and expenditure by the Federal  
18 Government shall be designed to contribute to the national  
19 wealth and well-being, and to stimulate increased employ-  
20 ment opportunities by private enterprise.

21 THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

22 SEC. 3. (a) The President shall transmit to Congress  
23 at the beginning of each regular session the National Pro-  
24 duction and Employment Budget (hereinafter referred to  
25 as the "National Budget"); which shall set forth in sum-



1 mary and detail, for the ensuing fiscal year or such longer  
2 period as the President may deem appropriate—

3       (1) the estimated size of the labor force, including  
4 the self-employed in industry and agriculture;

5       (2) the estimated aggregate volume of investment  
6 and expenditure by private enterprises, consumers, State  
7 and local governments, and the Federal Government,  
8 required to produce such volume of the gross national  
9 product, at the expected level of prices, as will be neces-  
10 sary to provide employment opportunities for such labor  
11 force (such dollar volume being hereinafter referred to  
12 as the “full employment volume of production”); and

13       (3) the estimated aggregate volume of prospective  
14 investment and expenditure by private enterprises,  
15 consumers, State and local governments, and the Federal  
16 Government (not taking into account any increased or  
17 decreased investment or expenditure which might be  
18 expected to result from the programs set forth in such  
19 Budget).

20 The estimates and information herein called for shall take ac-  
21 count of such foreign investments and expenditure for exports  
22 and imports as affect the volume of the gross national product.

23       (b) The extent, if any, by which the estimated aggre-  
24 gate volume of prospective investment and expenditure for  
25 any fiscal year or other period, as set forth in the National

1 Budget in accordance with paragraph (a) (3) of this sec-  
2 tion, is less than the estimated aggregate volume of invest-  
3 ment and expenditure required to assure a full employment  
4 volume of production, as set forth in the National Budget in  
5 accordance with paragraph (a) (2) of this section, shall for  
6 the purposes of this title be regarded as a prospective defi-  
7 ciency in the National Budget. When there is a prospective  
8 deficiency in the National Budget for any fiscal year or other  
9 period, the President shall set forth in such Budget a general  
10 program for encouraging such increased non-Federal invest-  
11 ment and expenditure, particularly investment and expendi-  
12 ture which will promote increased employment opportunities  
13 by private enterprise, as will prevent such deficiency to the  
14 greatest possible extent. The President shall also include in  
15 such Budget such recommendations for legislation relating to  
16 such program as he may deem necessary or desirable. Such  
17 program may include, but need not be limited to, current  
18 and projected Federal policies and activities with reference  
19 to banking and currency, monopoly and competition, wages  
20 and working conditions, foreign trade and investment, agri-  
21 culture, taxation, social security, the development of natural  
22 resources, and such other matters as may directly or  
23 indirectly affect the level of non-Federal investment and  
24 expenditure.

25 (c) To the extent, if any, that such increased non-Fed-



1 eral investment and expenditure as may be expected to result  
2 from actions taken under the program set forth in accordance  
3 with subsection (b) of this section are deemed insuffi-  
4 cient to provide a full employment volume of production;  
5 the President shall transmit a general program for such  
6 Federal investment and expenditure as will be sufficient to  
7 bring the aggregate volume of investment and expenditure  
8 by private business, consumers, State and local government,  
9 and the Federal Government, up to the level required to  
10 assure a full employment volume of production. Such pro-  
11 gram shall be designed to contribute to the national wealth  
12 and well-being, and to stimulate additional non-Federal in-  
13 vestment and expenditure. Any of such programs calling for  
14 the construction of public works by the Federal Government  
15 shall provide for the performance of the necessary construc-  
16 tion work by private concerns under contracts awarded in  
17 accordance with applicable laws, except where the perform-  
18 ance of such work by some other method is necessary by  
19 reason of special circumstances or is authorized by other  
20 provisions of law.

21 (d) If the estimated aggregate volume of prospective  
22 investment and expenditure for any fiscal year or other  
23 period, as set forth in the National Budget in accordance  
24 with paragraph (a) (3) of this section, is more than the  
25 estimated aggregate volume of investment and expenditure

1 required to assure a full employment volume of production,  
2 as set forth in the National Budget in accordance with para-  
3 graph ~~(a)~~ ~~(2)~~ of this section, the President shall set forth  
4 in such Budget a general program for preventing inflationary  
5 economic dislocations, or diminishing the aggregate volume  
6 of investment and expenditure to the level required to assure  
7 a full employment volume of production, or both.

8 ~~(e)~~ The programs referred to in subsections ~~(b)~~,  
9 ~~(c)~~, and ~~(d)~~ of this section shall include such measures  
10 as may be necessary to assure that monopolistic practices  
11 with respect to prices, production, or distribution, or other  
12 monopolistic practices, will not interfere with the achieve-  
13 ment of the purposes of this Act.

14 ~~(f)~~ The National Budget shall include a report on the  
15 distribution of the national income during the preceding fiscal  
16 year, or such longer period as the President may deem ap-  
17 propriate, together with an evaluation of the effect upon  
18 the distribution of the national income of the programs set  
19 forth in such Budget.

20 ~~(g)~~ The President may from time to time transmit  
21 to Congress such supplemental or revised estimates, infor-  
22 mation, programs, or legislative recommendations as he  
23 may deem necessary or desirable in connection with the  
24 National Budget.



## PREPARATION OF NATIONAL BUDGET

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2       SEC. 4. (a) The National Budget shall be prepared in  
3 the Executive Office of the President under the general di-  
4 rection and supervision of the President, and in consultation  
5 with the members of his Cabinet and other heads of depart-  
6 ments and establishments.

7       (b) The President shall transmit to the several depart-  
8 ments and establishments such preliminary estimates and  
9 other information as will enable them to prepare such plans  
10 and programs as may be needed during the ensuing or  
11 subsequent fiscal years to help achieve a full employment  
12 volume of production.

13       (c) The President may establish such advisory boards  
14 or committees composed of representatives of industry, agri-  
15 culture, labor, and State and local governments, and others,  
16 as he may deem advisable for the purpose of advising and  
17 consulting on methods of achieving the objectives of this Act.

## JOINT COMMITTEE ON THE NATIONAL BUDGET

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19       SEC. 5. (a) There is hereby established a Joint Com-  
20 mittee on the National Budget, to be composed of the chair-  
21 men and ranking minority members of the Senate Com-  
22 mittees on Appropriations, Banking and Currency, Educa-  
23 tion and Labor, and Finance, and seven additional Members  
24 of the Senate, to be appointed by the President of the Senate;

1 and the chairmen and ranking minority members of the House  
2 Committees on Appropriations, Banking and Currency,  
3 Labor, and Ways and Means, and seven additional Members  
4 of the House of Representatives to be appointed by the  
5 Speaker of the House of Representatives. The party repre-  
6 sentation of the Joint Committee shall reflect the relative  
7 membership of the majority and minority parties in the  
8 Senate and the House of Representatives.

9 (b) It shall be the function of the Joint Committee—

10 (1) to make a study of the National Budget trans-  
11 mitted to Congress by the President in accordance with  
12 section 3 of this Act; and

13 (2) to report to the Senate and the House of Rep-  
14 resentatives, not later than March 1 of each year, its  
15 findings and recommendations with respect to the  
16 National Budget, together with a joint resolution set-  
17 ting forth for the ensuing fiscal year a general policy  
18 with respect to such National Budget to serve as a guide  
19 to the several committees of Congress dealing with  
20 legislation relating to such National Budget.

21 (c) Vacancies in the membership of the Joint Com-  
22 mittee shall not affect the power of the remaining members  
23 to execute the functions of the committee, and shall be filled  
24 in the same manner as in the case of the original selection.



1 The committee shall select a chairman and a vice chairman  
2 from among its members.

3 (d) The Joint Committee, or any duly authorized sub-  
4 committee thereof, is authorized to sit and act at such places  
5 and times, to require by subpoena or otherwise the attendance  
6 of such witnesses and the production of such books, papers,  
7 and documents, to administer such oaths, to take such testi-  
8 mony, to procure such printing and binding, and to make  
9 such expenditures as it deems advisable. The cost of steno-  
10 graphic services to report such hearings shall not be in excess  
11 of 25 cents per hundred words. The provisions of sections  
12 102 to 104, inclusive, of the Revised Statutes shall apply in  
13 case of any failure of any witness to comply with any sub-  
14 pena, or to testify when summoned, under authority of this  
15 section.

16 (e) The Joint Committee is empowered to appoint and  
17 fix the compensation of such experts, consultants, technicians,  
18 and clerical and stenographic assistance as it deems neces-  
19 sary and advisable, but the compensation so fixed shall not  
20 exceed the compensation prescribed under the Classification  
21 Act of 1923, as amended, for comparable duties. The com-  
22 mittee may utilize such voluntary and uncompensated serv-  
23 ices as it deems necessary and is authorized to utilize the  
24 services, information, facilities, and personnel of the depart-  
25 ments and establishments.

1       (f) The expenses of the Joint Committee shall be paid  
2 one-half from the contingent fund of the Senate and one-half  
3 from the contingent fund of the House of Representatives  
4 upon vouchers signed by the chairman or vice chairman.

5                               RATE OF EXPENDITURES

6       SEC. 6. (a) The President shall review quarterly  
7 all Federal investment and expenditure for the purpose of  
8 ascertaining the extent to which the current and anticipated  
9 level of non-Federal investment and expenditure warrants  
10 any change in the volume of such Federal investment and  
11 expenditure.

12       (b) Subject to such principles and standards as may  
13 be set forth in applicable appropriation Acts and other  
14 statutes, the rate of Federal investment and expenditure may  
15 be varied to whatever extent and in whatever manner the  
16 President may determine to be necessary for the purpose of  
17 assisting in assuring continuing full employment, with due  
18 consideration being given to current and anticipated varia-  
19 tions in savings and in investment and expenditure by private  
20 business, consumers, State and local governments, and the  
21 Federal Government.

22                               AID TO COMMITTEES

23       SEC. 7. The heads of departments and establishments  
24 shall, at the request of any committee of either House  
25 of Congress, furnish such committee with such aid and



1 information with regard to the National Budget as it may  
2 request.

3 INTERPRETATION

4 SEC. 8. Nothing contained herein shall be construed  
5 as calling for or authorizing—

6 (a) the operation of plants, factories, or other pro-  
7 ductive facilities by the Federal Government;

8 (b) the use of compulsory measures of any type  
9 whatsoever in determining the allocation or distribution  
10 of manpower;

11 (c) any change in the existing procedures on  
12 appropriations; or

13 (d) the carrying out of, or any appropriation for,  
14 any program set forth in the National Budget, unless  
15 such program shall have been authorized by provisions  
16 of law other than this Act.

17 SHORT TITLE

18 SECTION 1. This Act may be cited as the "Full Em-  
19 ployment Act of 1945".

20 FREE ENTERPRISE AND FULL EMPLOYMENT

21 SEC. 2. (a) It is the responsibility of the Federal Gov-  
22 ernment to foster free competitive private enterprise and  
23 the investment of private capital.

24 (b) All Americans able to work and desiring to work  
25 are entitled to an opportunity for useful, remunerative,  
26 regular, and full-time employment.

1           (c) In order to assure the free exercise of the right to an  
2 opportunity for employment set forth above and in order to  
3 (1) foster free competitive private enterprise and the in-  
4 vestment of private capital; (2) promote the general health  
5 and welfare of the Nation; (3) foster the American home  
6 and American education as the foundation of the American  
7 way of life; (4) raise the standard of living of the American  
8 people; (5) provide adequate employment opportunities for  
9 returning veterans; (6) develop trade and commerce among  
10 the several States and with foreign nations; (7) maintain  
11 expanding markets for agricultural products and assure  
12 expanding income for agricultural enterprises; (8) contribute  
13 to the economic development of underdeveloped areas of the  
14 country; (9) encourage and strengthen competitive small  
15 business enterprises; (10) strengthen the national defense  
16 and security; and (11) contribute to the establishment and  
17 maintenance of lasting peace among nations, the Federal  
18 Government has the responsibility to assure continuing full  
19 employment, that is, the existence at all times of sufficient  
20 employment opportunities for all Americans able to work  
21 and desiring to work.

22           (d) To that end the Federal Government shall, in coop-  
23 eration with industry, agriculture, labor, State and local  
24 governments, and others, develop and pursue a consistent and  
25 carefully planned economic program with respect to, but not  
26 limited to, taxation; banking, credit, and currency; monopoly



1 *and monopolistic practices; wages, hours, and working con-*  
2 *ditions; foreign trade and investment; agriculture; education;*  
3 *housing; social security; natural resources; the provision of*  
4 *public services, works, and research; and other revenue, in-*  
5 *vestment, expenditure, service, or regulatory activities of*  
6 *the Federal Government. Such program shall, among other*  
7 *things—*

8           (1) *stimulate, encourage, and assist private enter-*  
9 *prises to provide, through an expanding production and*  
10 *distribution of goods and services, the largest feasible*  
11 *volume of employment opportunities;*

12           (2) *stimulate, encourage, and assist State and local*  
13 *governments, through the exercise of their respective*  
14 *functions, to make their most effective contribution to*  
15 *assuring continuing full employment;*

16           (3) *provide for an income for the aged sufficient*  
17 *to enable them to maintain a decent and healthful*  
18 *standard of living, and promote the retirement from*  
19 *the labor force of the older citizens; and*

20           (4) *to the extent that continuing full employment*  
21 *cannot otherwise be assured, provide such volume of*  
22 *Federal investment and expenditure as may be needed,*  
23 *in addition to the investment and expenditure by private*  
24 *enterprises, consumers, and State and local governments,*  
25 *to assure continuing full employment. Such Federal in-*  
26 *vestment and expenditure, whether direct or indirect, or*

1        *whether for public works, for public services, for assist-*  
2        *ance to business, agriculture, home owners, veterans, or*  
3        *consumers, or for other purposes, shall be designed to*  
4        *contribute to the national wealth and well-being and to*  
5        *stimulate increased employment opportunities by private*  
6        *enterprises. Any such Federal investment and expendi-*  
7        *ture calling for the construction of public works by the*  
8        *Federal Government shall provide for the performance*  
9        *of the necessary construction work by private enterprises*  
10       *under contract, except where the performance of such*  
11       *work by some other method is necessary by reason of*  
12       *special circumstances or is authorized by other provisions*  
13       *of law; and all such work shall be performed in accord-*  
14       *ance with all applicable laws, including laws relating*  
15       *to labor standards.*

16       *(e) It is the policy of the United States to discharge*  
17       *the responsibilities herein set forth in such a manner as will*  
18       *contribute to an expanding exchange of goods and services*  
19       *among nations and without resort to measures or programs*  
20       *that would contribute to economic warfare among nations.*

21       *THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET*

22       *SEC. 3. (a) The President shall transmit to Congress*  
23       *at the beginning of each regular session the National Pro-*  
24       *duction and Employment Budget (hereinafter referred to*  
25       *as the "National Budget"), which shall set forth—*



1           (1) for the ensuing fiscal year and such longer  
2           period as the President may deem appropriate, an esti-  
3           mate of the number of employment opportunities needed  
4           for full employment, the production of goods and services  
5           at full employment, and the volume of investment and  
6           expenditure needed for the purchase of such goods and  
7           services;

8           (2) current and foreseeable trends in the number  
9           of employment opportunities, the production of goods  
10          and services, and the volume of investment and expendi-  
11          ture for the purchase of goods and services, not taking  
12          into account the effects of the general program provided  
13          for in paragraph (3) hereof; and

14          (3) a general program, pursuant to section 2, for  
15          assuring continuing full employment, together with such  
16          recommendations for legislation as he may deem neces-  
17          sary or desirable. Such program shall include whatever  
18          measures he may deem necessary to prevent inflationary  
19          or deflationary dislocations or monopolistic practices  
20          from interfering with the assurance of continuing full  
21          employment.

22          (b) The National Budget shall include a review of  
23          the economic program of the Federal Government during the  
24          preceding year and a report on its effect upon the amount  
25          of the national income and upon the distribution of the

1 national income among agriculture, industry, labor, and  
2 others.

3 (c) The President shall transmit quarterly to Congress  
4 a report on economic developments, together with such modifi-  
5 cations in the National Budget and such legislative recom-  
6 mendations as he may deem necessary or desirable.

7 (d) When the National Budget and the quarterly re-  
8 ports thereon are transmitted to the Congress, they shall  
9 be referred to the Joint Committee on the National Budget  
10 hereinafter established.

#### 11 PREPARATION OF NATIONAL BUDGET

12 SEC. 4. (a) The National Budget shall be prepared  
13 under the general direction and supervision of the President,  
14 and in consultation with heads of departments and estab-  
15 lishments.

16 (b) The President shall consult with industry, agricul-  
17 ture, labor, consumers, State and local governments, and  
18 others, with regard to the preparation of the National  
19 Budget, and for this purpose shall establish such advisory  
20 boards, committees, or commissions as he may deem desirable.

#### 21 JOINT COMMITTEE ON THE NATIONAL BUDGET

22 SEC. 5. (a) There is hereby established a Joint Com-  
23 mittee on the National Budget, to be composed of fifteen  
24 Members of the Senate, to be appointed by the President of  
25 the Senate; and fifteen Members of the House of Representa-



1 *tives to be appointed by the Speaker of the House of Repre-*  
2 *sentatives. The party representation of the Joint Committee*  
3 *shall as nearly as may be feasible reflect the relative mem-*  
4 *bership of the majority and minority parties in the Senate*  
5 *and the House of Representatives.*

6 *(b) It shall be the function of the Joint Committee—*

7 *(1) to make a continuing study of matters relating*  
8 *to the National Budget and to consult with the President*  
9 *with respect thereto;*

10 *(2) to make a study of the National Budget trans-*  
11 *mitted to Congress by the President in accordance with*  
12 *section 3 of this Act; and*

13 *(3) as a guide to the several committees of Con-*  
14 *gress dealing with legislation relating to the National*  
15 *Budget, not later than April 1 of each year (A) to file*  
16 *a report with the Senate and the House of Representa-*  
17 *tives containing its findings and recommendations with*  
18 *respect to each of the main recommendations made by*  
19 *the President in the National Budget, and (B) to pre-*  
20 *pare and report a joint resolution setting forth for the*  
21 *ensuing fiscal year its summary recommendations con-*  
22 *cerning the National Budget.*

23 *(c) Vacancies in the membership of the Joint Com-*  
24 *mittee shall not affect the power of the remaining members*  
25 *to execute the functions of the committee, and shall be filled*

1 *in the same manner as in the case of the original selection.*  
2 *The committee shall select a chairman and a vice chairman*  
3 *from among its members.*

4 *(d) The Joint Committee, or any duly authorized sub-*  
5 *committee thereof, is authorized to sit and act at such places*  
6 *and times, to require by subpoena or otherwise the attendance*  
7 *of such witnesses and the production of such books, papers,*  
8 *and documents, to administer such oaths, to take such testi-*  
9 *mony, to procure such printing and binding, and to make*  
10 *such expenditures as it deems advisable. The cost of steno-*  
11 *graphic services to report such hearings shall not be in excess*  
12 *of 25 cents per hundred words. The provisions of sections*  
13 *102 to 104, inclusive, of the Revised Statutes shall apply in*  
14 *case of any failure of any witness to comply with any sub-*  
15 *pena, or to testify when summoned, under authority of this*  
16 *section.*

17 *(e) The Joint Committee is empowered to appoint and*  
18 *fix the compensation of such experts, consultants, technicians,*  
19 *and clerical and stenographic assistants as it deems neces-*  
20 *sary and advisable, but the compensation so fixed shall not*  
21 *exceed the compensation prescribed under the Classification*  
22 *Act of 1923, as amended, for comparable duties. The com-*  
23 *mittee is authorized to utilize the services, information,*  
24 *facilities, and personnel of the departments and establishments.*

25 *(f) The expenses of the Joint Committee shall be paid*



1 *one-half from the contingent fund of the Senate and one-half*  
2 *from the contingent fund of the House of Representatives*  
3 *upon vouchers signed by the chairman or vice chairman.*

4 *INTERPRETATION*

5 *SEC. 6. Nothing contained herein shall be construed*  
6 *as directing or authorizing—*

7 *(a) the operation of plants, factories, or other pro-*  
8 *ductive facilities by the Federal Government;*

9 *(b) the use of compulsory measures of any type*  
10 *whatsoever in determining the allocation or distribution*  
11 *of manpower;*

12 *(c) any change in the existing procedures on*  
13 *appropriations; or*

14 *(d) the carrying out of, or any appropriation for,*  
15 *any program set forth in the National Budget, unless*  
16 *such program shall have been authorized by provisions*  
17 *of law other than this Act.*

Amend the title so as to read: "A bill to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government."











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To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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By Mr. MURRAY, Mr. WAGNER, Mr. THOMAS of Utah, Mr. O'MAHONEY, Mr. MORSE, Mr. TOBEY, Mr. AIKEN, and Mr. LANGER

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JANUARY 22, 1945

Read twice and referred to the Committee on Banking and Currency

SEPTEMBER 22, 1945

Reported with amendments







ASSURING FULL EMPLOYMENT IN A FREE  
COMPETITIVE ECONOMY

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MINORITY VIEWS

FROM THE

COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

S. 380

A BILL TO ESTABLISH A NATIONAL POLICY AND PROGRAM  
FOR ASSURING CONTINUING FULL EMPLOYMENT IN  
A FREE COMPETITIVE ECONOMY, THROUGH  
THE CONCERTED EFFORTS OF INDUSTRY,  
AGRICULTURE, LABOR, STATE AND  
LOCAL GOVERNMENTS, AND THE  
FEDERAL GOVERNMENT



SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945.—Ordered  
to be printed

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WASHINGTON : 1945



## COMMITTEE ON BANKING AND CURRENCY

ROBERT F. WAGNER, New York, *Chairman*

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EUGENE D. MILLIKIN, Colorado  
BOURKE B. HICKENLOOPER, Iowa

DAVID DELMAN, *Clerk*

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### FULL EMPLOYMENT SUBCOMMITTEE

(S. 380)

ROBERT F. WAGNER, New York, *Chairman*

GEORGE L. RADCLIFFE, Maryland  
ABE MURDOCK, Utah  
GLEN H. TAYLOR, Idaho  
J. WILLIAM FULBRIGHT, Arkansas  
HUGH B. MITCHELL, Washington

CHARLES W. TOBEY, New Hampshire  
ROBERT A. TAFT, Ohio  
C. DOUGLASS BUCK, Delaware  
BOURKE B. HICKENLOOPER, Iowa

ASSURING FULL EMPLOYMENT IN A FREE COMPETITIVE  
ECONOMY

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SEPTEMBER 24 (legislative day SEPTEMBER 10), 1945.—Ordered to be printed

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Mr. RADCLIFFE (for himself, Mr. TAFT, Mr. THOMAS of Idaho, Mr. BUTLER, Mr. CAPPER, Mr. BUCK, and Mr. HICKENLOOPER), from the Committee on Banking and Currency, submitted the following

## MINORITY VIEWS

(To accompany S. 380)

The undersigned concur fully in the stated goal of the so-called full-employment bill. We believe in the necessity of adopting every sound measure designed to maintain full employment and prevent depression. We believe that a comprehensive and carefully planned program should be adopted by the Federal Government looking to the maintenance of full employment. We, therefore, approve the provisions in the bill directing the President to submit a national budget and program to prevent unemployment and establishing a joint congressional committee to consider the President's program. We disagree with some of the methods prescribed to achieve the goal of full employment and believe that, if adopted, far from preventing unemployment they would only lead to inflation followed by depression and unemployment.

While this report is entitled "Minority Views" we wish to call attention to the fact that several amendments similar to those which we suggest, later, were voted down by a vote of 9 to 9, and others by the slender majority of 10 to 9. We think it fair to say that on the question of eliminating the provisions which require compensatory deficit spending, the committee is evenly divided.

## DESCRIPTION OF THE BILL

*(a) Statement of policy*

The proposed bill consists of three parts. Section 2 is merely a declaration of policy which cannot be binding on any future Congress or even on this Congress. In fact, section 6 makes it clear that it is not an authorization for any particular spending project or other



program. If any feature of the program submitted by the President is not authorized by existing law, it would be necessary to pass a special enabling act before it could be adopted. We question the wisdom of Congress adopting declarations of policy having no legal effect, but there is some psychological advantage at this time in affirming our interest in securing full employment. Nevertheless, we cannot let the bill go by default and subscribe to a declaration of policy containing unsound principles, merely because it has no legal effect.

(b) *Duties of President—National Budget*

Section 3 directs the President to submit to Congress a great deal of statistical information and a general program for assuring continuing full employment together with such recommendations for legislation as he may deem necessary or desirable. He is required, however, to follow the statement of policy contained in section 2, including the compensatory public spending program set forth in 2 (d) (3). We believe the President should submit a comprehensive economic program to Congress together with the best statistical information which may be available, dealing with the future condition of employment and business activity. But he has just as much authority to do so without this bill as after it is passed.

Section 4 provides that the National Budget shall be prepared under the general direction and supervision of the President after proper consultation. We suggest that since the budget requires a tremendous amount of economic planning, and since the whole future policy of the Government may be affected thereby, it might be desirable to create the Office of Director of the National Budget and require the Director to be confirmed by the Senate. Planning of this economic program is extremely complicated and cannot possibly be done by the President himself. It should be done by an identifiable group, responsible to the Congress and the people, as well as to the President, and not by an anonymous group of economic planners.

(c) *Congressional joint committee*

Section 5 establishes a Joint Committee on the National Budget to be composed of 15 members of the Senate and 15 members of the House of Representatives to study the national budget submitted by the President and make definite findings and recommendations regarding each feature of the President's program. We believe there should be such a joint committee studying the effect of proposed legislation on economic stability. We question somewhat whether the standing committees will pay much attention to the report of the joint committee, but it should be helpful by revealing to these committees and the individual Members of the Senate the relationship of each measure to an over-all economic program.

OUR OBJECTION IS TO THE POLICY OF UNLIMITED GOVERNMENT SPENDING

<sup>1</sup> Our objection, therefore, is not to the purpose of the bill with which we fully sympathize, nor to the planned approach to an economic program, nor to the establishment of a joint committee, but to the particular policy which is endorsed by Congress and enjoined upon the President as a necessary part of any plan he submits.

## THE REAL PROGRAM OF THE BILL

The exact nature of the program is more fully set forth in the original bill later rewritten by its authors, but still appearing on pages 3, 4, 5, and 6 of the print, in section 3, paragraphs (a) to (g). The President is required on the first of each January to submit an estimate of the number of employment opportunities needed for full employment. This figure according to some administrative calculators would be 60,000,000 jobs. It is an extremely uncertain figure, and a wide difference of opinion about it exists. According to Mr. Altmeyer, Chairman of the Social Security Board, there is not even an accepted statistical basis for estimating the number of people who are unemployed in any particular time. Therefore, any estimate is extremely uncertain and unsatisfactory as the basis of such an exact calculation as is later required. Nevertheless, a guess can be made.

Second. The President is required to estimate "the production of goods and services at full employment, and the volume of investment and expenditure needed for the purchase of such goods and services," that is, the national production needed to put to work the labor force first estimated. According to optimistic inflaters, we would estimate \$200,000,000,000 of goods and services to produce 60,000,000 jobs. This, again, is a very difficult estimate to make. It depends on the level of prices. It depends even more on the average wage received by workers. If, for instance, all workers are to receive the same for 40 hours of work in time of peace which they received for 48 hours a week of work in the latter part of the war, this estimate probably would be \$200,000,000,000. If the estimate is made at present wage rates, it would be closer to \$160,000,000,000. We do not believe that these estimates are sufficiently definite to justify the President in basing upon them any definite volume of Federal investment and expenditure.

Third. The President is required to estimate what the volume of production of goods and services and the volume of investment and expenditure will probably be during the ensuing fiscal year. Here he is dealing with a somewhat more tangible idea, but it is almost impossible to make an accurate estimate 18 months ahead. Think how wrong any estimate for 1930 would have been, if made in 1929. Think how many times the President has to correct his own budget of expected expenditures of the Federal Government, a much more tangible concept.

Fourth. The President under section 3 (a) (3) is required to submit a program in accordance with the policy outlined in section 2 for assuring full employment. That is, the program must make up the estimated deficiency between the amount of production desired and the estimate of expected business volume. This program is permitted by section 2 to cover every conceivable field of Government activity. It is required to stimulate and encourage private enterprise to increase its activity and to assist State and local governments to do the same. Then the President has to make an estimate of how much his economic program will cause private enterprise to make up the deficiency between the desired goal and the estimated reality. Of course, this is almost an impossible estimate because it is so extremely difficult to judge in dollars or jobs the effect of any general measure, such, for instance, as a tax bill or currency measure.



Finally, when this estimate is made, the program must "to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprise, consumers, and State and local governments, to insure continuing full employment." This is the so-called compensatory spending theory, advanced by Lord Keynes, Stuart Chase, Sir William Beveridge, and Mr. Henry Wallace.

In brief, the President is required to make estimates 18 months ahead on the basis of which he must recommend an exact volume of Federal investment and expenditure considered to be necessary to provide a national income of a volume sufficient to provide a job for every estimated member of the labor force at a cost, according to General Fleming, of the Public Works Agency, of roughly \$2,000 apiece. The authors of the bill emphasize the fact that efforts should be first made to stimulate private enterprise, but every government has always made such efforts, and yet they have not solved the problem of preventing depressions. We hope we know more now of economic forces, but there is still a complete lack of agreement on many economic principles even among economists.

The public spending required by this policy might amount in a single year to \$65,000,000,000. (See pp. 177-179 of Mr. Wallace's book *Sixty Million Jobs*). During the thirties, we frequently had 10,000,000 unemployed according to some estimates in spite of all the assistance and encouragement given to private enterprise. This would have required the immediate expansion of the Federal Budget in a single year by \$20,000,000,000.

In spite of the protests of the authors of the bill, there can be no doubt in our opinion that the bill adopts public spending as an ultimate panacea for all economic troubles. It is based on the assumption that if we are not ingenious enough to suggest something else, we can always fall back on unlimited public spending. That assumption is false and dangerous.

PUBLIC SPENDING IS PRESCRIBED AS A PANACEA REGARDLESS OF ALL  
OTHER CONSIDERATIONS

Furthermore, this spending policy is definitely prescribed regardless of all other considerations of national policy. The approach of a war might make it wise to husband all further ability to incur debt. Further increase in debt might shake the confidence of the business world so much that it would destroy more jobs than it created. Spending might mean a dangerous inflation of prices which would decrease the standard of living of those who were employed, and all others. It might necessitate a regimentation of the people by price control, wage control, labor control, business control, in order to prevent inflation. But, regardless of all other considerations, this bill approves the policy of all spending necessary to create a theoretical number of jobs at same theoretical level of wages. - After all, there are some things more important than employment. One of them is national freedom. One of them is freedom of the individual.

Of course, government can guarantee full employment if it is prepared to set up a totalitarian government. Hitler did it. Stalin does it. But we believe that while a socialist state gives everyone a

job, it does so, first, at a much lower standard of living, and, second, at a complete sacrifice of personal liberty.

This compensatory spending theory, that any estimated deficiency in the National Budget must be made up by "Federal investment and expenditure," is the only absolutely definite requirement in the whole bill. There is no specific suggestion, otherwise, to combat unemployment. In short, the bill adopts the old theory that we can spend ourselves into prosperity and that deficits are a blessing in disguise. The importance attached by the authors to the first sentence in section 2 (d) (3) is shown by their determined opposition to every amendment aimed at modifying the policy. It is and has been stated by them to be the heart of the bill.

COMPENSATORY SPENDING THEORY IS UNTRIED, WILL VASTLY EXPAND FEDERAL POWER, AND WILL DESTROY FREEDOM ITSELF

First. This compensatory spending theory has never been tried in any nation anywhere. Certainly Congress should approach it with great care before making it a national policy. Unquestionably, Government spending can for awhile create full employment as it did during the war. But during the war it accomplished its purpose at the cost of a deficit of \$50,000,000,000 a year. The adoption of such a policy in peace, even with a smaller deficit, will rapidly increase the national debt to a point where even the interest could not be paid.

Second. The adoption of such a policy, even for 1 year, would result in continued Federal spending over many years, causing an inflation of prices and an artificial boom, and then the very depression and unemployment we are trying to avoid. Federal spending on any such volume as is suggested cannot be undertaken one year and terminated the following year. Vast organizations have to be set up to distribute the money. Vested rights are created in promises and policies. If \$20,000,000,000 of Federal money is spent one year in this country and succeeds in priming the pump, it cannot be cut off for a number of years and would lead to a rapid inflation of prices. In time of war we can only prevent inflation by rigid regimentation of all business, of prices, and of wages. We do not think that such regimentation will succeed in America in peacetime, and if it could, we think it would threaten the very freedom which our form of government is aimed to secure and would certainly destroy the initiative of free enterprise in providing jobs.

The alternative to a rapidly increasing debt is the levying of heavy additional Federal taxes. Here, again, the remedy would discourage free enterprise from expanding to provide the necessary job opportunities.

In our opinion, Government spending is one of the steps which may be taken in time of threatened depression to alleviate the situation. But it is only one of many and should not be made the lazy Government's feather bed to cure every difficult problem. Spending must be within such volume that there is no substantial increase in public debt which cannot be made up by surplus from taxes in prosperous years.

It is said that the refusal to make up the theoretical deficit by public spending means the starvation of the unemployed. Of course, this is not true. Our policy requires that everyone in this country receive



a proper standard of food, clothing, housing, and medical care, and we are making substantial provision to carry out that policy. If unemployment exists, many persons live with their families or expend their savings without any application to the Government for aid. Many persons draw unemployment compensation such as that we have just provided for the unemployed and for the veterans. Others are provided with work relief or direct relief. And in the meantime, the Government should be doing everything possible to stimulate the incentive of private industry to greater production. But unlimited Government spending will only keep many people unemployed for a longer time and will ultimately defeat its own ends.

A good many people carelessly assume that public works can absorb any number of unemployed. The testimony before the committee tends to show that an expenditure of \$5,000,000,000 in a single year is probably about the limit we can expect for worth-while public works. That would put two and a half million men to work. In the private enterprise machine, we are planning to put more than 50,000,000 men to work. If we can tune up that machine and keep it running and increase its activity by 10 percent, we will put more men to work than the largest public works program conceived of. And one of the necessary lubricants to keep it running smoothly is a reasonably sound fiscal policy. It is important to adopt such other Government policies that there will be a proper incentive of private industry to expand; a proper relationship between wages, prices, and the cost of living; a proper relationship between farm prices and industrial prices; and a proper relationship between savings and consumer expenditures. There are many other elements which can be indirectly affected by Government policies dealing with taxation and agriculture, credit, and controls or relaxation of controls. Public spending is only one of many policies, not by any means the most important and not by any means a catch-all solution. The machine won't run any better if you pour in more gasoline while you throw monkey wrenches in the machinery.

There is another objection to unlimited Federal spending. Every time a new method is found to spend Federal money, it requires a great extension of Federal power which is never easily relinquished. If public works cannot supply enough jobs, the President would have to recommend that the Government go into business to compete with private enterprise. This in itself would discourage any further expansion of private enterprise in that field because no one can compete with a billionaire government. If we adopt the spending theory the mere fact that a measure provides for pouring out Federal funds thereby becomes a sufficient recommendation for its adoption and all critical judgment of the merits of the particular plan is discouraged. In other words, the adoption of the spending theory means the indefinite expansion of Federal regimentation over States, local governments, and private business.

The bill contains numerous expressions of lip service to private enterprise. Considering its origin, we may well question the good faith of these professions. For while the bill professes an interest in the encouragement of private enterprise, the basic policy recommended is one which will inevitably destroy private enterprise.

## PROPOSED AMENDMENTS

The undersigned members of the committee therefore recommend the following amendments designed to remove the objections which we have stated. If they are adopted we hope there can be a united support for the bill and its machinery. It will then provide for an economic program which may embrace every possible policy to secure prosperity and full employment. It will provide for the submission of such a program by the President, and its consideration and analysis by a joint committee of Congress. It will do everything that can be humanly done to prevent another serious depression. We realize, like the majority, that we must do everything possible to avoid a recurrence of the conditions which existed in the thirties.

With relation to the compensatory spending provisions, we recommend the two following amendments. The first eliminates the theory that all deficiencies, no matter how large, shall be made up by Federal investment and expenditure. It substitutes the idea that Federal spending shall only be a remedy to the extent that it is consistent with the needs and obligations of the Federal Government and other essential consideration of national policy.

The other amendment proposes that there be no planned program which contemplates a deficit over a period of 6 years, although it may contemplate a substantial deficit in any one or more years. It suggests that deficit spending be limited by the requirement that over a sustaining period it be met by a system of taxation which, of course, must not be so heavy that it would itself reduce employment.

## A

Amendment to S. 380 proposed by Senators Radcliffe and Taft:

On page 14 strike out lines 20 to 24, inclusive, and line 25 through the word "such", and insert:

(3) in furtherance of the objective of full employment and to supplement investment and expenditure by private enterprises, States, and local governments, the Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy, proceed with a comprehensive program of public works and other expenditures so planned that they can be speeded up and enlarged when other employment decreases and retarded when full employment is otherwise provided.

## B

Amendment to S. 380 proposed by Messrs. Radcliffe and Taft:

On page 15, line 15, insert the following:

*Provided*, That any program of Federal investment and expenditure for the fiscal year 1948 or any subsequent fiscal year when the Nation is at peace shall be accompanied by a program of taxation designed and calculated to prevent any net increase in the national debt (other than debt incurred for self-liquidating projects and other reimbursable expenditures) over a period comprising the year in question and the ensuing 9 years, without interfering with the goal of full employment.

We have had some doubt regarding the statement in section 2 (c) that "the Federal Government has the responsibility to assure continuing full employment." The word "assure" is an ambiguous word which might be interpreted to mean that a legal obligation is assumed to every man to give him a job. However, the authors of this bill



have made various statements to the effect that this is not the meaning of the word and that, in effect, it is only a statement of policy. Mr. Vinson refers to it as creating a moral obligation on the Federal Government to provide jobs. Senator Murray says that it does not create a right in any individual to demand a job for himself from the Government. We have accepted these interpretations of the authorities of the bill as clarifying its interpretation, but we still feel that it may gravely mislead the public at large. Those who are not lawyers, or familiar with the technicalities of the law, are likely to feel when the bill is passed that if they cannot get jobs which they consider suitable, they can legally demand such jobs from the Federal Government. Such, of course, is not the case. Some amendment should be considered.

The bill entirely neglects the situation of the farmer or the individual businessman and deals solely with those seeking employment. Adequate prices are the wages of the farmer, but no declaration is contained in the bill to protect them. We note that the American Farm Bureau Federation is definitely opposed to the bill in its present form. As the very least that might be done, we recommend that the following amendment be adopted with reference to this omission.

## C

Amendment to S. 380 proposed by Messrs. Radcliffe and Taft:

On page 12 line 26 strike out the period, insert a comma, and add: or to earn a remunerative living as an independent operator in agriculture, commerce, industry, or the professions.

GEORGE L. RADCLIFFE.  
 ROBERT A. TAFT.  
 JOHN THOMAS (of Idaho).  
 HUGH BUTLER.  
 ARTHUR CAPPER.  
 DOUGLAS BUCK.  
 BOURKE B. HICKENLOOPER.

O







# S. 380

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. TAFT to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

1       On pages 13, 14, and 15 strike out paragraph "d"  
2 and insert:

3       “(d) The Federal Government shall, in cooperation  
4 with industry, agriculture, labor, State and local governments,  
5 and others develop and pursue a consistent and carefully  
6 planned economic program which may include, but need  
7 not be limited to, the following:

8       “(1) Sound taxation and expenditure policies designed



1 to balance the budget over the ensuing six years to encourage  
2 private investment in and expansion of business enterprises,  
3 and to encourage adequate consumers' expenditures;

4 " (2) Measures dealing with the control of private and  
5 public credit to the end that the level of business activity  
6 may be neither inflationary nor deflationary but funda-  
7 mentally sound and constantly rising;

8 " (3) Policies within the scope of proper Federal action  
9 tending to maintain the proper relationship between ex-  
10 penditures for capital and replacement, for consumers durable  
11 goods, and for consumption;

12 " (4) Policies within the scope of proper Federal action  
13 tending to maintain the correct relationship between the level  
14 of wages, the level of farm prices, the level of industrial  
15 prices, and the cost of living;

16 " (5) Policies affecting the rate of interest and the rate of  
17 return on capital;

18 " (6) Federal stimulation and development of production  
19 and construction by industries, corporations, and individuals  
20 through insurance guarantees or otherwise;

21 " (7) An increase or decrease in the expenditures of the  
22 Federal Government of all kinds designed to assure con-  
23 tinuing full employment, including a comprehensive program  
24 of public works so planned that it can be speeded up and  
25 enlarged in times of lesser activity by private enterprise;

1       “(8) Policies designed to prevent monopoly and pro-  
2 mote competition;

3       “(9) Policies designed to promote foreign trade; and

4       “(10) Policies relating to old-age pensions which will  
5 provide for an income for the aged sufficient to enable them  
6 to maintain a decent and healthful standard of living, and  
7 promote the retirement from the labor force of the older  
8 citizens.”



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## **AMENDMENT**

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Intended to be proposed by Mr. TAPP to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. RADCLIFFE and Mr. TAFT to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

- 1 On page 12, line 26, strike out the period, insert a
- 2 comma and add: "or to earn a remunerative living as an
- 3 independent operator in agriculture, commerce, industry, or
- 4 the professions."



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## AMENDMENT

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Intended to be proposed by Mr. RADCLEIFF and Mr. TAFT to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. RADCLIFFE (for himself and Mr. TAFT) to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

1       On page 15, line 15, insert the following: "*Provided,*  
2       That any program of Federal investment and expenditure  
3       for the fiscal year 1948 or any subsequent fiscal year when  
4       the Nation is at peace shall be accompanied by a program  
5       of taxation designed and calculated to prevent any net in-  
6       crease in the national debt (other than debt incurred for self-  
7       liquidating projects and other reimbursable expenditures)  
8       over a period comprising the year in question and the ensu-  
9       ing five years, without interfering with the goal of full em-  
10      ployment."



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## AMENDMENT

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Intended to be proposed by Mr. RADCLIFFE and Mr. TARR to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

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**AMENDMENT**

Intended to be proposed by Mr. RADCLIFFE and Mr. TAFT to the bill (S. 380) to establish a national policy and program for assuming continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

1        On page 14, strike out lines 20 to 24 inclusive, and  
2 line 25 through the word "such," and insert: "(3) in  
3 furtherance of the objective of full employment and to  
4 supplement investment and expenditure by private enter-  
5 prises, State and local governments, the Federal Govern-  
6 ment shall, consistent with its needs, obligations, and other  
7 essential considerations of national policy, proceed with a  
8 comprehensive program of public works and other expendi-  
9 tures so planned that they can be speeded up and enlarged  
10 when other employment decreases and retarded when full  
11 employment is otherwise provided."



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## **AMENDMENT**

Intended to be proposed by Mr. RADCLIFFE and Mr. TAPP to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 24 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 26, 1945, for actions of Tuesday, September 25, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate began debate on full-employment bill. House agreed to resolution for consideration of bill to exempt retirement annuities from taxation. House Rules Committee reported resolution declaring that road-construction program may be resumed.

SENATE

1. FULL-EMPLOYMENT BILL. Began debate on this bill, S. 380 (pp. 9099-112). Chairman Wagner of the Banking and Currency Committee spoke in favor of the bill (pp. 9099-106). Sen. Murray, Mont., spoke in favor of the bill and inserted a table, "Estimates of guaranteed loans and insurance in force by U.S. Government agencies," which includes a CCC item (pp. 9106-12).
2. BYPRODUCTS LABORATORY. The Agriculture and Forestry Committee reported without amendment H.R. 1765, to provide for conveyance to Iowa of the Agricultural By-products Laboratory (S. Rept. 590) (p. 9096).
3. NOMINATIONS. Confirmed the nomination of Robert P. Patterson to be Secretary of War (pp. 9098, 9125-6).  
Passed over the nomination of W. Stuart Symington to be Surplus Property Administrator, at the request "of the Senator from North Dakota" (p. 9126).

HOUSE

4. RETIREMENT-ANNUITY TAXATION. Agreed, 169-123, to a resolution providing for consideration of H. R. 2948, to exempt annuity payments under the Civil Service Retirement Act from taxation (pp. 9135-41).
5. ROADS. The Rules Committee reported a resolution providing for consideration of H. Con. Res. 81, which provides that the war emergency has been relieved to an extent which will justify proceeding with the road-construction program (p.9128).
6. APPROPRIATION RESCISSIONS; TRANSFERS OF FUNDS. Both Houses received from the President a recommendation that \$28,692,772,000 of Army appropriations be rescinded and a provision "authorizing certain transfers of appropriated funds" (H.Doc.290). To Appropriations Committee. (pp. 9096, 9149.)



- 7. REORGANIZATION. The Labor Committee reported without amendment H.R. 3864, to establish the office of Under Secretary of Labor and three offices of Assistant Secretary of Labor, and to abolish the existing offices of Assistant Secretary of Labor and Second Assistant Secretary of Labor (H. Rept. 1026) (p.9149).
- 8. VETERANS' PREFERENCE. Rep. Rces, Kans., charged that the Veterans' Preference Act is being violated (p. 9127).
- 9. FOREIGN TRADE. Rep. Voorhis, Calif., criticized international cartels(pp.9127-8).
- 10. RECONVERSION. Rep. Douglas, Calif., defended the President's reconversion program (pp. 9147-8).

BILLS INTRODUCED

- 11. VETERANS. S. 1432, by Sen. Morse, Oreg., to establish a Bureau of Veterans' Arts and Crafts. To Finance Committee. (p. 9096.)
- 12. CARVER DAY. S. J. Res. 99, by Sen. Myers, Pa., designating each Jan. 5 as George Washington Carver Day. To Judiciary Committee. (p. 9096.)
- 13. PRICE ADMINISTRATOR'S AUTHORITY. H. R. 4177, by Rep. Kunkel, Pa., "to impose certain limitations on the authority of the Price Administrator to institute actions on behalf of the United States." To Banking and Currency Committee. (p. 9149.)
- 14. LARCENY. H. R. 4180, by Rep. Sumners, Tex., "to amend the law relating to larceny in interstate and foreign commerce." To Judiciary Committee. (p. 9149.)
- 15. FULL-EMPLOYMENT. H. R. 4181, by Rep. LaFollette, Ind., to establish a full-employment program through concerted efforts of industry, agriculture, etc. To Expenditures in the Executive Departments Committee. (p. 9149.)
- 16. FEDERAL SALARIES. H. R. 4182, by Rep. Patterson, Calif., to increase Federal salaries by 20%. To Civil Service Committee. (p. 9149.)
- 17. FOREIGN TRADE. H. R. 4185, by Rep. Bell, Mo., "to provide for future trade relations between the United States and the Philippine Islands." To Ways and Means Committee. (p. 9149.)

ITEMS IN APPENDIX

- 18. FULL EMPLOYMENT. Sen. Wiley, Wis., inserted his debate with L. M. Cherne on the full-employment bill, which he opposes (pp. A4356-7).
- 19. DAIRY INDUSTRY. Extension of remarks of Rep. Murray, Wis., criticizing oleomargarine manufacturers and inserted letters of Agriculture Department officials on oleomargarine (p. A4360).
- 20. FOREIGN RELIEF. Extension of remarks of Rep. Voorhis, Calif., favoring continuance of UNRRA (p. A4357).

BILLS APPROVED BY THE PRESIDENT

- 21. SURPLUS PROPERTY. H. R. 3907 (for provisions see Digest 163). Approved Sept. 18 (Public Law 181, 79th Cong.).



service officer, past vice commander, Vincent R. Costello Post, No. 15, the American Legion, Washington, D. C. The other letter was an acknowledgment of the receipt of the letter to which I have just referred, signed by the clerk of the Military Affairs Committee of the United States Senate.

Mr. Leib objects to the confirmation of the nomination of Mr. Patterson as Secretary of War. I take no part in the controversy, but Mr. Leib has performed good service for the country at different times in calling attention to the poor quality of airplanes which were being used, and I believe he is entitled to have the letters to which I have referred printed in the RECORD.

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

Hon. ELBERT D. THOMAS,  
Chairman, Military Affairs Committee,  
United States Senate, Washington,  
D. C.

DEAR SENATOR THOMAS: I hereby request an opportunity to appear before the Senate Military Affairs Committee relative to the nomination of Robert P. Patterson as Secretary of War.

Sincerely,

JOSEPH LEIB,  
Service Officer, Past Vice Commander,  
Vincent B. Costello Post, No. 15,  
the American Legion

SEPTEMBER 19, 1945.

Received of Mr. Joseph Leib a letter dated September 19, 1945, addressed to Hon. ELBERT D. THOMAS, chairman, Military Affairs Committee, Washington, D. C., requesting hearings on nomination of Hon. Robert P. Patterson to be Secretary of War.

W. I. SMALLEY,  
Clerk, Military Affairs Committee,  
United States Senate

#### FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment, which, being in the nature of a substitute for the bill, will be regarded, for the purpose of amendment, as a question. Perfecting amendments will have precedence, and should be offered before the vote is had on the committee amendment.

Mr. WAGNER. Mr. President, I desire to address the Senate on the pending bill, Senate bill 380, and I hope I may be permitted to complete my statement without interruption.

The full employment bill deals with the central economic problem of our time—the problem of assuring continuing full employment in a free competitive economy.

Failure to solve this problem would undermine the health and well-being of our people, shatter our political and social institutions, and wreck our hopes for avoiding a third world war.

Success in handling this problem would provide the people of America with the opportunity to enjoy the boundless re-

sources and wealth with which providence has blessed us. It would strengthen our free-enterprise system against attack by alien philosophies. It would make an invaluable contribution to the maintenance of lasting peace among nations.

The full employment bill, in the form reported by the Banking and Currency Committee, provides the instrumentality through which business, farmers, labor, State and local governments and the Federal Government can work together in solving this problem and assuring sufficient employment opportunities for all who are able to work and desire to work. It sets forth general policies to guide us.

It establishes procedures and machinery through which we can translate these policies into action.

The full employment bill is a non-partisan measure. It is sponsored by such able and distinguished Members of the Senate as the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. THOMAS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. LANGER].

This bill, as reported to the Senate by the Senator from New Hampshire and myself on behalf of the Banking and Currency Committee, is the product of long study and intensive hearings. Its principles will be explained in considerable detail by its other sponsors. It is my purpose at this moment merely to give a brief analysis of its major provisions and set forth the reasons why the Banking and Currency Committee has recommended that it be enacted without further change.

By itself, the full employment bill will not, and is not intended to, produce a single job. As the Honorable Fred M. Vinson stated in his report to the Banking and Currency Committee on May 30, 1945:

S. 380 does not profess to present a full conceived program for the achievement of full employment. \* \* \* It is the necessary first step from which a full dress program of economic policies to promote the well-being of our free competitive economy will stem.

Like the San Francisco Charter, the full employment bill is a landmark, but not the end of the road. It can be effective only with continuous and conscientious implementation. Its objectives can be achieved only through the concerted and cooperative efforts of all economic groups and all levels of Government.

In recent months there has been much discussion about the need for strengthening the Congress. It has been pointed out that there is no arm of Congress which studies the annual State of the Union message as a whole. The full employment bill remedies this defect by establishing a joint committee of Congress to study the over-all problems of employment and production and to develop a full employment program adjusted to changing needs and changing conditions.

The purpose of this joint committee was admirably expressed by the master of the National Grange, Mr. Albert S. Goss, when he testified before your committee in favor of the full employment bill. Let me quote Mr. Goss:

Too frequently we have approached the consideration of such basic economic problems as taxation, transportation, tariffs, labor legislation, farm legislation, financial legislation, and a host of others in a detached and narrow manner, without adequate consideration for the effect of the policy established upon our whole economy. Every sore spot affects our whole economy, but we have been too much inclined to consider each problem separately. Here, in the joint committee, the interdependence of all segments of our economy would be recognized in a practical way.

The bill also makes it the responsibility of the President to submit to Congress a National Production and Employment Budget which contains the basic information needed by Congress in its deliberations.

We learned during the war that we can keep moving forward at high speed only if we have a goal. During the war we could not produce 100,000 airplanes until a goal had first been set. After the war we shall not be able to achieve full employment unless we set forth the full employment goal in specific terms.

Accordingly the first item in the National Production and Employment Budget is a statement of economic goals. These goals are set forth in terms of employment, production and consumption.

This recognizes the fact that employment depends upon production and production depends upon the purchase of goods and services that are produced.

The National Production and Employment Budget also provides for an appraisal of current economic trends—so that the Congress can judge the extent to which our goals are being met.

Finally, the national budget provides for a general program for attaining the goals that have been set forth.

To quote the testimony of Hon. John W. Snyder, Director of War Mobilization and Reconversion, the national budget—

provides a procedure for determining the state of health of the country as far as production and employment are concerned. It is a barometer by which to gage the economic climate.

By using this procedure and this barometer, the executive branch and the Congress will jointly develop the full employment program. Each will carry out its appropriate responsibilities under the Constitution. The Congress will make the decisions on policy. The executive branch will administer programs already established and submit new proposals to the Congress.

But the full employment bill is not limited to procedures and machinery. Section 2 of the bill also sets forth the principles to be followed in the development of our full employment program.

The first of these principles is found in subsection (a) of section 2:

It is the responsibility of the Federal Government to foster free competitive private



enterprise and the investment of private capital.

This principle is based upon the conviction that full employment and free enterprise are twin objectives. It is based upon the rejection of the belief that sustained full employment is impossible under our free-enterprise system. In fact, we cannot have continuing full employment under our institutions without the expansion of private enterprise and the investment of private capital. Full employment without free enterprise, granted that it could be obtained that way, would be contrary to the traditions and desires of the American people.

The second of these principles deals with the rights of human beings. Subsection (c) of section 2, in setting forth the responsibility of the Federal Government to assure continuing full employment, begins as follows:

In order to assure the free exercise of the right to an opportunity for employment set forth above.

And above, in subsection (b) of section 2 it is declared that—

All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

In his message to Congress of September 6, 1945, President Truman called for—

A natural reassertion of the right to work for every American citizen able and willing to work.

The full employment bill, as reported by the Banking and Currency Committee provides this natural reassertion that has been called for by our President. In so doing, it emphasizes the supremacy of the individual as opposed to the State. It emphasizes the fact that the sole purpose of Government is to serve human beings.

In this connection, I should like to call attention to a document entitled "The Eighteen Articles of Essential Human Rights" drafted by a committee of eminent jurists appointed by the American Law Institute.

Article 12 of this statement of human rights reads as follows:

Everyone has the right to work.

The State has a duty to take such measures as may be necessary to insure that all residents have an opportunity for useful work.

The document from which I have quoted was prepared by such eminent American jurists as William Draper Lewis, director of the American Law Institute; Noel T. Dowling, professor of law at Columbia University; Charles E. Kenworthy, of the Superior Court of Pennsylvania; Roland S. Morris, former United States Ambassador to Japan; Carl Loewenstein, professor of political science and jurisprudence, Amherst College; John E. Mulder, professor of law, University of Pennsylvania; David Reisman, former professor of law, the University of Buffalo; and Quincy Wright, professor of international law, University of Chicago.

Naturally, the statutory enunciation of the right to employment opportunity does not imply redress through the

courts. The redress for individuals who feel that they do not have the opportunity to exercise this right is through action either to have their government improve its economic program or to obtain an improved administration of the Government.

The third principle set forth in section 2 is as follows:

The Federal Government has the responsibility to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

This principle is based upon the universally recognized fact that fear of unemployment and dwindling markets restrains business investment and consumer buying and thereby breeds unemployment and dwindling markets. Only the assurance that there will be sustained full employment can overcome this fear. Pious phrases about encouraging or promoting full employment will not help.

Only the Federal Government can provide this assurance. Business, by itself, cannot assume the responsibility for assuring full employment. This is admitted by the overwhelming majority of businessmen who appeared before our committee. Neither State governments nor local governments, by themselves, can assure full employment. This is well recognized by our governors and mayors.

The exercise of this responsibility by the Federal Government cannot detract in any way from the innumerable responsibilities of industry, agriculture, labor, and State and local governments. In fact, the successful discharge of the Government's responsibility will ultimately depend upon the extent to which these groups properly exercise their own responsibilities. This fact has been admirably presented by Mr. Ralph E. Flanders in his letter to the chairman on June 14, 1945. It is to be found at page 205 of the record. Mr. Flanders is chairman of the research committee of the the Committee for Economic Development, and he is the head of the Federal Reserve Bank of Boston.

A few brief excerpts from Mr. Flanders' letter are here in order. I quote from it:

On business devolves the duty of operating at its best possible efficiency and of thereby making it possible for it to expand production and employment, which it should do to the limit of its capacity for solid, sustained growth. It has no duty to furnish employment at a continued loss. \* \* \* Organized labor has serious responsibilities in implementing the right to a job. \* \* \* Local and State governments have duties in connection with the wisdom of their tax policies, the effectiveness of their preservation of human and property rights, and, in particular, the timing of construction work and any other expenditures which are not on a current basis.

Fourth, the bill firmly rejects the proposition that public employment is the main avenue toward full employment or that full employment requires continued deficit spending. Subsection (d) of section 2 emphasizes the intention of the Federal Government to assure full employment with the minimum possible resort to Federal investment and expenditure. It provides for the development of a consistent and carefully planned eco-

nomie program in all fields of Federal activity. It establishes a firm priority upon the creation of an economic climate in which private enterprise can "provide, through an expanding production and distribution of goods and services, the largest feasible volume of employment opportunities." It establishes a priority upon measures to assist State and local governments "to make their most effective contribution to assuring continuing full employment." It clearly sets forth the objective of reducing the size of the labor force by making more attractive the voluntary retirement of the older citizens.

It then provides that, to the extent that continuing full employment cannot be assured through other measures, the full financial resources of the Government shall be used to assure sufficient employment opportunities for all who are able to work and desiring to work. This principle is set forth in paragraph 4 of section (2). Let me quote this paragraph in full:

To the extent that continuing full employment cannot otherwise be assured (such program shall) provide such volume of Federal investment and expenditures as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment. Such Federal investment and expenditures, whether direct or indirect, or whether for public works, for public services, for assistance to business, agriculture, home owners, veterans, or consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.

On September 21, 1944, little more than 1 year ago today, a similar statement of policy was set forth by one of America's outstanding leaders, as follows:

Government's first job in the peacetime years ahead will be to see that conditions exist which promote widespread job opportunities in private enterprise. \* \* \* If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours.

The man who made that statement was the head of the Republican Party, Gov. Thomas E. Dewey. If there is any difference between Governor Dewey's statement and the full employment bill, it is that the Governor went much further.

Governor Dewey said that, if necessary, the Government "must create job opportunities." The full employment bill, on the other hand, provides, not for the direct creation of work by the Government, but, if necessary, merely for "such volume of Federal investment and expenditure as may be needed to assure continuing full employment."

This can include loans or grants to State and local governments and other "assistance to business, agriculture, home owners, veterans, or consumers."

In testifying before the Banking and Currency Committee in connection with this policy, Mr. Harold D. Smith, Director of the Bureau of the Budget, who is well known to all Senators, made the following statement with respect to this



policy on Federal investment and expenditure:

Several critics of the full-employment bill have suggested that the bill is designed to pave the way for huge deficit spending. This is a distortion of the meaning of the bill. It is my conviction that a policy designed to prevent depression and unemployment is the best contribution we can make to holding down Federal expenditures and the public debt.

In section 2, the bill also sets forth the principle of full employment without economic warfare. Let me quote subsection (e) of this section:

It is the policy of the United States to discharge the responsibilities herein set forth in such a manner as will contribute to an expanding exchange of goods and services among nations and without resort to measures or programs that would contribute to economic warfare among nations.

This provision is based upon the amendments offered by the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. LANGER]. It emphasizes that the day of economic isolationism in America is over. It indicates that the full-employment program will be oriented toward obtaining "an expanding exchange of goods and services among nations."

It declares to all the world that America is not interested in obtaining additional employment within its borders through an imperialistic drive for markets throughout the world.

For a more detailed analysis of Senate bill 380 as reported by the Banking and Currency Committee, I refer the Members of the Senate to part III of the committee's report.

For an explanation of the major differences between the bill as reported, and the original bill, let me suggest a careful reading of part VIII of this report.

I should like to point out, however, that the bill as reported represents no changes in the basic principles of Senate bill 380 as introduced on January 22, 1945. The only important additions which have been made, aside from minor changes in language, deal with, first, old-age retirement, section 2 (d); second, agriculture, point 7 in section 2 (e); third, full employment without economic warfare, section 2 (e); fourth, mandatory consultation with industry, agriculture, labor, and so forth, section 4 (b). The first of these additions was proposed by the Senator from Idaho [Mr. TAYLOR], and was based on a previous proposal offered by the Senator from California [Mr. DOWNEY]. The other additions are in accordance with the amendments submitted jointly on July 28, 1945, by the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. LANGER.]

The full-employment bill and its principles have been enthusiastically endorsed by innumerable businessmen. They have received the enthusiastic support of every section of organized labor; including the American Federation of Labor, the Railroad Labor Executives Association, the Congress of Industrial

Organizations, and the United Mine Workers. They have been endorsed by the Methodist Federation for Social Service, the United Christian Council for Democracy, the National Catholic Welfare Conference, the Council for Social Action of the Congregational Christian Churches, the Synagogue Council of America, the American Jewish Congress, the Central Council of American Rabbis, and other religious organizations. They have been endorsed by farm leaders, educational and professional groups, women's organizations, and experts in all walks of life. A partial list of the groups that have publicly endorsed the bill appears on page 19 of the committee's report.

Naturally there has been a certain amount of opposition to the bill. This has appeared in privately circulated articles and brochures. It has appeared in a portion of the press. It has appeared in part of the testimony before the Banking and Currency Committee, as well as in some of the letters sent to the chairman of the committee and printed in the RECORD.

There are endless variations in the arguments that have been used by the opponents of the full employment bill. But, basically, their arguments boil down to three simple points.

First. They are sincerely convinced that continuing full employment cannot be achieved under our free-enterprise system.

Second. They are afraid of the effects of sustained full employment.

Third. They believe that the Government, rather than assuring full employment, should provide relief for the unemployed.

Let me take up each of these themes separately.

The argument that continuing full employment is impossible under our free-enterprise system takes many forms. Some, like the vice president of the Guaranty Trust Co., of New York City, who testified before the committee, merely state:

I think that they (depressions) are inevitable under the free-enterprise system and that the best we can hope to do is limit their depth and their duration.

Others use the deficit-financing argument and say it would cost too much. They start out by assuming an astronomical gap between the level of economic activity needed for full employment and the prospective or actual level of economic activity. They generally assume that we need a total production of \$200,000,000,000 worth of goods and services, and that the purchasing power of business, consumers, and State and local governments adds up to only \$140,000,000,000.

After having made this wild assumption, they then make the fantastic charge that the full-employment bill would have the Government make up the difference between these 2 figures, that is, provide \$60,000,000,000 in Federal investment and expenditures.

Others claim that full employment cannot be maintained without complete regimentation. The Chamber of Commerce of the State of New York, for example, has approved a report which

states that depressions are "the price we pay for freedom."

Let me repeat this argument that has been made against the full employment bill: Depressions are "the price we pay for freedom."

Thus speak the councils of defeatism. Those who support the full employment bill maintain that continuing full employment is possible under our economic system. We believe that full employment and free enterprise are entirely compatible. We believe that each one supplements and helps the other. We have studied the lessons of past depressions and are resolved that the future of America shall not be shaped by the dead hand of the past.

Those who conjure up the picture of endless deficit financing proceed on the assumption that depression is inevitable. Theirs is the arithmetic of despair. They talk in money terms about a gap of \$60,000,000,000, between the goods and services that would be produced in full employment and the volume of goods and services that are being produced.

In human terms, such a gap means 20,000,000 men out of work. In other words, they start by assuming a catastrophic economic crisis, and then throw up their hands in despair at the amount of money it would cost to pull us out of such a crisis.

Those who argue that continuing full employment means regimentation are themselves sowing the seeds of economic and political revolution. No hostile foreign agent could do more to wreck the fabric of our society than to tell our people that unemployment is the price we pay for free enterprise.

In earlier years it was customary on the part of those who yearned for the past and feared the future to brand every proposal as being a step toward regimentation and the destruction of the American system. More than a century ago this argument was used against those who proposed free public schools. Later, it was used against Abraham Lincoln when he campaigned for internal improvements for the country. The same argument was made against the creation of the Federal Reserve System, the enactment of the income-tax law, the regulation of the stock exchanges, and the establishment of the right to collective bargaining.

In the case of these past measures, the net result of the cry that we were heading toward communism was to impair the reputation of those who shouted "wolf."

In the case of the full employment bill, however, those who say that full employment is impractical and that the sponsors of the full-employment bill are promising too much are jeopardizing more than their personal reputations. They are publicly inviting the American people to search for some new economic system which would be compatible with sustained full employment. They are jeopardizing the future of economic and political democracy.

And now for the second source of opposition to the full employment bill: the fear of full employment.

This approach also takes many forms.



There are those who believe that full employment is inherently inflationary. Others are afraid that sustained full employment would deny them the windfall profits which can be obtained by "riding the business cycle."

Others are afraid that sustained full employment would give organized labor too much bargaining power. They claim that the fear of unemployment is a necessary incentive if they are to obtain a good day's work from their employees.

To each of these manifestations of fear there is a clear-cut answer.

The argument that full employment is inflationary is based upon the defeatist assumption that American business and American labor would take advantage of prosperity. It overlooks the basic economic fact that the fear of unemployment and depression is one of the fundamental causes of inflation. If under the full employment bill we can provide an assurance that there will be sustained full employment, we shall be able to counteract or eliminate this fear of the future and thereby remove one of the most dangerous of all inflationary factors.

Those who gear their activities to "riding the business cycle" are, for the most part, making a virtue of necessity. They are convinced that the cycle of boom and depression will go on in the future as it has in the past; and they are "out to get theirs." I am sure that most of them would prefer the stable profits to be obtained under an expanding economy based upon sustained full employment, in contrast with boom-time windfalls and depression bargains.

Those who argue that full employment would impair individual initiative overlook the fundamental fact that it is the desire for betterment which is the driving force in our free-enterprise system. Nothing can stultify initiative more than the lack of opportunity. On the other hand, sustained opportunities for employment would mean an unprecedented expansion of initiative and enterprise in every walk of life.

Those who want a safe pool of unemployed ignore the fact that a breadwinner who is out of work cannot obtain food and clothing for his family out of the thought that serious mass unemployment has been prevented. The knowledge that he is in a statistical minority will not satisfy a veteran of this war who finds that he has no opportunity for useful and remunerative employment.

Those who talk about a safe pool of unemployed also overlook the dynamics of our economic system. Men and women who are unemployed, whether they number 4,000,000 or 8,000,000, are poor customers for the goods and services produced by American industry and agriculture. Their very inability to purchase enough goods and services would precipitate a deflationary spiral which would rapidly increase the number of unemployed and bring on a major depression.

And now, Mr. President, I come to the third major argument against the full-employment bill—the argument that instead of assuring full employment, the

Government should provide relief for the unemployed.

This is the logical position for anyone to take who believes that full employment is impractical and that depressions are the price we pay for freedom. This is the logical position for those to take who fear the effects of sustained full employment.

Let me quote from a letter received by the Banking and Currency Committee from Mr. Rufus Tucker, chief economist of General Motors Corp.:

If the Government is asserted to be under an obligation to provide work for citizens, that means that the taxpayers as a whole are under an obligation to pay out money irrespective of the value of what they get for it. The taxpayers collectively may have a moral obligation to keep any citizen from starvation or excessive suffering, but it may frequently happen that that obligation can more adequately and cheaply be fulfilled in other ways than by providing jobs.

In other words, argues Mr. Tucker, relief is cheaper than full employment.

Mr. President, this argument ignores human values. It sets corporate reserves on a level above the health and dignity of the human being. It sets corporate fear of heavy taxation above our country's obligation to assure the existence of sufficient employment opportunities for all who fought this war, whether on the battlefields or in the factories.

Mr. President, this argument also ignores economic facts. In time of depression, the provision for relief may be cheaper than providing jobs. But relief is not cheaper than the prevention of depression. In fact, if we allow another depression to occur and then adopt a relief program, we shall be spending billions of dollars that might otherwise be saved. An ounce of prevention, as I have stated again and again, costs less than a pound of cure.

But those who argue that relief is cheaper take depression for granted. They have no faith in the vitality of our free-enterprise system. They have no confidence in the ability of the American people, through their Government, to win the war against unemployment.

Mr. President, unemployment and the fear of unemployment are deadly threats to American social institutions and the American way of life.

When there are too few jobs to go around, bitter conflict develops between groups and individuals. Under these conditions human virtues lose significance. The ethics of society revert to the ethics of the jungle, where "dog eats dog." Racial and personal hates emerge. The forces of intolerance and fear come forth in racial and religious conflict. Group is set against group and class against class.

Ten or twelve years ago it would have been superfluous to state these things. Today, it appears that many have forgotten the misery and despair that stalked our land during the last depression. Today, it appears that many have become blind to the interests of our Nation, have grown deaf to the outcries of our people.

The farmers of our country want the expanding markets and stable prices that

can come only with continuing full employment—and these blind men say that full employment is "impractical" under our system and that depressions "are the price we pay for freedom."

The businessmen of our country call out that they want customers, the steady customers that can come only when there are jobs for all—and these deaf men talk about a floating pool of unemployed.

Fifteen million soldiers, sailors, and airmen want opportunities for useful employment—and these apostles of defeatism offer not jobs but relief.

Mr. President, we face a period in American history when, as never before, we need unity in thought and unity in action.

The full employment bill, as reported from the Banking and Currency Committee, provides a common meeting ground for all who sincerely believe in full employment and the right to work.

Let those who are afraid that continuing full employment cannot be achieved set aside their doubts and join with the supporters of this proposed legislation in an all-out effort to see that it is achieved.

Let those who are afraid of the effects of full employment cast aside their fears.

Let those who offer relief instead of jobs set themselves a higher and nobler goal.

Let us join together and enact this historic legislation without delay and without impairment.

Let us thereby inspire business, agriculture, labor, and, above all, the men and women who fought and won the war, with a new confidence in America's ability to fight and win the peace.

Mr. LANGER and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER (Mr. MITCHELL in the chair). Does the Senator from New York yield, and if so, to whom?

Mr. WAGNER. I yield first to the Senator from North Dakota.

Mr. LANGER. As one of the sponsors of the pending measure, I wish to compliment the distinguished Senator from New York for the fine job he has done in presenting the bill to the Senate. As Governor of my State during the last depression, I may say that I am entirely satisfied that if this measure had been a law at that time much of the misery, the want, the hunger and starvation the Senator has so ably described would not have existed in America.

Mr. TAFT. Will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. TAFT. I should like to have the Senator's interpretation of the words at the beginning of section 2 (b):

All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

Is that intended to confer a legal right on a man to get a job? What is it exactly to which he is entitled? What is the nature of that declaration?

Mr. WAGNER. We have stated it time and time again before the committee.

Mr. TAFT. I think it is important that it should be stated on the floor of the



Senate. I think the term is ambiguous, and that it is important that the Senator should say here exactly what the nature of this proposal is.

Mr. WAGNER. There are many ways of doing it. In the end the Federal Government enters when every other method fails to provide full employment.

Mr. TAFT. Does the Senator mean to say that a man who cannot get employment otherwise can go to the Federal Government and say, "Give me a job"?

Mr. WAGNER. No.

Mr. TAFT. It is not a legal right the Senator is proposing to confer?

Mr. WAGNER. No; it is not a legal right in the sense that he can sue.

Mr. TAFT. Then what is it exactly? What is the right a man has? Wherever the word "right," or the word "entitled," so far as that is concerned, is used in the Constitution or statutes, it confers a legal right. What kind of a right does this confer if it does not confer a legal right?

Mr. WAGNER. It is a right which society has to recognize. It is a right which all of us have to secure an opportunity for employment. We have said that in the bill. The individual has the right to an opportunity to be employed, and that right would have to be assured finally by the Federal Government when all other methods failed.

Mr. TAFT. As I understand, it is not a legal right; but what kind of a right is it? Is it a moral right to a job?

Mr. WAGNER. The Senator might call it a moral right, if he liked.

Mr. TAFT. Does the Senator mean that we should adopt a policy and create a condition in which jobs should be available for all? Is that the meaning of it?

Mr. WAGNER. What we are proposing is that the President shall first present to Congress a proposal, a budget message. The trend of employment is pretty definitely known. If there is not any substantial unemployment, we go right on and continue helping private industry all the time. If, for instance, two or three million people may be thrown out of work and are not provided with jobs in any other way, we provide public works or other public methods for furnishing employment.

Mr. TAFT. Interrupting the Senator for a moment, if I may, he refers now to the policy stated in section 2, which says that "to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprise to assure continuing full employment. That is the section to which the Senator now refers?"

Mr. WAGNER. Yes.

Mr. TAFT. The Senator referred to public works? Is it confined to public works? What other kind of public investment and expenditure does the Senator have in mind?

Mr. WAGNER. There are other ways of doing it. This full-employment bill is not new in American history. I introduced such a bill in 1928, and it was finally passed in 1931 and signed by President Hoover. That bill provided a

method by which public works were to be used as a stopgap. When there was unemployment in private industry, in order to take up the gap public works were to be inaugurated. When employment increased public works were to be retarded. In other words, public works are used, not in competition with private industry, but as an aid to private industry.

Mr. TAFT. The Senator knows I agree fully with that theory, and he knows that I offered a substitute for this subsection which contained exactly that provision, but it was rejected by the committee. So I am anxious to ascertain what there is in the subsection, in addition to public works, which could be included in the words "Federal investment and expenditure."

Mr. WAGNER. Activity of all types. When the President sends his message to Congress and indicates that there may be a danger of unemployment provision is made for the stimulation of private industry by all sorts of methods, such as loans and otherwise.

Mr. TAFT. I understand that. That is taken care of here in (d) (4), but when under the provisions of paragraph (4) we have done everything else, it says we must have "such volume of Federal investment and expenditure," and I am trying to find out what that means in addition to public works. I agree fully that we should have as much of public works as possible in times of depression, and less in good times. But what else does that language mean? Can the Senator tell what other forms of Federal investment and expenditure there would be?

Mr. WAGNER. There are some such projects in New York. Let us take the Triborough Bridge. That was—

Mr. TAFT. That is a public work. It falls under public works. I should like to find out what else there is.

Mr. WAGNER. Let us be calm about this matter. Private industry constructed the bridge, but it was done under a Government loan. That is a self-liquidating project because the loan is being paid off.

Mr. TAFT. Yes; but it comes within the classification of public works. No one, I think, will dispute that.

Mr. WAGNER. There are different types of public expenditures.

Mr. TAFT. Mr. President, is the Senator familiar with the book written by Sir William Beveridge, Full Employment in a Free Society, in which the whole theory of full employment by guaranteed assurance is set forth perhaps more fully than in any other book?

Mr. WAGNER. No; I have not read it.

Mr. TAFT. The Senator should read it because it is in a way the origin of the present theory contained in the pending bill. I should like to read to the Senator—

Mr. WAGNER. I think the Senator is wrong about that. I think the present theory of the bill goes way back to President Hoover's time when there was discussion about the use of public funds to aid in assuring full employment.

Mr. TAFT. Yes; but the theory that the Government must spend enough money to make up this calculated deficit in employment comes primarily from Sir William Beveridge. That policy has not been adopted by the British Government, I may say, but that is where it started so far as this theory is concerned. What he says in his book is the same thing. He says that:

It must be a function of the state in future to insure adequate total outlay and, by consequence to protect its citizens against mass unemployment.

Then he outlines what the state might do in a program such as this, and I should like to read the outline:

The long-term program—

That is for Federal investment and expenditure—

outlined in part IV covers outlay of all kinds, under each of five heads. There is communal outlay on nonmarketable goods and services, including defence, order, free education, a national health service, roads, drains, and other public works.

That is the ordinary type of Government expenditure.

There is public business investment in industries now under public control or which may be brought under it hereafter, increasing the sector of enterprise in which investment can be expanded steadily. There is private business investment; here, through a new organ—described as a national investment board—the state, while preserving private enterprise, can, by appropriate measures, coordinate and steady the activities of businessmen. There is private consumption outlay, the largest head of the five; this can be both increased and steadied by state action in redistributing income, by measures of social security, and by progressive taxation. There is a new head—described as joint consumption outlay—under which the state takes the initiative by placing collective orders—for food, fuel, and perhaps other necessities, with a view to reselling them later to private consumers at a price which may at need be lowered by a subsidy. Under this last head the state can influence both the amount and the nature of private outlay while still leaving it free.

Mr. President, I wonder whether this residual Federal investment and expenditure is the same kind of residual expenditure that Sir William Beveridge describes in his book.

Mr. WAGNER. I have not read the book. But we are concerned primarily with private industry and private investment. We want to keep people at work in jobs under private investment, and we sometimes provide stimulation to private industry so that private industry may provide greater employment. It is only in the event that there is a gap in employment that the Government comes in with public investment and expenditure and accelerates employment. The moment employment has increased and become normal, so that there is very little unemployment, then the expenditure program can be slowed down, and the public-works program is stopped.

Mr. TAFT. The Senator knows that if it were not for this provision for an unlimited volume of residual "Federal investment and expenditure," if that language were "public work," practically all my objection to the bill would be re-



moved. I am trying to find out what it is that the Senator has in mind outside of public works in the "Federal investment and expenditure" clause. We have testimony that \$5,000,000,000 is probably about the limit of public works. Such a sum might put two and a half million men to work, and there might be 10,000,000 threatened with unemployment. Where would the other seven and a half million men be put to work? What kind of Federal investment and expenditure is there to be, outside of public works?

Mr. WAGNER. We do not want such a depression to occur as we experienced once before. If this bill had been the law at that time 10,000,000 persons would not have been unemployed. We tried at that time to request Mr. Hoover to provide a public-works program but he said, "No. Everything is going to be all right." Finally the number of unemployed went from 2,000,000 to 15,000,000. Then, of course, we had to undertake an exceedingly extensive public-works program, involving a good deal of useless work. We want to avoid all that.

Mr. TAFT. I know. In the thirties we followed this theory in particular. We had a deficit of \$3,000,000,000 a year for an average of 10 years, and it did not cure unemployment. We built all the public works we could think of and still we did not cure unemployment. I should like to know what the phrase "Federal investment and expenditure" means. How can the Federal Government succeed, outside of public works, in putting seven and a half million unemployed men to work?

Mr. WAGNER. We will not have that much unemployment.

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

Mr. WAGNER. I yield.

Mr. AIKEN. The Senator from Ohio seems to be wholly favorable to a public-works program, but yet he objects to this bill for fear that the Federal Government will do something else than promote a public-works program. I am wondering just what he thinks the Federal Government would do to meet an unemployment crisis, to which he objects so strenuously.

Mr. TAFT. My answer to that question is that the way to cure an unemployment crisis is to adopt measures to stimulate private enterprise, and that can be done effectively by removing restrictions; Government can be taken out of business so as not to compete with private business and force it out of business and thus deprive people of work. All kinds of things can be done. There is no panacea for unemployment, and if an attempt is made to make this measure a panacea it will result only in an inflationary boom, a large increase in the public debt, and finally the extensive unemployment we are trying to avoid.

Mr. WAGNER. May I ask the Senator from Ohio in what competitive field is the Government competing with private industry?

Mr. TAFT. I said that if the provision in question means that we are going to do that, the result will be to discourage private industry and lead to a reduction of employment, because, after all, the private industrial machine is employing about 50,000,000 people.

Mr. WAGNER. Yes; but we want to bring employment up to 60,000,000.

Mr. TAFT. According to General Fleming of the Federal Works Agency we might perhaps in 1 year spend \$5,000,000,000 on public works and employ two and a half million men. If we go beyond public works into other fields we may actually so discourage the private industrial machine that it will not employ 50,000,000 people who should be employed.

Mr. WAGNER. We are trying to encourage them even more than they have been encouraged in the past.

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

Mr. WAGNER. I yield.

Mr. AIKEN. I should like to know what other fields the Senator from Ohio thinks the Federal Government could enter which would discourage private industry.

Mr. TAFT. As Mr. Beveridge suggests, in England it is proposed to invest in business generally, and to operate many factories which would produce goods which were not needed, and which would be piled up as a surplus. Those are the things which he suggests in the case of England. I think that if the Federal Government should go into that sort of thing, it would throw more people out of work than it would put to work.

Mr. AIKEN. It might, but its inclusion in a program is strictly prohibited under this bill.

Mr. TAFT. Oh, no; it is not strictly prohibited by this bill.

Mr. AIKEN. Section 6 reads as follows:

SEC. 6. Nothing contained herein shall be construed as directing or authorizing—

(a) the operation of plants, factories, or other productive facilities by the Federal Government.

If that is not intended to prohibit the operation of plants, I do not know what it means.

Mr. TAFT. No; it does not.

Mr. AIKEN. It may be that the opponents of the bill know better what the proponents intended by the wording than do the proponents themselves, but I doubt it.

Mr. TAFT. Let me explain to the Senator what section 6 does. Section 6 does not do anything in the world except to say that this is not an authorization bill. It does not authorize anything for anybody. That does not mean that the President may not put it in his program. On the other hand, the bill provides that he shall put certain things in his program, including a sufficient volume of Federal investment and expenditure to meet the theoretical figure set up as a goal. All section 6 does—and we might as well be clear about it—is to say that this is not an authorization bill. It does not authorize an appropriation for any program set forth in the national budget, but it in no way limits the scope of the national budget. It in no way limits the recommendations which the President may make.

Mr. AIKEN. Are they limited now?

Mr. TAFT. No; they are not limited. As a matter of fact, without the bill at all, the President can do anything that he is authorized or required to do under

the terms of this bill. The bill is not needed so far as the President is concerned. He may submit any program he desires. But we are asked to approve a policy in which Congress says that the President shall submit a program containing unlimited Federal investment and expenditure if that is necessary to achieve full employment, regardless of all other considerations.

Mr. WAGNER. If Congress says so. It all depends on Congress.

Mr. TAFT. The Senator makes another argument. He makes the argument that, after all, Congress is not bound. I quite agree. We cannot bind any future Congress. We cannot even bind the present Congress, so far as that is concerned.

Mr. TOBEY. Or our own party.

Mr. TAFT. An attempt is made to lay down a policy, and we are asked to subscribe to a policy. So the question is not, is it binding upon Congress? The question is not whether it is binding on the President. The question is, should we subscribe to a policy if it is an utterly unsound policy? That is the fundamental question which we have to decide.

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

Mr. WAGNER. I yield.

Mr. TOBEY. I wish to address my remarks to the Senator from Ohio. As I understood his comment and the reasons therefor, he is taking up now the very salient and important clause in the bill dealing with the right to work, and he asks what is meant by it. I will read to him two answers, in both of which I concur, and then give my own answer.

I read first from the testimony of John W. Snyder, Director of War Mobilization and Reconversion, on this very point when he appeared before the committee. He said:

Mr. Chairman, at this point I would like to read into my statement an excerpt from a statement of Senator JAMES E. MURRAY which I think defines what we have been referring to in this bill as the right to work and the right to a job. It is an approved condensation from his speech, and if I may, I would like to read that here.

The CHAIRMAN. Very well.

Mr. SNYDER. I think it defines that very well:

"The right to a job does not mean guaranteeing jobs carrying set salaries and definite social standing. It is not the aim of the bill to provide specific jobs for specific individuals. Our economic system of free enterprise must have free opportunities for jobs for all who are able and want to work. Our American system owes no man a living, but it does owe every man an opportunity to make a living. That is the proper interpretation of the right to work."

I now read to the Senator from Ohio the remarks of a leader in industry, Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., of Chicago, Ill. On page 656 of the hearings, he made the following statement:

1. The right to work. I do not say, nor do I think anyone else will argue, that the Government owes anyone his living. I do believe, however, that in a free society one must have an opportunity to earn a living, to do constructive work, and to be paid a reasonable wage therefor. I know there are those who will argue that there is no such thing as a right to work, and even if one does admit that such a right exists, that it is un-



enforceable, but I also know that we have just fought the most terrible and destructive war in history to establish the fact that men as individuals do have rights. These political rights and civil rights, based upon the concept that the individual is the important one and that governments exist only to satisfy his needs, can be enjoyed in a modern, industrial society only if every person is able to support himself—to have those basic necessities of food, shelter, clothing, medical care, and a reasonable amount of leisure, without which all other rights are meaningless. If we are to maintain those rights for which so many have given their lives in these recent years, we must admit the necessity to add to those rights another which is most basic and upon which the other rights depend. This is the right to work, to earn a decent living, and to do something creative for one's self and one's fellowmen.

Mr. President, I think we settled the question of the right to work 169 years ago, in the Declaration of Independence, when we decreed that among the inalienable rights of men was the right to life, liberty, and the pursuit of happiness. A man can go to the courts and sue in the courts for life and liberty, but no man ever went to the courts and sued for the right to pursue happiness. But I maintain that that statement of 169 years ago becomes merely a will-o'-the-wisp if in the pursuit of happiness a man cannot get a job and receives a salary with which to support his family.

I maintain that 169 years ago assurance was given to every man in America that he would have the right to work. If our economic system cannot bear the load and the strain, and take care of the needs of men, then the Government has the responsibility, and under this bill the Government is coming into the picture. We will engage in deficit financing, and do whatever else is necessary to save human lives, prevent human misery, and establish for all time in this country the right to work.

What can we do in the alternative? There is a choice between the Government taking care of such condition through deficit financing, and going back to the relief rolls. We have fought a great war. Thank God it is over, and victory has come to us.

Two great scourges come upon mankind. The worst scourge of mankind is war. A close second to it is the scourge of unemployment and depression. We go all out to win a war. We should go all out to defeat a depression.

We are too prone to look upon systems of business, systems of finance, systems of government, and systems of party as the objective. Those things are only the means to an end, and the end is human happiness and human welfare.

Men talk about the genesis of this bill. The bill came from the hearts of true Americans who love their fellow men and are determined that this bill shall become law for the benefit of their fellow men in every class and section of our country.

Mr. TAFT. Mr. President, I believe that the statement made by the Senator is very significant, because he is one of the sponsors of the bill.

As I understand, this right is not a legal or constitutional right. It is like the rights in the Declaration of Independence, which were not intended to

have any legal effect at all, and conferred on no one any legal right. Is that correct?

Mr. TOBEY. The Senator knows the answer to that question. We thrashed it out a hundred times in committee. The right referred to means that in justice to our fellow men, they should have employment. It is their due.

Mr. TAFT. The Senator is not answering the question.

Mr. TOBEY. The Senator cannot put words in my mouth. I am giving the answer as I see it. What is the question?

Mr. TAFT. The question is, What kind of a right is this? The Senator says that it is not like a statutory right.

Mr. TOBEY. A man cannot go to court and sue for it.

Mr. TAFT. It is something like the Declaration of Independence, which states broad general principles.

Mr. TOBEY. I quite agree that it is like the Declaration of Independence. It is just as permanent as the Declaration of Independence.

Mr. TAFT. The right to life and liberty can be protected by law. The Declaration of Independence refers to the right to the pursuit of happiness—not happiness. The Declaration of Independence does not guarantee jobs. The pursuit of happiness would be equivalent to the pursuit of a job. That certainly is not very much of a right.

Mr. TOBEY. The word "pursuit" can be construed in many ways. It means that a man shall have the right to pursue a course to get a job. We tell him that he is going to have a job. That is his due, his right under the American form of government. It is justice to him.

Mr. TAFT. If the bill is not intended to confer a legal right, I do not greatly object to the declaration of general policy that the Government should pursue a policy which will bring about a condition under which a man can get a job. I agree 100 percent with that declaration. That is what we ought to say. I greatly object to saying it in this way, if that is what the authors of the bill say they mean. I think it involves the danger of a fraud on the American worker. When the bill is passed a great many persons will misconstrue this language to mean that they can go to the Federal Government if they cannot get a job anywhere else and say, "I have a right to a job. Give me a job." They will be disappointed when they find that the bill does not mean that.

Mr. TOBEY. No, Mr. President; I say to the Senator that we assure our fellow men that they have the right to work, and under this bill we propose that when in the different States conditions in the economic life become such that there is no other course to pursue and no other way of creating jobs for them, then we shall provide employment by the laws of this country, in such a way as to give them jobs.

Mr. TAFT. Mr. President, the Senator said he felt that deficit spending was the proper method to use.

Mr. TOBEY. In the last analysis, when everything else fails, yes. Then we propose to spend money. Human life is more important than balance sheets and dollars.

Mr. TAFT. Mr. President, I should like to obtain an answer, if I can, from the distinguished senior Senator from New York. My question relates to subsection (d) (4) on page 14, which provides—

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

My question is, What does that mean, other than public works? I should like to find out what "Federal investment and expenditure" is, in addition to public works.

Mr. WAGNER. There is no doubt that if the point is reached where there cannot be full employment without public works and similar activities, then these things will be provided. But we are doing everything we can do to provide sufficient opportunities in private industry to give sufficient employment, except, of course, there are always some public works that are necessary.

Mr. TAFT. Mr. President, I seem to be unable to get a definite answer to my question.

Mr. WAGNER. I agree distinctly with what the Senator from New Hampshire [Mr. TOBEY] said, namely, that, after all, society, the Government, owes something to the individual. If there is no other way by which the individual can be employed, of course the Government is obligated to employ him. That is all there is to the whole proposition. But some people are worrying about rights!

Mr. TAFT. Mr. President, I have asked the question of the Senator from New York three or four times, but I am unable to obtain an answer.

Mr. WAGNER. I know; the Senator never will be satisfied.

Mr. TAFT. I should like to pass on to one more question, and then I shall yield to the Senator from Montana. After just one more question I shall be through. My question is, Is this policy of full employment contained in the Democratic Party's platform or the Republican Party's platform of 1944?

Mr. WAGNER. I do not know. The Senator from Ohio drafted the Republican Party's platform, and perhaps he can tell us.

Mr. TOBEY. Mr. President, if the Senator will yield to me, let me read to the Senator from Ohio a statement which the titular leader of the Republican Party, Thomas E. Dewey, made at that time:

Government's first job in the peacetime years ahead will be to see that conditions exist which promote widespread job opportunities in private enterprise. \* \* \* If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours.

That is the statement of the titular leader of my party.

Mr. TAFT. Mr. President, I am quite prepared to say that Mr. Dewey and Mr. Roosevelt endorsed this policy, but I am asking whether there is any such endorsement in either the Democratic



Party or the Republican Party platforms. The Senator from New York has said he does not know.

Mr. WAGNER. I do not know.

Mr. TAFT. Does the Senator know whether it was contained in the CIO's political action platform of April 1944?

Mr. WAGNER. I do not know.

Mr. TAFT. I think I can assure the Senator that I do know that it was.

Mr. WAGNER. Well, they are American citizens, and they have a right to live.

Mr. TAFT. That is the only documentary basis I have been able to find to show where any political organization adopted the principle of the pending bill prior to the time when it was introduced.

Mr. VANDENBERG. Mr. President, will the Senator yield to me, to permit me to ask a question?

Mr. WAGNER. I yield.

Mr. VANDENBERG. Am I to understand that the phrase "Federal investment and expenditure" is confined exclusively to the construction of public works?

Mr. MURRAY. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. Mr. President, I was asking the Senator from New York for his conception of the provision. Then I shall be very happy to hear from the Senator from Montana.

Mr. WAGNER. Will the Senator from Michigan please repeat his question?

Mr. VANDENBERG. As I understand the Senator's answer to the question of the Senator from Ohio regarding the phrase "Federal investment and expenditure," as found, for instance, on page 14, in line 21, the Senator's conception of that phrase is confined to the construction of public works. Is that correct?

Mr. WAGNER. Let me see about that; I should like to read it again. It appears on page 14, the Senator said.

Mr. VANDENBERG. Yes—in line 21.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I should like to have the Senator from New York express his idea about it.

Mr. RADCLIFFE. I wish to comment on it.

Mr. VANDENBERG. Before there is any comment, I should like to have the idea of the Senator from New York.

Mr. WAGNER. Mr. President, "Federal investment and expenditure" probably would provide public works, but there are many different types of public expenditures. There are the self-liquidating projects and others. These are to come into the picture so as to keep employment at full volume.

Mr. VANDENBERG. I am totally in agreement with the Senator about that.

Mr. WAGNER. Very well.

Mr. VANDENBERG. But I wish to know what else "Federal investment and expenditure" would describe, other than public works, in the view of the Senator from New York.

Mr. MURRAY. Mr. President, I should like to point out that the bill itself, at the bottom of page 14, provides—

Such Federal investment and expenditure, whether direct or indirect, or whether for

public works, for public services, for assistance to business, agriculture, home owners, veterans, or consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.

There the bill itself provides for investments other than mere public works.

Mr. VANDENBERG. If we can get back to the question, Mr. President, what attracted my attention in the colloquy between the able Senator from New York and the able Senator from Ohio was the constant and exclusive emphasis which the Senator from New York put upon public works. I gathered the impression that the Senator's description of "Federal investment and expenditure" was confined to public works.

Mr. WAGNER. It depends on what is meant by public works. For instance, the Senator no doubt remembers the Home Owners' Loan Corporation bill, which was one of the measures I introduced long ago to help in a serious situation. That might be regarded as a public loan; it might be regarded as public works. It may be public works; it may be helping private capital and private investment. There can be no doubt about that.

Mr. VANDENBERG. Could the Senator give me a suggestion as to how, for instance, the authority might be used to help "private industry?" I think that was the Senator's phrase.

Mr. TAYLOR. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. Mr. President, how would the Senator propose to do that?

Mr. WAGNER. Take the case of the Home Owners' Loan Corporation. Does the Senator remember when home owners were on the point of losing their property because they were unable to pay the mortgages, and the Government stepped in and paid the mortgages for them? To that extent it was a public purpose.

Mr. VANDENBERG. That did not create any jobs.

Mr. WAGNER. Yes; it did.

Mr. VANDENBERG. Does the Senator mean jobs in writing the mortgages?

Mr. WAGNER. Well, there were jobs in connection with it. We made loans for private building—for instance, the renovation of apartment buildings. Those were loans made by banks, guaranteed by the Government. That might be called either private or public.

Mr. VANDENBERG. Then the Senator does not confine his definition of "Federal investment and expenditure" to just what we mean by the general phrase "public works construction"; does he?

Mr. WAGNER. No; I do not.

Mr. RADCLIFFE. Mr. President, will the Senator yield for a comment?

Mr. WAGNER. I yield next to the Senator from Montana, who some time ago asked me to yield to him.

Mr. MURRAY. Mr. President, I tried to obtain the floor at the conclusion of the address of the Senator from New York, but I was interrupted.

Mr. RADCLIFFE. Mr. President, if the Senator from Montana will yield to me for a moment, I will make a brief comment on the specific question the Senator from Michigan asked. There

was considerable discussion in the Banking and Currency Committee in regard to the language "Federal investment."

Mr. MURRAY. Mr. President, I have the floor now.

Mr. RADCLIFFE. Will the Senator yield to me?

Mr. MURRAY. I yield for a question or for a mere statement.

Mr. RADCLIFFE. I wish to make a brief statement apropos of the question the Senator from Michigan asked. As I have just stated, in the Banking and Currency Committee there was considerable discussion and voting in regard to the phrase "Federal investment." I offered an amendment calling for its elimination. That was voted down. I then sought some limitation or restriction in definition, because as the language stands it is apparent that possibly it would warrant or justify any form of Federal investment, or that, at least, in the absence of any language of limitation, such an interpretation might be put upon it, or at least be urged vigorously with a color of justification. Proponents of the bill insisted they did not contemplate Federal investment except along more or less customary lines, but they would not agree to words of limitation. With the Senator's permission, I make that statement of explanation.

Mr. MURRAY. Mr. President, the distinguished chairman of the Banking and Currency Committee [Mr. WAGNER] has already given a clear and comprehensive explanation of the provisions of the full employment bill. He has explained in detail the provisions of the measure and the objectives to be achieved. This bill, as he has ably pointed out, is based on the need for a vast expansion of production and employment in the United States in order to enable our system of free enterprise to meet the demands of the American people.

As we look back over the past history of our system of free enterprise and our political system upon which it is based, we find that many changes have taken place. We have grown from an economy which was predominately agricultural to an economy which is predominately industrial.

Shortly after the Civil War a great expansion of industry began in the United States. The great western frontiers had been thrown open to settlement, offering new opportunities for our growing population. Prosperity was developing on every hand, and the press of the Nation was proclaiming a new golden age which would result from the huge combinations of industry and business which were then developing.

At the turn of the century this rapid growth of big business took on increased impetus. It was believed by many that those corporate expansions and consolidations would result in greater efficiency, bigger profits, and beneficent results generally to the economy as a whole. It was a period of intense financial and business activity, and the idea of big business took firm hold on the minds of the American people.

During the past decade, however, exhaustive studies have clearly shown that our economy has developed serious ills which threaten its future successful operation. This is acknowledged on every



hand by economists and students of our free-enterprise system.

The great depression which followed the First World War, and which caused more suffering and distress than any other event in this century of our existence, was due to those defects which had grown up in our economy and were distorting its original principles. We had gradually departed from a system of free competition and had entered into a modified system akin to collectivism.

During the 1920's, following the First World War, this growth of big business proceeded at a rapid rate, and sight was largely lost of the original concept of free enterprise. In the period just before the commencement of World War II, 200 large corporations—a fraction of 1 percent of the total number—accounted for 50 percent of the total assets and 40 percent of the total sales. For a long time it has been recognized that real competition has been blotted out in the big basic industries of the United States, and instead of competition we have a system of controlled prices and production.

Those conditions finally resulted near the end of the twenties in a complete collapse of our economy.

In an editorial in June 1938, Fortune magazine, the leading business magazine of the Nation, discussed the causes of that collapse which began in 1929. After reviewing the origin of our political economy, and referring to its early promises, benefits, and advantages over previous systems, it was pointed out that it finally faltered and failed as a result of the development of these weaknesses. The Fortune editorial, among other things, stated:

As representing the capitalist economy, business has an obligation to build a workable economic system. But by 1932 it was evident that it had failed to do this. It had failed, and it has since failed, to provide for approximately one-third of the American people. It has failed to provide these people with work, and hence failed to provide them with a livelihood, to say nothing of democratic opportunity. So, in the break-down of the economics of free capitalism, business is confronted with a realistic political fact, namely, that a majority of the American people, with the penniless third as a nucleus, are beginning to measure the virtue of their Government mainly in terms of the guarantees it makes concerning their income. \* \* \*

The editorial continues:

The path ahead of American business is indeed a narrow path, but it is perfectly clear. If the principles of democracy and of private enterprise are to be preserved, it is evident that private enterprise must admit into its affairs, as representative of the people, a Government profoundly concerned with the successful operation of the economic system. It should in the future be the object of business not to obstruct Government intervention at any cost, but to see to it that the intervening Government is enlightened in economic matters.

While 50 years ago we were a Nation of small businesses engaged in intense competition, today we are largely a Nation of big businesses, of trusts and monopolies, where prices and production in the basic industries are controlled, and where depressions and widespread unemployment are constantly recurring evils.

It must be clear to everyone that the problems of unemployment are threatening our system of democracy. This is not a mere assertion. It is a simple statement of undisputed fact, supported by the economic studies which have been taking place in this country during the past quarter of a century. It is supported also by spokesmen of the capitalistic system itself who have become aware of the serious defects in the system as it exists today.

The Brookings Institution, which during the past few years has been conducting intense research into the causes of the economic disturbances which have, with increasing severity, been recurring during the past 60 or 70 years, names the huge centralization of industry and monopoly as the chief causes.

In 1938 Fortune magazine made a study of the problem and reported its findings in an editorial printed in that magazine in the March 1938 issue. I quote in part from that editorial:

In our time, men have been conditioned to the idea of bigness. They believe that to grow big is almost of necessity to progress. They believe that the expansion of American enterprise necessarily involves the corporate expansion of its units. And they are taught that the corporate expansion of the units should result in bigger profits, individually and to the economy as a whole.

\* \* \* \* \*

But it is possible to question this: not that our time has been wrong, but that it may be time for something else. It may be time to reexamine our ideas of progress in the light of where we wish to go. It may be time to weigh the notion that here is some necessary connection between economic expansion and corporate bigness. It may be time to wonder whether profits and the national income would not be bigger if the corporate units of industry were not so big.

American business was founded upon the principle of free competition maintained through free markets. But during the era of bigness the units of business became so big that they developed a fear of price wars; they dared not compete against themselves, and no one dared to compete against them. There consequently emerged the super-units—well-defined industrial groups whose members act in concert and whose aim is not price competition but, on the contrary, price stabilization.

Now this technique of bigness, involving the artificial control of prices and other basic factors, is a collectivist technique. And the operation of the collectivist technique has created for business a precarious situation. Business has carried collectivism so far in its private affairs that its affairs are no longer private but by the bigness of their impact, public. \* \* \* But, inasmuch as these policies impinge upon and invade the sphere of public welfare, they impinge upon and invade the functions of Government. By its very office, Government must intervene. \* \* \* Thus collectivism in industry begets collectivism in Government. And if this is not collectivism as practiced in the so-called collectivist states, it is only a couple of theoretical steps removed from it. Carried to its extreme, it means the downfall of the economy upon which American business has been reared; the perversion of the democratic order; the destruction of the right to risk-and-profit; and, all too easily, the loss of those civil liberties that are at present based upon the principle of the limitation of governmental power.

It is now well-demonstrated by the many studies made by economists and research organizations that monopolistic practices constitute one of the chief rea-

sons for the failure of our economic system to operate on an even keel. The constant fear of an impending depression causes these large corporate units to take advantage of every opportunity to increase earnings beyond a reasonable degree. They exercise control over production and prices, thus interfering with free competition. Business management is devoted largely to meeting the constantly recurring threats of inflation and deflation.

Modern industry provides no board of directors or supervisory body to correlate its multifold activities. It has no general industrial or business research laboratory to keep it advised concerning economic trends or dangerous developments which might upset industrial balance. For example, in the late twenties, if American industry had had some sort of a supervisory agency designed to guard against dangerous trends, it might have been enabled to avoid the wild inflation and final crash in 1929.

Business and government are in constant conflict. What can be done to clear up this conflict which has been going on in this country for many years and permit business to go forward under a program of expanded production and employment which present conditions absolutely justify?

Back in 1938 Walter Lippmann, discussing this conflict between government and business, said:

The development of combinations in business which are able to dominate the markets in which they sell their goods and in which they buy their labor and their materials must lead irresistibly to some form of state collectivism. So much power will never for long be allowed to rest in private hands, and those who do not wish to take the road to the politically administered economy of socialism must be prepared to take the steps back toward the restoration of the market economy of private competitive enterprise.

It seems absolutely certain that if we fail to meet this problem now, our country will be threatened with national economic disaster.

Mr. President, I should like at this point to quote from an able editorial appearing in the Washington Daily News of May 1938:

Business in this country today is divided into two groups. One, and unfortunately the smaller, has come to realize that the world does move; that the only thing certain in life is change; that we are 20 years behind England, for example, in accepting such principles as collective bargaining and social security, and that to go against the tide is to drown. The other is the nostalgic delegation, dreaming of the good old days, yearning for the high-collared past, hating Roosevelt, but not realizing that Roosevelt after all is just a potent sign of the times, and serving on the committees that write the resolutions at the annual meetings of the United States Chamber of Commerce. If the first group could only get busy and vocal to the extent of selling the second that it's time to wake up, the futile fight between business and government might be turned into an harmonious advance toward better days and finer democracy.

We must create at once an opportunity for cooperation between the Government and business so as to bring about full production and full employment. If opportunity is provided the



rest will follow in due course. Leave that to the millions of Americans—businessmen, workers, farmers, and the public generally.

Opportunity arises from creating and enforcing the free market, giving the country the assurance that the Government is standing back of the program and intends to see to it that the workers of the Nation are going to be employed, and that purchasing power is going to exist in the country which will encourage and make possible full production.

America is the richest, most highly industrialized, and most powerful Nation in the world. Our industries are the most advanced in modern technological methods, and we have a capacity to produce and consume which, if realized, will without Government spending programs provide for full employment of our workers.

Unless we are able to provide employment opportunities for war veterans and all those who seek and need employment in order to live, our country will be consumed with business and industrial unrest and agitation.

Full employment is not only essential to the welfare of the workers of the Nation, but, as I have demonstrated, is vital to the successful operation of our economic system. Furthermore, it is only through an economy of full production and full employment that we will be able to maintain the Nation's credit structure and liquidate the stupendous national debt which we now face.

The Senate Committee on Banking and Currency, its distinguished chairman the Senator from New York [Mr. WAGNER], and its distinguished ranking minority member the Senator from New Hampshire [Mr. TOBEY] have rendered to this body a great service through the statesmanlike report which has been submitted on the full employment bill. Their careful analysis of the measure will be a distinct aid to the Members of the Senate in the study of the bill.

My association with this legislation began in December 1944, when the then Senator from Missouri, Mr. Truman, and I, submitted a subcommittee report to the Military Affairs Committee. At that time, we pointed out that the Contract Settlement Act, the Surplus Property Act, and the War Mobilization and Reconversion Act were "purely transition measures, yes, important transition measures, but nothing more," and that, "none of them attempted to insure a sound postwar economy."

The report proceeded to discuss the Government's responsibility toward postwar employment, and I quote further from it:

In January 1944 President Roosevelt, in his message to Congress on the state of the Union, outlined an "economic bill of rights." The first point in this document was the following: "The right of a useful and remunerative job in the industries, or shops, or farms, or mines of the Nation. \* \* \*

Statisticians may debate among themselves as to whether the precise goal should be a little more or a little less than the President's 60,000,000 figure, but no thoughtful American—no matter what his creed or station in life—would deny that every man or woman in the country who is willing to work and capable of working has the right to a job.

The right to a job is not self-enforceable. It can be translated into reality only through the joint action of the people of our country—business, labor, agriculture, and all other groups—acting through the medium of their duly elected Government. In short, the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion of our peacetime economy so that it will be capable of assuring full employment.

Mr. President, my study of the problem and principles involved in the full employment bill goes back a number of years. In 1937 I took part in a Senate special committee investigation of unemployment and relief. I learned then of the serious defects in our economy causing depressions and unemployment. I learned that there is only one thing that American business needs in order to provide sufficient jobs—and that one thing is customers.

In 1940 the Senate Committee on Small Business was established, and I became its chairman. That committee has worked diligently for 5 years on the problems of small business enterprise. As a result of my activities with that committee, I have found that, above all, the one thing that small business needs in America is customers.

During the Banking and Currency Committee's consideration of the pending full employment bill it was subjected to a bombardment of amendments. I acknowledge the sincerity of the opponents of the full employment bill, but it seems to me that the language of their amendments is mainly calculated to destroy the basic principles of the bill and make a mockery of our country's hopes for an economy of full production and full employment.

To me, these amendments indicate a lack of faith in our free enterprise system.

The proponents of these amendments argue that we have always had depressions and we will always continue to have them under our system. They contend that under our system of free enterprise it is impossible to have continuing full production and that we must have periodical depressions. They allege that full employment in peacetime is inflationary and that we must always have a substantial amount of unemployment. They therefore seek to delete any commitment in the bill which might do more than prevent serious mass unemployment.

The rank and file of businessmen, especially small businessmen, repudiate that doctrine. Many outstanding businessmen appeared before the Banking and Currency Committee and testified on behalf of the full employment bill. These intelligent and far-sighted businessmen recognize the need for cooperation between labor and capital and government. They recognize that industry cannot be benefited through the exploitation of labor—that full employment with good wages is essential to the successful operation of our economic system. They recognize that business can only be benefited through helping labor raise its general standards of living, because only by such a program can our system of free enterprise prosper.

I should like Senators who are opposing this measure to read a book recently

published by the Brookings Institution entitled "America's Capacity To Consume."

The average independent businessman in this country—businessmen engaged in real competition as distinguished from those who are protected by monopoly—are wholeheartedly in favor of the principle that every American who is able to work and desires work has the right to useful, remunerative, regular, and full-time employment. This basic human right is clearly stated in section 2 (c) and section 2 (b) of the full employment bill.

I am convinced also that independent businessmen are committed to the principle that the Federal Government has the responsibility of assuring continuing full employment. They so testified at the hearings.

The American tradition of business enterprise has been that of a high volume market—high output, low prices, high wages. This was the fundamental assumption of the orthodox economic theorists from Adam Smith to Marshall, and it is a tradition which has been widely proclaimed by the Nation's leaders. President Truman said in the third annual report of the Truman committee:

If we are to maintain the highest standards of living in the world, which we had prior to the war, and if we are to improve those standards, vastly increased quantities of basic commodities must be produced. The task of industry will be to produce those commodities and fabricate them into consumer goods at a fair profit based on a small margin and large volume of production. So long as prices do not exceed costs by too great a margin, the purchasing power of the workers through the wages paid for production should be sufficient to preclude overproduction.

This high volume market is what businessmen want. It means more efficient production at lower unit costs. This in turn means better profits. Although the profit margins on each unit will be smaller, they will be more stable, and there will be many more units. Let me quote from the National Association of Manufacturers, who state in their pamphlet entitled "Testimony to the Future":

Selling more goods at lower prices is the aim of America's manufacturers. This is the road to profits, maximum employment, and maximum benefit to the consumer.

But ordinarily the individual producer has been afraid to carry out this tradition.

The fear of depression is based on a valid fear of competition in a shrinking market. Unless all industries expand output, cut prices, and raise wages simultaneously, no individual producer can count on increased purchasing power for his product. In the spring of 1944 Edwin G. Nourse, of the Brookings Institution, made this clear in a statement before the War Contracts Subcommittee:

But no one who will honestly look at the past and present record of America can doubt that the majority of businessmen are, in fact, afraid of competition, just as they are afraid of really free enterprise.

There is a constant fear that there won't be enough purchasing power to go around, that if we really "let ourselves go," with all our skill and ingenuity, with all the tech-



nical efficiency we have developed, there would be general overproduction, flooding of the markets, and general break-down.

The result? The producer plays it safe. He prices for depression, thereby creating depression. In the words of Mr. Nourse:

Setting profit sights too high, charging what the traffic will bear when the going is easy, refusing to embark on economic ventures unless a return is assured which will yield profits on idle plant as well as utilized plant, and in periods of unemployment as well as more prosperous periods. This is self-defeating in the long run.

May I point out that this is not theorizing? Let me remind the Members of the Senate that a recent War Production Board study of "break-even points" for 60 industries revealed break-even points ranging from 20 percent of capacity, and averaging 53 percent. With price and output policies geared to the concept of such low ratios of capacity, unemployment becomes almost inevitable.

What can we do to give effect to the tradition of large markets and low prices? I submit that full employment on a continuing basis would break this paralysis of fear and uncertainty. Producers would gain a growing confidence in markets. They would know that consumers had income to spend, and also the confidence in their own future that would make them willing to spend. They could count on demand sufficient to justify expansion of output, low prices and high wages.

Many Members of Congress have spent a large part of their congressional careers in attempting to control and prevent restrictive practices on the part of business. I am sure they will agree with me that under conditions of continuing full employment there would be much less incentive to business to engage in these practices. Business would be less tempted to corner ever-larger shares of shrinking markets. Full employment would provide the basis for eliminating the barriers to raw materials, equipment, capital, and technology which tends to make big business bigger, and to squeeze out the small producer altogether.

Not only would full employment make it less advantageous for businessmen to engage in restrictive practices, it would also make it much more difficult for them to do so. There is no doubt that if we had a high level of activity, big business would face greatly increased competition from small firms.

There are a number of reasons why small businesses are the first and most unfortunate victims of depression, and why they tend to flourish and multiply during prosperity.

They are the most important channels for new and competitive products.

They are the most numerous in trades and services, which expand and decline more than proportionately with a national income.

I believe that small business has a useful and necessary function to perform, but that function cannot be performed unless the small businessman is given an assurance that there shall be, in the years ahead, stable and expanding markets based upon continuing full employment.

The businessman of today—whether small or large—faces three risks.

The first is the risk of competition—the risk that some other businessman will be able to produce a better product at the same price or an equal product at a lower price.

The second risk he faces is the risk of depression—the risk that all of a sudden his customers will dwindle and his markets will shrink.

The third risk he faces is the risk of unstable, inconsistent, or arbitrary policies on the part of the Federal Government.

Mr. President, these three risks are more than we can expect any businessman to face. They are more than businessmen will face.

When business is forced to face the risk of mass unemployment and the risk of unstable arbitrary and inconsistent government policies, which always flow from mass unemployment, business will inevitably look for ways to eliminate the risk of competition. This means private restrictions on prices and production, an increased trend toward monopolization of business activities, and the destruction of private competitive enterprise.

To quote from the Banking and Currency Committee report on S. 380:

The assurance of continuing full employment will provide confidence in the existence of markets sufficient to absorb the goods and services produced by private enterprise. It will thereby contribute to the elimination of the risk of unstable and inconsistent Government policies. By so doing, it will allow business to forego restrictive practices and aggressively face, rather than dodge, the risks of competition.

Only the Federal Government itself, acting on behalf of all the people, can cope with these evils. Only the Federal Government can assure the sustained markets that will allow business to forego restrictive practices and move forward aggressively with the minimum amount of interference on the part of Government.

In modern business, confidence is just as tangible a factor as cash in the bank. It is the invisible basis of all plans for production, employment, wages, technological experimentation, financing, and every other factor involved in the conduct of business enterprise.

For a long time there has been a profound misunderstanding between business and Government. This misunderstanding arises from both sides. On each side it arises from the lack of knowledge and information concerning the other side.

On the one hand, representatives of Government, while well-grounded in theories, may not have adequate practical business experience. On the side of business, the average executive is too busy to follow the profound intricacies of modern interindustrial economics. Hence, to the Government sometimes the businessman may seem stubborn, and to the businessman, the Government representatives may seem erratic and untrustworthy. But neither of these impressions is basically correct. Each arises from a lack of knowledge and information concerning the other side.

This failure in mutual understanding causes acrimonious disputation because both sides go on the assumption that either one or the other must be right. The processes of cold logic lead them to that conviction. As a matter of practice, however, the logical development of either side to its conclusion would be cataclysmic. The liberal—the salutary—path lies somewhere between the two.

The essence of a capitalist system is that it is controlled not from above by an all-wise government, but from within by the automatic operation of certain so-called economic laws and by the no-less automatic operation of the enlightened self-interest of the capitalists. But under modern industrial conditions, these so-called laws and forces do not operate. Self-interest, for example, is notoriously unenlightened as to the true exigencies of the capitalist system. The booming American capitalists of the twenties were not enlightened enough to see that they must produce not only goods, but also the purchasing power with which to buy them. Instead they choked the country's purchasing power by skimming off larger and larger profits and unbalancing the economy.

This bill is designed to bring Government and business together, to end this misunderstanding and make full employment work for the welfare of the whole Nation through a solution of the problems of production and employment.

Section 2 (c) of the full employment bill, in affirming the Government's responsibility to assure continuing full employment, emphasizes that one of the major purposes of such assurance is to "foster free competitive private enterprise and the investment of private capital."

Section 2 (c) also indicates that this assurance is needed for the following purposes:

Promote the general health and welfare of the Nation;

Foster the American home and American education as the foundation of the American way of life;

Raise the standard of living of the American people;

Provide adequate employment opportunities for returning veterans;

Develop trade and commerce among the several States and with foreign nations;

Maintain expanding markets for agricultural products and assure expanding income for agricultural enterprises;

Contribute to the economic development of underdeveloped areas of the country;

Encourage and strengthen competitive small business enterprises; strengthen the national defense and security; and

Contribute to the establishment and maintenance of lasting peace among nations.

Who is there who would say that we can promote the general health and welfare of the Nation without an assurance that there will be employment opportunities for all who are able and who desire to work?

How can we protect the American home and the American educational system unless there are employment opportunities for the breadwinner of every family?



How can we raise the standard of living of the American people if millions of Americans are to be unemployed?

The able Secretary of the Treasury, Hon. Fred Vinson, at the hearings on the bill stated this responsibility of the Government in convincing terms. He said:

Clearly it cannot be the responsibility of businessmen alone to prevent unemployment. \* \* \* When we are confronted with problems of national scope involving collective responsibility, we must look to the National Government, acting for all the people to take the leadership in their solution. Let there be no misunderstanding as to the meaning of the word "assure." It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another.

How can we assure jobs for returning veterans unless we assure jobs for all?

How can we maintain expanding markets for agricultural products and assure expanding income for agricultural enterprises unless we can assure the farmers of America that there will be sustained full employment?

How can we contribute to the economic development of the South and the West unless our economy as a whole is expanding and healthy?

How can we carry out our commitments under the San Francisco Charter unless we can assure all the peoples of the world that this country will not allow another economic crisis to develop and will not again be responsible for spreading economic depression throughout the world?

How can any of us who voted for the San Francisco Charter maintain an untroubled conscience unless we take our stand with the Secretary of State, the Honorable James F. Byrnes, in his endorsement of this historic measure? Secretary Byrnes stated:

The enactment of the full-employment bill would demonstrate to the other nations of the world, in a dramatic way, that this country is determined to prevent depressions and to eliminate mass unemployment. It would thus contribute to the establishment of a liberal trading system and the attainment of an expanding world economy.

One of the main features of the bill is the provision pledging the financial resources of the Federal Government to fill any gap in full employment which may remain after the Government has made full use of all its powers and functions to aid industry in providing jobs. In other words, to the extent that continuing full employment cannot otherwise be maintained, the Government will undertake to provide sufficient investment and expenditures to fill the gap.

Naturally, this provision will be attacked by those who prefer to spend billions for relief after a depression develops rather than to provide useful public expenditure as a means of preventing depression. On this point, I should like to quote a recent statement by Mr. Harold D. Smith, Director of the Budget:

Several critics of the full-employment bill have suggested that the bill is designed to pave the way for huge deficit spending. This is a distortion of the meaning of the bill. I believe it was the intention of the authors to reach the objective—full employment—with maximum reliance on private enterprise and minimum reliance on Government spending.

It is my conviction that a policy designed to prevent depression and unemployment is the best contribution we can make to hold down Federal expenditures and the public debt.

The bill provides that the President shall submit to the Congress every year a National Production and Employment Budget. This Budget will include the proposed economic goals for the Nation, in terms of employment opportunities, production of goods and services needed to provide such employment opportunities, and the amount of consumption we require in order to absorb the goods and services that are produced at full employment. It will include the President's appraisal of growth and foreseeable economic trends—terms of employment, production, and consumption. Finally, it will include the general outlines of the administration's program to assure continuing full employment.

Without a national budget, as set forth in the bill, it would be impossible for the Government to grapple intelligently with the employment problem and to develop a consistent and carefully planned economic program.

Finally, the United States Congress, through a Joint Committee on the National Budget, must take the responsibility for considering and acting upon the President's program as a whole. The Congress must take the responsibility for all legislation to carry out the program for full employment. This provision of the full employment bill has received widespread endorsement.

Without a Joint Committee on the National Budget, it would be impossible for the Congress to view the economic situation as a whole and to discharge in a manner commensurate with the needs of our time the responsibilities of the Congress under the Constitution.

But there are some who have no confidence that free enterprise is capable of maintaining full production and employment. They fear that if Government undertakes to assure continuing full employment it may cost too much. They believe that relief for 20,000,000 people is cheaper than jobs for all. That was the basis of the debate which occurred earlier today on the floor of the Senate. Some Senators assume that if the Government undertakes to assure full employment, it will cost the country too much money. They say this bill is simply a deficit financing bill. If we have a fifty-billion or sixty-billion-dollar slump in the national income, they say the Federal Government would have to spend fifty billion or sixty billion dollars. The concept of "boom and bust" is so firmly ingrained in their minds that they can think in no other terms. They

have so little faith in private competitive enterprise and political democracy that all their thinking, all their arguments—yes, and all of their amendments—stem from the basic assumption that we are going to have another catastrophic depression.

Having made this assumption, they then say, "Lock! The sponsors of the full employment bill want us to spend fifty to sixty billion dollars!"

Since they place the protection of the Treasury dollars above human consideration and since they are willing to evade the fundamental concepts of democracy, let me answer their argument in terms of dollars. Under the National Housing Act, the Federal Government has committed itself to stand behind thousands of mortgages. The total commitment on guaranteed housing loans now totals about \$4,500,000,000. If we have a drastic slump in national income, the Government will have to make good on that commitment. Also, under the National Housing Act, the Government has insured investments in savings and loan associations. That total commitment amounts to almost another \$4,500,000,000. If we have another depression, the Government will have to make good on that obligation, also. Under the Federal Deposit Insurance Act, the Government has insured deposits in thousands of banks throughout the country. Its guarantee now covers \$51,000,000,000 worth of bank deposits. If we have another economic crisis, the Government will be committed to making good on that sum. Let me repeat the figure, \$51,000,000,000.

In this connection, let me quote from the report to the Banking and Currency Committee of the Honorable Leo Crowley, head of the Federal Deposit Insurance Corporation. In endorsing the full employment bill, Mr. Crowley made the following statement:

If we do not in considerable measure solve the business-depression problem, bank losses may again become so large as to cause the insurance fund to become a considerable burden upon the Government. The success of deposit insurance depends upon adequate bank supervision, bank examination, and bank management on the one hand, and avoidance of major business depressions on the other. But if it is possible to say which of these factors is the more important, it is probable that the avoidance of major business depressions would contribute most toward avoiding unreasonably large bank losses and keeping the deposit insurance system solvent. This Corporation, therefore, is most happy that Congress is undertaking to treat as a unit the entire business-depression problem.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, in connection with my remarks, a table entitled "Estimates of Guaranteed Loans and Insurance in Force by United States Government Agencies."

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



## Estimates of guaranteed loans and insurance in force by U. S. Government agencies

Description	Date	Amount
Guaranteed loans outstanding:		
Insured housing loans under titles I, II, and VI of the National Housing Act as amended.....	Jan. 31, 1945	\$4,489,993,895
Federal ship mortgage insurance under sec. 1103 of title XI of the Merchant Marine Act of 1936, added June 23, 1938.....	do.....	686,530
War production loans guaranteed by War Department, Navy Department, and Maritime Commission through Federal Reserve bank under regulation V of the Federal Reserve Board (included VT loans).....	June 30, 1945	1,190,944,000
Guaranteed commodity loans secured by agricultural commodities under the Agricultural Adjustment Act of 1938 and the Steagall amendment approved July 1, 1941.....	May 31, 1945	378,293,567
Agreements to participate in loans by commercial banks to business enterprises under sec. 5d of the Reconstruction Finance Corporation Act as amended, and act of June 11, 1942, creating the Smaller War Plants Corporation.....	Dec. 30, 1944	101,718,592
Acceptances and loans by private banks under "take out" agreements with the Export-Import Bank of Washington. Commercial banks, parties to such agreements, are privileged to sell to the Export-Import Bank notes, drafts, and other obligations of private borrowers negotiated and held by such commercial banks.....	June 30, 1945	79,180,902
Guaranteed loans to veterans of World War II under Servicemen's Readjustment Act of 1944.....	Apr. 21, 1945	<sup>2</sup> 7,462,242
Soldiers' and sailors' civil relief; guarantees to commercial insurance companies the payment of premiums and interest on non-governmental-insurance policies carried by active military personnel. The face value of the policies involved as of July 31, 1944, was \$200,500,000.....	June 30, 1945	12,144,786
Insurance in force:		
Life insurance: U. S. Government life insurance for veterans of World War I under the provisions of title III of the World War Veterans' Act of 1924.....	July 31, 1945	2,454,855,781
National service life insurance, for members of the armed forces of World War II, under the provisions of the National Service Life Insurance Act of 1940.....	do.....	123,579,575,163
Property insurance provided by War Damage Corporation in accordance with act approved Mar. 27, 1942. This insurance was for the purpose of affording protection against loss or damage to property, real or personal, which might result from enemy attack or defense action by our own military forces.....	Dec. 30, 1944	126,000,000,000
Marine and war-risk insurance administered by the War Shipping Administration in accordance with subtitle "Insurance" of title II of the Merchant Marine Act, as added June 29, 1940, and subsequently amended.....	do.....	2,219,043,684
Insurance of deposits of commercial banks provided by the Federal Deposit Insurance Corporation in accordance with sec. 12b of the Federal Reserve Act, added June 16, 1933. The Corporation insures deposits up to a maximum of \$5,000 for each depositor in insured banks.....	do.....	51,000,000,009
Insured savings and loan association share accounts and creditor obligations. This insurance is provided by the Federal Savings and Loan Insurance Corporation created by title IV, sec. 404 (a) of the National Housing Act, approved June 27, 1934. Under certain restrictions, each share account is insured up to \$5,000.....	do.....	4,349,796,000
Insurance liability <sup>3</sup> under Federal old-age and survivors' insurance program.....	Jan. 1, 1945	50,000,000,000
Insurance liability <sup>3</sup> under railroad retirement program.....	June 30, 1945	960,000,000
Insurance liability <sup>3</sup> of the civil-service retirement program (including other Government employees' retirement and disability programs).....	do.....	1,000,000,000
Unemployment insurance, including railroad unemployment insurance. (The Government is liable to the full extent of the assets of the unemployment trust fund.).....	do.....	7,315,000,000
Federal crop insurance; wheat, cotton, and flax crops planted for harvest in 1945, and trial insurance on corn and tobacco in 1945.....		( <sup>4</sup> )

<sup>1</sup> Federal Reserve Bulletin, August 1945, p. 791. This figure is for the amount guaranteed. The total amount of guaranteed loans outstanding as of this same date was \$1,386,851,000.

<sup>2</sup> Business Week, May 19, 1945, pp. 21-24.

<sup>3</sup> Includes the face value of the life insurance liability only; excludes retirement benefits which might be paid.

<sup>4</sup> No figure available.

Mr. MURRAY. Mr. President, was it deficit financing when the Congress decided to insure bank deposits? Was it deficit financing when the Congress decided to guarantee mortgages? Was it deficit financing when the Congress decided to insure the accounts of savings and loan associations? No, Mr. President; it was not deficit financing. It was just sound common sense. It was just good business.

There are some, however, who have different ideas of what is good business. Let me quote from Mr. Ralph B. Blodget, who wrote an article entitled "We Need Those Depressions," published in the August 25, 1945, issue of the University of Illinois bulletin, Opinion and Comments. I quote from the article:

It is to be hoped that depressions are never abolished, for they have many desirable features. Those who learn to ride the business cycle can find as many advantages in depressions as in booms—personal as well as business advantages. Smart folks take advantage of the boom \* \* \*; they are then ready for depression-time bargains, bargains in every conceivable thing from a suit of clothes to a railroad.

Mr. Blodget illustrated his point by referring to the panic of 1893, during which the banking firm of Kuhn, Loeb & Co. bought the Union Pacific Railroad for \$81,000,000—less than half its original cost. Mr. Blodget failed to tell us about depression bargains in human beings.

There are some who want a safe pool of unemployed—to preserve "discipline" among their employees and give more "flexibility" to the labor force. They believe that a pool of unemployed, ranging from five to eight million people, is "safe." "Safe for whom?" I ask. Is it

safe for the man who is one of those 8,000,000 people? Is it safe for the children who are born into the families that help comprise the 8,000,000?

There are some who say that the "boom and bust" cycle is—and I quote from the March 1945 Bulletin of the New York State Chamber of Commerce—"the price we pay for freedom." "Whose freedom?" I ask. What freedom can a man have when he has no opportunity to exercise his inalienable right to work?

"Who pays the price?" I ask. Do the fine, up-standing, well-financed gentlemen of the New York State Chamber of Commerce pay the price? Or are the copper miners, the steel workers, the small businessmen, and the farmers the ones who pay it?

Mr. President, my attention has recently been called to a syndicated column written by Roger W. Babson and appearing in the Washington Post for July 2, 1945. His words should cause every intelligent businessman to pause and consider the kind of advice he is receiving. I quote from Mr. Babson's column:

Most economists are agreed that we should be prepared for trouble any time after 1950. As to what form this trouble takes depends largely upon the success or failure of the Russian Communist experiment. If, after 1950, Russia, with the rest of the world, suffers from unemployment, we have not much to fear.

Let me repeat that last sentence:

If, after 1950, Russia, with the rest of the world, suffers from unemployment, we have not much to fear.

Mr. Babson assumes that America and the rest of the world, except Russia, will, after 1950, experience an unemployment

crisis. He pins his hopes upon the thought that Russia also will have mass unemployment. That is too dangerous a gamble to take. We must at all costs avoid such a catastrophe which might undermine our whole American system.

When I introduced the full employment bill in this United States Senate on January 22, 1945, I made the following statement:

Let us make our system of private competitive enterprise work so well here in America that other countries will seek to imitate us. Other nations follow our lead in technology—in mass-production methods of making steel and of fabricating automobiles and airplanes. Why should we not progress to the point where they will imitate us in the field of economics also? Why can we not take the lead in remedying the weaknesses that have developed in our capitalist system? Why can we not set an example here for all the peoples of the world by affording the fullest possible opportunity and encouragement for private initiative and ending chronic unemployment? Why can we not demonstrate to the world that it is possible to have the highest standard of living without abandoning our cherished political freedoms?"

Mr. President, in conclusion I wish to say that I firmly believe that America, under free enterprise, is not inferior to Russia, and that through the measure here proposed we can prevent unemployment and thus prove to the world that democracy can work.

RESIGNATION OF SENATOR BURTON,  
OF OHIO

The PRESIDENT pro tempore. The Chair lays before the Senate a letter from the junior Senator from Ohio [Mr. Burton] of date September 25, 1945, today, and copy of a letter from the Senator



from Ohio to Hon. Frank J. Lausche, Governor of the State of Ohio. The clerk will read both letters, first reading the letter from the Senator from Ohio.

The Chief Clerk read as follows:

UNITED STATES SENATE,  
Washington, D. C., September 25, 1945.  
Hon. KENNETH MCKELLAR,  
President pro tempore,  
United States Senate,  
Washington, D. C.

MY DEAR MR. PRESIDENT: Enclosed is a copy of a letter which I am transmitting to the Governor of the State of Ohio resigning my office of Senator of the United States from Ohio, to take effect at the close of September 30, 1945.

It is a matter of deep personal regret for me to sever my cordial and pleasant relations with the Members of the Senate, but under the circumstances I feel that there is no other course that can be justified. I am resigning solely in order that I may become a member of the Supreme Court of the United States, and in that capacity I shall consider it a privilege to continue to serve in cooperation with the other branches of the Federal Government.

Yours respectfully,

HAROLD H. BURTON.

UNITED STATES SENATE,  
Washington, D. C., September 25, 1945.  
Hon. FRANK J. LAUSCHE,  
Governor of the State of Ohio,  
Columbus, Ohio.

MY DEAR GOVERNOR: In view of the fact that the President of the United States has nominated me for appointment as associate justice of the Supreme Court of the United States and the nomination has been confirmed by the Senate, I consider it my duty to accept this appointment, and therefore respectfully resign my office of United States Senator from Ohio, to take effect at the close of September 30, 1945.

It has been an unusual and high privilege to serve in the United States Senate during the critical years of the war, and I wish to express my appreciation to the people of Ohio for the opportunity thus afforded me to assist them in winning the war and in laying the foundations for future international and domestic stability.

Yours respectfully,

HAROLD H. BURTON.

The PRESIDENT pro tempore. The communications will lie on the table.

FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. WHITE. I suggest the absence of a quorum.

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Burton	Downey
Andrews	Butler	Ellender
Balley	Byrd	Ferguson
Ball	Capehart	Fulbright
Barkley	Capper	George
Bilbo	Carville	Gerry
Brewster	Chandler	Green
Bridges	Chavez	Guffey
Briggs	Connally	Gurney
Brooks	Cordon	Hart
Buck	Donnell	Hatch

Hawkes	Maybank	Taft
Hayden	Mead	Taylor
Hickenlooper	Millikin	Thomas, Okla.
Hill	Mitchell	Thomas, Utah
Hoey	Moore	Tobey
Johnson, Colo.	Morse	Tunnell
Johnston, S. C.	Murdock	Tydings
Kilgore	Murray	Vandenberg
Knowland	Myers	Wagner
La Follette	O'Daniel	Walsh
Langer	Overton	Wheeler
Lucas	Radcliffe	Wherry
McCarran	Reed	White
McClellan	Revercomb	Wiley
McFarland	Robertson	Willis
McKellar	Saltonstall	Willson
McMahon	Shipstead	Young
Magnuson	Smith	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment.

STIMULATION OF VOLUNTARY ENLISTMENTS IN MILITARY AND NAVAL ESTABLISHMENTS

Mr. BARKLEY. Mr. President, I understand there is to be further discussion of the bill, and that other amendments are to be offered, so it is not appropriate that we vote on the committee amendment at this time. The Senator from Utah [Mr. THOMAS] is on his way to the Senate Chamber, and if no Senator is ready to proceed to discuss the pending amendment, I hope we may be able to lay the bill aside temporarily and take up the enlistment bill. The Senator from Utah will be here in a moment. I do not like to have the bill taken up until he arrives. However, Mr. President, in view of the importance of the so-called voluntary enlistment bill, which was reported from the Committee on Military Affairs yesterday, and the statements of Senators interested in the proposed legislation that it would not require very long to dispose of the bill, I think it appropriate now to ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to consider House bill 3951. I make that request.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3951) to stimulate volunteer enlistments in the Regular Military and Naval Establishments of the United States, which had been reported from the Committee on Military Affairs with an amendment.

Mr. THOMAS of Utah. Mr. President, I believe the suggestion just made by our leader is quite in order, because the Army is prepared and waiting to go forward with the voluntary enlistment plan.

The theory of the bill is quite simple. If I may speak in very general terms, it merely extends to men who will enlist in the Army most of the rights and most of the privileges which have been extended to the drafted men, and, of course, which would be extended to any men who are drafted at the present time.

At the present time the Army has authority to recruit up to 280,000 men into the regular service. At the present time also the Army may recruit from among men who are already in the service. The bill would make it possible for the Army to do what it has not done heretofore, recruit for a short period of 2 years both from among men in civilian

life and from among those who are now in the service in the Army.

The bill as reported from the committee is identical with the bill passed by the House, except for a simple amendment on page 3, in line 14, which the committee deemed was a wise amendment, and which the War Department sustained the committee in recommending.

The House bill provided that a man already in the service who had served 6 months could enlist for 1 year. It was assumed by the committee that it would be better to adhere more closely to the provisions offered to men in civilian life and make the enlistment period 18 months instead of 2 years. That was done primarily because, considering the matter of travel, all the other things which men do in the Army, and the foreign service which likely they will be called upon to perform under this enlistment plan, a 1-year enlistment period seemed too short. Therefore, the committee changed that period to 18 months, which means, of course, that those who are in the Army, after they have served 6 months, can enlist for another 18 months. There is no limitation on the number of enlistments, except the exigencies of the service.

There is much discouragement upon the part of the Army. The Army does not think the enlistment plan will be sufficient. The Army contends that the draft will have to be continued in order to provide the needed manpower in the Army. That, of course, is a matter of opinion. The Army authorities assume that they can probably obtain 300,000 men by enlistment. I received a letter from a man serving in the Army in Arkansas who said that when the offer of enlistment was made known to the men there about 50 percent of them volunteered. No one knows whether the voluntary plan will take the place of the draft plan or not, but the draft law remains in existence until next May. The draft law has been resorted to until now, and boys are still being drafted.

I think, Mr. President, that that is about the only explanation that is needed, because the bill is a simple one, allowing the Army to proceed with its enlistment program.

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

Mr. THOMAS of Utah. I am glad to yield.

Mr. TYDINGS. Assuming for the sake of argument that 300,000 men would enlist in the next 3 months, has the Senator any idea as to what the likely action or recommendation would be by the Army and Navy respecting the draft, if such an event happened as I have described?

Mr. THOMAS of Utah. Only what has been said informally in the hearings. It has been assumed by those who appeared before the committee that the draft will have to be continued. The Senator knows that the armed services were drafting men at the time of the Japanese peace to the extent of 80,000 per month. That has been reduced by Executive order to 50,000 a month. And that is the number being drafted now.



Russia with a powerful means of achieving an association with Germany and of preventing any association between Germany and Western Europe, indeed of sustaining permanent German hostility to the west. The principal claim which Germany will make, and must make, some day—the claim to her eastern territories—cannot be met by the Western Powers, cannot be met by Poland, but can be met, with one stroke of the pen, by Russia alone.

However the Polish situation may change, the gainer will be Germany. Russia will not be the loser. Only Poland will be the loser.

Mr. Churchill and Mr. Eden were sincere, beyond a doubt, in wishing for a strong, democratic, and independent Poland. So were—and are—the people of England. So does Stalin, but what he means by a strong, democratic, and independent Poland is a Poland strong as part of the Russian Empire, democratic as that Empire is democratic, and independent of Europe. And he has had his way, because he has made words mean what he wants them to mean.

The Poland of today is, according to the European meaning of words, which is also the Polish meaning, not only weak, but impotent; not only undemocratically, but tyrannically governed; not only dependent, but a vassal. It makes no difference if there are a few democrats, even genuine democrats, or a few Poles, like M. Mikolajczyk or Professor Grabski, from London in the Government at Warsaw. That Government remains the instrument of the Kremlin. It could not resist, or even deviate, even if it wished to, for the coercive powers of the modern state, especially of the Russian state, are irresistible. Irresistible coercion is exercised not only from without and about, but also from within and from below, as it were. The Government is but a faithful transmitter and matters little compared with the municipal and rural councils, the judges and the juries, the management of the banks, the factories, of transport, of the cooperatives, of electric power, of the trade-unions and of the political parties, indeed, of all organized life, including books, newspapers, and the wireless. It makes no difference whether elections are held or not, for if held, they will be organized in advance by the real administrators of the country; that is to say, in a last analysis, by the instruments of Russian rule. These elections, if held at all, will serve but one purpose—to convince those who are still somewhat hard of belief that they are mistaken, that the Polish people want what Stalin, and not Mr. Churchill, Mr. Eden, or Mr. Truman, mean by a strong, democratic, and independent Poland.

But if words still have a true meaning, then Poland has lost her national independence, and the Poles have lost their individual liberties to an extent that would have been inconceivable under the Hapsburgs and the Hohenzollerns or even under the Tsars. What was done by Frederick, Catherine, and Maria Theresa has been far outdone by Mr. Churchill, Mr. Truman, and Marshal Stalin in Frederick's own city, Potsdam, and in his own palace, Sans Souci.

The independence lost is the more unendurable when it wears the outward aspect of independence regained. The Polish catastrophe is the more catastrophic because it is misunderstood by the outside world, which is but too willing to misunderstand. It is a catastrophe endured in isolation. The misunderstanding deepens and widens the abyss that separates Poland from Europe and severs her the more hopelessly from the Christian and Graeco-Roman heritage which was always hers in common with Europe, even under the czars.

The catastrophe is the more catastrophic by reason of the fearful sacrifice that has been made in vain, of the terrible wrongs endured not only at the hands of the common foe but of the ostensible friend—the

deportation of a million Polish men, women, and children to the Russian Empire, where hundreds of thousands are still eating out their hearts with nostalgia for their lost native land and are being killed off by hard labor, disease, and exposure to a rigorous and unaccustomed climate in regions as far afield as Komi and Kamchatka; the inhuman suppression of the home army, elite of the Polish Nation, by the ostensible liberator, after a heroic and sanguinary struggle in the common cause; the public arrests and deportations; the annihilation of high, though not unreasonable hopes in the pledges and promises broken by the one-time friend and ally, Great Britain; and, most grievous of all, the partition, carried out by Russia with the connivance of Great Britain and the United States, which has made one-half of Poland part of the Russian Empire and the other half the helpless vassal of that same empire.

But the Polish catastrophe is not Polish only. It is the vortex of a much bigger catastrophe that has engulfed more than a hundred million Europeans from the Arctic to the Grecian border.

Amid the resplendent victories achieved by British arms, it stands out as a dark and terrible political defeat. Amid the uncertainties of our day, one thing is as sure as anything can be in politics—that what was done at Tehran, Yalta, and Potsdam cannot last, that the catastrophe is so deep and wide that it cannot be patched up or passed over, and that Great Britain will, some day, have to grapple with the consequences in defense of her national and imperial security, of her own future, and of Europe's future which, as she will find, is inseparable from her own.

F. A. VOIGT.

### Report From Iwo

#### EXTENSION OF REMARKS

OF

#### HON. SHERIDAN DOWNEY

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

*Tuesday, September 25 (legislative day of Monday, September 10), 1945*

Mr. DOWNEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very fine poem by Victor Heyden, boatswain's mate first class, United States Coast Guard Reserve, which was written shortly after D-day at Iwo Jima while the author was on duty aboard a Coast Guard-manned LST. Mr. Hayden has been in the Coast Guard since July 15, 1942.

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

#### REPORT FROM IWO

There is no way to speak of those great  
Who lay before the ridge in cross fire  
Of mortar and of mountain gun.  
The terraced slopes in every yard,  
All previously marked and ranged  
And mined, felt flame.

No chosen vocables enumerate the courage  
Of those dead; there can no auguish match  
The weeping and the cursing of the maimed.  
No requiem is adequate for even one marine.  
"Casualties moderate," so ran the first com-  
munique.

When they came in the long, black beach  
received them,  
Not all at once, in waves,  
That broke and rolled upon the pounded  
Sand. They took it, and moved up.

More terrible than Tarawa the metal rain,  
More bitter than the salted Carthaginian  
plain

The redder stain soaking still the red hill,  
On the fifth day the flag went up on Hot  
Rock's top.

The heart and flesh of each marine may  
delliquesce,

That other part which does illumine the heart,  
Glorious with agony and pride,  
Shall freight the warring unchaste wind  
And unforgotten soar and ride.

### Remarks of J. Howard Pew at Picnics of Sun Oil Employees' Athletic Association

#### EXTENSION OF REMARKS

OF

#### HON. ALBERT W. HAWKES

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

*Tuesday, September 25 (legislative day of Monday, September 10), 1945*

Mr. HAWKES. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD excerpts from the remarks made by J. Howard Pew, president of the Sun Oil Co., at the picnics of the Sun Oil Employees' Athletic Associations at Marcus Hook on August 12 and August 19, 1945.

The remarks show what I have always known to be a fact, namely, that successful results in the conduct of any industry or business are, to a substantial extent, dependent upon sound human relations in that business.

I have great faith in the human family of working people, and if they understand the objectives of any company, and feel that the company wishes to be as fair to them as it expects them to be to the company, then most of the working men and women of this country will be found to be cooperative in creating such a reciprocal relationship.

Mr. Pew's remarks about the employees of the Sun Oil Co. are evidence of sound thinking in connection with this great problem that faces the world, namely, proper human relations in all walks of life.

I urge all Members of Congress to read the excerpts to which I have referred.

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

No refinery in this country has done such a magnificent war job as that which has been accomplished right here at Marcus Hook, and this would not have been possible without the best of teamwork. What I particularly like about your teamwork is the way you solve all of your problems among yourselves, and then to the outside world you speak as one voice. There is a story about this which has always appealed to me.

Now, I want to talk with you a little about the postwar period. We must do a better job than ever before. That means that sound principles must govern our every action. Let me read to you the seven principles which I regard as of the greatest importance.

The first of these is sound human relations. This means that everyone in the company is a human being and should be treated as such. Fairness and justice for all must be our motto. Each should be ade-



quately rewarded for his or her services. Sun's policy always has been to pay maximum wages, consistent with sound protection of the financial and general security of the company. The reason so many businesses fail is largely because they do not have proper human relations. Without proper human relations there does not exist the spirit and will to produce. It is only the companies that produce the most goods per worker that eventually succeed. The oil industry, like many others, is a highly competitive one, and if our Company is to live and prosper we must all realize that production is the key to success.

The second of these principles is public service. This means that our first objective in all we do should be to make a useful contribution to the general welfare in raising the standard of living and in making our country a better place in which to live. It means that, both as individuals and as a company, we must be good citizens, doing our part in worthy undertakings in the communities where we live and where we operate. It means that we must live by the Golden Rule—by doing unto others that which we would have others do unto us. It means we must give an accounting to the public from time to time. The American people will permit private corporations to exist only so long as they can make a good accounting of their stewardship.

Third. Good customer relations: We can best serve the public by supplying good products, fairly priced, and delivered where and when they are wanted. This is the surest way to obtain public approval and to win the good will of our customers. Thus we must strive for efficiency in all that we do, pulling together as a team, in order to make the best possible products at the lowest possible cost. As long as we do that, we shall all have work to do.

Fourth. Modern equipment: This means the maintenance of adequate and up-to-date plants, buildings, and tools. This enables all of us to achieve the highest efficiency and makes possible the payment of higher wages, while at the same time we manufacture products at a cost which will enable them to be sold at prices which the public is both willing and able to pay. We should do everything possible to make these plants and tools produce the maximum output of which they are capable. If we do not have the most modern plants and tools or if they are not operated at their maximum capacity, then our wages and salaries, as measured by our standard of living, will have to be reduced, or at best remain stationary. For every industrial worker in the oil industry, there is an investment of \$15,000. Just think of it—for every man and woman employed in any capacity in the oil industry there is an investment in plants and tools of \$15,000.

Fifth. Research: This means a constant search for better ways of doing things and for methods of making better products. Research prevents a company from going to seed. It is the sparkplug of all of our efforts to make progress, for through the development of processes for making new and better products we create new and better jobs within our company, provide better products for our customers, and again make possible higher wages for all. This is the policy we have followed so successfully in the past. It is the policy which will assure us a great future as long as we have the money necessary to carry on adequate research programs and to build new plants.

The sixth principle is personal opportunity. This means nobody must be barred, no invention rejected, no idea untried; everyone must have his chance. Hard work, brains, and skill constitute the only badge of aristocracy recognized in our company. Nor does our company, in the great race for a place in the world, desire monopoly or special privilege. We believe there is room for all, the small businessman as well as

the large company. We invite competition. We believe it to be the surest method of keeping us alert and assuring that we shall render the greatest service to the public.

Finally, the eleventh principle is financial stability. This means our company must be faithful to its trusteeship. The company is entrusted with the interest of its stockholders, among whom many of you are included, and with the human relations of its workers. Thus the company should never pay out so much money, either in dividends to its stockholders or in wages to its workers, as to weaken its capital structure. This is important to the stockholders; but it is of far greater importance to the workers, because a financially sound company is the best insurance for them that they are going to have jobs.

There we have the whole picture—sound human relations, public service, good customer relations, modern equipment, research, personal opportunity, and financial stability. So we see that when peace comes, the answer as to what happens to us will rest largely in our hands. If at that time we are living in a political and economic atmosphere conducive to individual initiative, and if we exercise that initiative by increasing our efficiency and production—and I refer to everyone of us—then the Sun Oil Co. will be able to keep all of us employed, to pay higher and higher wages, and to offer to the public better and better products at lower and lower prices. So long as we do that, we need not fear our future. A job with a company which pursues these policies is the best insurance which we can have against the vicissitudes of life.

### The Unemployment Problem—Debate Between Hon. Alexander Wiley, of Wisconsin, and Leo M. Cherne

#### EXTENSION OF REMARKS

OF

#### HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, September 25 (legislative day of Monday, September 10), 1945

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a joint debate released on April 16, 1945, between Mr. Leo M. Cherne and myself relative to the full-employment problem.

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

#### SHOULD GOVERNMENT PASS LEGISLATION INSURING FULL EMPLOYMENT?

(As debated by Leo M. Cherne, executive secretary, Research Institute of America, Inc.; author of *The Rest of Your Life*, and Hon. ALEXANDER WILEY, United States Senator from Wisconsin; member, Committee on the Judiciary)

Mr. CHERNE. Yes. No laws are necessary for us to reach a level of high employment after the war. But legislation is needed to stay there. Most economists agree there will be a rebuilding boom after the war. They also agree there will be a period of mass unemployment. The only difference between the optimists and the pessimists is when. Nothing in the automatic nature of our economy will avoid unemployment. Nothing in the automatic nature of our economy will prevent recurring cycles of boom and bust. There is no need to scrap that economy. It has produced too much that is good. We have achieved and re-

tained political liberty under it. But we can lose this in the crisis of another disastrous depression. The full force of private enterprise must not only be permitted, but encouraged to produce as much as it can and provide a maximum of jobs at as high a standard of living as possible. But if ever that proves insufficient, let's realize this war, which has complicated our economy, has also created a responsibility for government to generate the remaining number of necessary jobs. Without prompt legislative authorization and previously planned action, a temporary slump can too easily become a pyramiding, paralyzing depression. Or have we not yet learned the lesson of our muddling and improvising through the thirties, the lesson multiplied by war and underlined by the conservative, irrefutable Baruch-Hancock report?

Senator WILEY. First, who was it that did the "muddling and improvising" through the mid and late 1930's? Was it not the very same group of Government meddlers and muddlers who may now seek to regiment our economy under the guise of promoting full employment? Second, of course, Government must take up the slack and provide a job buffer in the event of temporary unemployment. But if it does this heavily-handedly as is implied, will it not perpetuate the depression instead of cutting it short? Is this not what happened to our sorrow between 1933 and 1940, leaving 10,500,000 unemployed after 7 years of Government hand-outs and regimentation?

Mr. CHERNE. The non-New Dealer Baruch insisted several pillars, at least, must be erected if America is to have its adventure with prosperity. The social security laws must be so expanded as to remove the fear of insecurity and prevent temporary joblessness from multiplying into the contagion of depression. We must also, said Baruch, have ready a shelf of useful public works, a reserve of Federal action, to soak up the rivulets of unemployment before erosion causes the flood of jobless disaster. Job conservation comes no more naturally than soil conservation. Peace requires no less thought and action than war. It has taken civilized man centuries to learn these truths. We have another historic opportunity to apply that knowledge.

Senator WILEY. Let's get down to cases: The Murray (full employment) bill promises to insure jobs for all who are willing and able to work. No American should prejudge this new bill with its tempting title. But everyone who desires abundant private pay envelopes and not Government subsistence hand-outs for America should do "a heap of asking" about this bill or any other such bill. The bill's advocates have the burden of proof to justify their radical proposal. They must prove the bill is not just a high-faluting excuse for more ruinous deficit spending; that the bill, with all its "silver platter" guarantees by Government, will not sap the initiative and confidence of private enterprise while paying lip service to the latter's vital role; will not encourage State and local governments to dump their employment problems into the lap of Washington, D. C.; will not give the President more sky-high grants of authority. They must explain whether the elaborate predictions and statistics required for the proposed national budget may not be artfully manipulated and interpreted; whether the bill will not cause more financial backaches, political headaches and spiritual heartaches than it tries to avoid. Remember that the outlook for America's postwar prosperity is bright in spite of the gloom of some synthetic thinkers. So we'll appreciate some tall explaining on why this bill or any such bill is at all necessary, Mr. Cherne.

Mr. CHERNE. In the year of America's best peacetime income and production—1940—there were 8,500,000 unemployed. Since 1940,



we've learned how to turn out the same quantity of goods with one-fifth fewer workers. The business-minded Committee for Economic Development, the conservative Department of Commerce, the nongovernment National Planning Association agree that we shall have at least 11,000,000 unemployed if we return to our best prewar level. There's nothing temporary in these figures. They can't be wished away with the phrase "Government muddlers." The problem of jobs will not be solved without Government action—whether Democrats or Republicans, New Deal or old, are in the saddle.

Senator WILEY. We have examined specific questionable features of a particular full employment bill. We have seen their many dangerous implications. Mr. Cherne has ignored these dangers in his eagerness to whoop up some vague Government cure-all. Full employment; yes. But not through some bureaucratic patent medicine with poisonous ingredients. Rather, one, through flashing a real green light to private enterprise to encourage appropriate expansion in old and countless new fields. (Remember, since 1870, the go-ahead signal enabled free enterprise to produce 15,000,000 new jobs in 15 new industries.) And, two, through having Government assist in practical, economical planning with and for private enterprise rather than against it. That is the American way to prosperity.

### Council Fiasco

#### EXTENSION OF REMARKS OF

#### HON. J. WILLIAM FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES  
*Tuesday, September 25 (legislative day  
of Monday, September 10), 1945*

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Council Fiasco," published in the Washington Post of September 25, 1945.

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

#### COUNCIL FIASCO

Let us ponder one reason for the lack of success of the first meeting of the Council on Foreign Ministers, which, as set up by the Potsdam Conference, has the job of drafting the peace treaties. Secretary Byrnes seems to have taken no policy with him. This we noted on August 9, when the conference opened, in referring to the State Department split on the issue of what to do with the Italian colonies. In this editorial we insisted that the only tolerable solution was an international, not a single, trusteeship, and somewhere in the middle of the discussion the American delegation came around to this solution. The point is that they should have made up their minds before they sailed for Europe.

The lesson is that when Secretary Byrnes comes back no time should be lost in hammering out a security policy toward the whole Mediterranean, for this is the context in which the Italian colonies should be considered. We have seen at London what the Post, reporting from San Francisco, warned would happen when the United States adumbrated a policy which to all intents and purposes was aimed at turning the Pacific into an exclusive American lake. At London these San Francisco chickens came home to roost; that is to say, the Russians, as a quid pro quo, insisted on a voice in the

disposition of all the Mediterranean problems, and talked—doubtless for bargaining purposes—about "unilateral trusteeships"—a system of veiled exclusive control which this country advanced at San Francisco for Pacific bases. The Russian case is shocking one British newspaper after another, though why it should do so is beyond our understanding. What the Russian stand would be was plain enough to see in the trusteeship discussions in San Francisco. It was explicitly stated by Stalin at Potsdam. Indeed, in general, there is less uncertainty and less mystery about Russian policy, and has been in the last 3 years, than about the policy of any other great power.

The United States must make up its mind on this vital subject before the Council on Foreign Ministers meets again. Our leave-it-to-us attitude in the Pacific area is thrusting us into a position where we are compelled to choose in the Mediterranean between the competitive British and Russians, as if national stakes were the only things to reconcile, and spheres of influence the only frame of reference. There is no need for such a choice in a world to which we pay lip service as one world. We should be thinking primarily in terms of international solutions. Specifically we should take our stand squarely back of the internationalization of all the Italian colonies and the strong points in the Mediterranean—Gibraltar as well as Tangier, Pantelleria as well as Trieste. This might be acceptable to the British if they knew whether we intend to be a stayer in Europe and whether we would be an enthusiastic participant in international trusteeships. They don't relish letting Russia sit astride the Mediterranean in part because they fear that the United States would one day be found leaving the British to cope with the Russians.

An international solution should likewise apply to the Pacific. The community of interest which we all have in the maintenance of peace can be expressed only in a community of responsibility for keeping it. The present scramble for sites and bases should be stopped instantly by an acceptance and application of the principle of reciprocity in the use of them. With such a policy fixed there would be no need for Mr. Byrnes to dodge the reporters, or let the Russians set first the agenda and then the pace, as they did at San Francisco and again at London. He would be able to see the reporters because, like Molotov, he would have something to say. The weakness we continue to show in international conferences is pitiful when it is contrasted with our strength and the yearning of the world that we should assume moral leadership.

### United Nations Relief and Rehabilitation Administration

#### SPEECH

OF

#### JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 24, 1945*

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 15 minutes.

Mr. VOORHIS of California. Mr. Speaker, I asked for this time in order that I might follow the gentleman from Illinois [Mr. MASON], partly because of the sincere personal affection that I have for the gentleman, having served on some rather difficult committees with

him in the past, and having known him well for that reason, but principally, of course, because of my profound concern about some of the problems about which he has been speaking.

I have before me some copies of the writings of Edgar Ansel Mower about current political problems, and particularly the situation in eastern Europe, with which writings I expect the gentleman from Illinois [Mr. MASON] is familiar.

I have a copy here of the lead article in the Reader's Digest for September written by William Hard concerning some of the problems connected with the relationship of this Nation with the Soviet Union. No one has been more deeply disturbed than I over the fact that in some liberated countries of Europe there has up to date not been a free election held, that the promise some of us believed came out of Yalta for free democratic elections jointly guaranteed and supervised by all three major powers in those countries has not been fulfilled.

I am of the opinion that our policy toward the Soviet Union has to be at one and the same time more firm and realistic and also more understanding than it has been. I agree almost completely with William Hard in what he says in this article to which I have already alluded. He points out that one of the root problems is spheres of influence on the part of anybody, that the whole idea of the sphere of influence is a threat to future peace, whoever exercises it, and that the only answer to it is the attempt to do away with spheres of influence completely. He urges that every effort be made to build up the general assembly of the United Nations organization since there all nations are represented. He calls for an international commission of "authoritative representatives of the Soviet Union, Britain, France, and the United States to organize and execute a policy of breaking down all barriers to complete informational enlightenment in every European liberated region." He insists upon world-wide cooperation rather than a parceling out of different areas of the world for control by different big countries. But he points out that part of the price of ending Soviet unilateral action in eastern Europe may be ending British and American unilateral or bilateral action in the Middle East for example.

Since I determined to make this speech today I have tried to inform myself as best I could about some of the problems of UNRRA. I talked to Governor Lehman personally and I read his testimony before the Senate committee. I have also tried to talk to as many other people about it as I could. I must say at the outset that I do not share the views of the gentleman from Illinois as to the seriousness of the situation. I do share his disappointment over the fact the job has not gone better than it has, and I share with him a deep resentment over any situation which may have existed in the past or which may persist where there is refusal to permit American missions to any country where American relief is being sent. The Governor has assured me specifically that there is not now any barrier against our sending missions of whatever size we choose to send into the countries in eastern Europe where



UNRRA relief is going. In his testimony before the Senate committee he stated that the materials that are going out from UNRRA are plainly labeled as coming from UNRRA and also clearly indicate the country of origin.

It is important, I believe, for us to recognize the fact that UNRRA does not operate in any of the nations of western Europe, nor does it operate in any of the nations that were enemy countries, such as Rumania, Hungary, or Bulgaria. In those countries the job is supposed to be done by the Allied Control Commission to the best of its ability. In Yugoslavia, Poland, Czechoslovakia, in Greece, Albania, and to some extent in Italy there UNRRA does operate. Those are the main places. China has asked for aid, and obviously will need it. So have some other countries.

UNRRA was the first great effort at international cooperation coming out of this war. It is, I think, no wonder it has not run perfectly.

But I am informed that it is at least the conviction of the Americans connected with UNRRA that at present food is being distributed without any discrimination, that our missions are there, that our observers are not interfered with, that our missions are not as large in some of these countries as they ought to be but that they will be enlarged and that this problem is being overcome. The main problem, the problem that is, of course central to all others, has been UNRRA's inability to secure anything like the volume of relief supplies that have been needed, and today UNRRA has hardly any funds.

Mr. Speaker, I am not going to say that I am satisfied with the job that has been done or with some of the conditions that have existed. For I am not. But time is running out. Time is running out fast, and I doubt there is time now to change to another agency, as the gentleman from Illinois suggests.

Now, we would not certainly have said when the war was 90 percent won that we had expended all the money that we could afford, and therefore we had to stop, that we could not go any further with our military operations. But if we do not take the measures to prevent hunger in Europe this winter, we may find that we have done something quite as short-sighted as it would have been to stop the war short of victory—for the winning of the peace hangs in the balance.

In my judgment, if there is the kind of hunger and near starvation on the Continent of Europe and in Asia which people who have been there tell us, there is every reason to expect in the months that lie immediately ahead the world, including the United States, will have lost a great share of the advantages that should have been gained for humanity by the defeat of the Axis Powers.

I doubt whether it is possible to replace UNRRA, as the gentleman from Illinois suggests, if we are to do any good at all, in time to meet the critical need of the approaching winter. I urged from the very beginning that the cooperatives of Europe and Asia be used as the instrumentalities through which relief should be disseminated, and I be-

lieve that would have been better than using governments, because it would have been closer to the people. I said that in my speech when UNRRA was first proposed. It has not been done that way. Am I to choose now whether I shall insist on it being done the way I wanted it or that food should be gotten to Europe as quickly as it can possibly be gotten there and in adequate amounts? If so, then with every fiber of my being, I choose the latter course.

As a matter of actual fact UNRRA has taken care of 4,000,000 displaced persons. There are more millions of displaced persons who need to be gotten back to their homes. It has distributed a great deal of food and other commodities. It has carried a lot of relief to people who desperately needed it. But the plain fact is it has nowhere near met the need because it has never gotten the amount of supplies that were needed.

We have testimony before us that seems to be of such a serious nature that we have got to take cognizance of it.

A warm personal friend of mine, who happens to be a Republican, incidentally, who lives in one of the communities in my district, returned only recently from Europe. He was with UNRRA and worked in one of the Balkan countries for UNRRA. I spent a couple of hours with him, asking all the questions that have been raised by the gentleman from Illinois, and a lot more, too. His report to me was that in his judgment the relief in this particular country where he had been—it happened to be Yugoslavia—was being distributed fairly and equitably and without political discrimination of any sort and, furthermore—and this is the main thing he said—that the next few months will be the critical time. He said that by next spring the people of this Nation and other nations, he thought, would be in position to take care of their own needs, but the time that counts is this month, next month, and the next 4 or 5 months.

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

Mr. VOORHIS of California. I yield to the gentleman from Illinois.

Mr. MASON. I am very much interested in this personal testimony of a man from the field, but I have here the testimony of two Members of Congress, the gentleman from Illinois [Mr. Gordon] and the gentleman from Connecticut [Mr. RYTER], both Democrats, who have just returned from a month's tour of inspection of UNRRA's work in Europe. Both of them testify that there has been, and still is, this undue political control of UNRRA's activities in these nations by Russia.

Mr. VOORHIS of California. May I say to the gentleman that I do not think we ought to stand for any undue political control by anybody. We ought to insist upon the right of our people to go in there with relief supplies and to supervise to the extent necessary their distribution. I do not think it necessary for our people to do the actual distributing of the supplies. That might better be left as the work of the people who live in that country. We ought to insist upon the right of our people to go in there. I am with the gentleman 100

percent on that. I am not willing to say, however, that we ought to stop this work. It has got to go on even under unsatisfactory conditions which may exist under certain circumstances.

Here is a letter from a woman working in one of the Balkan countries. She says:

Our nursing program is started. The girls want to learn but I wonder if it's worth the effort if the nurses and patients are going to starve this winter. You may be sure the Yugoslavs will produce superhuman effort and if they're fed this winter they'll do all the rest themselves.

Mr. Speaker, it is not only the nations in which UNRRA is working about which we need to be concerned. It is also such nations as France, Belgium, Holland, Norway, Italy, and some of those countries which UNRRA has never been allowed to go into because they are not included under the act. In some ways our duty to these western countries and our stake in preventing the desperation of hunger there is even greater than is the case in the countries where UNRRA is at work. What about these western European countries?

What are we going to do about them? America, after all, carries the banner of human freedom, constitutional democracy, and the dignity of the individual man or woman. The rest of the world is going to judge those institutions largely by what America does in this crisis. I am not talking about loans now, Mr. Speaker. I am talking about straight-out gifts of food, and I am limiting it to food, enough food so that the people will not be hungry, so that they will not face starvation, and the children being born will not be deformed when they come. It is as basic as that. I believe with all my heart that it is the will of the American people that this assistance should be given. Indeed, I have hundreds of letters to show that if it is necessary for us to continue rationing of certain commodities in the United States, it is the will of our people to do it in order to get this food over there. And if the job cannot be done any other way, and I doubt if it can, then as to food, and food alone, we ought to continue lend-lease to those western European nations. Mr. Speaker, right now there is in prospect another great glut of eggs; there is the largest citrus-fruit crop in history coming along. What are we going to do? Will we see our farmers' prices collapse and what is even worse see people hungering for what we have in superabundance? However peace is to be built, it cannot be done that way. Food for the hungry is, I firmly believe, in accordance with the will of most of the American people in this hour. We are told, and I believe we can trust these figures, that the average amount of calories which the people of Greece are going to get in the 2 months immediately ahead is only one-fourth as great as the average American consumes. It will be only one-third as great in France as the average American consumes. Marquis Childs, the eminent columnist, who just returned from Europe, warns us of the consequences if we permit the same younger generation that has been taught all through the years of Nazi occupation to sabotage everything that could be sabo-

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

- 1 On page 13, line 1, strike out the words "right to an".



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## AMENDMENT

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Intended to be proposed by Mr. FULBRIGHT to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

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**AMENDMENTS**

Intended to be proposed by Mr. RADCLIFFE to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

- 1 On page 12, line 24, strike out the words "desiring to"
- 2 and insert in lieu thereof the word "seeking".
- 3 On page 13, line 21, strike out the words "desiring to"
- 4 and insert in lieu thereof the word "seeking".



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## AMENDMENTS

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Intended to be proposed by Mr. RADCLIFFE to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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IN THE SENATE OF THE UNITED STATES

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**AMENDMENT**

Intended to be proposed by Mr. RADCLIFFE to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz: On page 15, beginning with line 22, strike out down through and including the period in line 21 on page 16, and insert in lieu thereof the following:

1       “SEC. 3. (a) The President shall transmit to Congress  
2 at the beginning of each regular session the National Pro-  
3 duction and Employment Budget (hereinafter referred to as  
4 the ‘National Budget’), which shall set forth an estimate  
5 with respect to the nature, characteristics, and extent of un-  
6 employment in the country, together with specific recom-  
7 mendations for the elimination of unemployment.”



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## AMENDMENT

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Intended to be proposed by Mr. RADCLIFFE to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

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# S. 380

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

1       After the period at the end of section 2 (a) of the bill  
2 as reported add the following: "In furtherance of this  
3 responsibility the Federal Government should not pursue  
4 a policy of engaging in commercial activities in competition  
5 with free, competitive private enterprise or the investment  
6 of private capital".



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## AMENDMENT

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Intended to be proposed by Mr. HICKENTLOOPER to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25 (legislative day, SEPTEMBER 10), 1945

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**AMENDMENT**

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

- 1 On page 14, line 8, in subdivision (1) of section 2 (d)
- 2 before the word "stimulate" insert the following: "avoid
- 3 unnecessary governmental restrictions and by other means".



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## AMENDMENT

Intended to be proposed by Mr. HICKENLOOPER to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 25 (Legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4181

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1945

Mr. LAFOLLETTE introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

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## A BILL

To establish a national policy and program for assuring continuing full employment under fair labor employment standards and practices in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Full Employment Act of  
4        1945".

### DECLARATION OF POLICY

6        SEC. 2. The Congress hereby declares that—

7        (a) It is the policy of the United States to foster free  
8        competitive enterprise and the investment of private capital



1 in trade and commerce, and in the development of the natural  
2 resources of the United States;

3 (b) All Americans able to work and seeking work have  
4 the right to useful, remunerative, regular, and full-time em-  
5 ployment under fair labor employment standards and prac-  
6 tices, and it is the policy of the United States to assure the  
7 existence at all times of sufficient employment opportunities  
8 to enable all Americans without regard to their race, creed,  
9 color, national origin, or ancestry who have finished their  
10 schooling and who do not have full-time housekeeping re-  
11 sponsibilities freely to exercise this right;

12 (c) In order to carry out the policies set forth in sub-  
13 sections (a) and (b) of this section, and in order to (1)  
14 promote the general welfare of the Nation; (2) foster and  
15 protect the American home and the American family as the  
16 foundation of the American way of life; (3) eliminate dis-  
17 crimination in employment against any person because of  
18 race, creed, color, national origin, or ancestry; (4) raise the  
19 standard of living of the American people; (5) provide ade-  
20 quate employment opportunities for returning veterans; (6)  
21 contribute to the full utilization of our national resources; (7)  
22 develop trade and commerce among the several States and  
23 with foreign nations; (8) preserve and strengthen com-  
24 petitive private enterprise, particularly small business enter-

1   prise; (9) strengthen the national defense and security; and  
2   (10) contribute to the establishment and maintenance of last-  
3   ing peace among nations, it is essential that continuing full  
4   employment under fair labor employment standards and prac-  
5   tices be maintained in the United States;

6       (d) In order to assist industry, agriculture, labor, and  
7   State and local governments in achieving continuing full em-  
8   ployment, under fair labor employment standards and prac-  
9   tices, it is the responsibility of the Federal Government to  
10  pursue such consistent and openly arrived at economic policies  
11  and programs as will stimulate and encourage the highest  
12  feasible levels of employment opportunities, under fair labor  
13  employment standards and practices through private and other  
14  non-Federal investment and expenditure;

15       (e) To the extent that continuing full employment un-  
16  der fair labor employment standards and practices cannot  
17  otherwise be achieved, it is the further responsibility of the  
18  Federal Government to provide such volume of Federal in-  
19  vestment and expenditure as may be needed to assure con-  
20  tinuing full employment under fair labor employment stand-  
21  ards and practices; and

22       (f) Such investment and expenditure by the Federal  
23  Government shall be designed to contribute to the national  
24  wealth and well-being, and to stimulate increased employ-



1 ment opportunities by private enterprise under fair labor  
2 employment standards and practices.

3 THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

4 SEC. 3. (a) The President shall transmit to Congress  
5 at the beginning of each regular session the National Pro-  
6 duction and Employment Budget (hereinafter referred to  
7 as the "National Budget"), which shall set forth in sum-  
8 mary and detail, for the ensuing fiscal year or such longer  
9 period as the President may deem appropriate—

10 (1) the estimated size of the labor force, including  
11 the self-employed in industry and agriculture;

12 (2) the estimated aggregate volume of investment  
13 and expenditure by private enterprises, consumers, State  
14 and local governments, and the Federal Government,  
15 required to produce that volume of the gross national  
16 product and services at the expected level of prices, as  
17 will be necessary to provide employment opportunities  
18 under fair labor employment standards and practices  
19 for such labor force (such dollar volume being hereinafter  
20 referred to as the "full employment volume of  
21 production and services"); and

22 (3) the estimated aggregate volume of prospective  
23 investment and expenditure by private enterprises, con-  
24 sumers, State and local governments, and the Federal  
25 Government (not taking into account any increased or

1 decreased investment or expenditure which might be  
2 expected to result from the programs set forth in such  
3 Budget).

4 The estimates and information herein called for shall take  
5 account of such foreign investments and expenditure for  
6 exports and imports as affect the volume of the gross national  
7 product.

8 (b) The extent, if any, by which the estimated aggregate  
9 volume of prospective investment and expenditure  
10 for any fiscal year or other period, as set forth in the National  
11 Budget in accordance with paragraph (a) (3) of this section,  
12 is less than the estimated aggregate volume of investment  
13 and expenditure required to assure a full employment  
14 volume of production and services as set forth in the National  
15 Budget in accordance with paragraph (a) (2) of this section,  
16 shall for the purposes of this title be regarded as a  
17 prospective deficiency in the National Budget. When there  
18 is a prospective deficiency in the National Budget for any  
19 fiscal year or other period, the President shall set forth in  
20 such Budget a general program for encouraging such increased  
21 non-Federal investment and expenditure, particularly  
22 investment and expenditure which will promote increased  
23 employment opportunities by private enterprise, as will prevent  
24 such deficiency to the greatest possible extent. The  
25 President shall also include in such Budget such recommen-



1   dations for legislation relating to such program as he may  
2   deem necessary or desirable. Such program may include,  
3   but need not be limited to, current and projected Federal  
4   policies and activities with reference to banking and cur-  
5   rency, monopoly and competition, wages and working condi-  
6   tions, freight rates, industrial location and relocation, rural  
7   and urban housing, foreign trade and investment, agricul-  
8   ture, taxation, social security, the development of natural  
9   resources, including power, and such other matters as may  
10  directly or indirectly affect the level of non-Federal invest-  
11  ment and expenditure.

12       (c) To the extent, if any, that such increased non-  
13  Federal investment and expenditure as may be expected  
14  to result from actions taken under the program set forth  
15  in accordance with subsection (b) of this section are deemed  
16  insufficient to provide a full employment volume of produc-  
17  tion and services, the President shall transmit a general  
18  program for such Federal investment and expenditure as  
19  will be sufficient to bring the aggregate volume of invest-  
20  ment and expenditure by private business, consumers, State  
21  and local governments, and the Federal Government, up to  
22  the level required to assure a full employment volume of  
23  production and services. Such program shall be designed  
24  to contribute to the national wealth and well-being, and to  
25  stimulate additional non-Federal investment and expendi-

1 ture. Any of such programs which call for the construction  
2 of public works by the Federal Government shall provide  
3 for the performance of the necessary construction work by  
4 private concerns under contracts awarded in accordance  
5 with applicable laws which shall insure that the work will  
6 be done under fair labor employment standards and practices,  
7 except where the performance of such work by some other  
8 method is necessary by reason of special circumstances or is  
9 authorized by other provisions of law.

10 (d) If the estimated aggregate volume of prospective  
11 investment and expenditure for any fiscal year or other  
12 period, as set forth in the National Budget in accordance  
13 with paragraph (a) (3) of this section, is more than the  
14 estimated aggregate volume of investment and expenditure  
15 required to assure a full employment volume of production  
16 and services, as set forth in the National Budget in ac-  
17 cordance with paragraph (a) (2) of this section, the  
18 President shall set forth in such Budget a general program  
19 for preventing inflationary economic dislocations, or dimin-  
20 ishing the aggregate volume of investment and expenditure  
21 to the level required to assure a full employment volume of  
22 production and services, or both.

23 (e) The programs referred to in subsections (b), (c),  
24 and (d) of this section shall include such measures as may  
25 be necessary to assure that monopolistic practices with re-



1 spect to prices, production, or distribution, or other monopo-  
2 listic practices, will not interfere with the achievement of the  
3 purposes of this Act.

4 (f) The National Budget shall include a report on the  
5 volume of goods by accepted categories produced and the  
6 services rendered during the preceding fiscal year, or such  
7 longer period as the President may deem appropriate, and  
8 on the distribution of the national income during the pre-  
9 ceding fiscal year, or such longer period as the President may  
10 deem appropriate, together with an evaluation of the effect  
11 upon the distribution of the national income of the programs  
12 set forth in such Budget.

13 (g) The President may from time to time transmit to  
14 Congress such supplemental or revised estimates, information,  
15 programs, or legislative recommendations as he may deem  
16 necessary or desirable in connection with the National  
17 Budget.

#### 18 PREPARATION OF NATIONAL BUDGET

19 SEC. 4. (a) The National Budget shall be prepared  
20 in the Executive Office of the President under the general  
21 direction and supervision of the President, and in consulta-  
22 tion with the members of his Cabinet and other heads of  
23 departments and establishments and with the Joint Com-  
24 mittee on the National Budget hereinafter established in

1 section 5 or any duly authorized subcommittee thereof which  
2 it may designate.

3 (b) The President shall transmit to the several depart-  
4 ments and establishments and to said joint committee or its  
5 duly authorized subcommittee such preliminary estimates and  
6 other information as will enable them to prepare such plans  
7 and programs as may be needed during the ensuing or  
8 subsequent fiscal years to help achieve a full employment  
9 volume of production and services.

10 (c) The President may establish such advisory boards  
11 or committees composed of representatives of industry, agri-  
12 culture, labor, and State and local governments, and others,  
13 as he may deem advisable for the purpose of advising and  
14 consulting on methods of achieving the objectives of this  
15 Act.

16 JOINT COMMITTEE ON THE NATIONAL BUDGET

17 SEC. 5. (a) There is hereby established a Joint Com-  
18 mittee on the National Budget, to be composed of the  
19 chairmen and ranking minority members of the Senate Com-  
20 mittees on Appropriations, Banking and Currency, Educa-  
21 tion and Labor, and Finance, and seven additional Members  
22 of the Senate, to be appointed by the President of the  
23 Senate; and the chairmen and ranking minority members of  
24 the House Committees on Appropriations, Banking and



1 Currency, Labor, and Ways and Means, and seven additional  
2 Members of the House of Representatives to be appointed  
3 by the Speaker of the House of Representatives. The party  
4 representation of the joint committee shall reflect the relative  
5 membership of the majority and minority parties in the  
6 Senate and the House of Representatives.

7 (b) It shall be the function of the joint committee—

8 (1) to make a study of the National Budget trans-  
9 mitted to Congress by the President in accordance with  
10 section 3 of this Act; and

11 (2) to report to the Senate and the House of Rep-  
12 resentatives, not later than March 1 of each year, its  
13 findings and recommendations with respect to the Na-  
14 tional Budget, together with a joint resolution setting  
15 forth for the ensuing fiscal year a general policy with  
16 respect to such National Budget to serve as a guide to  
17 the several committees of Congress dealing with legis-  
18 lation relating to such National Budget.

19 (c) Vacancies in the membership of the joint commit-  
20 mittee shall not affect the power of the remaining members to  
21 execute the functions of the joint committee, and shall be  
22 filled in the same manner as in the case of the original  
23 selection. The joint committee shall select a chairman and  
24 a vice chairman from among its members.

25 (d) The joint committee, or any duly authorized sub-

1 committee thereof, is authorized to sit and act at such places  
2 and times, to require by subpena or otherwise the attendance  
3 of such witnesses and the production of such books, papers,  
4 and documents, to administer such oaths, to take such testi-  
5 mony, to procure such printing and binding, and to make  
6 such expenditures as it deems advisable. The cost of steno-  
7 graphic services to report such hearings shall not be in excess  
8 of 25 cents per hundred words. The provisions of sections  
9 102 to 104, inclusive, of the Revised Statutes shall apply in  
10 case of any failure of any witness to comply with any subpena,  
11 or to testify when summoned, under authority of this section.

12 (e) The joint committee is empowered to appoint and  
13 fix the compensation of such experts, consultants, technicians,  
14 and clerical and stenographic assistance as it deems neces-  
15 sary and advisable, but the compensation so fixed shall not  
16 exceed the compensation prescribed under the Classification  
17 Act of 1923, as amended, for comparable duties. The joint  
18 committee may utilize such voluntary and uncompensated  
19 services as it deems necessary and is authorized to utilize  
20 the services, information, facilities, and personnel of the  
21 departments and establishments.

22 (f) The expenses of the joint committee shall be paid  
23 one-half from the contingent fund of the Senate and one-half  
24 from the contingent fund of the House of Representatives  
25 upon vouchers signed by the chairman or vice chairman.



## RATE OF EXPENDITURES

1

2       SEC. 6. (a) The President shall review quarterly all  
3 Federal investment and expenditure for the purpose of ascer-  
4 taining the extent to which the current and anticipated  
5 level of non-Federal investment and expenditure warrants  
6 any change in the volume of such Federal investment and  
7 expenditure.

8       (b) Subject to such principles and standards as may  
9 be set forth in applicable appropriation Acts and other  
10 statutes, the rate of Federal investment and expenditure  
11 may be varied to whatever extent and in whatever manner  
12 the President may determine to be necessary for the purpose  
13 of assisting in assuring continuing full employment under  
14 fair labor employment standards and practices with due con-  
15 sideration being given to current and anticipated variations in  
16 savings and in investment and expenditure by private business,  
17 consumers, State and local governments, and the Federal  
18 Government.

19

## AID TO COMMITTEES

20       SEC. 7. The heads of departments and establishments  
21 shall, at the request of any committee of either House of  
22 Congress, furnish such joint committee with such aid and  
23 information with regard to the National Budget as it may  
24 request. The President and the heads of departments and  
25 establishments shall transmit and deliver copies of all com-

1 munications, information, or data relating to the preparation  
2 of the National Budget which shall pass between them to  
3 the joint committee or any duly authorized subcommittee  
4 thereof.

5 INTERPRETATION

6 SEC. 8. Nothing in this Act shall be construed as calling  
7 for or authorizing—

8 (a) the operation of plants, factories, or other  
9 productive facilities by the Federal Government; sub-  
10 ject, however, to the limitations set out in section 9  
11 hereof;

12 (b) the use of compulsory measures of any type  
13 whatsoever in determining the allocation or distribution  
14 of manpower;

15 (c) any change in the existing procedures on  
16 appropriations; or

17 (d) the carrying out of, or any appropriation for,  
18 any program set forth in the National Budget, unless  
19 such program shall have been authorized by provisions  
20 of law other than this Act;

21 (e) the disclosure of trade secrets or other informa-  
22 tion, the publication of which might have a harmful  
23 effect upon the firm or person supplying such infor-  
24 mation.

25 SEC. 9. The Congress declares that—



1 (a) It takes cognizance of the claims, presently being  
2 made in the United States, that consumer goods can be more  
3 efficiently produced in the interest of consumers and full  
4 employment under fair labor employment standards and  
5 practices more certainly obtained either through the opera-  
6 tion of industrial plants by workers' cooperatives, or by Gov-  
7 ernment ownership and operation, than by the accepted  
8 American method of private-employer ownership and em-  
9 ployee workers;

10 (b) It is necessary, in studying the subject of full  
11 employment under fair labor employment standards and  
12 practices and in preparing the National Budget that the  
13 effect upon such full employment and the relative efficiency  
14 of each of said forms of production be available to the Presi-  
15 dent, his department heads and assistants, the joint com-  
16 mittee, the Congress, and available for study by the people  
17 of the United States;

18 (c) Therefore the President is authorized and directed  
19 (1) to select, between the date of the passage of this Act  
20 and the time fixed in this Act for the transmission of the  
21 first National Budget after its passage, two Government-  
22 owned war plants; (2) to withhold the same from sale as  
23 surplus until he shall hereafter be directed by the Congress  
24 as to the disposition he shall make of them; (3) to direct  
25 any department or agency of the Government to negotiate

1 for the sale or lease of one of said plants to a bona fide  
2 workers' cooperative which shall agree to operate the same  
3 and to transmit the terms of such sale or lease to the Con-  
4 gress, together with the first National Budget, so that the  
5 Congress may approve or alter the terms of such sale or  
6 lease and authorize the President or said department or  
7 agency to execute the same or reject said sale or lease; (4) to  
8 direct any department or agency of the Government to pre-  
9 pare a plan for the Government operation of the other for  
10 the purpose of producing consumer goods under conditions  
11 which will constitute fair competition with other producers  
12 of similar goods and transmit said plan to the Congress to-  
13 gether with the first National Budget so that the Congress  
14 may accept, alter, or reject said plan.

#### 15 DEFINITIONS

16 SEC. 10. The term "fair labor employment standards  
17 and practices" means employment subject and pursuant to  
18 the Fair Labor Standards Act of 1938, being the Act of  
19 June 25, 1938 (ch. 676 and the Walsh-Healey Act), being  
20 the Act of June 30, 1936 (ch. 881), and all Acts amenda-  
21 tory thereof or supplemental thereto and under labor prac-  
22 tices under which no person shall be denied the right to  
23 work at any job which he or she is qualified to perform by  
24 reason of his or her skill or to hold by reason of his or her  
25 character, habits, because of his or her race, creed, color,  
26 national origin, or ancestry.



## SEPARABILITY CLAUSE

1  
2       SEC. 11. If any provision of this Act or the application  
3 of such provision to any person or circumstance shall be  
4 held invalid, the remainder of such Act or the application  
5 of such provision to persons or circumstances other than  
6 those as to which it is held invalid shall not be affected  
7 thereby.

79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 4181**

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**A BILL**

To establish a national policy and program for assuring continuing full employment under fair labor employment standards and practices in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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By Mr. LAFOLETTE

SEPTEMBER 25, 1945

Referred to the Committee on Expenditures in the Executive Departments







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 27, 1945, for actions of Wednesday, September 26, 1945)

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HIGHLIGHTS: Senate continued debate on full-employment bill and confirmed the nomination of Symington to be Surplus Property Administrator.

SENATE

1. FULL-EMPLOYMENT BILL. Continued debate on this bill, S.380 (pp. 9172-83). Sens. Radcliffe, Md., Taft, Ohio, and others discussed the public-works benefits under this bill (pp. 9173-83).
2. NOMINATION. Confirmed the nomination of W. Stuart Symington to be Surplus Property Administrator (pp. 9183, 9186).
3. COMMITTEE ASSIGNMENT. Sen. Tunnell, Del., was excused from further service with the Claims Committee (p. 9151).
4. ALASKAN AGRICULTURE. Received an Alaskan Development Board petition urging legislation "to provide an agricultural program for Alaska (p. 9151).
5. EDUCATION. Received Commissioner of Education's 4th quarterly report on education and training of defense workers for the period ending June 30, 1945. To Appropriations Committee. (p. 9151.)

HOUSE

6. PERSONNEL. Rep. Robertson, Va., criticized H.R.2948, to exempt annuity payments under the Civil Service Retirement Act from taxation, stating, "The bill is objectionable both from the standpoint of equality of treatment of all taxpayers, and likewise from the standpoint of any opportunity that the Ways and Means Committee will have at this time to give some measure of relief to all the taxpayers in the country" (p. 9187).
7. GOVERNMENT REORGANIZATION. Rep. Crawford, Mich., urged exemption of FDIC from H.R.4129, the reorganization bill, and stated that it exercises "many quasi-judicial functions" and "should not be treated as a regular executive or administrative agency" (p. 9187).



BILLS INTRODUCED

8. SURPLUS PROPERTY. S. 1435, by Sen. Buck, Del., to amend the Surplus Property Act of 1944 so as to afford veterans certain additional preference in the purchase of surplus property. To Military Affairs Committee. (p. 9152.)
9. EDUCATION; VETERANS. S. 1437, by Sen. Shipstead, Minn., to provide for the release from the armed forces of men under 20 years of age who desire to resume their education. To Military Affairs Committee. (p. 9152.)
10. VETERANS. H. R. 4189, by Rep. Beckworth, Tex., to extend the time within which veterans may qualify for or receive the benefits of the Servicemen's Readjustment Act of 1944 and of part VIII of Veterans Regulations No. 1(a). To World War Veterans Legislation Committee. (p. 9189.)  
H. R. 4188, by Rep. Beckworth, Tex., to extend the benefits of the Mustering-Out Pay Act of 1944 to certain veterans discharged or relieved from active service prior to Dec. 7, 1941. To Military Affairs Committee. (p. 9189.)

ITEMS IN APPENDIX

11. GOVERNMENT REORGANIZATION. Extension of remarks of Rep. Mansfield, Tex., favoring continuation of exemption of the civil functions of the Army Engineer Corps from reorganization (p. 47374).
12. ST. LAWRENCE SEAWAY. Sen. Langer, N. Dak., inserted Gov. Dewey's letter and a New York Herald Tribune article favoring inclusion of a power-resources-development clause in the St. Lawrence Seaway project bill (pp. 44371-2).
13. UNEMPLOYMENT COMPENSATION. Rep. Dirksen, Ill., inserted a New York Times article on House Ways and Means Committee action deferring action on S. 1274, the unemployment compensation bill (pp. 44376-7).

COMMITTEE HEARINGS Released by G.P.O.

14. APPROPRIATIONS. H.R. 4103, surplus appropriation rescission bill, 1946. House Appropriations Committee.
15. GOVERNMENT REORGANIZATION. S. 1120, reorganization in the executive departments. Senate Judiciary Committee.
16. POST-WAR PLANNING; PUBLIC WORKS. Pursuant to H.Res. 408 and H.Res. 60, post-war economic policy and planning. Post-war public works and construction. House Special Committee on Post-war Economic Policy and Planning.

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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COMMITTEE HEARING ANNOUNCEMENTS for Sept. 27: S. Irrigation and Reclamation, MVA bill; S. Education and Labor, 65¢-minimum-wage bill; H. Appropriations, deficiency bill; H. Civil Service, retirement for elective officers and department heads; H. Expenditures in the Executive Departments, full employment; and H. Committee to Investigate Executive Agencies, cost absorption in retail-pricing program.



of such character and type, and it involves so many related questions, that it should be considered by one of the Senate committees. Again, I inquire as to the propriety of increasing the pay of those who are to serve in the Army forces in peacetime without including those who have fought successfully the war.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

Mr. BROOKS. Mr. President, I wish to commend the purpose of the Senator from Oregon in offering the amendment. I agree with him that we should do whatever may be necessary in order to have our Army become a Volunteer Army as quickly as is humanly possible. But I find myself in a state of mind which precludes my voting for an increase of pay immediately after the war, because to grant such an increase would mean that the boys who served the greatest length of time during the war would feel that benefits were accorded soldiers serving after the war which were not granted to them, although they happened to be, according to the circumstances, in action and in danger of losing their lives at all times during their service.

Perhaps \$25 a month is not a sufficient increase. If it is not, I shall vote for more. I wish to have our Army go on a volunteer basis at the earliest possible moment. It may be that the benefits to be received by returning veterans who come out of the war handicapped are not sufficient. In that event I shall vote for an increase of those, first of all.

At the present time, before we know just how large our Army is to be and before we know to what extent we shall use various numbers of troops overseas, I think the question is one which well can wait until it is studied by the Military Affairs Committee and the Naval Affairs Committee. At that time I shall vote for an increase of pay or benefits or whatever may be necessary in order to try to place our Army quickly on a volunteer basis.

Mr. TOBEY. Mr. President, I realize that the pending bill is of great importance to the people of the country, and especially to the members of the Committee on Military Affairs and the Committee on Naval Affairs, of which latter committee I am a member.

But the bill pending before the Senate before the measure now under consideration was taken up, and the bill which was being considered under the regular order, was the full-employment bill, so-called, on which all debate was stopped yesterday afternoon at 2:30. At that time its further consideration was displaced by the bill now under consideration, by unanimous consent. The bill now being considered was debated for the remainder of yesterday and for all of the session today up until now. I think debate on the measure should be closed sometime during today.

Therefore, I give notice that if the matter is not decided before the opening of the session of the Senate tomorrow, I shall call for a return to consideration of the full-employment bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITE (when Mr. CAPEHART'S name was called). I announce the necessary absence of the Senator from Indiana [Mr. CAPEHART] on public business.

The roll call was concluded.

Mr. BRIDGES (after having voted in the negative). I have a general pair with the Senator from Utah [Mr. THOMAS]. I am advised that if present he would vote as I have voted, and therefore I allow my vote to stand.

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from West Virginia [Mr. KILGORE] is detained because of illness in his family.

The Senator from Missouri [Mr. BRIGGS], the Senator from Kentucky [Mr. CHANDLER], the Senator from Washington [Mr. MITCHELL], the Senator from Texas [Mr. O'DANIEL], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from Mississippi [Mr. BILBO], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

The Senator from Utah [Mr. THOMAS] is detained in a committee meeting.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The result was announced—yeas 13, nays 64, as follows:

## YEAS—13

Aiken	La Follette	Taylor
Butler	Langer	Wheeler
Chavez	Morse	Young
Ferguson	Shlpstead	
Knowland	Smith	

## NAYS—64

Andrews	Guffey	Myers
Bailey	Gurney	Overton
Ball	Hart	Radcliffe
Bankhead	Hatch	Reed
Barkley	Hawkes	Revercomb
Brewster	Hayden	Robertson
Bridges	Hickenlooper	Saltonstall
Brooks	Hill	Stewart
Buck	Hoey	Taft
Burton	Johnson, Colo.	Tobey
Byrd	Lucas	Tunnell
Capper	McCarran	Tydings
Carville	McClellan	Vandenberg
Connally	McFarland	Wagner
Cordon	McKellar	Walsh
Donnell	McMahon	Wherry
Downey	Magnuson	White
Ellender	Maybank	Wiley
Fulbright	Mead	Willis
George	Millikin	Wilson
Gerry	Moore	
Green	Murdock	

## NOT VOTING—19

Austln	Glass	Pepper
Bilbo	Johnston, S. C.	Russell
Briggs	Kilgore	Thomas, Idaho
Bushfield	Mitchell	Thomas, Okla.
Capehart	Murray	Thomas, Utah
Chandler	O'Daniel	
Eastland	O'Mahoney	

So Mr. MORSE'S amendment was rejected.

Mr. MORSE. Mr. President, I send to the desk an amendment and ask to have it stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 9, after line 16, it is proposed to insert the following:

SEC. 9. (a) Section 101 of the Servicemen's Dependents Allowance Act of 1942, as amended to read as follows:

"SEC. 101. The dependent or dependents of any enlisted man in the Army of the United States, the United States Navy, the Marine Corps, or the Coast Guard, including any and all retired and Reserve components of such services, shall be entitled to receive a monthly family allowance for any period during which such enlisted man is in the active military or naval service of the United States on or after June 1, 1942, (1) during the existence of any war declared by Congress and the six months immediately following the termination of any such war or (2) during a period of enlistment or reenlistment contracted by such enlisted man prior to July 1, 1947."

Mr. MORSE. Mr. President, I have only a sentence or two to say in regard to the amendment; I think it speaks for itself. A very able argument in support of the amendment was made a few moments ago by the distinguished junior Senator from Alabama [Mr. HILL].

The purpose of the amendment is, of course, to offer an inducement for rapid volunteering of enlistees in the armed forces of the United States, so that we can demobilize the great Army which has just won the victory for us. I think the amendment would result in inducement for enlistment, and I think its terms speak well for themselves.

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

Mr. MORSE. I yield.

Mr. REVERCOMB. In what way and in what amount does the Senator's amendment increase the family allotment?

Mr. MORSE. It assures to the enlistees who enlist between now and July 1, 1947, that they will enjoy the allotments which are now enjoyed by the men in the armed services.

Mr. OVERTON. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. We cannot hear the debate on this side of the Chamber. I make the point of order that the Senator is not speaking loud enough to be heard on this side.

Mr. MORSE. I shall endeavor to oblige the Senator. As I said to the Senator from West Virginia, the amendment proposes to assure that those men who enlist in the Volunteer Army from now until July 1, 1947, will enjoy the same family benefits or allotments which are now allowed by law to the men presently in the armed forces.

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

Mr. MORSE. I yield.

Mr. TAFT. As I understand, the Senator's amendment does nothing except to extend the time in which the dependency allowances are to be made. Under the present law they expire 6 months from the time the termination



of hostilities is declared. As I understand, if I am correct, the only thing the amendment does is to provide that, regardless of when that time may be, dependency allowances shall continue until the 1st of July 1947.

Mr. MORSE. They shall be allowed to the men who enlist between now and then as they are now paid to servicemen.

Mr. TAFT. To all men, or only to those who enlist?

Mr. MORSE. To those who enlist from now until July 1, 1947.

Mr. TAFT. It occurs to me that it should be extended to everyone until that time. Many men may not be let out.

Mr. MORSE. The first part of the amendment assures that those who have to stay in the Army, who are now in the Army, shall have the benefits until they are demobilized, and the latter part of the amendment assures that those who enlist between now and July 1, 1947, shall have the allotments for the period of their enlistment.

Mr. TAFT. So that the general effect is merely to take the present law, which applies to everyone in the Army, and extend it until the 1st of July 1947?

Mr. MORSE. That is correct.

Mr. REVERCOMB and Mr. BURTON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. MORSE. I yield first to the Senator from West Virginia, and then I shall yield to the Senator from Ohio.

Mr. REVERCOMB. Just a question to clarify the situation so far as I am concerned. Am I to understand that under the amendment offered, so far as the soldier, the sailor, or anyone else who volunteers is concerned, he would be given family allotments after his severance from the service?

Mr. MORSE. No.

Mr. REVERCOMB. Only during the time of his service?

Mr. MORSE. During the time of his enlistment.

Mr. REVERCOMB. Is the Senator's amendment necessary? Does not the bill we are enacting carry family benefits and allotments?

Mr. MORSE. It will not, as the Senator from Ohio has pointed out, in those instances in which the man who is not now in the service enlists between now and July 1, 1947.

Mr. BURTON. Will the Senator yield?

Mr. MORSE. I yield to the Senator from Ohio.

Mr. BURTON. I thought I understood the Senator to say, in replying to the question of my colleague, that the amendment would continue the benefits until July 1, 1947, but I do not understand that would be the effect of the amendment. As I understand, it would extend the benefits without limit to those who enlist before July 1, 1947, or may otherwise be in the service.

Mr. MORSE. It will extend the benefits to those who are now in the Army until they are demobilized, and it will grant benefits to those who enlist between now and July 1, 1947, for the period of their enlistment.

Mr. BURTON. Would the allowances stop on July 1, 1947?

Mr. MORSE. No, they would not.

Mr. BURTON. They would continue indefinitely?

Mr. MORSE. Yes. That is for the period of the enlistment.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. JOHNSON of Colorado. On behalf of the Committee on Military Affairs I should like to say that we would be glad to take the amendment to conference. Personally, I approve it. I think it is very constructive, and that it clarifies some of the points which were left open in the bill as it was passed by the House.

Mr. MORSE. I appreciate the Senator's statement.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 3951) was read the third time and passed.

#### FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State, and local governments, and the Federal Government.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, which is in the nature of a substitute for the bill.

Mr. BARKLEY. Mr. President, the Senate is not yet ready to vote on the committee amendment. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Is there any amendment now pending to the committee amendment?

The PRESIDENT pro tempore. There is no amendment pending except the committee amendment.

Mr. RADCLIFFE. Mr. President, I wish to offer an amendment, which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 14, it is proposed to strike out lines 20 to 24 inclusive, and line 25 through the word "such," and insert:

(4) In furtherance of the objective of full employment and to supplement investment and expenditure by private enterprises, State and local governments, the Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy, proceed with a comprehensive program of public works and other expenditures so planned that they can be speeded up and enlarged when other employment decreases and retarded when full employment is otherwise provided.

Mr. RADCLIFFE. Mr. President, I desire to discuss the amendment, and in doing so to make some comments generally on the bill, which is referred to as a full-employment bill. I assume every-

one has in mind the fact that the name is to a certain extent a misnomer, because under no conceivable circumstances will all people be employed. Some people do not want to be employed. Some want to be on half-time instead of full time. Some will receive unemployment compensation. Some will probably be on relief, and so on. Therefore, I do not think anyone contemplates that under any circumstances there will ever be such a thing as full employment in this country.

I am, however, not going to dwell on that particular point, but will discuss some of the provisions of the bill.

Mr. BAILEY. Does the Senator think that under the provisions of the bill anybody will be employed unless he joins a union and pays dues?

Mr. RADCLIFFE. The bill does not state that.

Mr. BAILEY. But the bill does declare for the right of employment.

Mr. TAFT. I wish to ask the Senator from Maryland whether the amendment he has submitted is the first amendment which appears in the minority report and which is also printed and lies on the desks of Senators.

Mr. RADCLIFFE. I have offered only one amendment. I have other amendments which will be offered later on.

Mr. TAFT. But the amendment the Senator has just offered is the one which is set out at the end of the minority report; the first of the three amendments set out in that report?

Mr. RADCLIFFE. The Senator is correct.

Mr. President, there is no one in this country or out of it, I assume, who does not look upon unemployment as being tragic. It is tragic for the individual; it is tragic for the community. Since I have been in the Senate I do not recall any occasion when any other bill has been before a committee of which I have been a member where there has been such full agreement and accord as to the general objectives which are in mind and which are sought. Each and every one of us desires to relieve and eliminate unemployment and we dedicate ourselves to that undertaking. In the pending bill there are three provisions in the main. The first is not strictly a matter of legislation. It is more or less an announcement of a policy; an attempt to establish a principle in regard to unemployment. It does not attempt in any way to implement what is to be done.

There are, however, two other sections of the bill designed to set up machinery which would attempt to operate in the direction of trying to eliminate unemployment. One is a provision for fact-finding facilities, for the submission of an estimate and for a budget by the President, and also there is a provision for appointment of a joint committee consisting of Members of the House and the Senate.

I am confident that no one will object to the general underlying purposes behind the last two provisions. It is certainly most important that everything should be done which can reasonably be done to find out what unemployment there is in the country and its nature,



extent, and characteristics. It is also most desirable that everything necessary should be done in the way of preparing factual data and submitting it so that a foundation may be laid for what should be attempted in order to relieve unemployment.

The provision for a joint committee of the House and Senate may be somewhat debatable; but it is certainly desirable that the House and the Senate should keep closely in touch with what is going on, especially in regard to such an important matter as this. Whether the particular machinery of a joint committee is desirable or whether some other method should be suggested is something which is probably not of primary importance. But it is desirable that there should be fact-finding facilities in operation. It is desirable that estimates should be made, and that suggestions be presented as to what can be done in regard to relieving unemployment, and it is most assuredly desirable that in this matter the Senate and the House should cooperate closely in some suitable way. All this is needed at any time and under any circumstances. It is particularly desirable in these days in view of the fact that the greatest dislocation of industry and labor which the world has ever known exists today. Certainly everything that can reasonably be done to help remedy that situation, everything which will foster industry, everything which will stimulate employment, is most desirable and must be fostered. The need is imperative.

The question now arises: If we are all in accord with regard to so many matters why are we in disagreement at all? The difference of opinion arises in regard to the procedures which should be adopted. If Senators will turn to section 4 on page 14 they will find this language:

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

Mr. President, what does that language mean? There is a definite statement "to the extent that continuing full employment cannot otherwise be insured, provide such volume of Federal investment and expenditure as may be needed."

If that means what it purports to mean on its face it is certainly a clear and definite statement that the Federal Government will take up the slack of unemployment by public works or by other public expenditures. That is clearly a flat-footed guaranty that the Federal Government can and will take up all of such slack.

Mr. President, so far as I am advised, no such guaranty has ever been made in any democratic country, in any country of free institutions.

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

Mr. RADCLIFFE. I yield.

Mr. TOBEY. I would not question at all the Senator's statement, except to this extent: He says no such attempt has ever been made, and I think he qualifies the thought that the Federal Gov-

ernment would come in and take care of the situation in the event of a great national emergency. Is that what the Senator is referring to?

Mr. RADCLIFFE. I mean this: Attempts have been made again and again in the past to do what is possible to remedy unfortunate conditions which have brought about unemployment and specifically to eliminate unemployment; but I do not know of any instance when the Government of this country or any other country of democratic principles has provided a flat-footed guaranty that the Government will provide a job for each and every individual who wants one, irrespective of what might be the nature and extent of other obligations of the Government. That is the distinction. The question arises, Is that a proper obligation for the Federal Government; and if so, can it be carried out? That assumes whatever is implied by any such guaranty must be done at any cost. In the first place, there are specific provisions in the bill for public works. There is not, however, anything definite and specific beyond that as to what is meant thereby. References are made again and again to public expenditures, but efforts to find some words of definition as to what is meant by public expenditures did not develop any satisfactory results in the committee.

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

Mr. RADCLIFFE. I yield.

Mr. TOBEY. I wish to help the Senator. I do not wish to hamstring him.

Mr. RADCLIFFE. I am glad to yield to the Senator.

Mr. TOBEY. I point out to the Senator—and I doubt not that he is familiar with it—that on page 34 of the committee's report, having in mind the particular thought which the Senator has of striking out anything but public works, we find the following language:

The first amendment—

Referring to the Senator's amendment—

The first amendment of this type would strike out this provision and substitute a provision for the mere acceleration of public works when private employment declines. The purpose of this amendment is to remove the policy of providing enough investment and expenditure, if needed, to assure continuing full employment.

The argument is made that there is a very definite limit to the amount of useful Federal public works construction in any given year—say, about \$5,000,000,000. It is then argued that if there is a serious decline in private activities, it would be impossible to assure full employment through the provision of public works.

It is true, of course, that public works alone cannot meet every conceivable emergency. But it is also true—and this point deserves particular emphasis—that "Federal investment and expenditure" as referred to in section 2 (d) is not limited to public works. It also includes public services and assistance to business, agriculture, home owners, veterans, or consumers. It includes loans and guaranties, as well as grants-in-aid and other direct disbursements. "Federal investment and expenditure," therefore, as contrasted with Federal public works, is broad enough to meet any conceivable emergency.

Because of this fact, the provision as it now stands is well calculated to prevent

emergencies. It is designed to show that the Government really "means business." This provision provides the basis for confidence in sustained markets and will make it possible to achieve full employment with a minimum of Federal investment and expenditure. If it is stricken—

In accordance with the desire of the Senator from Maryland—

the costs to the Government will be incalculably greater.

In closing my comments to the Senator, let me say that we have worked together in the committee from different points of view, but as personal friends. Beyond peradventure it should be understood that the philosophies and policies of the bill contemplate only one thing. It comes into play only when we are faced with great unemployment, when the specter haunts us and looms up ahead. Then the administration, the Government, with the Congress implementing the policies, puts into effect policies which will take care of the need, and anticipate it before it becomes a fait accompli. The Senator realizes that, does he not?

Mr. RADCLIFFE. I agree with some of the things which the Senator from New Hampshire has said, and I very much appreciate his comments.

Since the Senator has made reference to me personally, let me be personal for a moment. In my small way I have tried to do something along these lines. In 1933 I was not a Member of the Senate. I held no public office. I wanted no public office, and certainly did not expect to run for any. Upon the insistence of President Roosevelt—he telephoned to me a number of times—I agreed to take over the eastern part of the country for the PWA, and later went all over the United States trying to help organize the work of the PWA.

I refer to that fact only for two reasons: First of all, because certainly I tried to do what little I could at that time to assist in a most worthy cause. I endeavored to help combat the evil of unemployment. In the second place, I remind the Senator that we found that what we could accomplish by public works at that time was relatively small when compared with the entire problem of employment.

Today the situation may be a little different, but I remind the Senator from New Hampshire that so far as I am aware we have no estimate which would indicate that more than several million persons could be employed in public works on projects which now are known to be worth while and sound. It is my recollection that the Senator from New York [Mr. WAGNER] has not gone higher than an estimate of 5,000,000. When we are enunciating a principle and laying down a doctrine, we cannot assume that unemployment will not go beyond that figure. We know that in 1933 it reached the figure of at least 10,000,000. God grant that it will never reach that number again. It may be that after the war, as a result of the efforts to produce civilian goods and do many other things which are possible and desirable in this turnover from a status of war to peace, unemployment will not be the specter it might otherwise be. However, the fact



remains that it may be that only a relatively small percentage of those who are unemployed can obtain employment through public works.

It is true that various other suggestions have been made in the report as to what in addition could be done to lessen unemployment, but no one has brought forward any real estimate indicating that the sum total of all other Federal activities would produce very much in excess of what probably could be obtained by public works. If we are to lay down the principle that we are to make a flat-footed guaranty that everyone in the United States is to have a job, we ought to be prepared to back it up.

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

Mr. RADCLIFFE. I yield.

Mr. TAFT. As the Senator says, the bill requires that the deficit be made up by Federal investment and expenditure, regardless of amount. Does the Senator so understand it?

Mr. RADCLIFFE. Undoubtedly so.

Mr. TAFT. In addition to the things which the distinguished Senator from New Hampshire has suggested, let me add this observation: The Senator has pointed out that we shall soon run out of public works. I wish to suggest one other form of expenditure which would probably be immediately proposed, and that is subsidies in connection with food and other products. Literally billions of dollars could be spent if we wished to buy all the wheat produced at \$3 a bushel and sell it for \$1.50. I suggest to the Senator that that is one of the things which might be done. The reinstatement of subsidies would be a way of giving away money. That kind of Federal investment and expenditure is simply giving away money. That is the only way I can see that prescription No. 4 could ultimately reach the figure it might have to reach if we were to carry out the exact prescription of the bill.

Mr. RADCLIFFE. The Senator from Ohio is entirely correct. Of course, we can find numerous ways to spend money. There is no doubt that we can spend any amount of money the Government can put its hands on. We are not here to endorse that course. We are here to discuss what is a sound policy, and not merely what is a possible policy.

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

Mr. RADCLIFFE. I yield.

Mr. TOBEY. Let me propound a hypothetical case to the distinguished Senator from Maryland.

Assume that in the aftermath of war we are to have good business. We expect that the shelves of merchants will be filled with commodities until the consuming power purchases them. There will then come the saturation point, and probably the time will arrive when a relapse will set in. History has a habit of repeating itself.

When, as, and if the Nation is confronted by depression and unemployment, and 10,000,000 or 12,000,000 men are crying for work and for bread, and a public works program provided solely by the proposal of the Senator would take care of not more than 3,000,000 or 4,000,000, what does the Senator propose to

do with the additional 7,000,000 or 8,000,000 unemployed who want work and cannot get it? Are we to have relief rolls, and another WPA, with its leaf-raking projects, killing the spirit of mankind, and creating an inferiority complex in the breasts of men? What would the Senator propose in such a dilemma?

Mr. RADCLIFFE. We could attempt anything that was wise, sound, and practical.

Mr. TOBEY. What would the Senator suggest? Suppose that were now the case? What would the Senator suggest? The people are knocking at our doors. They are up against it. Fear and apprehension control the minds of men when unemployment stalks in the land. The public works program would take care of 4,000,000 or 5,000,000 unemployed. What would the Senator do with the remainder, who cry for bread? Would the Senator give them a stone?

Mr. RADCLIFFE. Of course not.

Mr. TOBEY. Are we to say to them that we cannot adopt a certain program because it is not orthodox? In a dilemma such as that, we would go the limit to save human lives and take care of human needs, whether the program involved deficit financing or not. There would be no other alternative.

Mr. RADCLIFFE. The Senator knows the answer to that. So far as I personally am concerned, during the 10 years I have been in the Senate I have voted again and again for PWA, WPA, and for other measures of benefit or for relief. What we shall do in the situation to which the Senator has referred is to see that people in this country do not suffer.

Mr. TOBEY. How are they going to be saved from suffering? Are we going to give them a dole, a hand-out, or what? Or are we going to give them work?

Mr. RADCLIFFE. We are going to give them work, so far as doing so is consistent with sound policy. Beyond that, we will see that they do not suffer so long as there is food and other necessities in the country.

Mr. TOBEY. The soundest policy in the world is to look after human needs. The Senator from Maryland knows that as well as I do.

Mr. RADCLIFFE. I have stated what we will do.

Mr. TOBEY. But the Senator proposes only the use of public works, and the Senator has said that public works will provide employment for only 4,000,000 or 5,000,000 persons. If we take the advice of the Senator from Maryland, we go back to public works only. Yet, as we heard yesterday, according to the testimony of the Senator from New York [Mr. WAGNER], if at some time in the future there are 10,000,000 unemployed persons in this country and if public works will provide jobs for perhaps 5,000,000 of them, 5,000,000 others will not be taken care of.

We ask the Senator what he offers. We ask in all sincerity what he offers for the possible total of 10,000,000 unemployed persons.

Mr. RADCLIFFE. I can answer the Senator.

Mr. TAFT. Mr. President, will the Senator yield to me first?

Mr. RADCLIFFE. I yield.

Mr. TAFT. I should like to ask the Senator from New Hampshire what he is offering, outside of public works?

Mr. TOBEY. I am very glad to answer the question, and I say that the answer is to be found on page 14 of the bill.

Mr. TAFT. That program will not provide unemployed people with work.

Mr. TOBEY. How does the Senator know it will not? On what authority does the Senator make that statement?

Mr. TAFT. It ask on what authority the Senator says he knows it will.

Mr. TOBEY. I know it will, because he who runs may read; there it is.

Mr. TAFT. All those items provide for giving away Federal money, which will be the only remedy left, and the one to which the Senator will be forced. It will be the only remedy not already tried. The things which are provided for there have been tried—every one of them, public works included. The only remedy in the bill which the Senator proposes which has not already been tried is the giving away of billions of dollars of Federal money through subsidies or otherwise. That policy the Senator does not admit.

Mr. HATCH. Mr. President, will the Senator yield to me, so that I may suggest a point of order?

Mr. TOBEY. I should like to answer the Senator from Ohio, and I will hold myself in subjection so that I shall not be too excited about the matter. But I am deadly in earnest, because the cause justifies the means, as I view the situation.

In answer to the Senator from Ohio let me say that he makes a declamando statement that the system we propose will not work. I asked the Senator how he knows it will not work. The Senator does not speak as one having authority, to me. We have offered the program in all sincerity, and there it is. But if the Taft amendment or the Radcliffe amendment is adopted and if all the rest of the plan we have proposed is thrown into the scrap heap, the result will be that all that millions of people in the country will have to look forward to will be employment on public works, which both Senators admit will be able to provide employment for only 4,000,000 or 5,000,000 of our unemployed. We say that is not enough.

We come down to the last consideration, namely, that what we are legislating for in this bill is to take care of the day—and God grant it will never come in this country—when we shall have millions of unemployed persons. We propose that when we get into that type of emergency situation when the Nation is in extremis, we go the limit, unorthodox or not, in spending the taxpayers' money to the utmost, to save the millions of persons who otherwise would be thrown out on the streets, in human misery.

Mr. RADCLIFFE. Mr. President, let me say to the Senator from New Hampshire that what he has in mind is that we must find some method of spending money, in addition to spending it on public works, whether sound or not. I do not believe that is our proper course. I believe we should make some effort, through public works and other suitable and sound Federal expenditures, to take care of the situation. If under such a



system there are some who still are not taken care of, relief will be provided for them.

Let me remind the Senator from New Hampshire that if the program which he desires to have adopted were carried out, probably there would always be some persons on relief. There is always a certain amount of turn-over in employment and there is seasonal employment, and for various reasons some relief will at all times be needed. No one thinks for a moment that it is possible to employ every person in the United States; and there might be some situations under any program, even under the program the Senator from New Hampshire has advocated, when it would be necessary to provide some relief. But I say we cannot afford to proceed on an unsound basis, merely on the theory that we shall have to find jobs for everyone. Such a program will not do—the individuals any good and it will not do the country any good. On the contrary, it will be a detriment to both.

Mr. TOBEY. Mr. President, I think the Senator said, if I correctly recall his statement—and I think the RECORD will sustain me on that point—that we should use public works and other Federal expenditures. Did not the Senator say that?

Mr. RADCLIFFE. Yes.

Mr. TOBEY. What does the Senator mean by that? The bill says, "Provide such volume of Federal investment and expenditure as may be needed." So the Senator himself would use Federal expenditures. From what does he shy?

Mr. RADCLIFFE. There are various forms of Federal expenditures which are proper and which can be utilized. A while ago the Senator from New Hampshire referred to an HOLC. There may be, and doubtless will be, other forms of Federal expenditure which will be suitable. The point I am trying to stress is that in every case there should be a test as to soundness and we should determine to use only means which themselves are practical.

Mr. TOBEY. What is the spectre in the closet? What is the ghost which stalks forth? What is it that the Senator fears? What is his apprehension over the words—

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

Is not that a worth-while objective, to the extent that it cannot otherwise be taken care of?

Mr. RADCLIFFE. Of course, it is desirable; and when I read my amendment the Senator will see what I have in mind. What the Senator does not know and what he cannot know—and yet he is willing to come forward with a flat-footed declaration of policy which he cannot back up—is whether we can provide sufficient public works and other public expenditures to take care of the whole situation. No one knows whether that can be done. It has never been

tested. Certainly it is not sound principle to build up a theory or philosophy on something which has not been tested.

Mr. TOBEY. Mr. President, I will not interrupt the Senator any more; he has been very courteous to me. I wish to make only this closing statement: The Senator says our proposal is new and novel. Let me say it may be new and novel, although I do not think it is. However, the fact remains—and on this point I want my voice to sound over this body today—that our plan is to provide for taking care of the situation in a great national emergency when the Nation is prostrate, so to speak; and we are taking time by the forelock and are looking ahead to see what we can do in that eventuality. When that time comes, if it does come, what shall we do? The Senator agrees that public works cannot provide employment for more than 5,000,000 persons. When that time comes, the job of the administration and of the Congress will be to fill the gap with some kind of work, so as to provide job opportunities, instead of providing a dole and passing on a pittance to men employed in raking leaves.

I think this proposal is fundamental. I think it is sound and I hope it will prevail.

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

Mr. RADCLIFFE. I yield.

Mr. TAFT. The statement of the Senator from New Hampshire is entirely incorrect. The bill as written does not say a word about public works. It says "Federal investment and expenditure"—of any kind. Consequently, as has been pointed out, public works will soon be exhausted as a means of providing sufficient employment, and then we shall turn to other "Federal investment and expenditure." I have been trying to find out what that is.

I suggest that it means that we must give away Federal money, through subsidies or otherwise, if we find there is not sufficient employment in the country. I do not think the proposal advanced by the bill will produce employment. I think that in the end it will produce unemployment. I say that the remedy proposed by the Senator from New Hampshire will not be effective; it will not accomplish the very objectives of the bill.

Mr. TOBEY. But, Mr. President, I say it will work, and would not the Senator from Ohio and the Senator from Maryland far prefer to give men jobs, rather than to give them relief or doles?

Mr. TAFT. Mr. President, the Senator from New Hampshire has entirely avoided the issue. The issue is not whether his proposal would give men aid. The issue is whether it would give them work. I say it would not. It would simply build up a tremendous deficit and it would inflate our economy hopelessly and without beneficial results.

Mr. TOBEY. In the event of widespread unemployment affecting 10,000,000 or 12,000,000 people in this country, would not both the Senator from Maryland and the Senator from Ohio far prefer to give men jobs rather than to give them a dole or other relief?

Mr. TAFT. Mr. President, will the Senator further yield to me?

Mr. RADCLIFFE. I yield.

Mr. TAFT. If the jobs were worth-while jobs, of course the answer is "Yes." But we have already pointed out to the Senator from New Hampshire that, so far as worth-while jobs are concerned—

Mr. TOBEY. Mr. President, the bill qualifies that.

Mr. TAFT. So far as worth-while jobs are concerned, it would be impossible to find enough public works to provide them. It could not be done if a major unemployment crisis occurred. That is what was found out in 1932. So it was necessary to inaugurate the PWA program, because it was all that was left; there was no other way to handle the situation.

Mr. MURRAY. Mr. President, will the Senator yield to me?

Mr. TAFT. Furthermore, let me suggest—

The PRESIDENT pro tempore. Does the Senator from Maryland yield; and if so, to whom?

Mr. RADCLIFFE. I yield to the Senator from Ohio.

Mr. HATCH. Mr. President, I very seriously desire to make a point of order.

Mr. TAFT. Mr. President, the Senator from Maryland has yielded to me.

The PRESIDENT pro tempore. The Senator from New Mexico will state the point of order.

Mr. HATCH. The point of order I desire to make is that in the interest of orderly procedure in the Senate, the rules of the Senate must be obeyed and Senators desiring to have a Senator yield should first address the Chair and secure permission. It is entirely evident that it has been most difficult for us to understand two or three Senators talking at the same time. So I insist on the point of order.

Mr. RADCLIFFE. I yield to the Senator from Ohio.

The PRESIDENT pro tempore. The Senator from Maryland will desist until the Chair makes a ruling on the point of order raised by the Senator from New Mexico. The Senator from New Mexico is entirely correct in regard to the rule. For two, three, or four Senators to be talking at the same time is not an effective way of debating. Senators desiring to speak must ask the occupant of the floor if he will yield. The Senator occupying the floor may yield the floor at any time to any Senator, but not to three or four Senators at the same time.

Mr. RADCLIFFE. I agree with the ruling of the Chair.

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

Mr. RADCLIFFE. I yield.

Mr. TAFT. The question is, What should be done if we are faced with an unemployment problem? The answer to that question is not found in the bill. Many things could be done. In my opinion, the only way to deal with unemployment is not through Federal spending, but by sound policies of speeding up throughout this country the machine of private enterprise. That machine employs approximately 45,000,000 or 50,000,000 people, whereas Govern-



ment can probably never employ more than 2,000,000 or 3,000,000 people. If the private industrial machine is speeded up 10 percent more people can be put to work than would be put to work by public spending.

The question, Mr. President, is: How should that be done? The pending amendment does not affect all the things which may be done to stimulate private enterprise. Many attempts have been made, many of which have not been successful. Every other government is trying to solve the problem, and we hope that we may be more successful than they have been. If there is one thing in this bill which can succeed when everything else fails, it is government spending. That is a feather bed on which we can always fall back.

I suggest that public spending outside of public works is not helpful in curing a depression. There are many better methods which can be used. There is no panacea to which we may resort. We simply must combine a large number of different kinds of measures. We can always turn to Federal Government for relief of our responsibilities, and many persons think that the Federal Government can finally assume the responsibility of spending the necessary funds. Such a philosophy results in an invitation to public spending, and an invitation to spending ourselves into prosperity and increasing the public debt. So long as that is the philosophy of the bill I cannot vote for it. I feel that it would wreck this country faster than anything else. If there should be any increase in employment the increase would be merely temporary in character. The spending of public money for public works is one remedy, but to say that it is the final solution of our difficulties is only to lay down for this country a policy which will lead to destruction.

Mr. RADCLIFFE. Mr. President, allow me to read from the amendment which has been offered by the Senator from Ohio [Mr. TAFT] and myself:

In furtherance of the objective of full employment—

That certainly states very definitely what we have in mind—

and to supplement investment and expenditure by private enterprises, State and local governments, the Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy, proceed with a comprehensive program of public works and other expenditures so planned that they can be speeded up and enlarged whenever employment decreases and retarded when full employment is otherwise provided.

The statement is very definite that in furtherance of the objective of full employment, an objective which we all seek—

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

Mr. RADCLIFFE. I yield.

Mr. HATCH. The charge has been made on the floor of the Senate that the Senator's amendment is limited only to public works. It has been explained that the use of the words "other expenditures" includes probably any expenditure which might be necessary to

carry out the avowed purpose of full employment.

Mr. RADCLIFFE. I think the point which has been made by the Senator from New Mexico is a very good one. However, let me remind the Senator of the fact that the amendment states, in part:

The Federal Government shall \* \* \* proceed with a comprehensive program of public works and other expenditures.

Mr. HATCH. Yes. I understand that.

Mr. RADCLIFFE. It is not possible at this time for any person to forecast with any degree of accuracy just what public expenditures might be necessary. Various kinds have been suggested, and others undoubtedly will be tested and tried out.

Mr. HATCH. The point which I was making is that it is not intended by the language of the amendment to foreclose any proper form of expenditure which would contribute to full employment.

Mr. RADCLIFFE. Not at all, because it will be noted that the language says:

In furtherance of the objective of full employment and to supplement investment and expenditure by private enterprises, State and local governments, the Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy—

And so forth. The statement was made in the committee that the language "consistent with its needs, obligations, and other essential considerations of national policy" took the heart out of the amendment. What is the force of it? Does any Senator mean to advocate that the Federal Government shall adopt a policy inconsistent "with its needs, obligations, and other essential considerations of national policy"?

As a matter of fact, Mr. President, I yield to no one in my desire to do what little may lie in my power to eliminate unemployment; but I am not prepared to take the position that that is a primary consideration, and that it comes ahead of everything else. In the pending bill there is an unqualified guaranty that that must be done. What does it mean? Does it come ahead of the defense of the realm? Does it come ahead of agriculture and small business? Oh, yes; I know that at different places in the bill the word "foster" is used. But there is a difference between "foster" and "guaranty."

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

Mr. RADCLIFFE. I yield.

Mr. MURDOCK. The Senator seems to leave out of the picture entirely the language which was put in by the distinguished Senator from Ohio [Mr. TAFT] to cover, in my opinion, the very point which the Senator is now stressing. The Senator lays great stress on his amendment from the standpoint that we proceed with a comprehensive program of public works and other expenditures, so planned that they can be built up and enlarged when other employment decreases, and retarded when full employment is otherwise provided. The Senator seems to lay great stress on the fact that his amendment contains the word

"planned." However, he forgets entirely the fact that the bill contains the following language. I read paragraph (d) on page 13:

To that end, the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue—

I call the special attention of Senators to the words which follow—

a consistent and carefully planned economic program with respect to, but not limited to—

Does the Senator take the position that the word "planned" in his amendment is any more important, has any more weight, or is any more effective than the words "develop and pursue a consistent and carefully planned economic program"? Does the Senator take the position that under that language we forget everything else but public works and public expenditures, or is it not reasonable and correct to say when we have already stated that whatever the program is it must be a consistent program and a well-planned program, that we cannot accomplish anything more by stating later on in the amendment more facts? I thank the Senator for yielding.

Mr. TAFT. Mr. President, will the Senator from Maryland yield for a moment?

Mr. RADCLIFFE. I yield.

Mr. TAFT. The Senator from Utah has attributed those words to me. It is a very different concept. A carefully planned, over-all program dealing with the economic future is one thing; a program of public works so planned that it can be retarded when times are good and expanded when times are bad is an entirely different conception, and a much more detailed one, one which goes back, as the Senator knows, to as far as Mr. Hoover. The distinguished Senator from New York [Mr. WAGNER], I think, back in 1932 or 1933, proposed such a program. It is a policy which I think is entirely sound.

Let me suggest to the Senator that it is a very difficult program to carry out, because what we find is that the pressure for public works is just as strong when times are good as at any other time; and if we get a large public-works program going in the height of prosperity, then when there is a desire to extend it and to put more people to work in hard times, the opportunity is greatly limited.

In other words, we might plan for a public works program of \$5,000,000,000, and we will have one of \$2,000,000,000 going on all the time, so that the additional expenditure will not be more than \$3,000,000,000. This concept of a public-works program is a different and distinct program from a general and carefully planned economic program.

Mr. MURDOCK. Mr. President, inasmuch as the Senator from Ohio has at least attempted to answer my inquiry, will the Senator from Maryland yield now, that I may make some comments on the statements of the Senator from Ohio?

Mr. RADCLIFFE. Let me say to the Senator from Utah, first, that I have no objection to the language which he has



quoted from the bill, and if it be true that parts of the amendment which are offered by the Senator from Ohio [Mr. TAFT] and myself are mere surplusage—and I do not admit that to be so, since I believe it all has effect, purpose, and purport—it does not do any harm; but I emphasize that I do not think it is surplusage.

I now yield to the Senator from Utah.

Mr. MURDOCK. I wish to direct the brief remarks I make to the Senator from Ohio. There may be some magic and some charm in repeating the words "planned" and "planning," but my answer to the Senator from Ohio is that if a program including public works is consistent and well planned, certainly it will not be, as indicated by the Senator from Ohio, as large a public-works plan or program when it is unnecessary as when it is necessary.

If I may make one further observation, both authors of the amendment assure the Senate, as they assured the Committee on Banking and Currency time and time again, "Oh, yes, we believe in the full-employment bill," but it is my opinion that the amendment offered at this time is not to help the bill, but it is offered to cut the very heart out of the bill, as was so frequently stated by one of the authors of the bill in the Committee on Banking and Currency.

The very purpose of the bill is to say to the people of the United States that if all other measures fail; if private industry, if private capital, if private enterprise, States, local governments, and all measures and programs fail, then the Federal Government will assume responsibility to see that millions upon millions of people do not become permanently unemployed. All the bill says is that on the failure of all other programs, and especially private industry and private capital, rather than see millions of men and women unemployed, the Federal Government will, if necessary, step in, to use the Senator's words, and take up the slack.

Mr. RADCLIFFE. Let me say to the Senator from Utah that in its beginning the language of the amendment which has been offered by the Senator from Ohio and myself is, "in furtherance of the objective of full employment." That is what everyone wants and will work for. The issue which I raise is that the bill states that after other methods have been tried and there is still some unemployment, then the Federal Government, irrespective of what may be the amount of it, guarantees a job to everyone in the United States, regardless of other obligations of the Government.

Mr. MURDOCK. Will the Senator point out anywhere in the bill where the word "guarantees" is used? The Senator keeps injecting into his discussion of the bill the word "guarantees." Will he point out any place in the bill where the word "guarantees" is used?

Mr. RADCLIFFE. The Senator must realize that an idea can often be conveyed without using some particular phraseology. Let me call the attention of the Senator to paragraph 4, on page 14:

To the extent that continuing full employment cannot otherwise be assured, provide

such volume of Federal investment and expenditure as may be needed to assure continuing full employment.

If that means anything at all, it means that it is a full guaranty.

Mr. VANDENBERG. Mr. President, will the Senator from Maryland yield?

Mr. RADCLIFFE. I yield to the Senator from Michigan.

Mr. VANDENBERG. It seems to me that little or no attention has been paid to the most important words in the Senator's amendment. In my opinion, so far as expenditures are concerned, the Government could spend just as much under the Senator's amendment as could be spent under the text for which it is substituted. The important thing to me in the Senator's amendment is these words:

The Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy, proceed with a comprehensive program.

Mr. President, that is the note I find lacking in the pending bill. If that note were in the pending bill, I should find very little to criticize in it, but, as the able Senator from New Hampshire says, when there are 10,000,000 unemployed, what are we going to do about it? Of course we are going to do something about it. But it seems to me that the implication of the bill as it stands is that when such a situation arises, we have one sole and only obligation, and that is to look after the 10,000,000 and to forget the other 120,000,000 entirely. I submit that we have just as great an obligation continuing to the other 120,000,000 as we have to the 10,000,000, and it is absolutely essential, even for the welfare of the 10,000,000 themselves, that the program we adopt shall be geared into a national policy consistent with our total needs, obligations, and other essential considerations. If that is done, I can see very little objection to the program.

Mr. TOBEY. Mr. President, will the Senator from Maryland yield?

Mr. RADCLIFFE. I shall yield in a moment. The Senator from Michigan is entirely correct, that particular clause in the amendment is one which was objected to again and again by the committee. Everyone knows we want to do every thing we possibly can to prevent unemployment. Several of us on the committee raised this question, "What do you mean by the guaranty of jobs? What do you propose shall be done with the 10,000,000? Must the Federal Government in order to give them all jobs change its policy for the defense of our country and destroy our agricultural policy?" It is true that the point was made in the committee that this bill is only a declaration of principle, and therefore it does not make so much difference as to the scope of the language used. I wish to emphasize the point that while this bill is a declaration of principles, we have no more right to be careless in making a statement of principles standing alone than we would have if it contained implementing language. If we are going to establish a policy we should see to it that that policy is a sound one, irrespective of whether in this particular measure there is any implementing legislation.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. RADCLIFFE. I yield to the Senator from Vermont.

Mr. AIKEN. I notice, whereas the bill itself provides:

To the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed.

The amendment of the Senator from Ohio and the Senator from Maryland does not provide for investment, but for expenditure only. Is it the purpose of the amendment to prevent the Government from lending money at a low rate of interest, if that is necessary in order to keep business going and people from being unemployed? Is that the purpose of the amendment?

Mr. RADCLIFFE. I will say to the Senator from Vermont, most assuredly not.

Mr. AIKEN. It reads that way.

Mr. RADCLIFFE. Let me make a further statement. Again and again in committee we endeavored to have eliminated the word "investment," or what is preferable, to obtain a satisfactory definition as to what was meant by it. All such efforts were resisted. There is no doubt in the world that certain expenditures can, should, and will be made by the Federal Government.

Mr. AIKEN. What is the purpose of eliminating the word "investment" in this case?

Mr. RADCLIFFE. In the first place, an expenditure may or may not involve an investment. I have no objection to the word "investment," if there is a sound definition of exactly what is meant by it. But an inference which might be deduced from this bill is that if there is not provided a sound system of public works sufficient to employ those who are out of employment, we have committed ourselves to an undefined program of Federal investment. What is meant by that? Does it mean that we are going into Federal investments of a nature such as we have not made before? Does it mean that we are going to infringe on private industry? I do not know what "investment" standing alone means, but if we use the word "expenditure" it is sufficiently comprehensive. When the Federal Government expends money it may or may not get something for it by way of investment; but that avoids the possible inference by the use of the unqualified word "investment" that this bill commits us to any form of Federal investment.

Mr. AIKEN. Would the Senator object to the Federal Government lending money at a low rate of interest if it became necessary to keep small business on its feet and people from being unemployed?

Mr. RADCLIFFE. Most assuredly not.

Mr. TAFT. Mr. President, will the Senator yield so that I may make a statement on that point?

Mr. RADCLIFFE. I yield.

Mr. TAFT. I merely want to point out to the Senator from Vermont that in line 8, the words "stimulate, encourage, and assist private enterprises" certainly would cover the kind of loan the Senator is referring to. It does not make any difference what is stated in paragraph 4



because the language of paragraph 1 covers that kind of assistance.

Mr. AIKEN. I do not see why anyone should object to having the word "investment" written into the bill when investment might be necessary, even though we do not know now what kind of investment would be necessary, but we assume that the kind of investment necessary would be set forth in whatever message the President might send to the Congress.

Mr. RADCLIFFE. Mr. President, let me say to the Senator from Vermont what I said before, that I think the word "expenditure" alone is sufficiently broad, but I have no objection to any language suitably restrictive in regard to the word "investment." I do not think, however, this phrase should be used without any qualifications, especially when it is coupled with the idea that if public works are not sufficient then we are going to embark on an undefined program of Federal investment.

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

Mr. RADCLIFFE. I yield.

Mr. TOBEY. I merely want to indulge in two bits of repartee, one to the distinguished Senator from Michigan [Mr. VANDENBERG]—

Mr. VANDENBERG. Repartee?

Mr. TOBEY. Repartee is good; and I hope the repartee itself is equally good. Here it is: The Senator from Michigan said that in the event of a direful situation we would look after 10,000,000 unemployed, and we would also look after the remaining 120,000,000. If that is good philosophy, those who would be taken care of would be the unfortunate unemployed individuals in this country.

Did the Senator ever listen to the Gospel hymn, the Ninety and Nine?

Mr. VANDENBERG. Oh, yes.

Mr. TOBEY. It is a good hymn.

Mr. VANDENBERG. Yes. I quite sympathize with the Senator's interest in the "one," but I remind him that the hymn also refers to the other "ninety and nine."

Mr. TOBEY. Yes, but it takes care of the "one" alone. The others take care of themselves, for they are prosperous in the fold. The one is out alone on the range, and the Lord goes out and brings him back into the fold. That is what this bill is going to do, bring the unfortunate unemployed in under the beneficence of jobs.

Mr. VANDENBERG. "Beneficence"—does that describe it?

Mr. TOBEY. No, not quite.

Now may I say a word to the Senator from Ohio, who stated what I think he did not intend to state. He said public works were not mentioned in the bill.

Turn to page 13:

(d) To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to—

Now turn over to page 14:

Public services, works, and research.

And again on page 14:

To the extent that continuing full employment cannot otherwise be assured—

A public program—

shall be designed to contribute to the national wealth and well being and to stimulate increased employment opportunities by private enterprises. Any such Federal investment and expenditure calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private enterprises—

For carrying along the policy of stimulating private enterprise.

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

Mr. RADCLIFFE. Certainly.

Mr. TAFT. If I said there was no reference to public works I was mistaken. My point is that the first sentence in paragraph (4) is not confined to public works, is not a program of residuary public works, it is not a statement that if private enterprise cannot provide employment public works must be resorted to; but it provides for all kinds of expenditures, of which presumably public works is one.

May I suggest to the Senator that everything in the world is included in the first 10 lines of paragraph (d), and the remainder of paragraph (d) might be struck out with profit, in which case we would not need to offer the amendment we are discussing. Really public works are covered in that paragraph. I am perfectly willing to include public works. My objection is to making public investment and expenditure the ultimate recourse for any situation.

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

Mr. RADCLIFFE. I yield.

Mr. TOBEY. I ought to give a little help to the Senator from Maryland, and then I shall subside. The Senator from Maryland began to question a few minutes ago in his colloquy with the Senator from Vermont [Mr. AIKEN] about what constitutes Federal investments. I call attention to page 14, line 25:

Such Federal investment and expenditure—

Then page 15, line 3:

Shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.

I submit that is an investment. If we spend money for projects that contribute to the national wealth and well-being by such spending of money, that comes pretty near being an investment.

Mr. RADCLIFFE. Any investment which is sponsored on the theory that it might contribute to public welfare, irrespective of what the investment is, might mean many varied forms of investment.

Mr. TOBEY. The provision says "the national wealth and well-being."

Mr. RADCLIFFE. What does that mean?

Mr. TOBEY. Just what it says.

Mr. RADCLIFFE. Many people might say that what we ought to do is take over the railroads and the banks. That would be for the benefit of the public. That would be for national welfare.

Mr. TOBEY. Well, of course, this bill does not say that, or anything resembling it.

Mr. RADCLIFFE. Of course it does not.

Mr. TOBEY. It says just the reverse of that.

Mr. RADCLIFFE. But the phrase, "the public welfare", without any words of limitation or restriction, might mean a great deal.

Mr. TOBEY. I think the Senator will agree with me that all through this bill, in at least a dozen places, we pay tribute to private enterprise. We put it first. We are going to stimulate it and help it and aid it. There is no question about that in the Senator's mind, is there?

Mr. RADCLIFFE. None in the world. But here is the distinction: Throughout the bill it is stated that it is proposed to encourage and sponsor many forms of industry, and that is proper. No one is against that. Everyone is in hearty accord with such an idea and such a policy as that. The point I make is that industry should be encouraged and fostered. But there is no absolute guaranty, as there is on the question of unemployment; and I see no reason why we should single out one form of industry and say that it shall receive an absolute guaranty, while other industries shall be merely encouraged or fostered.

Mr. TOBEY. The aim of all these things is to protect the country from the curse of unemployment, is it not? That is the objective, is it not?

Mr. RADCLIFFE. We all have that specific objective in mind. Senators may recall that years ago one of the arguments used in behalf of a protective tariff was that if we had a high tariff for certain industries, prosperity would percolate through to the rest of the people, and all around prosperity would follow. I am not raising any question as to the wisdom or lack of wisdom of that policy at this moment, but I say that there is a very definite distinction involved when we come forward with a guaranty to those who seek employment, and when we merely state that we foster and encourage other forms of endeavor. That is a basic distinction. The point is, Do we wish to make it?

Mr. TOBEY. Good private enterprise in this country is the norm. But eventually, when the norm is stricken, and there is a cancer spot of 10,000,000 unemployed on the norm, we say that we shall use every possible effort, whatever it may be, to eradicate the spot. When the war was in progress the Senator and I, and all the others of us joined in a wholehearted effort to give the President war powers. We enacted the First and Second War Powers Acts. We cut the corners, stimulated private production, and put the fire out. Is there any less danger to the country in a Nation-wide depression? Does it not have to be met with the same heroic treatment?

Mr. RADCLIFFE. The Senator is enough of a logician to know that when a need is pointed out, there is not implied the endorsement of every policy which is suggested to meet that need. Everyone in this country today is determined that there shall be no suffering. So long as there is food, or anything else in this country which is needed for the relief of suffering, we are going to see that it is shared with those who are in distress. But that purpose and intent does not warrant us in adopting a policy which may be in itself unsound.



Mr. TOBEY. The purpose of the bill is to implement that determination, is it not?

Mr. RADCLIFFE. Most assuredly so.

Mr. President, the bill is in some respects what might be termed a lopsided bill, because, as I stated a moment ago, it makes an unqualified guaranty that positions will be provided for those who seek them. If the Government is to carry out such a policy, that means that everything else must suffer, if need be, in order that that obligation may be met fully.

Mr. MILLIKIN. Mr. President, will the Senator yield so that I may ask the Senator from New Hampshire a question?

Mr. RADCLIFFE. I yield.

Mr. MILLIKIN. I think it ought to be made clear whether the objective of the bill is to make its aims a paramount consideration, standing above every other consideration in the National Government, or whether, by real intent, it is meant to reconcile the objectives of the bill with the other necessary activities of the Government. I think that should be done without equivocation, without dodging or ducking, by plain, straightforward language.

Mr. TOBEY. Will the Senator repeat his question?

Mr. RADCLIFFE. The Senator from Colorado is entirely correct. The purpose of the amendment is to carry out that idea. We recognize that unemployment is a serious curse on any country. We realize that we must do everything we reasonably can to get rid of it; but we are not willing to adopt the theory that the relief of unemployment is paramount to every other obligation.

Mr. MILLIKIN. That was the purpose of my question to the distinguished Senator from New Hampshire.

Mr. TOBEY. What was the Senator's question?

Mr. MILLIKIN. My question is whether the Senator places the provisions of this measure in the position of a paramount necessity, above every other requirement of the Federal Government, or whether in real intent he means to reconcile them with the other necessary activities of the Government.

Mr. TOBEY. I will answer the question in this way and I hope the answer will satisfy the Senator. I am asked whether I place the provisions of this bill in a paramount position. I regard as of prime importance, as the first order of business, the duty—and privilege as well—of the American Government, when, as, and if we get into a time of depression, with tremendous unemployment, to give relief to those who are unemployed. There could be no greater need at such a time than to stop unemployment, relieve human distress, and get back to normal. Therefore I favor the bill, which definitely gives assurance on the part of the Government that when, as, and if a time like that should come, it would be the responsibility, the duty, and the privilege of the Government to use every means at its command to assure the people of jobs.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. RADCLIFFE. I yield.

Mr. MILLIKIN. The distinguished Senator from New Hampshire has said

that there is nothing greater than the objective which he mentioned, but that does not answer my question. I asked him whether he regarded it as a paramount objective, above everything else.

Mr. TOBEY. When a condition such as that develops, yes.

Mr. MILLIKIN. Regardless of defense?

Mr. TOBEY. The home interests—

Mr. MILLIKIN. Regardless of national defense?

Mr. TOBEY. Tragedies at home are equal to tragedies abroad.

Mr. MILLIKIN. I say, regardless of national defense?

Mr. TOBEY. National defense would be taken care of.

Mr. MILLIKIN. Would it be subordinated?

Mr. TOBEY. If we have an Army and a Navy, we shall have national defense.

Mr. MILLIKIN. I asked the Senator whether or not he would subordinate national defense to his objectives.

Mr. TOBEY. I believe that the first line of national defense is the welfare, well-being, safety, lives, and fortunes of the American people.

Mr. MILLIKIN. Mr. President, will the Senator from Maryland further yield?

Mr. RADCLIFFE. I yield.

Mr. MILLIKIN. I asked the Senator whether or not he subordinated the national defense, in terms of our military forces, to the objectives of the bill.

Mr. TOBEY. I do not; but I ask the Senator what he means by national defense?

Mr. MILLIKIN. If the Senator does not subordinate it, he is reconciling it.

Mr. TOBEY. What does the Senator mean by national defense?

Mr. MILLIKIN. The defense of this country from invasion, attack, or defeat by an enemy.

Mr. TOBEY. I say to the Senator that, in my judgment, during the next 10, 15, or 25 years, the danger to this country from invasion is far more insignificant and improbable than the danger which may confront this country with 10,000,000 unemployed crying out for bread and jobs.

Mr. MILLIKIN. Mr. President, will the Senator from Maryland further yield?

Mr. RADCLIFFE. I yield.

Mr. MILLIKIN. I have asked the Senator a simple question, which he has not yet answered. Does he place the objectives of this measure in a paramount position, above all other considerations?

Mr. TOBEY. I have answered the Senator. I have said that the first defense of this Nation is the well-being, welfare, lives, and fortunes of its people.

Mr. MILLIKIN. Of course it is.

Mr. TOBEY. I stand on that answer.

Mr. MILLIKIN. I am asking the Senator whether he places the objectives of the bill above military defense.

Mr. TOBEY. I have answered the Senator.

Mr. MILLIKIN. What is the Senator's answer?

Mr. TOBEY. I have said it twice. I will say it the third time. The first defense of this country, in my opinion, is to safeguard the lives, fortunes, and well-

being of its citizens. If we do not do that, we shall have no national defense, no Army or Navy. There will be nothing left in this country but anarchy.

Mr. MILLIKIN. Mr. President, will the Senator from Maryland further yield?

Mr. RADCLIFFE. I yield.

Mr. MILLIKIN. I repeat my question. I ask the Senator whether he subordinates military defense to the provisions of this bill.

Mr. TOBEY. No; I do not.

Mr. MILLIKIN. Then the Senator reconciles the two. What is the Senator's basis for objecting to the general recognition of that principle in the language of this amendment?

Mr. TOBEY. Because the fact remains that the language of the bill covers everything that may be used. I read from the committee report, on page 14. We are going to go all-out to save a situation such as that. We are not going to be qualified, limited, or hamstrung by technical verbiage.

Mr. MILLIKIN. Is the Senator's objection based upon the contention that the language of the amendment does not adequately provide for a reconciliation?

Mr. TOBEY. I believe that the language of the bill as drafted amply covers the situation, and will give assurance to the American people as to what our policy is to be as a nation in time of unemployment and distress.

Mr. MILLIKIN. Does the Senator assert that the language of the bill reconciles the objectives of the bill with the other necessary objectives of our Government?

Mr. TOBEY. I do not quite get the meaning of the question.

Mr. MILLIKIN. I will repeat it. I am speaking now of the provisions of the bill, not the amendment. Does the Senator assert that the provisions of the bill reconcile the objectives of the bill with the other necessary objectives of this Government?

Mr. TOBEY. What does the Senator mean by "other"?

Mr. MILLIKIN. Military defense, for one thing.

Mr. TOBEY. I have answered the question as to military and naval strength. Of course, a nation of 130,000,000 people is going to defend itself.

Mr. MILLIKIN. The Senator asks me what I mean by the other necessary objectives of the Government. I gave him one example, but there are dozens of others.

Mr. TOBEY. I answered particularly as to military and naval defense.

Mr. MILLIKIN. I assume that there are other necessary objectives of government.

Mr. TOBEY. I do not know what they are.

Mr. MILLIKIN. For one thing, the necessity of maintaining the Government.

Mr. TOBEY. What does the Senator have in mind specifically?

Mr. MILLIKIN. Let us—

Mr. BALL. Mr. President—

Mr. RADCLIFFE. I yield to the Senator from Colorado; and then I will yield



to the Senator from Minnesota, after I have made a very brief statement.

Mr. MILLIKIN. I assume that there are many basic necessities of government. We must maintain our courts. We must maintain military defense. Some persons might say that we must maintain a Senate and a House of Representatives. There are many, many essential things for the Government to do. We are working on those all the time. I ask the Senator to show me where in this bill he reconciles his objective with those other necessities.

Mr. TOBEY. Oh, yes; there is no question in my mind but that under the provisions of the pending bill ample opportunity will be provided and is expected to be made to take care of all the needs of this country, including the needs of the Government, and so forth.

Let me ask this question the Senator from Colorado has been very good at asking questions, so I wish to propound one to him. Suppose we get into a situation in this country in which public works will not take care of the employment needs; for instance, suppose the situation is such that there are ten or twelve million unemployed in this country, and suppose we find that public works will provide employment for only 5,000,000 of them. What would the Senator do to take care of the remaining number of unemployed?

Mr. MILLIKIN. Mr. President, I am very glad to answer that question.

Mr. TOBEY. I shall be glad to have the Senator answer it.

Mr. MILLIKIN. In the crazy twenties we thought the source of wealth was the stock ticker, and in the succeeding years we thought that the source of wealth was the printing presses in the Bureau of Engraving and Printing. Mr. President, we can destroy this country by running those printing presses and by following an irresponsible fiscal policy, just as we can by following a policy of regarding the stock ticker as the source of wealth and by relying on other unsound policies.

Mr. TOBEY. The Senator has not answered my question.

Mr. MILLIKIN. I believe that the Senator's question was what will we do if we have ten or twelve million unemployed persons and if we find that 5,000,000 of them are not taken care of by the public works program of which we have been speaking.

Mr. TOBEY. Yes. If under a public works program there are not enough jobs to take care of millions of unemployed persons, including men who have come back from the war, what shall we do? I should like to have the Senator's answer to that question.

Mr. MILLIKIN. We would necessarily have to consider whether by following the program the Senator from New Hampshire proposes we would destroy the economy of our country. We would destroy our economy by relying on the printing presses as the source of our wealth and the panacea of our troubles. That is what the Senator would have us do, because he has resisted every effort to bring the objective of his bill into relation with a balanced budget or into relation with the other essentials to good, sound government.

The Senator from New Hampshire has stated his objective, namely, the securing of full employment. At the present time the wealth of the Nation is to be found in the people and in the local communities. This country now has a debt of \$300,000,000,000 and an annual deficit of \$50,000,000,000. Let us govern ourselves accordingly, and at the same time remember where the wealth of the country is.

Mr. TOBEY. Mr. President, in closing let me say to the Senator from Colorado that under section 2 (d), on page 14, paragraphs (1), (2), and (3) provide for exhausting all possible help from the States and private enterprise before anything of the sort is contemplated.

Mr. MILLIKIN. Of course, Mr. President, if the States, the local communities, and the people have exhausted all possibilities of aid, nothing will be left to us. We do not operate in a vacuum. We do not get our money out of the thin air. We get it from the people. If the tap roots have been severed, what shall we have to deal with?

Mr. TOBEY. Under those circumstances, what will happen to the people?

Mr. MILLIKIN. I do not know; if the people are completely denuded of their strength and resources and if the local communities and if the States have gone bankrupt, there will be nothing left to put up.

Mr. TOBEY. So, Mr. President, the bill concludes:

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

Mr. MILLIKIN. Then, Mr. President, the Senator asserts that after the people have lost everything they have and after the local communities have lost everything they have and after the States have lost everything they have—and that is where the wealth now is—we shall have something left and we shall do something. That is a non sequitur on its face.

Mr. TOBEY. Mr. President, I cannot follow the reasoning of the Senator from Colorado, I am sorry to say.

I thank the Senator from Maryland for yielding to me.

Mr. BALL. Mr. President—

Mr. RADCLIFFE. Mr. President, I shall yield to the Senator from Minnesota in a moment. First, I wish to thank the Senator from Colorado for his very forceful statement. He has stressed the point we have in mind. This bill certainly would have full employment considered as paramount to everything else. Again and again in the committee we called attention to the fact that there might be other obligations of the Government to which equal consideration would have to be given. That is the reason why we use the language—

Consistent with its needs, obligations, and other essential considerations of national policy.

Most assuredly, Mr. President, the Government should consider everything in proportion. Most assuredly the Gov-

ernment should not single out one objective and say that under all circumstances it must come first, ahead of everything else. But that is what the bill in its present form would do.

What we have in mind in the pending amendment is that the various needs and obligations of the Government shall be considered and that in working out a policy suitable recognition shall be given to the doctrine of relative values and to the theory of sound proportions.

In the committee we were told that we must not do that, and that no such amendment as we now offer would be tolerated. We were told we must state flatfootedly that full employment is the paramount obligation. Mr. President, no one can foresee what full employment might cost us. No one can foresee what might be our obligations for self-defense or in connection with our various domestic policies.

Mr. BALL. Mr. President, will the Senator now yield to me?

Mr. RADCLIFFE. I yield.

Mr. BALL. I merely wish to comment briefly on a statement made a few minutes ago by the Senator from New Hampshire which to me was the most startling and amazing statement of political philosophy I have ever heard uttered on this floor. I understood the Senator from New Hampshire to say that if 10,000,000 of our people became unemployed, under the philosophy of this bill the obligation to find and to guarantee jobs for those 10,000,000 people would become the paramount obligation of the Government, and that all other obligations would have to give way before it.

Mr. President, I came to the Senate with the somewhat old-fashioned idea that the paramount obligation of our Government is to protect and preserve the individual rights and freedoms of individual citizens as set forth in the Bill of Rights and the Constitution. It seems to me that this insistence that complete, utter economic security must be guaranteed every individual by the Federal Government, regardless of what else we may have to do or what other obligations under the Constitution we would consequently have to shirk, is exactly the kind of political philosophy and attitude which, on the part of the people in Italy and Germany, led straight to fascism and nazism.

Mr. RADCLIFFE. Mr. President, the Senator from Minnesota is entirely correct.

Mr. TOBEY. The Senator is entirely incorrect. May I answer the Senator?

Mr. RADCLIFFE. Mr. President, I have not yielded to the Senator from New Hampshire. Does he desire that I yield to him?

Mr. HATCH. Mr. President—

Mr. TOBEY. Mr. President, I would appreciate it very much indeed if the Senator from Maryland would yield to me.

Mr. RADCLIFFE. I yield first to the Senator from New Mexico.

Mr. HATCH. Mr. President, I thought the Senator was about to leave the amendment which has been under discussion and was about to discuss another amendment. I wish to be sure that I have the situation in mind. Aside from



the language mentioned by the Senator from Michigan [Mr. VANDENBERG], am I correct in assuming that in the amendment the Senator states full employment as an objective, whereas in the bill it is stated as an obligation or, as the Senator interprets it, as a guaranty?

Mr. RADCLIFFE. Mr. President, that is the real difference between the amendment and the bill. I was going to illustrate that situation by discussing another amendment which the Senator from Ohio and I shall offer.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. RADCLIFFE. I yield.

Mr. TAFT. In regard to the discussion relative to the assurance of full employment as an obligation superior to all other obligations or all other matters of policy, I wish to suggest to the Senator that there is no question that we can provide for full employment in the United States. Russia does it; Germany does it. In other words, if we are willing to sacrifice freedom, we can secure employment. There is no question about that. Unquestionably, if we put full employment as the absolute goal above every other consideration, we put it above freedom. It seems to me that in the long run the tendency unavoidably is to lead us into a completely totalitarian state where the state gives full employment by giving everybody a job and telling him what job which he must take.

Mr. RADCLIFFE. The Senator is correct; and that is what I had in mind when referring to the fact that the test to which the Senator has referred has never been tried out in any country having democratic institutions.

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

Mr. RADCLIFFE. I will yield in a moment.

As an illustration of how one-sided is the language of the bill in its present form, allow me to say that at the bottom of page 12 is the following:

(b) All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

I suggested in the committee that that language was certainly one-sided, and I offered an amendment which would provide that persons would have either an opportunity for employment, or the right to engage in some form of gainful occupation. That amendment was voted down, and the Senator from Ohio [Mr. TAFT] and I have offered the following amendment to be added on page 12 at the end of line 26: "or to earn a remunerative living as an independent operator in agriculture, commerce, industry, or the professions."

As I said a while ago, when there is suffering in this country we will try to relieve it as soon as possible so long as there is anything which we can utilize for that purpose. However, we should not take the position that the matter of employment comes before the defense of the realm, before agriculture, commerce, or industry, or before those who engage in other occupations or professions. Our duty whatever it may be—and we may have different opinions as to what that duty may be—is just as

strong to the farmer, the grocery man, the lawyer, the druggist, and others in similar classes of endeavor, as it is with respect to the laborer.

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

Mr. RADCLIFFE. I yield.

Mr. MURRAY. I have studied the proposed amendment, and I think it is a constructive one. I talked to the Senator about it during the recess. I have also talked to the legislative expert who advised me that the amendment could be carried into effect by adding to the end of paragraph (b) in line 26 on page 12 of the bill, the following:

Including self-employment in agriculture, commerce, industry, or the professions.

I agree with the Senator that the amendment has merit, because there will be great need for expansion in the different fields he has mentioned, such as agriculture, commerce, and industry, as well as in the professions. There will be a great need for more doctors and dentists throughout the country, and the need will also be extended to business establishments. There will be a need for more business establishments, as well as an increase in industry and commerce. One of the reasons why those various branches of activity have been retarded is the condition which has developed under our economic system making possibly the growth of monopolies and big business which have in turn engaged in price fixing activities, to the detriment of small business enterprises. I believe the amendment should be agreed to.

Mr. BARKLEY. Do I understand the author of the bill is accepting the Radcliffe amendment?

Mr. MURRAY. Yes; in the form in which I have suggested.

Mr. BARKLEY. I think that matter should be discussed a little further. I certainly will not be bound by any such acceptance.

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

Mr. RADCLIFFE. Allow me to say to the Senator from Kentucky that I believe he has in mind the wrong amendment.

Mr. BARKLEY. I am talking about the amendment the Senator has offered. As I understand, that is the one now before the Senate.

Mr. MURRAY. No; the Senator from Maryland referred to a subsequent amendment.

Mr. RADCLIFFE. Yes. I discussed a second amendment to be offered which is closely related to the first.

Mr. BARKLEY. I was called from the Chamber in connection with an important Senate committee, and I was not present when the Senator offered his second amendment. However, I want to make it plain that if the Senator from Montana is agreeing to the first amendment offered by the Senator from Maryland, he will not have my cooperation.

Mr. RADCLIFFE. The Senator from Kentucky is mistaken.

Mr. BARKLEY. Very well.

Mr. AIKEN. Is the Senator from Montana accepting any amendment which has been offered by the Senator from Maryland?

Mr. MURRAY. I have merely stated that the Senator's proposal has merit, and that so far as I am concerned, I am willing to accept it in the form in which I stated it could be added to the bill.

Mr. AIKEN. As one of the sponsors of the bill, I wish to say that I will not accept any amendment offered by the Senator from Maryland [Mr. RADCLIFFE] or the Senator from Ohio [Mr. TAFT] until it has been printed and we have an opportunity to study it. We know that the Senator from Ohio has a philosophy that the fewer persons who have employment in this country, the better off the country will be. He has publicly so stated. I wish to read the Senator's own words on that subject.

Mr. RADCLIFFE. Allow me to say for the information of the Senator from Vermont that he is somewhat under a misapprehension. The amendment to which I refer has been printed, and it is shown in the minority report.

Mr. TAFT. The statement which was made by the Senator from Vermont is untrue, and he knows it to be untrue.

Mr. AIKEN. It is not untrue, and I can prove that it is not untrue.

The PRESIDENT pro tempore. The Senate will be in order.

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

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Vermont?

Mr. RADCLIFFE. I yield.

Mr. AIKEN. On January 18, 1945, the Senator from Ohio delivered an address to the National Industrial Conference Board in New York City. He evidently thought that the address was a good one, because he subsequently, on January 22, 1945, asked to have it inserted in the CONGRESSIONAL RECORD. I quote from the speech which he made:

How can we say there must be 60,000,000 jobs when perhaps 50,000,000 workers can do all the work of the Nation? Doesn't a nation have a higher standard of living if the work can be done by a fewer number of people in fewer hours?

Those are the words of the Senator from Ohio. If they do not mean that the country is better off when we have a substantial number of unemployed, I do not know what they mean.

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

Mr. RADCLIFFE. I yield.

Mr. TAFT. The statement I made was perfectly true. When we had a pioneer economy everyone from the child 5 years of age up to the man 65 or 70 years of age worked. Since then we have steadily reduced the number of persons who must work in proportion to the total population. The more we can reduce that number the fewer will be the number of persons who will work, the later in life at which they will begin to work, and the earlier they must retire. The result will be a higher standard of living. If the work which must be done can be done by only 50,000,000 people, our standard of living will be higher than if the work requires 60,000,000 people. The situation has been steadily improving since the beginning of this country. It has steadily improved even since the early days of Rome and the barbarous states.



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

Mr. RADCLIFFE. I yield.

Mr. MURRAY. Does the Senator from Ohio take the position that it is impossible, under our system of free enterprise, to furnish full employment in this country, and that we must have—

Mr. TAFT. I do not take any position at all. I say that there is no panacea by which we can furnish full employment unless we are prepared to adopt a totalitarian system. As soon as our policy of free enterprise is interfered with by politics, or by various kinds of pressures which upset what might be called the balance of the system, the resultant imbalance will not be cured by pouring in vast billions of dollars of Federal money. It certainly will not be a panacea.

Mr. MURRAY. Does not the Senator recognize that our economic system owes an obligation to the people to furnish an opportunity for them to make a living? Is not that one of the basis for having a system?

Mr. TAFT. Certainly it should be the policy of the United States to let everyone work who wants to work, and it should be the policy of the United States to give everyone an education, so far as that can be done, and to retire them at an early age. That should be the policy of the United States Government.

The Senator asked, Is it an obligation? What does he mean? Does he mean an obligation to do it by law? Does the Senator mean an obligation to give every man a job who comes and asks for a job? Is that what he means? What does he mean by saying we have an obligation?

Mr. MURRAY. Mr. President—

Mr. RADCLIFFE. I yield to the Senator from Montana.

Mr. MURRAY. The Senator from Ohio overlooks the fact that our economic system has been changed by individuals. It has been controlled by monopoly and the building up of big business, which has prevented industry from operating in such a fashion as to furnish full employment. That has been recognized by the economists and students of this problem for some time.

Mr. TAFT. What has the Democratic Party been doing about these monopolies for the last 12 years?

Mr. MURRAY. The Republicans have been so entrenched in the Senate and in the House that we have had great difficulty in doing anything, but we are making an effort, just the same.

Mr. RADCLIFFE. The Senator from Montana uses a phrase which illustrates the point. He spoke about an obligation. Yes, it is an obligation. Everyone thinks it is an obligation.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. RADCLIFFE. The only issue is whether it is such a paramount obligation that it comes ahead of every other obligation.

Mr. TOBEY. Will the Senator yield?

Mr. RADCLIFFE. I yield first to the Senator from Kentucky.

Mr. BARKLEY. I merely wished to make an inquiry of the Senator from Ohio. I have not read the full speech from which the Senator from Vermont

quoted, in which the Senator from Ohio stated that if there were 60,000,000 people who wanted to work and who could work, and we could get along with 50,000,000, we would have a higher standard of living. If there are 60,000,000 people available for work and who want work and need work, but the work which the 60,000,000 could do or would do can be done by 50,000,000 because of greater efficiency, what is the Senator's remedy; what is his thought as to what shall happen to the other 10,000,000?

Mr. TAFT. Will the Senator from Maryland yield?

Mr. RADCLIFFE. I yield.

Mr. TAFT. In the first place, I did not say that 60,000,000 wanted to work, and that it would be better to have 50,000,000. I am merely saying that a situation in which all the work that needs to be done can be done by 50,000,000 creates a higher standard of living than if 60,000,000 are doing it. How do we get the figure of 60,000,000? In the first place, there are only about 34,000,000 family units in the United States. There are about 8,000,000 individual units, which makes 42,000,000. So that to provide 60,000,000 jobs means we are going to give two jobs to each of 18,000,000 families in the United States. Are we sure they have to work or want to work? In other words, if we can give the 50,000,000 people sufficient pay, if they can do the work, if the machinery is so fine that that 50,000,000 can do the work, there are probably 18,000,000 wives or other people in the families who will not have to work. So that the suggestion that 60,000,000 jobs are necessary is a pure estimate. I maintain that if we got down to the point where only one man in a family had to work, and he could support the family, there would be a higher standard of living than if his wife had to work and his children had to work, perhaps, and many others in the family had to work. That is the suggestion I made in the speech. If the Senator from Kentucky will read the speech, I think he will agree with everything I say in it. I am hopeful he will.

Mr. BARKLEY. If I thought the Senator's speech was that good, I should read it tonight.

Mr. TAFT. I hope the Senator will.

Mr. BARKLEY. I appreciate the position of the Senator from Ohio in regard to the matter, and I agree it is not possible to get the theme song of any speech without reading it all. I also agree that the figure 60,000,000 is purely an arbitrary one. I do not know whether there are 60,000,000 people who, in normal peacetimes, want to work. I realize that there probably will be, if there are not now. We have never worked 60,000,000 in peacetimes. We did not really employ 60,000,000 wage earners at the peak of the war. But as our population increases, we can anticipate a time when there will be 60,000,000 available workers.

I realize also that it would be a happy situation if our economic and social system should be so worked out that old people would not be required to work, and that young people within school age would be able to go to school instead of working. But if it turns out that in our economy there are 60,000,000 people who

need to work in order to support themselves, and yet the work which the 60,000,000 would do can be done by 50,000,000 because of greater efficiency, or for any other reason, then, as a social and economic problem, we must give consideration to what is going to happen to the 10,000,000 who want to work and need to work but who cannot obtain work because the 50,000,000 are able to do the work that is necessary to be done.

Mr. TAFT. I agree with everything the Senator from Kentucky has said. The only question is as to what policy we shall prescribe, or whether we shall prescribe any completely definite policy, concentrated on one thing, so to speak, at least all the emphasis on one thing, namely, public spending. I wish to discuss that at some length tomorrow. I cannot answer the Senator except by stating the whole philosophy of my opposition to the particular section of the bill we are considering.

I am in favor of concentrating our program so that it will be directed, all of it, to eliminating unemployment. I am in favor of considering any measure proposed within that field. I think we make a mistake in adopting as a definite formula and prescribing in this bill, as I shall show tomorrow, a perfectly well recognized system advanced by Lord Keynes and Mr. Beveridge in England, and advanced by Henry Wallace in this country, that the proper cure for unemployment is more Federal spending. That is the point of my opposition to the bill.

I think we should have an economic program. I do not particularly think that the present administration would adopt the economic program I would adopt, but I think someone should adopt an economic program. The administration is in power, and was put in power by the people, and I am in favor of it adopting a program, but I think it should be a wide-open program, under which the people are free to choose any method they wish to choose, and not be bound by a policy laid down by Congress that in the long run Federal spending must be put in front of everything else.

Mr. RADCLIFFE. I agree with the Senator from Ohio.

Mr. BARKLEY. Does the Senator from Maryland wish to conclude his remarks on the amendment?

Mr. RADCLIFFE. I should like to make one statement.

Mr. BARKLEY. I wish to ask a question as to the parliamentary situation. Did the Senator withdraw the original amendment?

Mr. RADCLIFFE. No; it is still pending.

Mr. TOBEY. Mr. President—

Mr. RADCLIFFE. Let me refer again to the language of the amendment, "consistent with its needs, obligations, and other essential considerations of international policy." That, of course, involves matters of the Treasury and the debt. That matter will be discussed tomorrow, but it is certainly one question which is entitled to proper and suitable consideration and action.

Mr. HICKENLOOPER. Mr. President, will the Senator from Maryland yield?

Mr. RADCLIFFE. I yield.



Mr. HICKENLOOPER. As a member of the committee, I have attended the hearings before the Committee on Banking and Currency on the pending bill, and I have been rather intrigued with one particular phase of this matter in which I am personally interested, and I wonder if the Senator has had any different experience from mine.

A great host of people came before the committee and categorically approved every phase of the bill as it is proposed, a very impressive list; but so far as my experience went, as a member of the committee, I did not hear one single individual who wholeheartedly approved every phase of the bill say anything at any time about where the money was to come from to pay these deficits or extraordinary Federal expenditures. I heard no program and no mention of raising the money proposed to be spent in the years to come to secure by Federal action the employment spoken of. I wonder if the Senator had any different experience from mine in the committee.

Mr. RADCLIFFE. None whatever, and tomorrow the Senator from Ohio and the Senator from Maryland will offer an amendment covering that particular point.

Mr. TOBEY. Mr. President—

Mr. BARKLEY. I do not want to take the Senator from his feet, but if he has finished discussing the amendment, I think the Senate might recess until tomorrow.

Mr. RADCLIFFE. And take it up tomorrow and go on with it?

Mr. BARKLEY. Yes. Has not the Senator finished his remarks?

Mr. RADCLIFFE. I have nearly finished, but I should prefer to conclude tomorrow.

Mr. BARKLEY. I thought probably the Senator wanted to conclude his remarks this afternoon, and if he does, we can remain in session.

Mr. RADCLIFFE. The amendment is really basic to the whole bill.

Mr. TOBEY. Mr. President, if the Senator from Maryland will yield to me, I shall occupy only about 30 seconds of the Senate's time. I wish to answer the Senator from Minnesota [Mr. BALL], but first I wish to say one word in reply to the Senator from Iowa [Mr. HICKENLOOPER]. He asks us where we are going to get the money. I ask him the question: Where did we get the money with which to win the war?

Mr. HICKENLOOPER. By deficit financing, and the taxes are not laid yet with which to pay the bill.

Mr. TOBEY. Exactly.

Mr. HICKENLOOPER. The proponents of the bill are now proposing to embark on a program of unlimited financing, without giving one single thought, in the provisions of this bill, to where the money is coming from.

Mr. TOBEY. In the great war emergency the Nation found the money necessary to win the war. The Nation can find the money necessary to win the war in a domestic emergency coequal and dangerous in extent to that of the war emergency.

Now, answering the Senator from Minnesota [Mr. BALL], who said the Senator

from New Hampshire had made the most amazing statement of political philosophy—

Mr. RADCLIFFE. I assume the Senator from Kentucky would like to have the Senate take a recess at this time?

Mr. BARKLEY. I am in no hurry. The Senator from New Hampshire [Mr. TOBEY] said he wanted to speak for a few seconds. He has perhaps another sentence or two he wishes to utter.

Mr. TOBEY. I do not think I can be cut off before doing that.

Mr. RADCLIFFE. Let me make a very brief statement.

Mr. TOBEY. The Senator yielded to me, did he not?

Mr. RADCLIFFE. I thought the Senator had finished.

Mr. TOBEY. No. I had a double-barreled statement to make. I have given the first barrel to the Senator from Iowa. I will give the second barrel now. The second barrel is addressed particularly to the Senator from Minnesota [Mr. BALL], who rose on the floor a few moments ago and said, "The most amazing statement of political philosophy I ever heard on the floor of the Senate was enunciated by the Senator from New Hampshire." The Senator from Minnesota said that the first and paramount obligation of Government is to protect and preserve the rights and freedom guaranteed to the citizens. I assume he was referring to the first ten amendments to the Constitution, to the Bill of Rights, Nos. 1 to 10. I am ready to lay down by life with him to protect the rights of our citizens, the freedom of religion, the freedom of speech, the right of trial by jury, and the other rights guaranteed by the Bill of Rights.

But let me say to the Senator from Minnesota that if we come to that point in this country—and God forbid we ever do—when 10,000,000 or 12,000,000 unemployed are walking the streets, when their children are at home crying for bread and lack the necessities of life—when we get into such an emergency those unfortunates will not worry about freedom of speech or freedom of assembly or trial by jury, when their stomachs are empty and up against their backbones.

Mr. BALL. Mr. President, will the Senator yield to me so I may make one brief remark?

Mr. RADCLIFFE. I yield.

Mr. BALL. I think that is why we are elected to the United States Senate. It is our job to worry about them all the time.

Mr. TOBEY. That is what we are doing in this bill, providing for any such eventuality.

Mr. RADCLIFFE. Mr. President, I have nearly finished but the hour is very late. I have a few remarks I want to make tomorrow when the Senate convenes. I am perfectly willing and ready, if the majority leader desires, at this time to stop, but I wish to leave one idea with the Senate. I think the discussion today has emphasized the point that the difference between us is this: Is this the paramount obligation, or should it be considered in connection with other obligations of the Federal Government,

whatever they may be, and whatever might be the proper amount of force and credit and strength to be attributed to each and all of them?

Mr. WAGNER. Mr. President, may I ask the Senator a question?

Mr. RADCLIFFE. I yield.

Mr. WAGNER. I want to be sure that we are now considering the Radcliffe amendment we were discussing earlier in the day. Later we went on to talk of other amendments. I am somewhat confused respecting the situation. There was even a suggestion made of accepting one of the Senator's amendments.

Mr. BARKLEY. That was a confusion which arose in my mind.

Mr. WAGNER. It also arose in mine.

Mr. BARKLEY. I thought the Senator from Maryland was talking about the amendment which was pending. He said he would accept something as a part of it.

Mr. RADCLIFFE. I think I can explain the situation.

Mr. BARKLEY. I understand now that from the parliamentary standpoint the original amendment offered by the Senator from Maryland is the pending question. That while he has had another amendment printed, it cannot be offered at this time.

Mr. RADCLIFFE. The language of the second amendment was discussed in explanation of the first amendment, because the two are so closely interrelated in nature.

The PRESIDING OFFICER. The Chair will state that the pending amendment is the amendment offered by the Senator from Maryland [Mr. RADCLIFFE] on page 14 to strike out lines 20 to 24, inclusive, and line 25 through the word "such", and to insert certain language which has previously been read.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

#### SURPLUS PROPERTY ADMINISTRATION— NOMINATION PASSED OVER

The legislative clerk read the nomination of W. Stuart Symington, of Missouri, to be Surplus Property Administrator.

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

#### POST OFFICE DEPARTMENT

The legislative clerk read the nomination of Gael E. Sullivan, of Illinois, to be Second Assistant Postmaster General, effective October 1, 1945.



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

#### UNITED STATES ATTORNEY

The legislative clerk read the nomination of John C. Lehr, of Michigan, to be United States attorney for the eastern district of Michigan.

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

That completes the Executive Calendar.

Mr. BARKLEY. I ask unanimous consent that the President be notified of all nominations this day confirmed.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

#### RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, September 27, 1945, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate September 26 (legislative day of September 10), 1945:

##### POSTMASTERS

The following-named persons to be postmasters:

##### ALABAMA

Rosa L. Spence, Buffalo, Ala. Office became Presidential July 1, 1945.  
Gaddis W. Killian, Collbran, Ala. Office became Presidential July 1, 1945.  
Sarah E. Waites, Cusseta, Ala. Office became Presidential July 1, 1945.  
Clarice Davis, Hacoda, Ala. Office became Presidential July 1, 1945.  
Bob Lee Dixon, Hatchchubbee, Ala. Office became Presidential July 1, 1945.  
John T. Cope, Inverness, Ala. Office became Presidential July 1, 1945.  
Roxie Lois Clark, Jack, Ala. Office became Presidential July 1, 1945.  
James T. Finley, Jr., Owassa, Ala. Office became Presidential July 1, 1945.  
Mary R. Huguley, Pigeon Creek, Ala. Office became Presidential July 1, 1945.  
Thaddeus E. Bolling, Pike Road, Ala. Office became Presidential July 1, 1945.  
Robert C. Newton, Webb, Ala. Office became Presidential July 1, 1945.

##### ALASKA

Velovous Allen Poor, Douglas, Alaska. Office became Presidential July 1, 1945.  
Arleen Kranich, Homer, Alaska. Office became Presidential July 1, 1945.  
Orrin S. Feimley, McGrath, Alaska. To correct name.

##### ARKANSAS

Eula E. Gardner, Bee Branch, Ark. Office became Presidential July 1, 1945.  
Joe H. Webb, Egypt, Ark. Office became Presidential July 1, 1945.  
Doris L. Crank, Garland, Ark. Office became Presidential July 1, 1945.  
Hendrix Williams, Grubbs, Ark. Office became Presidential July 1, 1945.  
Myrtle V. Martin, McKamie, Ark. Office became Presidential July 1, 1945.  
John Louis Robinson, New Blaine, Ark. Office became Presidential July 1, 1945.  
Charles F. Smith, Oden, Ark. Office became Presidential July 1, 1945.  
Madie C. Duncan, Ogden, Ark. Office became Presidential July 1, 1945.

Ruth V. Gibson, Summers, Ark. Office became Presidential July 1, 1945.

Henry M. Lambert, Winthrop, Ark. Office became Presidential July 1, 1945.

##### CALIFORNIA

Alice R. Schelber, El Dorado, Calif. Office became Presidential July 1, 1945.

George O. Athey, Forestville, Calif., in place of I. J. Silk, resigned.

##### COLORADO

Velma Anna Thomason, Adams City, Colo. Office became Presidential July 1, 1945.

Lillian M. Drysdale, Austin, Colo. Office became Presidential July 1, 1945.

Charles C. Chambers, Cokedale, Colo. Office became Presidential July 1, 1945.

Constance Espinoza, Conejos, Colo. Office became Presidential July 1, 1945.

Dorothy L. Pollock, Eckert, Colo. Office became Presidential July 1, 1945.

Bertha W. Simpson, Iliff, Colo. Office became Presidential July 1, 1945.

Cecile B. Ashcraft, Matheson, Colo. Office became Presidential July 1, 1945.

Frances Tweedle, McClave, Colo. Office became Presidential July 1, 1945.

Talitha B. Utterback, Mesa, Colo. Office became Presidential July 1, 1945.

John R. Hunter, New Raymer, Colo. Office became Presidential July 1, 1945.

Marie E. Entwistle, Nunn, Colo. Office became Presidential July 1, 1945.

Thomas A. Davis, Portland, Colo. Office became Presidential July 1, 1945.

Albert W. Manhart, Sedalia, Colo. Office became Presidential July 1, 1945.

Mary D. Brunell, Sopris, Colo. Office became Presidential July 1, 1945.

Christine Jespersen, Weldona, Colo. Office became Presidential July 1, 1945.

##### CONNECTICUT

Sol Adler, Cobalt, Conn. Office became Presidential July 1, 1945.

Charles T. Swanson, Cornwall, Conn. Office became Presidential July 1, 1945.

Irma R. Doughty, Groton Long Point, Conn. Office became Presidential July 1, 1945.

Thomas L. Barry, Norfolk, Conn., in place of C. J. Fields, resigned.

Orrin R. Bugbee, West Suffield, Conn. Office became Presidential July 1, 1945.

##### FLORIDA

Willis C. Preston, Cypress, Fla. Office became Presidential July 1, 1945.

Edaythe E. Parker, McDavid, Fla. Office became Presidential July 1, 1945.

John R. Moseley, Milligan, Fla. Office became Presidential July 1, 1945.

Myrtle L. Duggar, Panacea, Fla. Office became Presidential July 1, 1945.

##### HAWAII

Julia K. L. Rodrigues, Hanalei, Hawaii. Office became Presidential July 1, 1945.

##### IDAHO

Lola Rossi, Idaho City, Idaho. Office became Presidential July 1, 1945.

Maybelle E. McEachern, King Hill, Idaho. Office became Presidential July 1, 1945.

Walter J. Morbeck, Kingston, Idaho. Office became Presidential July 1, 1945.

Lynn S. Anderson, Lorenzo, Idaho. Office became Presidential July 1, 1945.

George E. West, Middleton, Idaho. Office became Presidential July 1, 1945.

John Henry Thompson, Malto, Idaho. Office became Presidential July 1, 1945.

Nettie A. Sheffler, Sagle, Idaho. Office became Presidential July 1, 1945.

##### ILLINOIS

Frederick W. Neal, Alexander, Ill. Office became Presidential July 1, 1945.

John F. Gruneisen, Dundas, Ill. Office became Presidential July 1, 1945.

Marguerite W. Talley, Parkersburg, Ill. Office became Presidential July 1, 1945.

Mary Z. Schnell, Roxana, Ill., in place of H. H. Strahan, retired.

##### INDIANA

Jennings W. Luttman, Hudson, Ind. Office became Presidential July 1, 1943.

Jesse Yoder, Plymouth, Ind., in place of J. C. Whitesell, deceased.

##### IOWA

John S. Benbow, Archer, Iowa. Office became Presidential July 1, 1945.

Nelle B. Davis, Conway, Iowa. Office became Presidential July 1, 1945.

Esther E. O'ron, Jolley, Iowa. Office became Presidential July 1, 1945.

Tjebbe D. Beintema, Leighton, Iowa. Office became Presidential July 1, 1945.

James M. Van Vliet, Otley, Iowa. Office became Presidential July 1, 1945.

Timothy P. Sheehy, Searsboro, Iowa. Office became Presidential July 1, 1945.

##### KANSAS

William F. Folkerts, Albert, Kans. Office became Presidential July 1, 1945.

Anna B. Jennings, Arnold, Kans. Office became Presidential July 1, 1945.

Floyd B. Martin, Lane, Kans. Office became Presidential July 1, 1945.

##### KENTUCKY

John R. Murray, Guston, Ky. Office became Presidential July 1, 1945.

Elmer Schadler, Morning View, Ky. Office became Presidential July 1, 1945.

William F. Marrs, Mount Hermon, Ky. Office became Presidential July 1, 1945.

Estelle Little, Sandgap, Ky. Office became Presidential July 1, 1945.

Robert A. McDowell, Simpsonville, Ky. Office became Presidential July 1, 1945.

##### LOUISIANA

Margaret M. Watson, Fluker, La. Office became Presidential July 1, 1945.

Bolden L. Kinchen, Watson, La. Office became Presidential July 1, 1945.

##### MAINE

Lauren F. Kelly, Belgrade, Maine. Office became Presidential July 1, 1945.

Julia D. Wells, Brownfield, Maine. Office became Presidential July 1, 1945.

John H. Watterson, Blaine, Maine. Office became Presidential July 1, 1945.

Edlth M. Bradbury, East Brownfield, Maine. Office became Presidential July 1, 1945.

Eva F. Sanborn, East Sebago, Maine. Office became Presidential July 1, 1945.

Nettie L. Towle, Enfield, Maine. Office became Presidential July 1, 1945.

Egline Plourd, Frenchville, Maine. Office became Presidential July 1, 1945.

Elsie A. Davis, Greenwood Mountain, Maine. Office became Presidential July 1, 1945.

Alfred E. Crabtree, Hancock, Maine. Office became Presidential July 1, 1945.

Merle R. Snell, Kents Hill, Maine. Office became Presidential July 1, 1945.

Adelaide Walker Lister, Locke Mills, Maine. Office became Presidential July 1, 1945.

Pauline E. Higgins, Manset, Maine. Office became Presidential July 1, 1945.

Charlotte F. Robbins, McKinley, Maine. Office became Presidential July 1, 1945.

Charles F. Huff, Orrs Island, Maine. Office became Presidential July 1, 1945.

Frank D. Fournier, St. David, Maine. Office became Presidential July 1, 1945.

Cora B. Means, Sedgwick, Maine. Office became Presidential July 1, 1945.

Herman L. Sawyer, Steuben, Maine. Office became Presidential July 1, 1945.

Fred L. Ludwig, Washington, Maine. Office became Presidential July 1, 1945.

Vance A. Lincoln, Wayne, Maine. Office became Presidential July 1, 1945.

Daisy M. Littlefield, Webhannet, Maine. Office became Presidential July 1, 1945.

##### MASSACHUSETTS

John F. Counihan, South Hamilton, Mass. In place of D. H. Knowlton, deceased.

C. Herbert Jefferson, South Hanover, Mass. Office became Presidential July 1, 1945.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued September 28, 1945, for actions of Thursday, September 27, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Sen. Wiley criticized butter and cheese rationing. Senate continued debate on full-employment bill. Sen. Moore criticized the President's recommendations with regard to price controls, unemployment compensation, and full-employment. Rep. Miller introduced bill to discontinue beef rationing. House Rules Committee reported resolution for consideration of revised reorganization bill.

SENATE

1. FULL-EMPLOYMENT. Continued debate on this bill, S. 380 (pp. 9196-218, 9220-2). After discussing Sen. Radcliffe's (Md.) amendment that would prohibit national expenditures from exceeding national income Sen. Hatch, N.Mex., submitted a substitute amendment "which merely insists that the [full-employment] program to meet unemployment shall be geared into the local public interest" (pp.9220-2). Sen. Taft, Ohio, stated, "Today we are spending nearly \$2,000,000,000 on food subsidies. If we wish to give money away, a system of subsidies is the easiest way to do it." and "I do not believe that...public spending, aside from public works, will produce employment" (p. 9214).
2. BUTTER AND CHEESE RATIONING. Sen. Wiley, Wis., urged discontinuance of butter and cheese rationing and inserted a Wis. Legislature resolution on the subject (pp. 9191-2).
3. FLOOD CONTROL. Sen. Capper, Kans., inserted a Mo. Counties' Citizens' Regional Planning Council resolution urging construction of flood-control works in the Kans. and Mo. area (p. 9192).
4. PRICE CONTROL; RATIONING; SURPLUS PROPERTY. Sen. Butler, Nebr., inserted an Associated Needle Industries resolution urging Congressional action to promote free enterprise, expedite disposal of surplus property, abolish unnecessary price and material controls (p. 9192).
5. EGG AND POULTRY PRICES. Sen. Langer, N. Dak., inserted constituents' letters urging action to maintain present egg and poultry prices (p. 9194).
6. PRICE CONTROL; FOOD SUPPLY; EMPLOYMENT; BUREAUCRACY. Sen. Moore, Okla., criticized the President's recommendations in his message to Congress for continued price controls, unemployment compensation, and full-employment policy, stating



that "artificially-fixed" prices "caused a serious lag in [food] supply," that the proposed "post-war Budget of approximately \$25,000,000,000" exceeds the most "optimistic estimate of national income," that "a great national bureaucracy must be set up," and that "deficit spending by Government is an inflationary force" (pp. 9222-5).

7. TAXATION. S. 1281, as reported by the Territories and Insular Affairs Committee Sept. 26, would transfer to the Philippines funds received by the U.S. as excise and import taxes on oils, and taxes levied under the Sugar Act of 1937 (S. Rept. 592).

#### HOUSE

8. PERSONNEL; RETIREMENT ANNUITY TAXATION. Passed without amendment H.R. 2948, to amend the Civil Service Retirement Act so as to exempt annuity payments under such Act from taxation (pp. 9236-48), after rejecting, 155-177, the recommendation of the Committee of the Whole House to strike out the enacting clause (pp. 9245-7), and rejecting Rep. Anutson's (Minn.) motion to recommit the bill (p. 9247).

During debate on this bill Rep. Smith, Ohio, stated, "This is a tax measure and should have been referred to the Committee on Ways and Means" and Rep. Rees, Kans., stated, "This is a civil-service measure and was correctly referred to the Committee on Civil Service" (p. 9237).

9. REORGANIZATION BILL. Rules Committee reported a resolution for the consideration of H.R. 4129, the revised reorganization bill (pp. 9234, 9259).
10. HIGHWAY CONSTRUCTION. Agreed without amendment to H. Con. Res. 81, providing that the war emergency has been relieved to such an extent to justify proceeding with the highway-construction program under the Federal-Aid Highway Act (pp. 9248-9).
11. UNEMPLOYMENT COMPENSATION. Rep. Rich, Pa., criticized the unemployment-compensation proposal "when we have 4,000,000 jobs going begging" (p. 9235).
12. PRICE CONTROL. Rep. Vursell, Ill., criticized OPA policy on price and production controls and their effect on small business and employment (pp. 9257-8).
13. EDUCATION; FARM SECURITY. Received the Commissioner of Education's quarterly report on Education and Training of Defense Workers. To Appropriations Committee. (p. 9259.)
14. ADJOURNED until Mon., Oct. 1 (p. 9258).

#### BILLS INTRODUCED

15. EDUCATION. S. 1440, by Sen. Fulbright, Ark., authorizing use of credits established through the sale of surplus properties abroad for the promotion of international good will through the exchange of students. To Military Affairs Committee. Remarks of author, (pp. 9193-4)
16. RATIONING, H.R. 4197, by Rep. Miller, Nebr., to terminate beef rationing. To Banking and Currency Committee. (p. 9259.)
17. PERSONNEL; RETIREMENT, H.R. 4199, by Rep. Vinson, Ga., to extend the existing contributory system of retirement benefits to elective officers and department heads. To Civil Service Committee. (p. 9259.) Remarks of author (pp. 9251-7).



8. TERMINATION OF WAR. H.J.Res. 245, by Rep. Miller, Conn., to declare Sept. 2, 1945, as the date of termination of the present war. To Judiciary Committee. (p. 9257).
9. VETERANS. H.R. 4203, 4206.

#### ITEMS IN APPENDIX

10. BEEF RATIONING. Extension of remarks of Rep. Miller, Nebr., criticizing beef rationing (p. A4397).
11. RETIREMENT; ANNUITY TAXATION. Extension of remarks of Rep. Adams, N.H., favoring exemption from taxation of small annuity payments under the Civil Service Retirement Act (p. A4400).
12. PRICE CONTROL. Rep. Jensen, Iowa, inserted a Shenandoah Sentinel's editorial criticizing OPA's administration of price controls (p. A4382).
13. REORGANIZATION. Extension of remarks of Rep. Schwabe, Okla., urging abolition of bureaus created by Executive Order (pp. A4382-3).
14. FULL EMPLOYMENT; VETERANS. Extension of remarks of Rep. Douglas, Calif., urging full employment for the veteran's benefit (p. A4386).
15. UNEMPLOYMENT COMPENSATION. Extension of remarks of Rep. Schwabe, Okla., opposing the unemployment-compensation bill and including a constituent's letter on the subject (pp. A4388-9).
16. SOIL CONSERVATION. Sen. Radcliffe, Md., inserted Mrs. C. F. Wcagly's address urging a national-fertilizer program for the improvement of the soil (pp. 4379-80).
17. ST. LAWRENCE SEAWAY. Sen. Shipstead, Minn., inserted a Chicago Daily News editorial favoring a power-resources-development clause in the St. Lawrence-Seaway project (p. A4381).
- Sen. Aiken, Vt., inserted the Democrat and Chronicle's (Rochester, N.Y.) and the Vindicator's (Youngstown, Ohio) editorials favoring the St. Lawrence Seaway project (pp. A4385-6).
- Extension of remarks of Rep. Butler, N.Y., opposing the St. Lawrence-Seaway project (pp. A4387-8).

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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#### ITEMS IN FEDERAL REGISTER Sept. 26, 1945

8. SURPLUS PROPERTY Board regulations on disposal of surplus personal property to Government agencies and State and local governments, refund accounts for purchasers, and financial reports by disposal agencies (pp. 12121, 12123, 12124).

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COMMITTEE HEARINGS ANNOUNCEMENTS for Sept. 28: S. Education and Labor, 65¢ minimum wage; S. Irrigation and Reclamation, MVA bill; H. Appropriations, deficiency bill (ex.); H. Expenditures in the Executive Departments, full employment; Special Committee to Investigate Executive Agencies, cost absorption in retail pricing program.

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ment which goes into many details for the relief from active duty of officers, warrant officers, and flight officers. Of course this goes beyond the point system for discharge and perhaps is not generally known. I hope this will be read not only by those immediately interested but by the hundreds of thousands of readers of the CONGRESSIONAL RECORD in the United States, so that those far removed from here may know the proper procedure.

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

(Circular No. 290)

WAR DEPARTMENT,  
Washington, D. C., September 22, 1945.

(Effective until March 22, 1947, unless sooner rescinded or superseded)

RELIEF OF OFFICERS, WARRANT OFFICERS, AND  
FLIGHT OFFICERS FROM ACTIVE DUTY

SECTION 1. GENERAL

1. Introduction and applicability: a. The purpose of this circular is to inform all concerned of current War Department policies regarding the relief from active duty of officers, warrant officers, or flight officers, hereinafter collectively referred to as officers, who have served honorably and who do not qualify for release under the Readjustment Regulations.

b. All applications for relief from active duty in accordance with the provisions of this circular will be considered first under the provisions of Readjustment Regulations 1-5, as amended. The separation, if approved, will be effected under the regulation which is the most appropriate in each case.

SECTION II. RELEASE OF SURPLUS OFFICERS

2. General: The provisions of this section are applicable to officers—

a. Who have completed a reasonable tour of service and

b. Who are surplus to the needs of the Army on the basis of their present qualifications and

c. Whose retraining in a skill needed by the Army would be uneconomical within the time they could reasonably be expected to serve before becoming otherwise eligible for separation.

3. Recommendations for relief from active duty: a. Recommendation for relief of an officer under paragraph 2 will be submitted by the officer's immediate commander under the provisions of this section whenever he becomes surplus to the needs of the command. Prior to recommending an officer for relief under this section, consideration will be given to retraining for a different category of assignment. In the event that retraining is considered uneconomical, the recommendation for relief from active duty will be submitted without further delay.

b. In cases of officers serving in the zone of the interior, recommendations will be forwarded through command channels for final approval to the commanding general of the major command or to The Adjutant General for those officers not under the assignment jurisdiction of a major command. Except in cases of Medical Corps officers and officers who are eligible for overseas duty and have completed less than 2 years' active, honorable military service since September 16, 1940, the authority to finally approve recommendations may be delegated to, but not below those commanders specified in paragraph 8b (4), (5), and (6), AR 605-12, August 17, 1944. The authority to finally approve recommendations for the relief of Medical Corps officers and officers who are eligible for overseas duty and have completed less than 2 years' active honorable military service since September 16, 1940, will not be delegated below the War Department.

c. In cases of officers serving in overseas theaters, recommendations for relief from active duty will be made by the officer's immediate commander and forwarded through command channels to The Adjutant General, Attention Officers' Branch, Separation Section, Munitions Building, Washington, D. C. Recommendations disapproved by the theater commander will not be forwarded.

d. The recommendations will include the following:

(1) Date the officer reported on extended active duty, his age, his adjusted service rating score as of September 2, 1945, and his desires as to retention in the service.

(2) Statement of duty assignments for which the officer concerned is qualified by training and experience and by civilian occupational background.

(3) Statement that a surplus exists in the command jurisdiction of officers of the particular grade or any higher grade who are qualified to fill these duty assignments.

(4) Statement that the officer is entitled to separation under honorable conditions.

(5) Statement that no disciplinary action or reclassification proceedings under AR 605-230 are pending or appropriate in the case.

(6) Statement that no hospital disposition board or Army retiring board proceedings are pending or believed to be appropriate.

(7) A complete and up-to-date copy of officer's qualification card (not original).

e. Each commander taking action on a recommendation for relief from active duty will either reassign the officer within his jurisdiction or forward the recommendation, including in his indorsement the statement required by d (3) above, pertaining to surplus of officers in his command.

4. Requests for relief from active duty: Individual application for relief from active duty under the provisions of this section is not authorized.

5. Approval: a. The headquarters in the zone of the interior authorized to finally approve recommendations for relief from active duty under this section will, upon approval of the recommendation, issue necessary instructions to accomplish the release of the officer.

b. Commanders of overseas theaters are authorized to return to the continental United States officers whose recommendations for relief from active duty they have approved. Radio report of such cases will be made to The Adjutant General. The return of officers from overseas under provisions of this section will not serve to displace high-score officers or enlisted men.

6. Release of officers of particular categories: The use of the provisions of this section by the major forces to provide for bloc release of officers of particular categories surplus to the Army-wide needs may be authorized by the Assistant Chief of Staff, G-1, War Department General Staff, on specific request of the major force. Such requests, when submitted, will be accompanied by complete data establishing the bloc as surplus to Army-wide needs.

7. Controls: The commanding generals of the major commands will establish the necessary controls to insure that:

a. Releases of officers in accordance with the provisions of this section are accomplished generally in the order of merit established by their adjusted service rating scores.

b. No releases of officers under this section will operate to defer the relief from active duty of officers or the discharge of enlisted personnel entitled to separation under the readjustment regulations.

8. Miscellaneous provisions: a. Forwarding endorsements of recommendations for relief from active duty may contain any additional details deemed desirable but not specifically required by paragraph 3. In the event that approval is recommended when all the required statements cannot be made, full particulars justifying exceptional action in the case will be furnished.

b. Officers relieved from active duty under the provisions of this section are relieved for the convenience of the Government, and if otherwise eligible, are entitled to mustering-out pay.

SECTION III. RELEASE ESSENTIAL TO NATIONAL  
HEALTH, SAFETY, OR INTEREST

9. Applications: In particular instances when it can be definitely determined on documentary evidence that an officer can render more valuable service to the Nation in a civilian capacity, he may apply for release from active duty under the provisions of this section. Releases in accordance with the provisions of this section will be held to a minimum, and applications for release will be carefully scrutinized and approved only in cases where it is clearly indicated that release of the individual from active military service is essential from a national point of view. Careful consideration will be given to determining that the application is based on the national interest rather than on the personal desire and interests of the individuals concerned. An application for relief from active duty under the provisions of this section must originate with the officer. An application submitted in his behalf will be referred to him without action. Applications will be accompanied by documentary evidence in the form of affidavits, statements, letters, or telegrams, setting forth the need of the services of the individual applicant. They will include the following information:

a. Date the officer reported on extended active duty, his adjusted-service rating score computed as of September 2, 1945, and age.

b. Name of firm, or agency, or description of individual enterprise.

c. Product manufactured or services rendered.

d. Title and description of position to be filled.

e. Connection with the activity prior to military service.

f. His qualifications for the position.

g. Letter from a responsible official of the firm, corporation, or agency substantiating the facts given above.

10. Forwarding of applications: (a) Applications will be forwarded as prescribed in paragraphs 3b and c.

b. The first forwarding endorsement will include the following statements:

(1) Approved or disapproved.

(2) This officer is (or is not) occupying a "key" position and a replacement will (or will not) be required.

(3) Services of officer have been such as to entitle him to separation under honorable conditions.

(4) No hospital disposition board or Army retiring board proceedings are pending or believed appropriate.

(5) Complete and up-to-date copies of officer's qualifications card (not original) are attached.

(6) No disciplinary action or reclassification proceedings under AR 605-230 are pending or appropriate in the case.

c. Subsequent forwarding endorsements will include statements b. (1), and (2) and such other remarks as may be deemed pertinent.

11. Approval: a. The headquarters of the final approving authority will, upon approval of the application, issue necessary instructions to accomplish the release of the applicant. Disapproved applications will be forwarded to The Adjutant General, attention: Officers' Branch, Separations Section for final consideration, accompanied by an endorsement stating reasons upon which action was based.

b. Eligibility for mustering-out pay will be determined by the provisions of AR 35-2490.

SECTION IV. RELEASE BECAUSE OF UNDUE  
HARDSHIP

12. Application: a. Application of an officer may be made for relief from active duty because of undue hardship, either to the indi-



vidual or his family. An application for relief from active duty under the provisions of this section must originate with the officer. An application submitted in his behalf will be referred to him without action. Applications will be forwarded in the manner prescribed in paragraphs 3b and c above and will include a statement of the date the officer reported on extended active duty, his adjusted-service rating score computed as of September 2, 1945, and age.

b. Such applications must establish the following:

(1) The individual or his family is undergoing hardships greater than the normal hardships which are being experienced by all members or families of members of the military service.

(2) The hardship is not of temporary nature.

(3) There are no means of alleviating the condition other than by relieving the officer.

(4) Upon release, the officer will be able to eliminate or materially alleviate the condition.

c. Documentary evidence in the form of letters, telegrams, or affidavits establishing the necessity for relief from active duty will accompany each application.

d. Application for relief from active duty for undue hardship of officers temporarily in the United States from overseas theaters will be submitted to the commanding officer of the installation to which the individual concerned has been directed to report upon expiration of temporary duty or leave. The commanding officer of such station will process the application in accordance with the procedures prescribed by the major force having command jurisdiction over the installation.

e. The headquarters of the final approving authority will, upon approval of the application, issue necessary instructions to accomplish the relief of the applicant. Disapproved applications will be forwarded to The Adjutant General, Attention: Officers' Branch, Separation Section, for final consideration, accompanied by an indorsement stating reasons upon which action was based.

13. a. During the period of active hostilities the Army's pressing need for manpower necessitated that extremely rigid standards be observed in reviewing applications for separation for hardship. With the Army now in the process of demobilization it is desired that these rigid standards be relaxed. However, the basic principle of demobilization which contemplates the release, in order of merit, of those most deserving of separation will be considered in reviewing requests under this section.

b. Eligibility for mustering-out pay will be determined by the provisions of AR 35-2490.

#### SECTION V. RELEASE BECAUSE OF AGE

14. Requests: Male officers who have attained the age of 50 years and female officers who have attained the age of 40 years will be relieved from active duty under the provisions of this section providing:

a. They request such relief in writing.

b. They are entitled to separation under honorable conditions.

c. No disciplinary action or reclassification proceedings under AR 605-230 are pending or appropriate.

d. No hospital disposition board or Army retiring board proceedings are pending or believed to be appropriate.

15. Separation: Officers who apply for relief from active duty under provisions of this section will be reported for separation without delay and in no case later than 60 days after application is made.

#### SECTION VI. MISCELLANEOUS GENERAL PROVISIONS

16. Granting of accrued leave. a. An officer who has been recommended for or has requested relief from active duty may, with his

consent, be granted accrued leave pending final action in the case.

b. An officer granted such leave will be specifically notified that he is subject to reassignment.

c. Prior to final separation from active service, an officer will be granted, when practicable, terminal leave under the provisions of AR 605-115.

17. Retention of commissions after relief from active duty: A commissioned officer relieved from active duty under the provisions of this circular will be furnished a certificate of service and may retain his commissioned status, as follows:

a. An officer holding an appointment in the National Guard of the United States or in the Officers' Reserve Corps will return to inactive status in the grade held upon relief from active duty. If he holds an appointment to higher temporary grade in the Army of the United States, he will retain this grade until 6 months after the termination of the war.

b. An officer holding an appointment in the Army of the United States only will retain his appointment on inactive status until 6 months after the termination of the war.

c. Any appointment to a temporary grade in the Army of the United States (Air Corps) made under the provisions of Public Law 453—Seventy-seventh Congress, will be terminated.

d. Any officer relieved from active duty under the provisions of this circular may submit his resignation, if he so desires, at the time of relief or at any time while on inactive duty.

18. Special provisions for National Guard officers: In the case of a National Guard officer relieved from active duty under the provisions of this circular, The Adjutant General will notify the Chief, National Guard Bureau, and the adjutant general of the State of origin, in order that appropriate action may be taken with respect to the status of the officer in the State organization.

19. Special provisions for battle wounded: Special consideration will be given to the desires of combat wounded officers who, as a result of their wounds, are permanently below the physical standards for general service. Such personnel who so desire will be relieved from active duty whenever practicable. However, if any individual specifically requests to be retained on active duty, special consideration will be given his retention provided his physical condition, experience, and the needs of the service will permit useful employment. Combat disabled officers will not be encouraged to remain on active duty.

20. Rescission. a. The following publications are rescinded:

(1) War Department Circular 485, 1944, subject: Relief of Officers, Warrant Officers, and Flight Officers from Active Duty.

(2) Section VII, War Department Circular 137, 1945.

(3) Section V, War Department Circular 150, 1945.

(4) Letter, AGPO-S-A-220.8 (August 18, 1945) dated August 29, 1945, subject: Release of Physically Qualified Military Personnel by Means Other Than Readjustment Regulations.

b. Cases initiated under the provisions of rescinded publications prior to receipt of this circular will be processed for final action under the provisions of this circular.

(AG 210.8 (September 14, 1945)).

By order of the Secretary of War:

Official:

G. C. MARSHALL,  
Chief of Staff.

EDWARD F. WITZELL,  
Major General,  
Acting The Adjutant General.

#### FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Maryland [Mr. RADCLIFFE] for himself and the Senator from Ohio [Mr. TAFT] striking out all after line 19, on page 14, down to and including the word "Such", in line 25, and inserting in lieu thereof certain language which has heretofore been stated.

The Senator from Maryland is recognized.

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

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	O'Mahoney
Bailey	Hatch	Overton
Ball	Hawkes	Radcliffe
Bankhead	Hayden	Reed
Earkley	Hickenlooper	Revercomb
Bilbo	Hill	Robertson
Bridges	Hoey	Russell
Briggs	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Knowland	Smith
Burton	La Follette	Stewart
Butler	Langer	Taft
Byrd	Lucas	Taylor
Capehart	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Chavez	McKellar	Tunnell
Connally	McMahon	Tydings
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	Wherry
Fulbright	Moore	White
George	Morse	Wiley
Gerry	Murdock	Willis
Green	Murray	Wilson
Guffey	Myers	Young

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from West Virginia [Mr. KILGORE] is detained because of illness in his family.

The Senator from Kentucky [Mr. CHANDLER] is absent on public business.

The Senator from Florida [Mr. PEPPER] is absent on official business.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present, and the junior Senator from Maryland [Mr. RADCLIFFE] is recognized.

Mr. RADCLIFFE. Mr. President, it is not my intention today to detain the Senate by any extended remarks. Yesterday a discussion occurred which lasted several hours, on the amendment which



the Senator from Ohio [Mr. TAFT] and I had jointly offered. The discussion also covered certain phases of the bill. I think the discussion of yesterday was very helpful in bringing out clearly the definite issue which is presented by the amendment. It is this: Does the Senate of the United States want to adopt the theory that it will give an unqualified guarantee to labor or any other form of industry, or does it want to consider that other obligations of the Federal Government, no matter what they may be, must also be considered?

When we attempt to establish a policy or doctrine, as the pending bill proposes to do, we ought to be sure that it is a sound and not a one-sided doctrine. If it is our intent and purpose to make the flatfooted statement that labor or capital or some other form of human endeavor shall be preferred at all times over all other forms of activity which the Government is under obligation to protect, then let us say so.

That point is clearly in issue before the Senate, because objection has been raised again and again to a clause which appears in the amendment offered by the Senator from Ohio and me. The amendment was drafted by me in the subcommittee while the bill was under consideration there, and it was discussed freely in the subcommittee and in the full committee, as it has been on the floor of the Senate yesterday. The language in the amendment to which I refer especially is this: In referring to the obligation of the Federal Government to proceed with a program of public works it states that it shall be "consistent with its needs, obligations, and other essential considerations of national policy."

That means what it states. It means that any obligation which the Federal Government assumes under this bill must be considered consistent with any other obligations it has. Such obligations may include matters of national defense, matters of government, or matters affecting other activities of the Federal Government in behalf of its citizens.

When I suggested that if the language contained in the amendment was not satisfactory, then the conclusion was inevitable that those who objected approved the converse, I think the position I took was a sound one. If those who oppose it do not think it is consistent with the aims and purposes of the bill, then they must consider it inconsistent. The suggestion was made, however, that we should not have to say anything about it; that we should ignore the whole point. I do not think that is treating the great principle involved with frankness and candor. If we are going to make the unqualified statement that a particular activity in this country, either on the part of its citizens or on the part of the Government, is paramount, and at the same time we have a mental reservation that someday we are going to change that situation, we are not proceeding soundly. I do not feel that the Congress in establishing or attempting to establish a general principle should do so with any mental reservations that it does not mean

exactly what it says. I have not heard any Senator on the floor of the Senate or in the committee state unqualifiedly that the obligation to labor in this country must come ahead of everything else. Yet when I try to insert in the bill language which embodies that idea, opposition is raised.

This is a time when we should be entirely frank and candid with ourselves and with the country. If it is our intent and purpose to take the position that the demands of labor, whatever they may be, must always be paramount, and, in stating a principle, we are unwilling that to provide that what may be done under the bill should be consistent with other obligations which may not be foreseen at this time, then we ought to say so. We ought not to be evasive, and we ought not to ignore the point.

With respect to labor, everyone knows that labor plays an indispensable role in this country. It is entitled to a full opportunity, and the language of the bill attempts to set that forth, and no objection is raised to it. I am heartily in favor of such a policy and have so voted and will continue to do so. Again and again I have supported measures which were favored by labor, and I know I shall do so again. But this is the first time since I have been a member of this body that I have been asked to take the position that the rights of any segment of industry are paramount and come ahead of every other obligation, even ahead of the safety of our country, and of most important matters relating to our Treasury and our budget—a phase of the matter which will be discussed a little later.

This is new doctrine, and I do not subscribe to it, and I do not propose to take the position that any one obligation of the Federal Government must under all circumstances be paramount. Each obligation must be considered in connection with all others which may exist at the time, and then we should reach a conclusion as to the course to be followed. That is the only sound way to operate. That is the way every businessman, every farmer, and every professional man operates. He considers the facts at the particular time, and then makes his decision as to their relative value and as to what he shall do. That is the way we have always operated. Yet we are now called upon to take the position that one industry, one activity should be singled out, and the unqualified statement should be made that it must always be paramount. Either we mean it or we do not mean it. If we mean it, let us say so; but let us say it with our eyes wide open, in full realization of the significance of the position we are taking. If we do not mean it, and if we have in mind that when circumstances arise affecting national defense, agriculture, or other activities toward which the Government has an obligation, we will then, if necessary, give such activities at times, precedence over or equality with the demands of labor, why is there objection to the provision of the amendment which reads "consistent with its needs, obligations, and other essential considerations of national policy"?

We either mean that whatever we do shall be consistent, or we do not mean it.

Mr. President, I shall not at this time attempt to develop this idea further. It was discussed at considerable length yesterday, and doubtless during the debate much will be said on the subject. Quite likely I shall attempt to make further comments, but I think the issue is clear before the Senate. I understand that the Senator from Ohio [Mr. TAFT] desires to discuss this question. He and I have an amendment which is very closely correlated with this amendment, an amendment which is not in any sense antagonistic, but which may in many ways be considered to rest on the language of this amendment.

The words "consistent with its needs, obligations, and other essential considerations of national policy" refer among other things to efforts to try to balance the Budget or to adopt procedures looking in that direction. I shall not discuss that point at this time. I simply wish to say that the amendment which will be offered by the Senator from Ohio and myself, and which I understand he desires to discuss today in connection with other matters, is closely tied in and interrelated with this amendment. It carries out the same idea. It emphasizes in a concrete way what this amendment states in a general way, that there may be other obligations, now or later, which are entitled to consideration. When we establish our policy we should bear that fact in mind, and not attempt to proclaim something which states very conclusively on its face that there is one paramount obligation, and that therefore under all circumstances it must control.

Mr. O'MAHONEY. Mr. President, I regret very much that circumstances have prevented me from being present in the Chamber during all of the previous discussion on the bill, particularly inasmuch as the remarks which have just been made by the Senator from Maryland indicate again the complete misconception upon which the opposition to the bill is based.

The Senator from Maryland is evidently under the impression that the purpose of the bill is to place industrial labor ahead of all other considerations. It seems to me that it is clearly written into the bill that this is not so. In the bill as it has been reported by the Committee on Banking and Currency there is a clear statement of the very point which the Senator from Maryland seeks to cover by his amendment. I refer to the provision on page 13, in subsection (d) of section 2. It reads as follows:

To that end—

That is, the end of establishing free enterprise and full employment—  
the Federal Government shall, in cooperation with industry, agriculture, labor, State and local government, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation; banking, credit, and currency; monopoly and monopolistic practices; wages, hours, and working conditions; foreign trade and investment; agriculture; education; housing; social security;



natural resources; the provision of public services, works, and research; and other revenue, investment, expenditure, service, or regulatory activities of the Federal Government.

It seems to me to be obvious that this language makes it altogether clear that the Senator, in making his argument and offering his amendment, is doing so under the misapprehension that the purpose of the bill is to provide only for industrial labor.

Mr. RADCLIFFE and Mr. HATCH addressed the Chair.

Mr. O'MAHONEY. I yield first to the Senator from Maryland.

Mr. RADCLIFFE. Let me remind the Senator from Wyoming that the language to which he refers must be considered in connection with section 4, on page 14. It is true that the bill states that we must establish policies of that sort, but there is no unqualified guarantee of anything except in section 4. There is no statement in the section to which the Senator from Wyoming referred that the position of that obligation must be established and maintained at all cost. If he will turn to section 4, he will find this language:

To the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

That is an unqualified pledge of the United States Government that it will provide full employment. There is no pledge in the other language as to any other form of industry. One statement in the bill is a pledge, and the other is a statement of policy of fostering which we advocate.

Mr. O'MAHONEY. The Senator referred to section 4. I turned to section 4. From reading it I saw that the Senator was not referring to section 4, but to subparagraph (4) of section 2.

Mr. RADCLIFFE. On page 14.

Mr. O'MAHONEY. My eye was directed to section 4 because of the Senator's inadvertency. Let me read what section 4 (b) says. This is on page 17:

(b) The President shall consult with industry, agriculture, labor, consumers, State and local governments, and others, with regard to the preparation of the National Budget, and for this purpose shall establish such advisory boards, committees, or commissions as he may deem desirable.

That is a clear and explicit declaration, in words that cannot be misunderstood, that the purpose of the bill is to deal with the entire economy, and not with a single phase of it, as the Senator mistakenly asserts.

Let me turn now to subparagraph (4) of section 2, on page 14, the one to which the Senator refers. It reads as follows:

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment. Such Federal investment and expenditure, whether direct or indirect, or whether for public works, for public serv-

ices, for assistance to business, agriculture, home owners, veterans, or consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises. Any such Federal investment and expenditure calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private enterprises under contract, except where the performance of such work by some other method is necessary by reason of special circumstances or is authorized by other provisions of law; and all such work shall be performed in accordance with all applicable laws, including laws relating to labor standards.

Mr. President, the burden of my argument is that the language to which the Senator has alluded and which I have just read does not lend itself at all to the interpretation which he has placed upon it. I am aware, of course, of the fear that activates many, if not most, of the opponents of this measure. I wish to discuss that, Mr. President. But before doing so, since there are several Senators on their feet, who apparently desire to interrogate me, I shall be very glad to yield; and first I yield to the Senator from Utah, who was first on his feet.

Mr. MURDOCK. Mr. President, I simply wished to call the attention of the Senator to the fact that during the committee hearings this question was argued, reargued, and reargued. The very distinguished senior Senator from Ohio [Mr. TAFT], who is a member of the subcommittee, called attention to the fact that although in section 2 there was language which read as follows:

(d) To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent economic program.

There should be written into the bill additional language, and the distinguished Senator offered the language "and carefully planned" to be inserted after the word "consistent." The subcommittee, the supporters of the theory of the bill, and the supporters of the bill, very willingly agreed to include the language "carefully planned." But, Mr. President, after my experience with the subcommittee it seems to me that the opposition to the bill in the subcommittee will not stop at any language until the entire philosophy and theory of the bill are sabotaged. They say, "Yes; we earnestly believe in full employment, but—" And, Mr. President, regardless of how many times we include the phrase "carefully planned economic program," it is my opinion that they will not be satisfied. If the philosophy of the bill is not to have the Federal Government give the people of the United States to understand that, if and when everything else fails, the Federal Government will, to the extent necessary, see that there shall not be any appreciable or material permanent unemployment in this country, then I simply do not understand it. After the experience we went through in the thirties, if we have not learned that it is the responsibility of the Federal Government not only to say to the people, "We will not tolerate any great unemployment permanently in this country,"

but to say, "If and when everything else fails, the Federal Government has the duty to step into the picture with all the resources at its command and see that unemployment in great numbers does not exist," then I think we blind ourselves to the necessities of the situation.

Mr. TAFT, Mr. RADCLIFFE, and other Senators addressed the Chair.

Mr. O'MAHONEY. Mr. President, I am very grateful to the Senator from Utah for the statement he just made. Before yielding to the other Senators who are claiming my attention, I merely wish to make a remark which is evoked by the statement made by the Senator from Utah.

The truth of the matter is—as is clearly demonstrated by the report of the minority—that the real issue here is whether we shall proceed into the future upon a program which shall make direct relief or work-relief by the Federal Government necessary or whether we shall undertake to proceed on a program which will eliminate that. The Senators who are opposing the bill denounce "Federal investment and expenditure," but what do they say in their report? Let me read it. I read now from page 5:

It is said that the refusal to make up the theoretical deficit by public spending means the starvation of the unemployed. Of course, this is not true. Our policy requires that everyone in this country receive a proper standard of food, clothing, housing, and medical care, and we are making substantial provision to carry out that policy. If unemployment exists, many persons live with their families or expend their savings without any application to the Government for aid. Many persons draw unemployment compensation such as that we have just provided for the unemployed and for the veterans. Others are provided with work relief or direct relief.

Mr. President, it is perfectly clear that the issue here is whether we shall follow the policy thus proclaimed by the sponsors of the amendment, the authors of the minority report, namely, a policy of work relief or direct relief, or whether we shall pursue a policy intended so to organize our whole economic machine, including agriculture, consumers, self-employers, and every other category of our population, that there shall be full employment by private enterprise.

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

Mr. O'MAHONEY. Mr. President, I yield first to the Senator from New Mexico, who has been on his feet seeking recognition for some time.

Mr. HATCH. Mr. President, I do not think I can be classified as one who opposes at least the objectives of this bill.

Mr. O'MAHONEY. I am sure the Senator cannot be so classified.

Mr. HATCH. Certainly I am not a member of the committee and I have not indulged in any of the controversies which evidently have been rather warm within the committee itself. I know nothing about the suggestions which were made there in opposition; but I know that I was concerned about this particular paragraph (4) when I first read it.

Mr. O'MAHONEY. Naturally, the Senator would be.



Mr. HATCH. And I was concerned about what it meant. I was interested in the explanation made yesterday by the Senator from Maryland.

In the light of what the Senator from Wyoming has said as to the meaning of paragraph (4) and the entire bill, wherein would that meaning be changed or destroyed in any way by this particular amendment? If there is a real, genuine difference between the amendment and the provisions of the bill as the Senator has stated them, I should like to have the Senator explain the difference.

Mr. RADCLIFFE and Mr. TAFT addressed the Chair.

Mr. O'MAHONEY. I yield first to the Senator from Maryland.

Mr. TAFT. Mr. President, let me say—

Mr. O'MAHONEY. Mr. President, I have yielded to the Senator from Maryland.

Mr. TAFT. Will the Senator yield to me for just a moment, to make a brief comment?

Mr. O'MAHONEY. I shall yield to the Senator in a moment.

Mr. TAFT. I do not wish to make a speech.

Mr. O'MAHONEY. That is all right; I am always glad to yield to the Senator, to hear either his speeches or his comments.

Mr. RADCLIFFE. Mr. President, the Senator said I had taken the position that other activities were either ignored or bypassed. That is not the case. The language in the bill clearly states that we shall foster and stimulate activities other than labor, but the absolute pledge is only in regard to one, and that is labor.

Mr. O'MAHONEY. Mr. President, the Senator is absolutely wrong. Employment does not mean employment by industrial labor only. It means employment by the Senator from Maryland in his own office; it means the employment of the head of a great insurance company; it means the employment of a lawyer or of a doctor or of a physician or of a dentist. It means the employment of an engineer. It does not mean labor alone; it means the self-employed; it means the businessman.

Mr. RADCLIFFE. Of course, that is true. But let me ask the Senator a question. If his interpretation of the language of paragraph (4) is correct and if it is not an unqualified pledge, then the language of the amendment I have proposed, which calls for action by the Federal Government "consistent with its needs, obligations, and other essential considerations of national policy" is nothing more than a clarifying amendment. If paragraph (4) is not an unequivocal pledge, then the language I have offered in the amendment clarifies it. What is the Senator's objection to the language of the amendment?

Mr. O'MAHONEY. Mr. President, the objection is in the implication which would inevitably follow the adoption of the amendment based upon the language of the minority report, which is a clear declaration for work relief or direct relief. I am against another WPA, and I am against the so-called security wages paid by WPA, as I have always been. I am in favor of free enterprise and the

democratic system and the system of private property. But if the Senator will bear with me for just a moment, by the time I get through I think my position will be clear.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me first, to answer one question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Wyoming yield to the Senator from Maryland?

Mr. O'MAHONEY. Certainly; I yield. Mr. RADCLIFFE. On the theory which the Senator has just advanced, namely, that this pledge is not unequivocal, what is his objection to the language beginning with the words "consistent with its need"?

Mr. O'MAHONEY. I object to it because it is already in the bill. Apparently this matter was debated over and over again within the Committee on Banking and Currency, and every concession that was made by the sponsors of the bill was met by another amendment on the part of those who opposed it.

Mr. RADCLIFFE. Will the Senator tell me where there occurs anywhere in the bill the language beginning with the words "consistent with its needs"?

Mr. O'MAHONEY. Certainly.

Mr. RADCLIFFE. If the Senator endorses the idea, why does he object to it?

Mr. O'MAHONEY. Because it is already in the bill.

Mr. RADCLIFFE. Then, the Senator thinks it is surplusage and not harmful.

Mr. O'MAHONEY. Mr. President, we could spend the whole day arguing back and forth with reference to the meaning of a few words.

Before I allow any further interruptions by the Senator from Maryland I shall yield for a few moments to the Senator from Ohio [Mr. TAFT], whom I see standing.

Mr. TAFT. The Senator read the first part of paragraph (d) on which he has relied, as shown on page 14. The language is as follows:

To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation, banking, credit, and currency; monopoly and monopolistic practices; wages, hours, and working conditions; foreign trade and investment; agriculture; education; housing; social security; national resources; the provision of public services, works, and research—

The language includes public works as well as everything else—

And other revenue, investment, expenditure, service, or regulatory activities of the Federal Government.

Why can we not stop right there? If the Senator would eliminate the remainder of the section I would vote for the bill and support it, and we could dispose of it within 5 minutes. In other words, I fully agree with the Senator that the part of the section which I have just read is sound. I agree that we should have an economic program, but I want to know why the remainder of the section, which attempts to prescribe definite requirements, should not be eliminated?

Mr. O'MAHONEY. Mr. President, I am glad the Senator has asked the question because, of course, it goes to the very heart of this debate.

The reason I would be opposed to eliminating the remainder of the section is that it undertakes to implement the declaration of policy. It calls, first, for a program—I now read from page 14, beginning with line 8:

(1) Stimulate, encourage, and assist private enterprises to provide, through an expanding production and distribution of goods and services, the largest feasible volume of employment opportunities.

Why should I agree to strike that language out? I would not agree to strike it out because I want it to be clearly written into the bill at the very head of the list—just as it is written in the bill in its present form—that the purpose of the bill is to stimulate free private enterprise. That is what we are shooting at.

Mr. TAFT. It is already in section 2 (a). It is in the first paragraph of the bill.

Mr. O'MAHONEY. To further answer the Senator from Ohio I turn to the next paragraph on page 14, beginning with line 12, and read:

(2) Stimulate, encourage, and assist State and local governments, through the exercise of their respective functions, to make their most effective contribution to assuring continuing full employment.

Mr. TAFT. Why is not that in what I have just read?

Mr. O'MAHONEY. Now we come, of course, to the very heart of the discussion. What the Senator from Ohio and the Senator from Maryland fear is unlimited Federal spending. They say this bill constitutes a pledge for unlimited Federal spending. That is not the case. What subsection (4) does is merely to declare that after the new economic Budget Bureau, which is to be established under the bill, has surveyed the whole situation and has made its recommendations to the Congress with respect to what can be done to stimulate free private enterprise, and after it has made its recommendations as to what can be done and what will be done by State and local governments in meeting the great issue of our time, if it should then appear that the activity of private enterprise, the investment and the expenditure of private enterprise, and the activities and actions of State and local governments are not sufficient, the Federal Government shall step in. What is wrong about that?

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

Mr. O'MAHONEY. Of course, if we were dependent solely upon Federal spending, if we were dependent upon deficit spending in order to provide employment, the outlook would be dreary and dark indeed. I do not hesitate to say that if we are driven again to that point it will be difficult to imagine that our system of private enterprise can endure. I am against creating a situation which will threaten our system of private enterprise, our system of democratic economy, or our political democracy. I believe with everything that is in me in maintaining a system of individual enterprise and individual eco-



conomic freedom. Senators who are opposing this proposal, as well as some newspapers and some persons from the financial centers in New York city and elsewhere who condemn it, do so with the fear that if we undertake to place responsibility upon a governmental agency to undertake some planning in order to save free enterprise, it will be impossible to escape totalitarianism. I deny that.

Mr. TAFT. The Senator, unfortunately, was not present yesterday. I wonder if he will agree with the statement of one of the authors of the bill, that the language in paragraph (4) on page 14, reading:

To the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

Is the very heart of the bill. That is what one of the authors of the bill said yesterday. I wonder if the Senator agrees that what I have read is the heart of the bill?

Mr. O'MAHONEY. Yes, I do.

Mr. TAFT. It is the heart of the bill?

Mr. O'MAHONEY. Yes, because if we permit unemployment to raise its ugly head in America again, our system will be in danger—a fact which I shall prove before the debate is concluded.

Mr. TAFT. If the Senator says that the language to which I have referred is the heart of the bill, then he cannot say that this is a deficit-spending program?

Mr. O'MAHONEY. Oh, that does not follow at all. The Senator from Ohio has in mind the difficulties of our problem and not the philosophy of the bill. I can understand, Mr. President, why there is opposition to this measure growing out of the fear of totalitarianism. We look abroad and we see totalitarianism on the march. We know that here in America along the rank and file of the people still hold to the theory of economic freedom and individual free enterprise.

But I wish to invite the attention of Senators to the chart on the back of the wall on which there is outlined the record of prosperity periods and depression periods in the United States from 1860 down to the present hour. The chart was not prepared by the authors of the bill; it was not prepared by any "leftists." It did not come from any organization that is interested in Federal spending. It came from the Cleveland Press Co., of Cleveland, Ohio. The chart is taken from another chart which was prepared, in the first instance, by the National Association of Purchasing Agents, based upon sound statistical data.

Senators will see that from 1860 down to this hour the history of our Government has been a history of great booms and great depressions; but the unfortunate fact is that the depression which began in 1929 was the deepest and the most prolonged of all. We were rescued from that depression only by the deficit spending of the war. Shall it be said that a free democratic country does not

dare to attack this problem? Shall it be said, in the implication of the report of the minority, that we must be content to go forward in the future as we have gone in the past, depending upon work relief, relief of some kind or another from public agencies?

Mr. President, is it not worth something to attempt to make the free economy work and to set up an agency of government whose responsibility it will be to seek to do that thing? There is great danger, as shown by our experience. There is a reason for the fact that the depression which began in 1929 was so deep and so prolonged. The reason is that there has been a tremendous change in our economy and in the instruments and methods by which our economy is administered.

A few days ago I was reading in the newspapers about the flight from the northern islands of Japan of General LeMay and the others. They flew over seas and over land from Japan to Chicago in 26 hours. Do you suppose, Mr. President, that that is a fact that is without significance? It is a most significant fact, because it illustrates the great change which has come over our economy.

Back in 1860, before we had begun to build transcontinental railroads, ours was principally an individual economy. In all the States people were doing almost exactly the same things. The communities and the States were practically self-sufficient. They were engaged in producing their own food, in manufacturing their own clothing, in manufacturing their own shoes, in manufacturing, for the most part, all the things they needed. But science and invention, which improved the means of communication and transportation, have changed our economy to such a marked degree that the individual no longer is in control of his own economic destiny, because the tools with which we work—like the great airplanes which brought the fliers from Japan—are beyond the command of the individual.

The result of this has been such that there was published recently by the Committee on Economic Development a booklet on little business and the necessity of encouraging little business. Remember, the Committee on Economic Development is not a committee of leftists, it is not a committee of long-haired theorists, it is not a committee of deficit spenders. It is a committee of businessmen, business leaders of America.

In their pamphlet about little business they point out that there has been such a tremendous concentration of economic power in the United States that more than 50 percent of all the industrial workers in America are employed by less than 2 percent of the employers. That is what has happened to us. The individual is not the commander of his economic destiny, and if we are to say that government must take its hands off, that government cannot step in, then, Mr. President, there is no possibility of escaping another depression when this war ends, as I shall presently demonstrate.

Mr. WHERRY and Mr. JOHNSON of Colorado addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield, and if so, to whom?

Mr. O'MAHONEY. I yield first to the Senator from Nebraska.

Mr. WHERRY. In connection with the thought about concentration of business in the hands of a few, would the provisions of the pending bill correct that situation?

Mr. O'MAHONEY. Oh, no; this bill is not a panacea.

Mr. WHERRY. I was called from the Senate Chamber, and I did not know what the Senator's position was.

Mr. O'MAHONEY. Not at all.

Mr. WHERRY. It is a question of enforcement to see that these huge concentrations do not happen, and that is the responsibility of the enforcement branch of the Government, is it not?

Mr. O'MAHONEY. Oh, Mr. President, to accomplish this program of preserving free enterprise, the capitalistic system, and economic independence for the masses of the people, for the farmers of the West, for the ranchers of the West, as well as for the workers in the settlements, there must be a well-rounded policy, which will be developed, I hope, by the committee to be established under the bill.

Let me say to the Senator, I concede that the provisions of the bill which call for the establishment of a special joint committee, made up both of Democrats and Republicans, the leading members of the leading committees of the Senate and of the House, to review any recommendation which may be made by the Executive, is one of the most important legislative proposals that has ever come before the Congress.

Mr. WHERRY. Will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. I appreciate the remarks of the Senator from Wyoming, and I know what an intense interest he has had in small business, and of the activity which he has helped to create within the Small Business Committee, and also in the Smaller War Plants Corporation, in order to foster new business and to place private business on its feet. But I am also interested, as I am sure the Senator is as well, in the huge concentrations. I believe the Senator's statement was that less than 2 percent of employers of the country employ 50 percent of the workers.

Mr. O'MAHONEY. That is the statement of the Committee on Economic Development.

Mr. WHERRY. That is something which is under the jurisdiction of the judicial branch of the Government, the enforcement branch, is it not?

Mr. O'MAHONEY. No; I think it is much more than that. It goes to the creation of an atmosphere in which the investment of private capital may be encouraged. I believe it is based primarily upon a system of incentive taxation, taxation that will stimulate the owner of private capital to put his money into new enterprises. That is lacking now because of many factors of our taxation system which I do not desire to go into now. But the second method of preserving and stimulating free enterprise would



be to develop such a policy toward monopoly or concentrated power as to stake out a region in which little business would be free from suppression by the powers of concentrated economy.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Wyoming yield to the Senator from Colorado?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. The Senator's answer to the Senator from Nebraska [Mr. WHERRY] has cleared up one of the questions I wanted to ask the Senator. I have generally regarded this bill as perhaps ineffective. First, let me say that unemployment is an evil. I think all of us are agreed that unemployment is a great evil, and that we have to find a solution for it. My greatest disappointment in the bill is that I cannot find in it a solution for that evil. Perhaps I am too pessimistic about it. I should like to have the Senator describe its application. Suppose Congress had enacted into law such a bill as is now pending, and it had been on the books at the time Cleveland made the statement that the people should support the Government, and not the Government support the people. Suppose we had such a law on the books at that time, how would it have changed conditions?

Mr. O'MAHONEY. It would have helped President Cleveland to create the conditions under which the people could support the Government.

Mr. JOHNSON of Colorado. The Senator thinks it would have been a welcome and progressive move?

Mr. O'MAHONEY. I will say to the Senator that properly understood this bill will do precisely that. As I said at the outset, the objection to the bill arises from misapprehension and misunderstanding. I picked up a newspaper the other day and read in it a letter which was written supposedly by a veteran. He was declaiming against the bill on the ground that it was going to put government into industry. Of course it does nothing of the kind, but there is that misapprehension that the purpose of the bill is to put the Government of the United States into competition with private business. The reverse is the truth.

What I want to say to the Senator—and I think this is the explicit answer to the question he has in his mind—is that our economy has become so complex and so complicated that if we are to preserve freedom, local freedom, freedom for the people of Colorado and Wyoming in their industries, as well as freedom for the individuals, we have got to undertake to have the Government do a little planning in order to preserve that freedom. Do not imagine that we are going to get away from planning. Planning is being done every day and every week of the year by concentrated private enterprises, so called. They call themselves private enterprises, but they are not private in any sense. They are great public institutions with hundreds of thousands of stockholders and hundreds of thousands of employees. That is not private enterprise in the sense in which I mean

it. It is private enterprise, of course, as distinct from government enterprise.

But here is a bill the direct purpose of which is, and the provision is written into the bill, that, so far as any Government contracts for Government public workers or other investments are made, they shall be carried out by contract with private enterprise and not by Government enterprise.

Mr. JOHNSON of Colorado. There are two other applications I should like to have the Senator discuss. The second application is this: Suppose the bill had been on the books during the depression which began in 1929, would it have saved the very bad situation which followed?

Mr. O'MAHONEY. I think it would have done so. If the Senator will look at the chart which hangs on the back wall of the Chamber he will see what happened at that time because we did not have such a law on the books. The depression beginning in 1929 ran deeper than any other previous depression. It ran through 1936. Nineteen hundred and thirty-seven shows a little above the line, that is to say our economy got out of the red, so to speak. But that was the year that the President of the United States sent a budget to Congress cutting down expenditures, and when that budget came here, and the first appropriation bill in obedience to the budget was below what had been spent in years before, then from every desk in this Chamber there came the cry to resume the spending.

Mr. President, I am not an advocate of spending, but what I am saying to the Senate is that unless we have a plan we cannot avoid it. This bill is an attempt to create the possibility of a plan to prevent the need and necessity of deficit spending.

Mr. JOHNSON of Colorado. I have one more application in mind, because I am trying to understand the bill by its application to the problem we are facing. The third application I should like to have the Senator discuss, if he will, is the situation we faced after 1933 when a new administration came into power. Is there anything in the bill which is contrary or in opposition to the remedies which were put into effect under the New Deal? Is there anything in the bill which is in the nature of a cure other than deficit spending?

Mr. O'MAHONEY. Oh, yes; of course.

Mr. JOHNSON of Colorado. Is it dependent entirely on deficit spending?

Mr. O'MAHONEY. Oh, certainly not.

Mr. JOHNSON of Colorado. As I interpret it, the remedy which the New Deal brought forth was based entirely upon deficit spending, and I wonder how this bill would have changed the situation which existed from March 4, 1933, on.

Mr. O'MAHONEY. It would have changed the situation in this respect: The Senator will remember that in 1933 one of the very first acts of the administration was to have passed what was known as the national industrial recovery bill. Strangely enough that bill, or the idea upon which it was based, came from the United States Chamber of Commerce, at a convention of the United States Chamber of Commerce in

San Francisco, held years before the adoption of the NIRA, with its program of turning over to industry the power to regulate itself, as it was politely described. That idea came from organized industry. One of its factors was accompanied by an extension of public works, and an appropriation was made under which public works were to be authorized. Those public works were being administered by the Public Works Administration under Secretary Ickes in accordance with the free enterprise system, under contract with contractors, but because the job was so great and unemployment was not being reduced, then the administration, by Executive order, an order with which I never agreed, took \$500,000,000 away from the Public Works Administration and created the other Administration which turned out to be in its last analysis the WPA. That was a mistake, I will say to the Senator from Colorado.

If this bill had been in existence, if it had been passed in the Hoover administration, and the capacity of our Government leaders and our business leaders had been concentrated upon an effort to stimulate little business all over the country, we never would have had to resort to the WPA, with its security wage and its Government-made work.

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

Mr. O'MAHONEY. I say to the Senate that the report of the minority of the committee is clearly a declaration for the resumption of that philosophy. In the conditions which exist in the world today it is perfectly absurd.

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

Mr. O'MAHONEY. I yield.

Mr. AIKEN. First I wish to compliment the able Senator from Wyoming for his presentation of the situation which now confronts the United States. We may well consider this bill, instead of being a bill to put the Government generally into business, as some of its opponents seem to fear, as a declaration that we will do everything in our power to create and maintain such conditions as will keep the Government from going into business. We ought to be able to conceive, and I think all of us do conceive, that if the time comes when there are 10,000,000 or 15,000,000 unemployed persons in this country, which will mean from 30,000,000 to 50,000,000 people in need, pressure will be exerted upon the Congress to have the Government operate plants. I do not wish to see the Government enter into the operation of plants. I hope that time will not come. That is the reason why I am one of the sponsors of this bill. I feel that we can create and maintain such conditions as will enable us successfully to resist any demand or urge for the Government to go into business in competition with private business. But there are certain activities which the Government can carry on which encourage private business rather than compete with it.

I think the Senator from Wyoming is presenting the situation very clearly and is doing a great service.

Mr. O'MAHONEY. The Senator is very kind.



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

Mr. O'MAHONEY. I yield.

Mr. BAILEY. I wish to join in the compliment. The Senator is very clear, very forceful, and really eloquent. But I wish to add a footnote by way of contradiction.

Mr. O'MAHONEY. I am very glad that the Senator added the word "note" after "foot." I do not wish to get the foot from him. [Laughter.]

Mr. BAILEY. One of the greatest Presidents this country ever had or ever will have was Grover Cleveland, a great man and a brave man. The Senator did not say that we owed to Grover Cleveland our recovery from the very severe panic of the 1890's. I do not charge the Senator with ignorance or willfulness on that point, because he was not there. I was there. I was 21 years of age when Grover Cleveland was elected the second time, and I voted for him. This country got out of that depression just in time for William McKinley, another great and good man, to obtain the benefit of the foundations which Cleveland had laid.

What were the foundations? That is why I rose. It makes no difference what we say about people of the past and what they did, or whether we give them credit or not. What was Grover Cleveland's method, and on what foundations laid by him did McKinley and Theodore Roosevelt build?

The first foundation was order. We cannot have a stable economy without order. When Cleveland called out the troops to put an end to the so-called Pullman strike and let the people of the country know that there was a Government at Washington that governed, that was the foundation of the recovery.

He did another thing. When the air was filled in our party—I am sorry to say—with talk about the free and unlimited coinage of silver at the immortal ratio of 16 to 1, Grover Cleveland erected the standard of sound money; and upon the foundation of order and sound money we had the glorious prosperity of McKinley and Theodore Roosevelt.

That is only one point, but to my way of thinking, it is a monument. I do not see any end to this sort of thing. I believe that the American people can build a successful economy if we have order and a stable currency.

The Senator spoke of the year 1937 as a year which gave some promise of recovery. He went so far as to say that that was due to spending, and that the recession occurred in that year because the spending was withdrawn, although all of us demanded a renewal of it. I am sure that I did not. I have a recollection of my course. But I wish to point out to the Senate that 1937 was the year of the sit-down strikes, which shook the economy of this country to its foundations.

Mr. President, I merely wished to introduce a little footnote of history from my point of view.

Mr. O'MAHONEY. Mr. President, the interruptions of the Senator from North Carolina are always very valuable, and personally I always enjoy them. The Senator goes into another question which I shall not discuss at this moment.

The Senator's reference to Grover Cleveland as the man who laid the foundation upon which there was recovery later in the McKinley administration reminds me of the fact that in one of his messages Grover Cleveland outlined as clearly as it has ever been outlined the danger which this country was confronting from the concentration of economic power. We are suffering now, and have been for 20 years, from the ill effects which President Cleveland foretold when he warned the Congress and the people of the United States against monopoly.

Mr. WHERRY. Mr. President, will the Senator yield before he leaves that point?

Mr. O'MAHONEY. I yield.

Mr. WHERRY. If the pending bill were a law today, would it provide full employment, and would we have assurance that employment would result?

Mr. O'MAHONEY. No. This bill is not a panacea. I have not sponsored it as a panacea. What I am urging upon the Senate is that we must undertake this Government study if we are to escape disaster; and I shall demonstrate that to be so.

Mr. WHERRY. Is there any way to avert unemployment if we cannot get labor back to work? What purpose would such a statute serve if we could not get labor back to work?

Mr. O'MAHONEY. Of course, if people will not work, we have an altogether different problem. But I am acting upon the assumption, which I think has been very well demonstrated, that most people want to work. But that, of course, is an entirely different question.

Mr. WHERRY. Was there ever a time in the history of this country when there was more work to be done than there is now?

Mr. O'MAHONEY. In my judgment 90 percent of the people still want to work.

Mr. WHERRY. Was there ever a time when there was more work to be done? We talk about freedom of enterprise. We have an enormous consumer demand from one end of the country to the other. There is a demand for the production of 5,000,000 automobiles. There is also a demand for hundreds of articles such as refrigerators, radios, and almost anything we can think of.

Mr. O'MAHONEY. Let me say to the Senator that this issue cannot be confused by dragging across the trail the controversy between labor and capital. Of course there are ills. Of course there are wrongs. Of course, as I have said, this bill is not a panacea. But in my judgment the conditions which we have in this country with respect to strikes were promoted by fear. Fear is the source of most of our unwise actions. Fear is what plunged the world into war.

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

Mr. O'MAHONEY. I have yielded about an hour of time to the Senator. If he will be good enough to postpone his observations until after I have developed my principal discussion, I shall be very glad to yield to him then.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. Not having previously yielded to the Senator from Arkansas, I now yield to him.

Mr. McCLELLAN. Mr. President, I wish to make only one observation. The Senator from Wyoming has spoken of conditions which now obtain, emanating from "fear." Let me say to the Senator that, in my humble judgment, there is more "fear" right here in Washington and in the Senate of the United States than anywhere else. It is "fear" that is prompting this legislation, and such "fear" at this time and under present conditions is wholly unjustified. By this course we are absolutely generating "fear" in the minds of the people throughout the country, and they are becoming afraid that Washington is not competent to take care of the situation, and in that respect we are doing much to justify that apprehension.

Mr. O'MAHONEY. Well, Mr. President, the discussions which occurred in the Committee on Banking and Currency and the discussions which have taken place on the floor of the Senate demonstrate conclusively, in my opinion, that the Senator is mistaken in his diagnosis of the situation.

Now let me demonstrate the situation from the chart which I have had placed at the front of the Chamber. I made this demonstration to the Committee on Banking and Currency on the first day of the hearings on the bill. Bear in mind that I pointed out that all over the world the problem of adjusting the economic systems of the peoples of the world to the conditions which existed had been so great as to plunge the world into a war. It was the failure of business leadership and government leadership to make it possible for people to support themselves that brought about the war. I say to you, Mr. President, that the danger of communism and of totalitarianism in this world proceeds, not from a measure of this kind, but from the failure to adopt a measure of this kind. Look at the chart; look at the history of our experiences. We cannot afford to drift. If we drift, if we say that the Government must keep its hands off, then be sure we shall have disaster.

It has been said by some of those who oppose this bill that no system except communism can provide full employment. Is not that a profound confession of defeatism? Is not that statement a profound acknowledgment of a belief that the free-enterprise system cannot provide full employment? That is why the minority have submitted their report in which they talk about work relief and relief by means of Government spending as if it were something inevitable. I refuse to believe that it is inevitable. I believe that if we look at this matter intelligently, with our eyes open, and free from preconceived notions and fears about what is intended, we shall understand that a great, free government which planned a successful war on two continents can successfully plan to maintain and keep the free-enterprise system.



Mr. President, the chart entitled "Mass Market for American Business" was prepared at my direction from the hearings of the Senate Committee on Finance on May 9, 1944, when figures were presented showing the total amount of income received by persons in various salary brackets. The Committee on Finance was trying to determine what steps should be taken to raise the largest possible amount of taxes to finance the war, and the committee wanted the facts. I requested the draftsman to prepare this chart in the form of a flagpole resting upon a base, the base being—as shown by the testimony before the Finance Committee in 1944—the total amount of money received by everyone in the United States whose income was less than \$2,000 a year, the total amount of money received by everyone in the United States whose income was more than \$2,000 a year and less than \$4,000 a year, and the total amount of money received by everyone in the United States whose income was from \$4,000 to \$5,000 a year. There it lies—the base of the flagpole.

The flagpole consists of the total amount of money received by those whose incomes ranged from \$5,000 to \$10,000 a year; in another bracket the flagpole consists of those whose incomes ranged from \$10,000 to \$25,000 a year.

Mr. WILEY. Mr. President, is that in the record?

Mr. O'MAHONEY. Yes; it is in the record, I will say to the Senator from Wisconsin.

Mr. President, then there is another bracket. It is for those who received \$25,000 a year and more.

It will be observed that in drawing the chart provision was not made for each bracket in the rising scale. That is why the flagpole is broken at the top. As I told the Committee on Banking and Currency, if that chart had been drawn to represent the total amount of money received by those who were receiving, let us say, from \$30,000 to \$40,000 a year, from \$40,000 to \$50,000 a year, from \$50,000 to \$75,000 a year, from \$75,000 to \$100,000 a year, from \$100,000 to \$250,000 a year, and so on, up to the 79 individuals who in that year were receiving \$1,000,000 or more each, there would not have been sufficient space in the Senate Chamber for the column which would have had to be drawn to make that representation.

Mr. President, this reminds me that at every step in the way toward progressive legislation which would preserve a free economy there has been resistance by those who feared that a radical result would follow. Many of the present Members of the Senate were here when the Federal Deposit Insurance Corporation bill was under discussion, and they will remember that it was denounced by many of the Senators who now denounce the pending bill.

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

Mr. O'MAHONEY. I yield.

Mr. TAFT. I call attention to the fact that the Federal Deposit Insurance Corporation bill was sponsored by the distinguished senior Senator from Michigan [Mr. VANDENBERG], who opposes the pending bill in its present form.

Mr. O'MAHONEY. Oh, Mr. President, I understand that. I do not believe the Senator from Michigan is always wrong, and I do not believe the Senator from Ohio is always wrong—

Mr. TAFT. I appreciate that.

Mr. O'MAHONEY. But, Mr. President, here on the chart there is a representation of the total economy. It will be observed that the total receipts of those receiving \$25,000 a year or more were \$7,700,000,000, and the total receipts of those receiving from \$10,000 to \$25,000 a year were \$7,500,000,000. If we add them together, we find that they total \$15,200,000,000 for everyone in the United States receiving more than \$10,000 a year.

Mr. President, every penny of that money could be taken by taxation, and it would not make a dent upon our Government economy. Those who are under the impression that we can tax wealth to support a free government are utterly mistaken. The money is not there. Of course, \$15,000,000,000 is a lot of money in any man's language. But the whole amount received by those who are receiving \$2,000 a year or less is \$45,700,000,000. Forty-five billion dollars is three times the amount received by those in the \$10,000-and-up brackets.

Add to those who are receiving \$2,000 or less the total amount received by those whose incomes are from \$2,000 to \$4,000, aggregating \$44,000,000,000, and the total is \$89,700,000,000, which was the amount received by the people of the United States whose income was less than \$4,000, as compared with less than \$16,000,000,000 for those in the \$10,000 brackets and up. Add those who were receiving from \$5,000 up to the upper brackets, and it amounts to \$8,900,000,000.

Mr. President, is it not clear that our economy is based upon the masses of the people, and upon their ability to earn money, whether it be in agriculture, industry, or in any of the professions? Unless the masses of the people who constitute the base of this flagpole are fully employed and drawing compensation there can be no security for those whose incomes put them in the flagpole.

I recall that in 1932, before the change of administration, when the Federal guaranty of bank deposits was being discussed, a great Chicago banker by the name of Traylor was mentioned several times in the Democratic convention of that year as a possible candidate for Vice President. During the depression he learned a lesson which converted him from opposing the guaranty of deposits to the support of such a program. That was because there was a run on his bank. One day, because of that run, he went down to the bank, lined up a number of friends who had funds to deposit, and persuaded them that it would be in the interest of keeping open the bank for them to deposit funds. He made a drama out of it. He stood in the lobby of the bank and said to the depositors who were clamoring for their money, "Do not take your money out; these gentlemen are depositing money. We are ready to pay you, of course." However, the run continued. And then Mr. Traylor, when he

had changed his opinion about the desirability of a Federal guaranty of bank deposits, made this wise remark: "I have come to the conclusion that unless we make certain that people in the lower scale of income have their feet upon the ladder there is no security for us who are at the top." No truer words were ever spoken.

Mr. President, is it clear why I am talking in behalf of this bill? I am speaking in its behalf because I know that if we permit unemployment to cut down receipts of the millions who are receiving the \$89,000,000,000, then we destroy purchasing power. We destroy it for every farmer, every rancher, every small businessman, every small bank, and every small grocery store. We destroy the capacity of the people to buy the things which they need. If we fail to maintain the power to buy and prevent unemployment from developing, and at the same time permit purchasing power to disappear, then beware. We already see written in the international sky what can happen when Government fails in its task.

The danger, Mr. President, is even greater. Here is a chart which I had prepared for the purpose of showing what to my mind is the most significant fact in America, but one to which we blithely close our eyes. This chart shows three lines. One of them represents the national income, or the amount of money received by all the people and all businesses. Another represents the national debt. Another represents Federal revenue. Observe that the chart runs from 1933 to 1945.

The national income in 1933, at the depth of the depression, is clear from the first chart which I presented. That is, the income of all the people was only about \$47,000,000,000. That is why the stores were closed. The people did not have money with which to buy. That is why the price of wool went so low. That is why the price of copper went so low. That is why the price of every commodity produced by agriculture and other industries went so low. The people did not have the money with which to buy the things they needed.

We came into the year 1933 without a law which required any agency of the Government to study ways and means of keeping the people employed. So we had no recourse. It is true that under the Hoover administration there were some public works. Some postoffices were constructed. But the catastrophe was so great that little could be done about it. We had waited too long. We had not acted in advance. We were following the philosophy which is represented here by the minority views in connection with this bill. That philosophy was, "Let it run. Presently we will go around the corner. Presently somehow there will be purchasing power reestablished. "Oh", it is said, "let us lend some money to the big fellows at the top." So we set up the Reconstruction Finance Corporation, and we spent Government money, deficit money, to make loans to the banks, the insurance companies, and the railroads. No one was talking about deficit spending then. But what difference is there



between turning money from the Federal Treasury over to large enterprises in the hope that somehow or other it will percolate through and reach the people at the bottom—what difference is there between that and spending for public works and WPA?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. Is not the great difference that the money which was loaned was paid back, and that it did not represent deficit spending at all?

Mr. O'MAHONEY. I think the Senator, if he will examine the reports of the RFC, will discover that it was not by any means all paid back. Much of it was lost.

However, the point I am making is that the national income was down in 1933. Under the impetus of the then Government program, which was, I may say, a hand-to-mouth program, adopted because we had to have something—"We have to do something" was the cry—there was an increase in the national income. It went up to about \$74,000,000,000. Then there was another recession in 1937. We may debate about what was the cause of that recession, but the fact remains that that was the year when an effort was made to cut down Federal spending.

Mr. MURRAY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. MURRAY. At the same time was there not a move in the country on the part of industry to raise prices, and did not that rise in prices on the part of the big basic corporations of the United States have some effect? The records show that in 1937 the basic corporations of the United States made more profit than they did in 1929, and it seems to me that had some bearing.

Mr. O'MAHONEY. I think the Senator is correct; I think there was an effort to raise prices that year.

Mr. McCLELLAN. If the Senator will yield, is it not true that the President of the United States, speaking with respect to that recession, said that it was planned that way?

Mr. O'MAHONEY. Oh, no.

Mr. McCLELLAN. Did he not say, "We planned it that way"?

Mr. O'MAHONEY. Oh, no; he was not talking about the recession; he was talking about an utterly different thing.

Mr. MURRAY. President Roosevelt in 1937 warned the country against the rapid rise in prices that was taking place, and singled out the copper interests as having raised their prices excessively. Furthermore, is it not a fact that Secretary Ickes and the Interior Department, which conducted public works, complained constantly about the rise of the price of everything that was going into public works?

Mr. O'MAHONEY. As I remarked to the Senator from Montana once before, I know he is very familiar with the copper industry and with the cement industry, and what was done with regard to them. But I am not concerned about the mistakes of the past. Mistakes have been made on both sides.

Mr. TAFT. Mr. President, will the Senator from Wyoming yield to me merely to correct the Senator from Montana?

Mr. O'MAHONEY. I yield.

Mr. TAFT. In the first place, commodity prices as a whole did not rise before 1940. They did not rise in 1938. On the other hand, wages did rise. That was the period of the sit-down strikes in the motor industry, and a very substantial increase in all railroad wages took place. So that if there was any inflation at all, it was in connection with wages, as much as profits.

The Senator also made the statement that the large corporations made more in 1938 than in 1929, which is not accurate. Their profits were away below what they were in 1929. The figures which the Senator from Montana put into the RECORD show that only 130 out of 600 corporations—and they were not particularly the large ones—made more money in 1938 or 1937 than they did in 1929. They had expanded their businesses, they had grown, whereas 470 made very much less. So that the statements made by the Senator from Montana are not correct.

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

Mr. O'MAHONEY. I should like to develop my theory.

Mr. MURRAY. Would the Senator permit me to make a very short reply?

Mr. O'MAHONEY. I yield.

Mr. MURRAY. I do not claim that industry as a whole raised prices or made more profits or that commodity prices rose, but I do claim that the basic industries of the country—steel, cement, copper, oil, and the other basic industries—raised their prices, and that the corporations which were noncompetitive were the ones which raised the prices, which had its effect on the whole economy. There was, of course, a very broad segment of business that was in competition, and they did not raise their prices. They could not. They were compelled to hold down their prices.

Mr. O'MAHONEY. Mr. President, the debate between the Senator from Montana and the Senator from Ohio goes into one of the subjects which would have to be discussed by the agency which is to be set up under the bill, and which would then have to be pursued by the joint committee which is to be created by the bill.

Since I have referred to the joint committee, let me remark again that there is nothing in the bill which authorizes the Executive to indulge in deficit spending. It does not authorize the Executive to spend a dime. It merely authorizes the executive agency to make a plan, and that plan, far from being guaranteed, must then, under the terms of the bill, pass the scrutiny of both Houses of Congress, first through the joint committee which is to be set up, a committee which is designed to coordinate our economic system, a committee from the lack of which much of our trouble probably has arisen. Then, after that joint committee has made its recommendations, any measures which are suggested will have to go through the considera-

tion of the respective standing committees of the Senate and the House.

Mr. President, this is a bill to vest in Congress the power and the responsibility of meeting the issue, instead of continually delegating the power to the executive branch of the Government. This Mr. President, is a bill to restore the functions of Congress.

Let me refer again to the national income. In 1939 the war broke out in Europe, and in 1940 our businesses and industries began to feel the impetus, because money was being spent, some of it by the French Government, some of it by the British Government. Some of it was being spent by our Government for purposes of war. Immediately the national income began to rise.

Then, after we got into the war, in 1942 the national income jumped from less than \$75,000,000,000, in 1937, to almost \$125,000,000,000, because we were manufacturing the commodities of war. The expenditures for war reached their peak in 1945, and the Federal debt reached its peak the same year, \$261,000,000,000.

Who knows what \$261,000,000,000 is? Two hundred and sixty-one thousand million dollars—who knows what that is? But whatever it is, it is our debt. It is represented by bonds held by banks and insurance companies, by bonds held by veterans, veterans of the Army and of the Navy, it is represented by bonds held by the common people of the United States.

Mr. SALTONSTALL. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. SALTONSTALL. At the proper time I should like to ask the distinguished Senator a question about this chart. What he has described, as I understand it, is the so-called Hanson theory.

Mr. O'MAHONEY. No; the Senator is quite wrong. I am not describing the Hanson theory. I am describing the financial condition of this Government and of the people.

Mr. SALTONSTALL. I beg the Senator's pardon.

Mr. O'MAHONEY. I am not an advocate of deficit spending.

Mr. SALTONSTALL. Let me ask my question in this form, then, without putting in the name of Professor Hanson, whose theory I cannot understand.

The debt of the country has been going up very substantially. The income is rising, and the revenues of the Government are rising more slowly. In the fiscal year 1945, when the income of the country was up to about \$170,000,000,000, approximately \$95,000,000,000 of that was represented by purchases by the Federal Government, and the balance by our people. That was in time of war. The honorable Senator in his previous chart shows that the great purchasing power of the country came from persons with \$4,000 and less income a year.

Mr. O'MAHONEY. Individual purchasing power.

Mr. SALTONSTALL. Individual purchasing power. In peacetime much of that great Government purchasing of approximately \$95,000,000,000 by the Federal Government has got to stop. Much of the purchasing must be by pri-



vate individuals. My question is this: In the opinion of the distinguished Senator can the debt of the Federal Government keep on going up or remain as much as it is above the revenues of the Treasury, and still make it possible for the individual to have that purchasing power?

Mr. O'MAHONEY. Certainly not. Of course it cannot. That is what I am arguing against. I am arguing against deficit spending. I am arguing against a situation that compels it. I am arguing against the work-relief proposal of the minority, which is deficit spending. I am arguing for the investment of private capital under a free-enterprise system, and the elimination of deficit spending.

Mr. SALTONSTALL. Will the Senator yield for one more question?

Mr. O'MAHONEY. Certainly.

Mr. SALTONSTALL. The bill in one of its provisions seeks to provide for Federal investment and expenditure.

Mr. O'MAHONEY. Yes; certainly.

Mr. SALTONSTALL. Can the Federal Government do that successfully to help the purchasing power of individuals, and do it without providing taxation to meet the cost and yet avoid deficit spending?

Mr. O'MAHONEY. I think the Government can avoid deficit spending by stimulating the investment of private capital in independent local enterprise. I should like to see the industries of Massachusetts restored to what they used to be before some of them moved out of the State of Massachusetts.

Mr. SALTONSTALL. May I ask the Senator whether he is speaking as a former resident of Massachusetts or as the Senator from Wyoming?

Mr. O'MAHONEY. I am speaking as a Senator from Wyoming and as a native of the State of Massachusetts, a State which I am proud to say has always been very progressive in its attitude toward public affairs, a State which I am sure would endorse the principle which I am advocating here today.

Mr. SALTONSTALL. May I ask the Senator one more question in a serious vein?

Mr. O'MAHONEY. I am serious all the time, and even in the last remark. [Laughter.]

Mr. SALTONSTALL. That stands as the record of the Senator from Wyoming, and I appreciate it.

How can the theory which the Senator has just advocated be carried out without some form of the Hanson theory of borrowing from one's self?

Mr. O'MAHONEY. If the Senator will pardon me, I will come to that in a moment. It is represented on another chart which I have here. I am very happy the Senator has asked the question.

Mr. MORSE. Mr. President, will the Senator yield so I may suggest the absence of a quorum?

Mr. O'MAHONEY. Mr. President, I think Senators who are busy in their offices or who are having their lunch do not care to be disturbed. I think those who are absent because of the lunch hour will be here presently. I would just as soon proceed.

Mr. MORSE. I merely want to add the comment that there is a possibility that we may reach a vote on this important amendment, and insofar as our side of the proposition is concerned I think the distinguished Senator is presenting the objective data which every Senator ought to have clearly in mind before he makes up his mind as to how he will vote on the amendment.

Mr. O'MAHONEY. Mr. President, I greatly appreciate the comment of the Senator from Oregon.

A discussion of the chart, I may say, so that it may be in the RECORD, and of all the charts that I present, will be found in connection with reproductions of the charts in the first part of the hearings of the Banking and Currency Committee, so those who wish to review this matter later will have the opportunity to do so by looking through the hearings.

The point of it all is, of course, that in 1943 the National debt, which in 1933 was a little less than \$25,000,000,000, and which at the very height of the depression spending during the New Deal administration was only about 46 or 47 billion dollars—I am reciting the figures from the chart as it is and not from the statistical data which will be found in the hearings—the national debt, as soon as we started preparing for war, began to skyrocket. Between 1940 and 1945 it rose from \$50,000,000,000 to \$261,000,000,000. That, Mr. President, represents deficit spending for war. But in 1943 for the first time in the history of this Nation the national debt was greater than the total national income of all the people of the United States for a single year. Never before in all the history of this Government has that happened. Never before has it happened in the history of any government that was able to survive.

Back in the administration of Andrew Johnson, after the Civil War, the national debt was about two and one-half billion dollars. It remained there almost constant until after we entered World War I. Just before we entered World War I, in the Wilson administration, the national debt was \$3,000,000,000, an increase of only \$500,000,000 in all the years since Andrew Johnson.

When we came out of that war the national debt was about \$25,000,000,000 or \$26,000,000,000, and we were so much concerned then as a government in reducing taxes, instead of paying off the debt, that by the time the depression hit us the debt had been decreased by only \$9,000,000,000. That is why at the beginning of the Roosevelt administration we had a debt almost as great as that with which we issued from World War I.

Never in all that long history, from the beginning of the national debt down through World War I, did the national debt ever even approximate the national income of the people. Not until 1943, when it exceeded it. And now it is almost \$100,000,000,000 greater than the national income which for 1945 was \$161,000,000,000, although the national income has already dropped with the cancellation of war contracts.

Let me say to the Senator from Massachusetts, whose questions were most pertinent. If the national income drops the Federal revenue raised by taxation will drop. And when the Federal revenue by taxation drops it will be difficult if not impossible to carry the interest on the national debt.

When the Bureau of the Budget sent its recommendations to Congress at the beginning of this Congress for the appropriations which were made for the fiscal year ended June 30 next, it was set forth that the interest upon the national debt for the ensuing year would probably be about \$4,500,000,000. The cost of all the executive civilian branches of the Government, as set forth in that same Budget, was only about \$1,080,000,000. Add the cost of the executive office of the President, the cost of all the courts, and even the cost of Congress, and it is scarcely enough to make the total more than \$2,000,000,000. In other words, the interest upon the national debt for the next fiscal year as estimated by the Bureau of the Budget, is almost twice as much as the entire cost of all the executive, legislative, and civil branches of Government.

Mr. President, that is what is wrong with the world. We have not taken the time as a people to plant to keep the free-enterprise system working. We have not taken the time as a government to plan to keep the system of private property working. We have not taken the time as a Congress to set up an agency the duty of which would be to see to it that this system shall not fail. It is to accomplish this purpose that the bill has been introduced. The opponents of the bill criticize it upon the ground that we cannot provide for public works and Federal expenditures without increasing the debt. Mr. President, the answer to that is that we cannot pay the interest on the national debt unless we have full employment; and if we are going to avoid full employment by the Government under some totalitarian system, then I say that a democratic legislature had better get busy planning to avoid totalitarianism.

We cannot permit the national income to drop and hope to keep the Federal revenue high. If we permit the national income to drop, the revenue will fall off; but whether or not we allow the revenue to drop, the debt will stay where it is.

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

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from Wyoming yield to the Senator from Maryland?

Mr. O'MAHONEY. I yield.

Mr. TYDINGS. Assuming that the Federal Government supports such a program of public works as is necessary under the philosophy outlined by the Senator from Wyoming, and that it is necessary for Congress to appropriate large amounts of money to sustain such a program, is it or is it not the Senator's opinion that that program ought to be sustained by current revenue, as a result of taxation levied by Congress, to pay for the program at the time it is projected?



Mr. O'MAHONEY. Not necessarily. I am thinking now of a Federal expenditure which is most profitable. I think of the building of Boulder Dam, authorized by the Congress under the Hoover administration. I think of the billions of dollars which were expended from the Federal Treasury in the construction of that dam. Every penny of that expenditure has been justified, because it produced business. It created income, not only for the people who were employed upon the project, but for those who supplied materials and commodities in connection with its construction. It provided income for cities and States. It was in every sense of the word an expenditure which produced revenue.

Mr. TYDINGS. Then I take it that the answer to my question is that the Senator is not greatly concerned about a further increase in the national debt.

Mr. O'MAHONEY. Oh, yes. I am terribly concerned about it. I do not wish to see an increase in the national debt. I wish to prevent it.

Mr. TYDINGS. How can we prevent it unless we are to pay currently for any program which the Government undertakes?

Mr. O'MAHONEY. As I have just pointed out, the cost of Boulder Dam was not paid currently.

Mr. TYDINGS. I did not mean to imply that the revenue must necessarily be raised in the same year. My question implied that we should simultaneously enact other measures which eventually would liquidate the cost.

Mr. O'MAHONEY. Yes; and the bill provides for that. The bill calls for other measures—taxation and the like—to do that.

Mr. TYDINGS. Then, I take it that it is the Senator's answer that concurrently with any sustained program of Government public works there should be provided taxation, either immediate or eventual, to liquidate any increase in the national debt to pay for such a program.

Mr. O'MAHONEY. I will not say to the Senator that in no event should we undertake any increase of the national debt.

Mr. TYDINGS. I did not put the question in that way. The Senator misunderstood me.

Mr. O'MAHONEY. No. I understood the Senator perfectly, but I did not want to give an answer which would be less than frank. It was necessary to indulge in deficit spending to fight this war. If a situation should arise in which the stimulation of private expenditure and the investment of Federal and State funds in revenue-producing public works and in other enterprises were not sufficient to provide full employment, I do not wish to say that in this bill we should declare that a future Congress should not do what the Senator from Maryland and the Senator from Wyoming have already done by their votes in the past.

Mr. TYDINGS. I do not wish to engage in polemics with the Senator from Wyoming at this juncture of the debate, when he is explaining very interestingly the data which he has assembled. But I think it is fair to assume from

the answers he has given that the Senator favors, with some possible exceptions, a program which will either currently or eventually pay for any increase in the national debt.

Mr. O'MAHONEY. I want a sound fiscal system, and I am working for a sound fiscal system. But I wish to point out to the Senator that less than 3 weeks ago this body passed a bill which authorized the expenditure of \$75,000,000 every year for 5 years in the construction, by the Federal Government in conjunction with the States, of airports. There was no provision in the bill or in the tax law for immediate revenues. Of course, I believe that that is an expenditure which will be productive of employment and of tax revenue to the Government, as well as of new business, and which will eventually pay for itself.

Mr. TYDINGS. To state the obvious, the Senator opened his discussion with the statement that it would take as much to pay the interest on the national debt alone, to use my own words, as the Government received in revenue annually prior to 1933.

Mr. O'MAHONEY. That is correct.

Mr. TYDINGS. Therefore, he said it would be very difficult for us to sustain our economy unless the income of the Nation was kept up so as to furnish the necessary revenue to keep things current.

Mr. O'MAHONEY. That is correct.

Mr. TYDINGS. Therefore, by any kind of logic, the conclusion must follow that the higher the national debt is allowed to go, the more difficult it will be to meet what the Senator now says is almost an impossible problem; and I think one may draw the conclusion that in any program which we may promulgate for unemployment, it is absolutely essential that currently or eventually it be accompanied by a program which will insure, directly or indirectly, its repayment to the Federal Treasury, or else we shall face real disaster.

Mr. SMITH. Mr. President, will the Senator yield in that connection?

Mr. O'MAHONEY. I ask the Senator to wait a minute, please.

Mr. President, I thank the Senator from Maryland for his contribution to the argument. I am in substantial agreement with what he has said, of course. But so far as this particular bill is concerned, I do not wish to cut off by any declaration the power of a future Congress to meet a crisis which may develop.

I say to the Senator that under the bill, as it is drawn, it becomes the duty of the new executive agency which is to be set up and the duty of the joint committee which is to be created to review exactly such contingencies, and it will be my hope that both the Executive and the congressional joint committee will devise ways and means whereby all these expenditures can pay for themselves.

What I have in mind at the moment is, for instance, Rock Creek Park, through which I drive almost every day in coming to the Capitol. There is an example of the expenditure of Federal funds without any thought of direct or, I may say,

even indirect revenue. It was an expenditure by the Federal Government.

In New York and Connecticut there is a magnificent highway over which I have driven many times. There is in Pennsylvania a very magnificent highway. They were built at the expenditure of a tremendous amount of money. But in each of those instances tolls are exacted; the people who use those highways pay a toll. The result is that we have a system of parks and transportation combined which is sustained in the first analysis by Federal investment and expenditure, and subsequently is repaid not only in the comfort and pleasure they provide to those who use the parks but in the tolls they pay. I understand that the tolls produced a very large sum of money.

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

Mr. O'MAHONEY. I yield.

Mr. TAFT. It seems to me nothing the Senator has said is inconsistent with the other amendment which the Senator from Maryland [Mr. RADCLIFFE] and I propose to offer, which reads:

*Provided, That any program of Federal investment and expenditure for the fiscal year 1948 or any subsequent fiscal year when the Nation is at peace shall be accompanied by a program of taxation designed and calculated to prevent any net increase in the national debt (other than debt incurred for self-liquidating projects and other reimbursable expenditures)—*

Those are the things the Senator has been saying we should use unless others more desirable are available.

Mr. O'MAHONEY. No; I say we should not use anything which is not a self-liquidating investment.

Mr. TAFT. Our amendment concludes with the following words:

over a period comprising the year in question and the ensuing 5 years, without interfering with the goal of full employment.

I wonder whether the Senator is prepared to endorse that principle, namely, that if a large plan for Federal expenditures is submitted, there should also be submitted, at least, a program of taxation, not designed to balance the budget that year, necessarily, but designed over a 10-year period to be sufficient to meet the contemplated program of expenditures.

Mr. O'MAHONEY. I think the Senator's amendment would be a dangerous one because of the fact that it is accompanied by the defeatist minority report which shows that those who have been opposing the bill and who are suggesting the amendment are activated by the desire, somehow or other, to secure a declaration of principles which will be antagonistic to the desire to maintain full employment.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. Then, do I correctly understand that the only objection the Senator has is to the motive or alleged motive of those who propose the amendment, and not to the amendment itself?

Mr. O'MAHONEY. Oh, no; I do not. We have here a bill the philosophy of which is being attacked. I may say that amendments which proceed from those who have persistently and upon every



possible occasion attacked the fundamental purpose of the bill and would have prevented its report, if they had been able to do so, would be like gifts borne by Greeks; I would be very, very suspicious.

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

Mr. O'MAHONEY. If the Senator will permit me to do so, I should like to proceed with my statement.

Mr. TYDINGS. Very well; I shall not interrupt the Senator if he does not care to be interrupted.

Mr. O'MAHONEY. I have been on my feet for a long time, and I should like to complete this presentation.

Mr. TYDINGS. That is perfectly agreeable to me.

Mr. O'MAHONEY. Because of the question asked by the Senator from Massachusetts regarding the financing of the debt, I present this chart, which I also presented to the Committee on Banking and Currency. It is entitled "Who Buys the National Product?" It will be observed that the first column, which is labeled "1940," shows, first, the amount of purchasing power provided by consumers. That is shown by the heavy black column. Above that is shown the amount of purchasing power provided by business. That is shown by the cross-hatched column. The next block in the column is a speckled one. It represents Government nonwar spending. The little black cap at the top of the column represents Government war expenditures. So, Mr. President, in 1940, before we entered the war, the great bulk of our expenditures comprised those which were made by consumers; the great bulk of the expenditures was made up of what the people of the United States purchased for their needs and desires. Let us say that was approximately \$90,000,000,000; the exact figures will appear in the hearings. The amount expended by business was only a little more than \$10,000,000,000 or \$12,000,000,000. The amount spent by Government in nonwar expenditures was approximately the same. The Government war expenditures amounted to very little.

But in 1944, after we had been waging the war for 3 or 4 years, consumers' expenditures had increased, of course, almost to \$100,000,000,000. Business expenditures had also increased. Why? Because the investment in war plants was made substantially by the Government. Most of the expenditures which were made to build our war plants came from the deficit. It was Government spending, not business spending.

Then the huge black column at the top, showing Government war expenditures, teaches us that for the war we were spending, in 1944, almost as much, through the Government, out of the deficit, as all the people of the United States had spent in 1940. The truth of the matter is that for purposes of the war the Government has bought almost 50 percent of all goods and services which were produced in the United States. Because the Government was doing that, the national income increased, as I have shown.

It is estimated by financial experts, of whom I am not one, that if we are to carry the national debt, that is to say, if we are to secure to the Federal Government revenue which will be sufficient to pay interest of \$4,500,000,000 upon the national debt, we shall have to keep the national income up to, approximately \$200,000,000,000. If we permit that income to fall, our revenue will fall.

So the question which Senators must decide is, who will furnish the purchasing power necessary to maintain the national income at a level which will carry the national debt after the Government stops purchasing for war, as it has done?

I assert that that is a problem of such magnitude that we cannot afford to fail to establish an agency to study the matter. We must establish such an agency and allow it to work without any restrictions, and without any false attacks being made upon it such as those which are now based upon a misinterpretation of the intent of the bill.

Mr. TYDINGS. Mr. President, of course there is one element which the experts never seem to mention, although it is a very important element in connection with the \$200,000,000,000 expenditure of 1944. The Senator is too wise a student of economy to overlook it. The fact is that in 1944 the black line superimposed upon Government non-war expenditures really resulted from a reduction in wages. That may seem to be an astounding statement. But we must realize that when the American people submitted to very high wartime taxes in order to create money in the Federal Treasury which the Government spent, they correspondingly reduced their own income, except to the extent that it showed up in the form of savings.

We must also realize that the people loaned the Government for the purchase of war bonds a portion of their wages which they had not paid in taxes.

So while the economists point to a \$200,000,000,000 income, in truth and by every standard from the economic standpoint the gross income should be reduced by the amount of wartime taxes, and by the amount we loaned to the Government. Otherwise the picture is totally erroneous.

Mr. O'MAHONEY. Mr. President, I might agree with the Senator without any effect upon the argument which is here being presented. I merely wish to reassert that, as I see it, there is a complete misconception upon the part of many persons, particularly those who are in the upper brackets of income, that, somehow or other, they will be the ones who will be obliged to pay the cost. That is a great mistake.

When I had prepared the chart which I was discussing a little while ago, I called up officials of the Treasury Department and asked them if they could give me the figures relative to the proceeds received by the Federal Government by way of income taxes in 1944, and if so, would they divide it into classifications with reference to salary brackets. They did so. I am sorry I did not have a chart made of the in-

formation. Other things prevented my doing so at the time.

Mr. President, here is an interesting fact: The total estimated tax receipts for 1944, according to the Treasury Department, were \$17,800,000,000.

Mr. TYDINGS. Exclusive of corporations.

Mr. O'MAHONEY. The figure I have given represents, as I understand it, income tax receipts.

Persons with incomes of \$25,000 and more, paid \$4,200,000,000. Those who were in the brackets between \$10,000 and \$25,000, paid \$2,100,000,000. Those who were in the brackets between \$5,000 and \$10,000, paid into the Treasury in the form of taxes, \$1,700,000,000. Those whose incomes were from \$3,000 to \$5,000, paid in the form of taxes \$3,300,000,000. Those whose incomes were from \$2,000 to \$3,000, paid in the form of taxes, \$2,800,000,000. Those whose incomes were from \$1,000 to \$2,000, paid \$3,200,000,000. Persons with incomes of less than \$1,000 paid \$500,000,000.

I ask Senators to observe this: Those who received less than \$3,000 paid to the Government \$6,500,000,000. Those who received \$10,000 and more paid to the Government \$6,300,000,000, or \$200,000,000 less than those at the bottom of the scale receiving less than \$3,000.

If we were to compute those figures on the basis of the persons who received more than \$5,000, and also those who were receiving less than \$5,000, we would arrive at the following result: The total taxes received by the Federal Government from persons receiving more than \$5,000 a year was \$3,000,000,000. The total receipts from those receiving less than \$5,000 a year was \$9,800,000,000, or \$1,800,000,000 more than the amount which the Government received from persons with incomes of more than \$5,000 a year.

Mr. TYDINGS. I should like to say to the Senator that my recollection is that just prior to the outbreak of World War II in 1939 the Treasury Department estimated that if every person receiving \$100,000 a year or more, or having an income of \$100,000 a year or more, were to turn into the Government his entire income and retain nothing whatever, the total amount which would be received from such sources would be only a little more than \$1,000,000,000.

Mr. O'MAHONEY. I may say to the Senator that I made substantially the same statement before he came upon the floor.

Mr. President, I now find that I have on my desk some notes which I made when I appeared before the Banking and Currency Committee. If the Senator will have in mind the original chart showing the total amount received by persons in the various brackets he will see that those who received \$2,000 each or less, the total amounting to \$45,700,000,000, numbered 32,500,000. Those in the brackets from \$2,000 to \$4,000 numbered 14,600,000. Those in the brackets from \$4,000 to \$5,000 numbered 2,000,000. Those in the brackets from \$5,000 to \$10,000 numbered 1,200,000. Those re-



ceiving from \$10,000 to \$25,000 a year each, numbered 446,000. Those in the brackets of \$25,000 and more numbered 129,000.

The Senator is quite correct. The Government could take the entire revenue of those who are in the income brackets above \$10,000 without affecting in any material way its ability to meet its problem. The problem, Mr. President, is to stimulate the purchasing power of the masses. The solution of the problem which confronts us today is what America has been proud of doing from the very beginning, that is to say, to increase, improve, and elevate the standard of living of the people of America. The more people there are who receive \$2,000 a year the better off we are, and if they could be receiving \$5,000 a year we would be substantially better off.

Mr. HICKENLOOPER. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. HICKENLOOPER. Roughly calculating the figures as to incomes just given by the Senator, I have tabulated in my own mind about fifty million. Does the Senator have a recapitulation of that number?

Mr. O'MAHONEY. I beg the Senator's pardon.

Mr. HICKENLOOPER. I tabulated in my own mind, as the Senator read the last figures about classified incomes, that there were about 50,000,000 people paying income taxes.

Mr. O'MAHONEY. Just about fifty million; 32.5, plus 14.6, plus 2, plus 1.2, plus .446, plus .129—a little more than fifty million.

Mr. HICKENLOOPER. That was for the year 1944?

Mr. O'MAHONEY. Nineteen hundred and forty-four, yes.

Mr. HICKENLOOPER. As I understand the proposal generally advanced by the sponsors of the bill, it contemplates a 60,000,000-job program of full employment. Is that substantially correct?

Mr. O'MAHONEY. The "60,000,000 jobs" was a phrase that came out of a political campaign. As I understand, it was intended to dramatize the number of persons in the United States who would be self-employed, who would be employed in professions, school teaching, medical professions, and the like, in business, little business and big business, in industry, in agriculture, and in all the callings which the people of America follow. It was based solely upon a computation of proportion of the population in 1950, as I recall, which would be in the normal course of events not be in school, but wanting in some way or other to earn a living.

Mr. HICKENLOOPER. We have often heard, in connection with this program, about people employed and full-employment opportunities, and reference to 60,000,000 jobs. I merely wanted to call the attention of the Senator to the fact that in 1944, which undoubtedly was the saturation point of employment in this country, so far as everyone who wanted to work having a job was concerned—

Mr. O'MAHONEY. In what year?

Mr. HICKENLOOPER. Nineteen hundred and forty-four; people looking for employees could not find them. I want to know whether, based upon these statistics, the estimates are not a little high as to the number of persons who can be put to work under any kind of a program in peacetime in this country.

Mr. O'MAHONEY. Mr. President, that, of course, is the very issue of the bill. I do not believe that we have to throw up our hands and say a free enterprise system cannot provide sufficient employment. That, I say, is a completely defeatist attitude, and I want to fight to make it possible for enterprise to furnish the work.

Mr. HICKENLOOPER. I am completely committed, in my own thinking and my belief, to the idea that if we let private enterprise operate freely, it will provide full-employment opportunities.

Mr. O'MAHONEY. Then, the Senator and I are in agreement.

Mr. HICKENLOOPER. The question is whether or not the goal we are approaching; at least in argument, is not, after all, in the light of all the provable and produceable facts as to employment in this country, and taking into consideration all the factors, one which, from a practical standpoint, we have never reached up to the present, and are we not "kidding" ourselves, in a way, in thinking that we can reach it under such a program?

Mr. O'MAHONEY. If the Senator will pardon me, in just a moment I shall show him a chart which will answer the question.

Mr. JOHNSON of Colorado. Does the Senator still have the so-called "flagpole chart"?

Mr. O'MAHONEY. Yes, it is here.

Mr. JOHNSON of Colorado. Will the Senator recur to that for a moment, when he gets through with what he is now discussing?

Mr. O'MAHONEY. Yes. Addressing myself to the inquiry of the Senator from Iowa, I wish to call his attention to the chart entitled "Labor Force and Employment in the United States, 1900 to 1944." This appears in the hearings on page 27.

The heavy line on this chart indicates the actual employment, year by year, from 1900 to 1944. The top line running diagonally across the chart represents the so-called labor force, the number of employable people in the United States who naturally and normally are available for work.

Mr. SMITH. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. SMITH. How are those statistics gotten together? The Labor Department gives us one set of figures, the labor unions another set, and the Industrial Conference Board gives us another. I am interested in knowing on what this chart is based, and whether the Senator believes there are any reliable figures on which we can all rely as a basis for our argument.

Mr. O'MAHONEY. I hope the Senator can rely upon this chart, because I took the utmost care in having it prepared. Members of the staff of the Com-

mittee on Economic Development, of the National Planning Association, and of the Department of Commerce, as well as the Department of Labor, furnished the basic material upon which the chart was drawn. I believe it to be accurate.

Mr. SMITH. The Senator thinks that in the future we can work out some plan so that we can be agreed as to what are the correct figures?

Mr. O'MAHONEY. Yes; I think we can.

Mr. SMITH. I think that is very important, in connection with the whole discussion.

Mr. O'MAHONEY. I agree with the Senator. I was going to say that the lower line on the chart, running diagonally across it, represents the employment in prosperity years. In other words, if we had had what is called substantially full employment all through this period, the lower diagonal line would represent it. The area between the lower line and the upper line, that narrow ribbon, represents what the economists call the frictional unemployment, those who are out of jobs because they are going from place to place, those who have quit work on the farm because they want to go into town for a little vacation, or for some other reason, school teachers who have quit because they do not want to work the remainder of the year; in other words, people who for their own personal reasons do not want to accept jobs which are available. That is the so-called "frictional unemployment".

In other words, the number of people employed in a free economy may reasonably be expected to be a million or two million or perhaps three million below the entire labor force, without doing any harm to anyone. The danger comes when conditions are such that people who want jobs are unable to find them.

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

Mr. O'MAHONEY. I yield.

Mr. HICKENLOOPER. Then, let me ask the Senator this question: Is it the Senator's view that under the proposals of the pending bill it is the responsibility of the Government to furnish job opportunities for all, including the "frictional" labor group that is constantly unemployed? In other words, what I am trying to get at is, how extensively should this planning be made? Should it encompass the entire economy to the point where there is a shortage of labor, or should it only attempt to get up to the point where the reasonable demands for jobs is met—up to the point where "frictional" unemployment may begin?

Mr. O'MAHONEY. For my part, I believe in the reasonable definition. I do not believe in trying to create a system whereby people would be attracted into employment who should not in the public interest be employed.

Mr. HICKENLOOPER. To my mind, it is extremely important to arrive at an understanding as to whether we should attempt to aim at a full saturation of opportunities in this country for all possible employees, all those who might at some time or other, willy-nilly, want a job, or whether we should say that our attempt is to arrive at a place where our



economy will be efficiently complete, so far as jobs are concerned, with respect to the labor market and everything else, if we come as near as we can to reasonable employment. I am confused on that point.

Mr. O'MAHONEY. No; I do not think the Senator is confused at all.

Mr. HICKENLOOPER. I think it is important for us to know just how far the planning is to go.

Mr. O'MAHONEY. My best answer to the Senator is this: The first Presidential campaign I remember anything about in any detail was the campaign of William McKinley for the Presidency, and I remember that the battle cry in that campaign was the "full dinner pail." How full was the "full dinner pail"? What they were talking about was—

Mr. HICKENLOOPER. Mr. President, if I may say so to the Senator, as I understand, in acting on the pending bill we are going beyond any political shibboleth.

Mr. O'MAHONEY. Oh, yes; of course.

Mr. HICKENLOOPER. Or political arguments, or vote-catching phrases. At least I hope the bill is of that sincerity, and I rely upon it being so. We are now faced with a program-making or policy-making bill, and getting down to brass tacks as to what we are going to do, because we are announcing a policy by which we plan to assume responsibility for this economic measure, and not to shirk the responsibility when the votes are counted and say that the bill is nothing but a campaign promise made in the heat of a campaign. Therefore, I think it is important that we should narrow the issue and reach as full an understanding as possible so as to know what may reasonably be expected in connection with the measure.

Mr. O'MAHONEY. Mr. President, I want to say first that the details of whatever plan is presented will have to be worked out by the agency which is established and by the joint committee. There is nothing in the bill which guarantees a job to anybody.

Mr. HICKENLOOPER. I thoroughly agree with the Senator.

Mr. O'MAHONEY. Let alone to the full labor force. There is nothing in the bill which declares that the Government should not be satisfied with the reasonable sort of employment which, as shown on this chart we would have had in prosperous years.

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

Mr. O'MAHONEY. I yield.

Mr. WHEELER. I agree with what the Senator from Wyoming has said and what the Senator from Iowa has just stated. I wish to say, however, that on frequent trips to Montana I have visited a good many farmers. I find they are very much worried. I thoroughly agree with the philosophy of the bill that if private industry and local governments, cities, and counties, cannot furnish sufficient employment to the people of the country, the Government itself must do so, whether we like it or not, simply for the preservation of our own country. I think that is intelligent self-interest.

But let me call attention to the language of paragraph (b) of section 2:

All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

The Senator will find that a great many stockmen and farmers in his State of Wyoming are very much afraid that that language will result in some individuals deciding that they do not want to work on the farm or work elsewhere; that they will say that "The Government of the United States owes us a job at a remuneration such as we think we ought to get."

Of course, I appreciate that that is not the intention of the bill. We cannot write into a law much of what has been said during political campaigns. Frankly, I am afraid that many of the workers throughout the country are going to be misled by this particular statement of the bill. Many people are afraid of what may happen as a result of this particular language being in the bill.

It seems to me, Mr. President, something should be done to clarify that language, so we would not be holding out a promise to individuals which we all know cannot be fulfilled and will not be fulfilled in the sense that everyone will be furnished work. Take the housewife, for instance, who ought to be at home taking care of her children or taking care of the home. She may want to have part-time work in order to make a little money. We cannot guarantee work to such a woman. In wartime many women were employed because there was great need for them to help out in industry to carry on the war program.

A short time ago the Senator spoke of the committee which was to be set up. I understood the Senator to say that some persons were opposed to such a committee. Does the Senator know of anyone who is opposed to the committee being set up?

Mr. O'MAHONEY. I did not say that, Mr. President. I do not know of anyone who is opposed to it.

Mr. WHEELER. I thought the Senator made that statement.

Mr. O'MAHONEY. No; I did not say that.

Mr. WHEELER. I think it is absolutely essential that a committee be set up in order to study the economic situation with which we shall be faced in a comparatively short time. I do not, however, like to hold out to the workers of this country a promise which I know cannot be fulfilled or upon which they can place a wrong interpretation.

Mr. O'MAHONEY. Mr. President, I think it would be utterly impossible to draft any bill or pass any law which would not be subject to misinterpretation somewhere along the line. I think the record which has been made by the people of this country in producing for the war, by the people on farms and ranches, as well as people in the factories, demonstrates beyond any peradventure of a doubt that the masses of the people of the United States are sound. The people of this country are

not chiselers. There are some who do not want to work; there are some who want to get by on their wits; but we cannot afford to lay down an economic program upon the basis of possible misuse or abuse. We have got to lay down our program upon the basis of the record which has been established by the people of America who have just come through one of the most magnificent demonstrations of their industry and patriotism that anybody could imagine.

[Manifestations of applause in the galleries.]

Mr. WHEELER. Mr. President, will the Senator again yield?

The PRESIDING OFFICER (Mr. McMAHON in the chair). Does the Senator from Wyoming yield to the Senator from Montana?

Mr. O'MAHONEY. Yes; I am glad to yield.

Mr. WHEELER. Does the Senator think for one moment that any statement I have made assumes that I have come to such a conclusion?

Mr. O'MAHONEY. Oh, no. I know the Senator has not.

Mr. WHEELER. No; not at all.

Mr. O'MAHONEY. The Senator has pointed out that there are some people who have that point of view.

Mr. WHEELER. Certainly; and I do not want to hold out to our people the promise of something the Congress will not do or that the people as a whole will not do. In my judgment, the language I referred to is causing most of the misunderstanding that exists with reference to this particular piece of legislation.

Mr. O'MAHONEY. It has been my experience, I will say to the Senator, that the misunderstanding is fragmentary, to say the least.

Mr. WHEELER. I wish the Senator were correct that it is fragmentary, but I am very much afraid the Senator will find it is not fragmentary. The purpose of the proposed legislation, as the Senator sees it, and as most of us here see it, is not the purpose which has been represented to a great many people throughout the country.

Mr. O'MAHONEY. I have not seen the representations of which the Senator speaks.

Mr. WHEELER. The Senator has read the New York Times, I am sure.

Mr. O'MAHONEY. Oh, yes; and I know that the New York Times was wholly mistaken about the whole program. I desire to point out again that the most careful safeguards have been thrown about the proposed legislation. As one of the sponsors of the bill, I proclaim again that the purpose of the bill is not to promote a condition which will cultivate abuse. The purpose of the bill is to maintain purchasing power, without which the system of private property probably cannot endure.

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

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Wyoming yield to the Senator from Ohio?

Mr. O'MAHONEY. I yield.



Mr. TAFT. I wish to ask the Senator a question. I understand how he reaches the heavy black line on the chart, but how does he reach the double line? By what statistical methods does the Senator determine the double line, representing frictional unemployment?

Mr. O'MAHONEY. The top line is the labor force, as estimated from figures compiled by the Bureau of the Census.

Mr. TAFT. Incidentally, in its last dive, it includes the armed forces of the Nation.

Mr. O'MAHONEY. It does not dive.

Mr. TAFT. I mean in its last rise, it includes the armed forces. But how does the Senator reach the other figure, marked "labor force"? That figure runs in a steady line.

Mr. O'MAHONEY. That is the figure I am talking about.

Mr. TAFT. What is it supposed to represent?

Mr. O'MAHONEY. It is supposed to represent the number of employable persons in the United States who desire work as self-employers, or as agricultural workers, industrial workers, or workers in any branch of our economy.

Mr. TAFT. That is the line which reaches 60,000,000 in 1950. I compared that figure with the population of the United States when the Senator offered the chart in the committee, and I found that he had that line going up faster than the population of the United States. The chart starts with a certain population in 1900 and a supposed labor force. If the Senator increases the figure representing the labor force at a rate corresponding to the increase in population, he will not reach 60,000,000. He will reach only 55,000,000 jobs. I asked the Senator at the time whether he would compare that figure with the population increase and let us know the result.

Mr. O'MAHONEY. The Senator asked for the population figures. I obtained them and placed them in the record. They are in the record on page 30. I have not made the statistical computation to which he now refers. I find that in 1944, according to the Bureau of the Census, the population was estimated at 138.1 million; in 1943, at 136.5 million; and in 1940, at 132 million. I assume that the relationship is an actual, statistical, scientific, and objective relationship.

Mr. TAFT. I only wish to call attention to the fact that the line at the right of the chart, which reaches 60,000,000, includes a considerably larger percentage of the total population estimated for 1950 than does the line at the left, representing the labor force, as compared with the total population in 1900.

Mr. O'MAHONEY. Of course, there are all sorts of estimates as to what the population will be in 1950; but I was attempting to answer the question of the Senator from Iowa [Mr. HICKENLOOPER] with respect to the labor force.

Mr. TAFT. May I supplement the question?

Mr. O'MAHONEY. Certainly.

Mr. TAFT. With respect to the frictional unemployment, is it the Senator's understanding that the words "full employment" as used in the bill include the frictional area?

Mr. O'MAHONEY. No; they do not.

Mr. TAFT. The Senator differs with Sir William Beveridge, who is perhaps the principal writer on this subject. Sir William Beveridge has written a book entitled "Full Employment in a Free Society." He distinctly says in his book that full employment means having always more vacant jobs than unemployed men, and not slightly fewer jobs. So his definition of full employment is different from that of the Senator. Perhaps the authors of the bill might attempt to agree on what they mean by full employment.

Mr. O'MAHONEY. Let me say to the Senator from Ohio that Sir William Beveridge is not one of the sponsors of the bill. He was not consulted in its drafting. However, he was a member of Parliament who was defeated in the last election because the British Government and British industry had not succeeded in solving the question of unemployment; and because of the failure of the British Government to solve the question of social security and full employment we now have a British Government which is devoted to the theory of the nationalization of industry. I am here today arguing for the passage of this measure because I do not wish to see appearing in the United States the same trend which has appeared in Britain, and which I think is appearing also in France. The election which is to take place in France within a few weeks may surprise many of us in the United States as much as did the British election. We had better prepare for this movement.

Mr. TAFT. I have examined the literature on this subject. The book by Sir William Beveridge is certainly the fullest exposition of the theory involved in the pending bill. Before that we had Keynes on spending, and we had various plans for full employment under a totalitarian state. But this is the first attempt which I have seen in a full style to reconcile the idea of the right to work and full employment with a free enterprise state.

Mr. O'MAHONEY. Of course, the Senator will realize that Sir William Beveridge was speaking for a homogeneous nation, the nation of Great Britain, which could be stowed away in one of the several United States, a nation with a population only a fraction of that of the United States. The conditions which exist in Britain are different from those which exist here. It may be that the liberal point of view expressed by Sir William Beveridge is altogether appropriate to the small country of Great Britain. The Senator is the only one who is citing Sir William Beveridge in connection with this measure.

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

Mr. O'MAHONEY. I yield.

Mr. WHEELER. I was glad to hear the Senator's explanation of what caused the overturn in the election in England. Let me say to him that if he had been in England he would not have thought that that was the only reason why there was an overturn.

Mr. O'MAHONEY. I did not say that it was the only reason.

Mr. WHEELER. In my judgment, after talking with a number of individuals in England, the principal reason for the overturn was the regimentation of the people, and what they had to go through during the war. I am inclined to believe that the Senator will find that the present Labor Party is about as conservative, nationalistic, and imperialistic as was the old Tory Party. It is certainly as imperialistic; and I do not believe it is very much more radical than was the Conservative Party toward the end.

Mr. O'MAHONEY. I hope the Senator will not try to involve me in a debate on internationalism.

Mr. WHEELER. The Senator injected the question. I am merely asking him to follow the course of events and see what happens in England with reference to the so-called radical Labor Party. My experience with the British has been that, generally speaking, the British laboring man is far more conservative than is the Democratic Party in this country.

Mr. O'MAHONEY. It remains to be seen what will happen.

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

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. As I caught the Senator's remark awhile ago, he was only attempting to allude to the defeat of Sir William Beveridge, and not the entire British election.

Mr. O'MAHONEY. I did make reference to the entire British election, and I also stated that reports current in the press would indicate that there is a so-called radical tendency in France, as well. As a matter of fact, we all know it. Totalitarianism is advocated by powerful forces throughout the world.

To get back to the chart, actual employment is represented by the heavy black line. Of course, there are times when conditions are such that more than the normal labor force is drawn into industry. As has been pointed out by the Senator from Montana, that happened during the war, when, as shown by one of the columns on the chart, after 1940 the number of employed persons went far beyond the number representing the normal labor force.

That was because school teachers, young boys, old men, and old women, and wives left their homes to go to work. They were impelled by patriotic motives. It is not the desire of the sponsors of the pending bill to promote any conditions which would have such a result. The danger is not in excessive employment; the danger to our system is in unemployment. Please observe how the line, as shown on the chart, fell after 1929. The actual employment in 1929 was approximately 47,000,000. In 1932 and 1933 it decreased until there were scarcely 35,000,000 persons employed. But the great danger is that, with improving technology, the output of goods is so much greater than formerly that we are producing more with less labor than at any time in our history.

There was another chart among the number, but it seems to have disappeared as the charts were carried out, but it will not be necessary to have it brought back. I shall merely say that in 1940 we produced more goods and services than at



any previous time in our history. We produced more goods and services in 1940 than we did in 1929. The population was increasing, to be sure; but when, in 1940, we were producing a gross national product, as shown by this chart, very much in excess of \$100,000,000,000, it was being done at a time when there were almost 9,000,000 unemployed persons. In 1929, when we had no unemployment problem, the gross national product was only approximately \$100,000,000,000. In other words we are now producing more, with fewer people working fewer hours, speaking industrially, than ever in our history. That is also true upon the farm. Since machines have gone into use on the farms, we are faced with the necessity of adjusting ourselves to the tremendous technological change which has occurred.

My whole argument, let me say, inasmuch as Senators have interrupted me with so many questions—and, of course, I have stood on the floor much longer than I intended to do, and I shall bring my remarks to a speedy conclusion—

Mr. JOHNSON of Colorado. Mr. President, will the Senator refer again to the so-called flag-pole chart for 1 minute, please?

Mr. O'MAHONEY. Certainly.

Mr. JOHNSON of Colorado. I tried to follow the Senator's application of tax returns to that chart. The Senator has a table on his desk. As I followed him—and I am very much interested in this question, because I am a member of the Finance Committee—I observed that the members of the group labeled "over \$25,000 a year" were taxed at a rate of approximately 60 percent of their total income.

Mr. O'MAHONEY. Yes; the tax on them was very heavy.

Mr. JOHNSON of Colorado. It was approximately 60 percent; it was more than \$4,000,000,000, on a total income of \$7,700,000,000.

Mr. O'MAHONEY. Yes.

Mr. JOHNSON of Colorado. And those in the lower bracket, with incomes of less than \$2,000 a year, for which I calculated the rate in my mind as the Senator was reading the chart, were subjected to a tax of approximately 6 percent.

Mr. O'MAHONEY. Oh, yes; there is no doubt about that. As the Senator knows, the rate of taxation on the higher incomes is much greater than that on the lower incomes.

Mr. JOHNSON of Colorado. I wondered what is the implication of the chart on taxes which the Senator read, and what is its application to this bill.

Mr. O'MAHONEY. I cited those other figures to show that we cannot depend upon the revenue derived from those whose incomes are in the upper brackets to support our economy. In order to support our economy we must raise the standard of living of those at the bottom of the scale. That is the only purpose I am pointing out that there are so many millions in the lower brackets and there are such a few thousand in the upper brackets that the solution of a free individual economy is to increase the stand-

ard of living of those at the bottom of the scale.

[Manifestations of applause by occupants of the galleries.]

So, Mr. President, my argument is simply this: Wherever we look in this world we know that a great economic question confronts us. We know it was unemployment of the masses in Germany and in Italy, the inability of little business to survive in a concentrated economy, that brought about the rise of Mussolini and Hitler. We know that every radical movement obtains its impetus from the failure of government to provide conditions under which the masses of the people may maintain themselves. This Government of ours was created by men who understood well what they were doing. They were creating a government of the people; they were creating a government which should serve the interests of the people. In other words, they were creating a government the objective of which would be to create such conditions in our economy as to improve the lot for the masses of the people. That is what they meant when they drew up the Preamble to the Constitution, "We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare," and so forth. It has been the objective of statesmen throughout our history to promote the general welfare, and the great controversy which has raged has been between those who have advocated the Hamiltonian theory of taking care of the wealthy first, in the belief that they would take care of the masses of the people, and those who have adhered to the Jeffersonian theory that the true aim of government is to provide for the welfare of the masses, because they were secure in the belief that when opportunity is preserved for the masses there will be plenty of opportunity for those at the top of the scale.

Without any question, Mr. President, if we adopt in this Nation a program to study the free-enterprise system and to try to make it work and to create opportunities for the people at the bottom of the scale so that they can live in their own homes, in their own communities, in their own States, instead of being herded from corner to corner of the United States into temporary jobs, if we promote such an economy, we shall be creating and multiplying the number of persons in the upper brackets. Those persons whose incomes are in the upper brackets, those who are managers of concentrated industry, and are fearful lest it be impossible for them to secure workers at low wages, are defeating their own interests by seeking to oppose the inauguration of a program which will improve living standards for the masses of the people.

Mr. President, there is nothing in this bill which is not consonant with true Americanism, with the principles of the Constitution of the United States, or with the principles which have been preached from every political platform in every

political campaign, by every party which believes in free enterprise. This is an American bill to make free enterprise work. This is a bill to provide that we shall not leave the planning to managers of large concentrated industries, but that we shall do something through the government of the people to aid the little fellow and the local fellow, as well as to build up industry in my State and other States for the purpose of creating opportunities everywhere, to make it possible for the farmer to sell the products of his farm, to make it possible for the shopkeeper to load his shelves and sell his goods, and to make it possible for young people to go to school. This is a bill to promote the general welfare.

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

Mr. O'MAHONEY. I yield.

Mr. MURDOCK. The Senator has stressed the fact that this is a bill to help the little fellow and the local fellow get into business and take care of himself. However, there is nothing in the bill, so far as I have been able to examine it—and I was a member of the subcommittee which considered it—that is in any way inimical to big business.

Mr. O'MAHONEY. Nothing whatever.

Mr. MURDOCK. Big business may go into the Senator's State, and I hope it may go into my State as well, because in some industries we must have big business. There is nothing in this bill that is in any way antagonistic or inimical to the interest of big business.

Mr. O'MAHONEY. Big business will be more vigorous and more profitable if we create a condition under which little business can thrive. There is nothing in the bill which is in any way antagonistic to big business or to wealth.

Mr. TAFT. Mr. President, I think that I can agree with about 90 percent of everything which the Senator from Wyoming has said.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Daniel
Andrews	Hart	O'Mahoney
Bailey	Hatch	Overton
Ball	Hawkes	Radcliffe
Bankhead	Hayden	Reed
Barkley	Hickenlooper	Revercomb
Bilbo	Hill	Robertson
Bridges	Hoey	Russell
Briggs	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Knowland	Smith
Burton	La Follette	Stewart
Butler	Langer	Taft
Byrd	Lucas	Taylor
Capehart	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Chavez	McKellar	Tunnell
Connally	McMahon	Tydings
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	Wherry
Fulbright	Moore	White
George	Morse	Wiley
Gerry	Murdoch	Willis
Green	Murray	Wilson
Guffey	Myers	Young



The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I wish to state to the Senate that there is a widespread desire among Members of the Senate to conclude the consideration of the pending bill if possible tomorrow, and to that end I am hoping we may remain in session today until 6 o'clock, and meet at 11 o'clock a. m. tomorrow, in an effort to conclude the bill tomorrow if it is at all possible. I hope Senators will cooperate to that end.

Mr. WHITE. I wonder if the majority leader would not also express the hope that there may be a recess on Monday, when an event of some historic importance which many Members would like to witness is to take place.

Mr. BARKLEY. I think the ability of the Senate to be in recess all day Monday will depend entirely on the state of the public business. I am familiar with the event to which the Senator alludes, which is the swearing in of one of our colleagues as a member of the Supreme Court. I am sure we should all like to attend the ceremony but it has not heretofore been customary for the Senate to take a whole day's recess on account of such an event. If we have any reason to reassemble on Monday I should frankly dislike to avoid having a session for the whole day, much as we should all like to see the Senator from Ohio sworn in as a member of the Supreme Court.

Mr. WHITE. But it is not customary for the Senate to give to the Court a member of such abilities as the new member.

Mr. BARKLEY. It has given other Members to the Supreme Court, and I do not recall that we took a recess to see them sworn in. That would not militate against a recess in this case if it would not interfere with the Senate's business, but I should not want to guarantee now that we would have a recess Monday for the whole day.

#### DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. LUCAS. Mr. President, will the Senator from Ohio be kind enough to permit me to make a motion to lay aside temporarily the unfinished business for the purpose of taking up two short resolutions which are important, which I am ready to report from the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. TAFT. I have no objection, if the majority leader desires to have it done. I am not in charge of the bill.

Mr. BARKLEY. This is the first I have heard of it.

Mr. LUCAS. The resolutions are very short.

Mr. BARKLEY. Frankly, I do not see the great emergency of the resolutions which would justify taking up time out of the consideration of the pending bill. If we should take them up after we finish the day's work, when we are about ready to recess, I think it would be better.

Mr. LUCAS. I do not know how long the Senate is to be in session.

Mr. BARKLEY. I just announced that I hoped the Senate would remain in session until 6 o'clock, and meet tomorrow at 11 a. m., in the hope that we may finish the consideration of the bill tomorrow. Is the Senator of the opinion that the two resolutions are of such importance that we should interfere with the pending business in order to consider and act on them, rather than wait until we finish the day's work to take them up?

Mr. LUCAS. One resolution deals with expenditures requested under the concurrent resolution adopted yesterday by the Senate which deals with the atomic bomb. I do not think there will be any debate on the resolution.

Mr. BARKLEY. We never can tell what will happen in the Senate.

Mr. LUCAS. I withdraw the request for the moment.

Mr. BARKLEY. I think a little later, when we finish the day's business, it would be more appropriate to take up the resolutions.

Mr. VANDENBERG. Mr. President, may we not see if there is any difference of opinion regarding the resolution dealing with the atomic bomb? There are reasons why we should proceed as quickly as possible to send the proposal to the other House, and I am sure that there is no disagreement.

Mr. BARKLEY. I am not expressing disagreement.

Mr. VANDENBERG. I think it would have been agreed to by now.

Mr. LUCAS. I am hoping we can get an agreement.

The PRESIDENT pro tempore. Is there objection?

Mr. REVERCOMB. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. With respect to the resolution dealing with the atomic bomb, is it the intention of the Senator from Illinois to have the resolution acted on this afternoon?

Mr. LUCAS. All the resolution does is merely make an appropriation of money in line with what the Senate agreed to yesterday. It was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The committee has acted, and I am ready to report the resolution back to the Senate. There was little or no debate on the resolution yesterday, and there should be no debate on it today.

Mr. REVERCOMB. Is the resolution referred to the one reported from the Committee on Military Affairs?

Mr. VANDENBERG. No; by the Committee on Foreign Relations to provide for a joint committee.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois? The Chair hears none.

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report, with additional amendments, Senate Concurrent Resolution 28, and I ask unanimous consent for its immediate consideration.

There being no objection, the Senate proceeded to consider the resolution, which had previously been reported from the Committee on Foreign Relations with amendments.

The amendments of the Committee on Foreign Relations were, on page 2, line 3, after the word "the", where it occurs the first time, to strike out "development and control of the atomic bomb" and insert "development, control, and use of atomic energy"; in line 6, after the word "its", to strike out "development and control" and insert "development, control, and use"; and in line 23, after the word "exceed", to strike out "\$50,000" and insert "\$25,000."

The additional amendments of the Committee to Audit and Control the Contingent Expenses of the Senate were, on page 2, line 24, after the word "paid", to strike out "one-half"; and in line 25, after the name "Senate", to strike out "and one-half from the contingent fund of the House of Representatives."

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring),* That there is hereby created a joint congressional committee to be composed of six Members of the Senate to be appointed by the President pro tempore of the Senate and six Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The joint committee shall select a chairman from among its members. A vacancy in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original appointment.

SEC. 2. It shall be the duty of the joint committee to make a full and complete study and investigation with respect to the development, control, and use of atomic energy, with a view to assisting the Congress in dealing with the problems presented by its development, control, and use. The joint committee shall report to the Senate and House of Representatives, at the earliest practicable date, the results of its study and investigation, together with such recommendations as it deems advisable.

SEC. 3. For the purposes of this concurrent resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the joint committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman of the joint committee.

The title was amended so as to read: "Concurrent resolution creating a joint committee to investigate the matter of the development, control, and use of atomic energy."

CLERK HIRE IN OFFICE OF SENATOR  
BURTON

Mr. LUCAS. Mr. President, I also report favorably from the Committee to Audit and Control the Contingent Expenses of the Senate an original resolution, and ask for its immediate consideration.



The PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution (S. Res. 178) was read, considered, and agreed to, as follows:

*Resolved*, That the clerical assistants in the office of Senator HAROLD H. BURTON, appointed by him and carried on the pay roll of the Senate when his resignation from the Senate takes effect, shall be continued on such pay roll at their respective salaries for a period not to exceed 1 month, to be paid from the contingent fund of the Senate.

#### FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

Mr. TAFT. Mr. President, as I said before the call of the quorum, I agree with 90 percent of all the Senator from Wyoming has said. The only point of disagreement is that I do not think that the remaining 10 percent justify in any way the conclusion that the delightful ends the Senator has stated will be reached by passing the pending bill.

In the first place, the bill does not do anything except declare a policy, primarily. It has three parts. To begin with, there is section 2, a declaration of policy by the Federal Government. It is a policy which is not binding on any future Congress, and is not binding even on the present Congress, yet if that policy is wrong, I cannot subscribe to it or to the bill.

The second part provides that the President must submit an annual budget, statistical information, and an economic program, with which I fully agree, but the bill says further that in doing so he must do it in accordance with the policy prescribed in section 1.

The last section provides for the creation of a legislative committee. I think the Senator from Wyoming is correct in saying that such a committee can accomplish a great deal. After the committee of 15 Members of the House and 15 Members of the Senate gets into actual operation, considers the program and submits a report, I doubt very much if the standing committees of the Senate will pay any attention to the report, based on the experience I have had with committees. Yet I think the committee will do good. It will certainly throw light on the effect of each measure on the whole economic program, and I think that should be done.

I agree with the Senator from Wyoming. When he says that we should attempt to prevent another great depression, that we should do everything possible to bring about full employment, and should consciously plan to do so. I agree with him that we should give the President authority and tell him he must submit a program with reference to that end. It is an important end; the President's program must be submitted with reference to it, and the Congress must consider it. With that I agree 100 percent.

I agree entirely with the Senator from Wyoming when he said that if we have another depression such as occurred in

1932 and throughout the thirties, we face the likelihood that the people of this country will say that, in spite of the fact that the free-enterprise system has brought about a higher standard of living here than anywhere else, still if it cannot solve unemployment, if it cannot solve depression, if it cannot prevent tremendous economic declines similar to the one which occurred in the 1930's, we will have to find some other system. With that I agree. I agree that we have the duty, if we possibly can, to develop a program which will prevent, or at least reduce or alleviate, the effect of such depressions. We must develop a program which will avoid unemployment, which will avoid the hardship and poverty which resulted from the depression of 1932 and some previous depressions.

But every administration in the history of our Government has been trying to do that. We have not had an administration which has not had an economic program. There has not been an administration which has not attempted to secure full employment. The full dinner pail campaign of 1896 was simply a campaign for full employment. Two chickens in every pot, and an automobile in every garage, or two automobiles in every garage was simply a program for full employment. Every administration has had that end in view.

The Senator from Wyoming is imagining things when he thinks there are those who want to grind the faces of the poor in order to enrich the wealthy. Certainly there are no individuals in the Republican Party or in the Democratic Party, or in public life who desire such a program. All of us want a program to prevent unemployment. How we are going to get it is the question. That is a much more difficult problem. Certainly I do not think it is going to be brought about by this bill. But I am in favor of the provision for economic planning. I am in favor of economic planning. Of course, I do not entirely trust the present administration to make the plans as I would make them. But the necessity for doing so exists, and the power to do so should be given. The administration should be told "You must put this question high at least on your items of priority, and you must develop a program aimed at preventing depressions, the best program you can develop." To that principle I agree entirely, and no amendments offered to this bill in any way change that purpose of the bill as stated by the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. O'MAHONEY. The Senator speaks of his lack of trust of the administration, his lack of trust in the agency which would be set up. May I inquire of him whether he has any trust or confidence in the judgment of the gentleman who was the last Republican candidate for the Presidency, Gov. Thomas E. Dewey, whose statement made just about a year ago, September 21, 1944, deals exactly with the issue presented by the Senator's amendment. Governor Dewey said that—

Mr. TAFT. The Senator was not present yesterday when I made a statement

concerning that speech. It was read twice. I stated that I entirely disagreed with it. That if Mr. Dewey had not pursued that course I think he might have been elected President of the United States. But from the time he made that speech he went down hill with the people of the United States, and I said that I entirely disagreed with the statement which he made, and which, as I said, has already been read twice on the floor of the Senate.

Mr. O'MAHONEY. I am not aware that the Senator from Ohio made his disagreement known at that time. I am very glad that it is known now. [Laughter.]

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

Mr. TAFT. I yield.

Mr. BARKLEY. Of course, the Senator will take account of the fact that the Senator from Ohio was himself a candidate in Ohio at the same time.

Mr. TAFT. Mr. President, the question is not what our end is. There is not any question about the purpose. The question is: What does this bill do? What is the program that this particular bill provides? What is the plan, the real plan of this bill? It was somewhat more clearly set out in the former bill which was introduced in the Senate and then rewritten by its authors. It is somewhat confused in the pending bill. But there is not any question that it is exactly the same plan.

In section 3 of the pending bill the President is required to transmit to Congress a budget, which shall set forth "for the ensuing fiscal year and such longer period as the President may deem appropriate, an estimate of the number of employment opportunities needed for full employment."

That is the first thing. How many jobs is it necessary to provide? Henry Wallace has written a book called Sixty Million Jobs, which was published recently, in which he sets out the full employment theory, and the national budget idea, and how it is to be calculated. If Senators read it, they will understand, perhaps, a little more clearly what the bill provides, although I think the bill itself is clear. If Mr. Wallace were to answer the question raised by the provision I have read, he would say 60,000,000 jobs should be the estimated number of jobs for full employment. I have already indicated my doubt as to whether 60,000,000 is a correct figure. The Senator from Wyoming presented a chart which showed the job force of the Nation running up to 60,000,000 in 1950. Mr. Wallace has backed up from 1946 to 1950—4 years. Of course, there will be more jobs in 1950 than in 1946. Still, if the labor force of the Nation should be in the same proportion to the total population in 1950 as it was in 1900, as shown by the chart, then the labor force would be 51,000,000 and not 60,000,000. Of course, it is true that more women have gone to work. There are more cases of two individuals of a family working now than before. But also we have steadily raised the level of education and forbidden work at lower ages. We have attempted to retire the older people on pension. I see no reason why necessarily



there should be a larger proportion of the Nation at work in 1950 than in 1900.

As I said yesterday, as a matter of fact, a nation as it rises in its standard of living should have fewer workers, because it should be unnecessary for the children or the older people or wives to work. I see no magic in the figure of 60,000,000. But any administration that estimated less than sixty million would be accused of running out on the labor force, and of not being really in favor of full employment, and so there is every incentive in making the calculation to figure it as high as can be.

The speech I made, to which I referred yesterday, was simply to point out that there was no magic in having more jobs. The Nation is not better off because more people are working. We have steadily reduced the number of hours people work, and successfully so. It ought to be possible to do the work with fewer hours of work, rather than with more. So, also, it ought to be possible to do the needed work with fewer people than with more.

Then the language of the bill continues:

The production of goods and services at full employment, and the volume of investment and expenditure needed for the purchase of such goods and services.

Mr. Wallace says that amount is \$200,000,000,000. He says if 60,000,000 individuals are put to work it will mean \$200,000,000,000. That is his estimate of national goods and services. That is equivalent to about \$160,000,000,000 of national income as usually figured. How is it arrived at? It is a pure guess. Anyone can figure it. It all depends upon how much wages those who are receiving the money are to be paid. What is the average income to be? How much of a national income do we need to put 60,000,000 people to work? How much are we to pay them? That is the first question. Are we going to pay them for 40 hours work the same pay that they have been receiving for 48 hours and overtime during the war, or are we to pay them at current wage rates? The difference in that single figure in making this calculation represents the difference between \$200,000,000,000 and probably \$160,000,000,000 or \$165,000,000,000.

I only emphasize the uncertainty of the calculation, I do not object to making it. I think it ought to be made. But when we come to the controversial paragraph 4 we find that based upon these figures the difference is to be estimated, to determine how much Federal investment and expenditure must be brought about.

The next item in the national budget is this:

(2) current and foreseeable trends in the number of employment opportunities, the production of goods and services, and the volume of investment and expenditure for the purchase of goods and services, not taking into account the effects of the general program provided for in paragraph (3) hereof.

An estimate of the national income or national production is made 18 months in advance. On the first of January the estimate must be made for the first of July of the following year. That is a little more tangible than the other pro-

vision, because it is not so entirely within the factors one might choose to use. Today I believe that most statisticians estimate the national income at approximately \$160,000,000,000. If we estimate what is needed to put 60,000,000 people to work, there is a gap of \$40,000,000,000.

The next item is "a general program, pursuant to section 2." When we recur to section 2 to find out what that should be, we find that it is a program which covers everything. First, the program is to stimulate private enterprise. Then, to the extent that private enterprise does not fill the gap, the program is to "provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment."

So a program is submitted dealing with private enterprise, and an estimate is made as to how much of the gap is to be made up by the program to stimulate private enterprise. That is an almost impossible calculation. I do not know how it is to be made. I do not know how to estimate the effect if the tax law is changed, or what effect there will be if we decide to give banks the power to lend money to small business. I do not know how that effect is to be calculated. Presumably it is to be guessed. An estimate may be made that private enterprise can be stimulated to the extent of \$10,000,000,000. All through the 1930's we tried to stimulate private enterprise, or we said we were trying to stimulate private enterprise. We made all sorts of loans. Still that program did not succeed, so it is a little doubtful just what new methods of stimulating private enterprise can be found.

Suppose we estimate that private enterprise can be stimulated to the extent of \$10,000,000,000. That leaves a gap of \$30,000,000,000 to reach the goal of \$200,000,000,000, and that gap is to be met by Federal investment and expenditure. We do not wait to find out the results of the program. The program is submitted 18 months in advance, in all its various features, and then there is a purely statistical calculation.

My contention is that while these statistics are important, and will show a trend up or down, they are so indefinite that we cannot possibly base an actual, definite figure for the expenditure of Federal money on any such statistics, and we ought not to do so. We ought simply to say, "Submit your statistics; submit your program, including public works, public expenditures, and everything else you want, and let us see if unemployment can be prevented." That is the course which I would favor. That is what these amendments, in effect, propose. That is the primary purpose of the bill, as stated. All I want to do is to take out of the bill the statistical figure which inevitably will lead to an estimate calling for anywhere from \$20,000,000,000 to \$40,000,000,000 worth of Federal expenditures to take up the gap.

I do not know what those Federal expenditures would be. We talk about public works. There is an idea that all we have to do in the event of unemployment is to provide public works. It was point-

ed out yesterday that no one has estimated for public works more than about \$5,000,000,000 a year of, worth-while projects for any length of time. That would put to work about two and a half million persons. The theory is that it makes no difference how we spend the money; that if we only spend it, in some way we will put more people to work. I suppose that the easiest way to spend money is to pay subsidies. Today we are spending nearly \$2,000,000,000 on food subsidies. If we wish to give money away, a system of subsidies is the easiest way to do it. We could buy all the grain at one price and sell it at a lower price. That might be justified on the theory that the consumer, getting it cheaper, will have more money with which to buy other things, and thereby stimulate private enterprise. I do not believe that the theory that public spending, aside from public works, will produce employment is proved by any manner of means. I doubt very much if that kind of Federal spending would produce immediate employment; and I feel quite confident that, continued over a long period, it would simply produce an artificial inflation. It would result in a gradual rise in prices, which would force regimentation or control, or it would increase the debt, and, as the interest on the public debt steadily increases, I feel very confident that it will do more to cause unemployment than it will to bring about employment.

This is the so-called compensatory spending theory. It is recognized by economists, and it is written into the bill. That is the name which is used throughout the world in economic circles. It has not been tried, and yet we are asked to endorse it as a fundamental principle of Federal policy. I do not know exactly where it came from. I do know that to a certain extent the language originated with the Soviet Constitution. Article 118 of the Soviet Constitution reads as follows:

Citizens of the U. S. S. R. have the right to work—the right to receive guaranteed work with payment for their work in accordance with its quantity and quality.

I think we might perhaps improve our terms by including part of what the Soviet Constitution contains—that workers will be paid for their work in accordance with its quantity and quality. However, the theory of the right to work started with the Soviet Constitution. I read further from the Soviet Constitution:

The right to work is insured by the Socialist organization of national economy, the steady growth of the productive forces of Soviet society, the absence of economic crises, and the abolition of unemployment.

Of course, the right to work is justified in the Soviet Constitution because it can be enforced. In a totalitarian state everyone can be put to work. Mussolini did it, Hitler did it, and Stalin does it. Workers can be assigned to certain tasks. Of course, the system involves the necessity of the workers taking the jobs to which they are assigned, and the pay which those jobs provide. But it can be done in a totalitarian state. As stated in the Soviet Constitution:

The right to work is insured by the Socialist organization of national economy.



In the kind of state which is set up under that constitution, the right to work is perfectly logical.

The obverse of the picture is interesting. It is article 12:

Work in the U. S. S. R. is the obligation of each citizen capable of working, according to the principle: "He who does not work shall not eat."

In the U. S. S. R. the principle of socialism is being realized: "From each according to his ability, to each according to his work."

I believe that the Soviet Constitution is entirely justified, because it is based upon the theory of a totalitarian state which can put people to work. When we come to the private-enterprise system, the idea is not so easy to apply.

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

Mr. TAFT. I yield.

Mr. McMAHON. The Senator does not contend, does he, that there is anything in the bill which says that anyone who does not work should not eat?

Mr. TAFT. No. The authors of the bill say that when they use the term "the right to work" it does not mean what it means in the Soviet Constitution. The Soviet Constitution gives the absolute right. A man can go to the government and say, "I want a job," and he gets a job. But the authors of the bill say, "We do not mean that. When he talk about the right to work, we do not mean the absolute right. All we mean is that the Government ought to adopt a policy which will create a condition in which everyone who wants a job will find one somewhere."

I have no objection to that; I believe in that policy. I think that policy should be part of the program. I prefer to have it stated as a policy of the Government, rather than to have a direct statement that everyone is entitled to work, which is substantially the way the bill now reads. As the bill now reads, the right to work is substantially insured by the Federal Government. But the authors of the bill say that is not what they mean. Of course, there is another reason why they cannot say that is what they mean. If we made the right to work a legal right, almost any workman could prevent a union which had a closed-shop agreement from preventing him from working where he wanted to work. As a matter of fact, in the State of Texas a constitutional amendment was proposed with that very purpose, and it was campaigned for as an abolition of the closed shop.

The authors of the bill admit they do not mean the right to work. They say that does not mean a legal right, that Mr. Vinson says it is a kind of moral right, and that the only meaning would be that it is an obligation of the Government. I agree with that. Since that is what it means and since the language is at best ambiguous, I have no objection to that statement of it, although if they would say it would be a policy of the Government I would be for it 100 percent.

Mr. President, under the free enterprise system we had Mr. Keynes recommending large government spending programs. We had the National Re-

sources Planning Board doing planning in this country, with a long list of Federal investment and expenditure projects, but never a suggestion—and I read through the whole list—as to where the money would come from. They did not provide for that.

But Sir William Beveridge is a frank, straightforward man who says what he means. When he presented his plan on social welfare he figured the exact cost and he put it down on the books. So we know exactly what he was proposing. About a year ago he wrote a book entitled "Full Employment in a Free Society." In it he attempts to work out a reconciliation of full employment with the free-enterprise system. He sets out exactly the machinery which is suggested in the pending bill. He is not the author of a bill, but I certainly think he could sue the authors of the bill on a copyright of the proposed method, if a man drawing a bill were subject to such a suit. His book is interesting because it shows what the theory is. He emphasizes the fact that Government spending is the key to the theory of full employment. He says:

The first condition of full employment is that total outlay should always be high enough to set up a demand for products of industry which cannot be satisfied without using the whole manpower of the country. \* \* \* Who is to secure that the first condition is satisfied? The answer is that this must be made a responsibility of the state. No one else has the requisite powers. \* \* \* It must be a function of the state in future to insure adequate total outlay and by consequence to protect its citizens against mass unemployment, as definitely as it is now the function of the state to defend the citizens against attack from abroad and against robbery and violence at home.

That is the key to his policy of compulsory Government spending. He believes the Government must assume the responsibility of spending the difference between the estimated calculations and the deficiency which may result. He outlines the long-term program which would be adopted under a plan of "Federal investment and expenditure," as mentioned in paragraph (4) of the pending bill. He says it covers outlays of various kinds, under each of five heads. First, he says:

There is a communal outlay of non-marketable goods and services, including defense, order, free education, a national health service, roads, drains, and other public works.

In other words, that is direct government, the ordinary activities of government.

I read further:

There is public business investment in industries now under Government control or which may be brought under it hereafter.

In other words, that would be Federal investments such as the Tennessee Valley Authority or similar projects.

Then he says:

There is private business investment; here through a new organ—described as a National Investment Board—the State, while preserving private enterprise, can, by appropriate measures, coordinate and steady

the activities of businessmen. There is private consumption outlay—the largest head of the five; this can be both increased and steadied by State action in redistributing income, by measures of social security, and by progressive taxation. There is a new head—described as joint consumption outlay—under which the State takes the initiative by placing collective orders—for food, fuel, and perhaps other necessities—with a view of reselling them later to private consumers at a price which may at need be lowered by a subsidy. Under this last head the state can influence both the amount and the nature of private outlay, while still leaving it free.

He outlines the various things he means when he says "Federal investment and expenditure." It means investment in business. It means subsidy. It means any plan, I suppose, to give money to the British or to any other nation, on the theory that that produces purchasing power which puts people to work—of course, at the expense of a tremendous increase in the national debt.

Sir William Beveridge then says this about it:

Full employment cannot be won and held without a great extension of the responsibilities and powers of the state exercised through organs of the central government. No power less than that of the state can insure adequate total outlay at all times, or can control, in the general interest, the location of industry and the use of land. To ask for full employment while objecting to these extensions of state activity is to will the end and refuse the means. It is like shouting for victory in total war while rejecting compulsory service and rationing.

Mr. President, I think Mr. Wallace is in a way a disciple of the same idea. His book does not set out compulsory public spending quite so clearly, but it does refer to different kinds of Federal budgets. In one he suggests that the State and local governments spend only \$22,000,000,000; in another he suggests that they spend \$35,000,000,000, and in another he suggests that they spend \$65,000,000,000. He says he prefers the one in which they would spend \$35,000,000,000. He says:

In the case of the "government model," with consumers spending only one hundred and twenty billion and business only \$15,000,000,000, we would have 10,000,000 or more unemployed if Government spent only \$30,000,000,000; but there would be no unemployment if Government spent the entire balance of sixty-five billions.

He figures that it would cost approximately \$35,000,000,000 of additional Government spending to take care of 10,000,000 unemployed. We had 10,000,000 unemployed during most of the thirties.

There is another estimate by Mr. Willford I. King, who is almost the original writer on the subject of national income. He says:

Probably the sponsors of the Murray full-employment bill have never visualized the extent of the inflation that might eventually be necessary to make such a public-works program effective. During most of the last decade, at least 10,000,000 of potential workers were idle. At present, unionized construction workers' wages average \$1.36 per hour. At 40 hours per week for 52 weeks, this would come to \$2,834 per year per worker.

The wage bill for 10,000,000 workers on public construction would, therefore, presumably amount to around \$28,340,000,000



per year. But the United States Census shows that, for every dollar paid out on construction projects for wages, an additional \$1.42 goes for materials and equipment. To do the work efficiently the Government would, therefore, need some \$42,-000,000,000 worth of such articles.

His estimate is somewhat higher than Mr. Wallace's estimate, but we are dealing with perfectly tremendous figures. Sir William Beveridge recognizes it, Mr. Wallace recognizes it, and Prof. Willford King recognizes it.

As I have already said, this is a theory and we do not know whether it would work and actually produce employment. In my opinion it would destroy the State; it would destroy the Nation, and it would eventually produce unemployment. Whether it would even produce full employment immediately, is somewhat doubtful.

Of course, it would increase the national debt, continue in force a large volume of interest on the debt, and ultimately make it impossible to balance the Budget. It would force prices up. We cannot start a Federal program involving the expenditure of \$20,000,000,000 or \$30,000,000,000 a year without establishing vast Federal bureaus for administrative purposes. The moment it is done there are created vested interests in a great many persons.

Take the present subsidies, for example. We cannot get rid of them overnight because if we were to do so we would wreck the cattle business and the dairy business. Those subsidies will hang on for several years. When such bureaus are created there is also created with them equities and rights in individuals which cannot soon be eliminated. We all know that the equities which are created in employees in various governmental departments continue. We know that it is impossible to get rid of Federal spending once it is started, and if we should spend \$30,000,000,000 in a single year we could not discontinue it within only the next year. Inflation will be sure to follow later. Then we shall have a constant rise in prices. If we are prepared to eliminate freedom and continue indefinitely price and wage controls, we will eventually arrive at a point where people can no longer pay the bills with the wages which they receive.

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

Mr. TAFT. I yield.

Mr. MILLIKIN. Does the Senator subscribe to the theory that under a private enterprise system, in order to keep people employed and to achieve full employment, or a reasonable approximation of it, we must have a high wage, high velocity, fair profit, economy, and that those things can be reached only by a constant reduction in the unit cost of mass production products?

Mr. TAFT. I believe that I can agree in general with that theory. If we constantly increase prices and wages we cannot secure the increase in the standard of living which we are trying to achieve.

Mr. MILLIKIN. That is precisely what I was getting at.

The proponents of this bill have again and again proclaimed their regard for the private enterprise system, and I as-

sume that this excludes Government control in peacetime of wages, business, or of profits. That being true, there is nothing which needs to be done to meet the requirements of the formula except that which can be done administratively at this moment, without any law of any kind.

Mr. TAFT. Of course, there is no question that the President can do anything today that he could do under this bill. We do not have to pass this bill in order to give the President power to submit a national budget. He can obtain all the figures he needs from the Bureau of the Census, the Department of Commerce, or from the Bureau of Labor Statistics. He can submit a budget even if we do not pass this bill. The bill provides that he must do so, and do so on a certain theory. He must make certain statistical calculations, and when he finds it necessary, he must use Federal money.

Mr. MILLIKIN. So far as a constant reduction in unit price of mass production products is concerned, I doubt whether any one would contend that it can be coerced by Government. It is something which must necessarily be worked out in harmonious adjustment between capital, management, and labor. That again is a challenge not for a law but for administration under existing law. It can be achieved without a law today as well as with a law tomorrow.

Mr. TAFT. I think the Senator is entirely correct.

As I have already said, the American Farm Bureau Federation is definitely opposed to the entire bill. A letter from them appears on page 1072 of the hearings. It states:

The American farmer recognizes that a high level of employment is essential to the national well-being. The American farmer believes, however, that it is not the responsibility of Government to assure every individual a full-time job at competitive levels of pay, at all times, under all circumstances, and to assume the obligation of unlimited expenditures to carry out this commitment.

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

Mr. TAFT. I yield.

Mr. TOBEY. I know the Senator wants to give the whole truth, and the whole truth with reference to farm organizations is that while the American Farm Bureau is registered against the bill, the National Grange, through its president, Mr. Goss, appeared before the committee and made a lengthy address in favor of the bill. The Farmers Union, a large farm organization, also appeared in favor of the bill. So the battling average is 2 to 1 among the farm organizations in favor of the bill as against the American Farm Bureau Federation which is against the bill.

Mr. TAFT. The Farmers Union is in favor of the compensatory spending theory. I read with care the statement of Mr. Goss, and it seemed to me that his whole emphasis was on the objectives of the bill. He did not attempt to analyze the machinery which will carry the theories into effect. I thought that the statement which I read was not only effective as coming from a large group of our population but was also very well

stated. It brought out the very point which I have been trying to make.

I continue reading:

The American Farm Bureau Federation, while favoring the goal of full employment, is strongly opposed to the bill S. 380, in its present form, because it believes that this legislation will discourage rather than help our economy during the critical reconversion period.

The American farmer, like American labor, has a vital stake in full employment, but both the farmer and the laborer have an even greater stake in our democratic way of life, for which many have died on the field of battle. We believe that the program as proposed in this bill will eventually mean the Government absorbing more and more functions and displacing the creative initiative of the individual, which has made this Nation great. We believe that the maximum employment can best be attained and the national welfare most effectively promoted by adherence to the following basic objectives.

Of course, the theory of this bill means a steady expansion of Federal power. We cannot give the Federal Government billions of dollars to spend without expanding Federal power. Of course, the adoption of the theory would remove every critical faculty in dealing with any measure. It is assumed by many that the statement that full employment will be achieved in 18 months is sufficient justification for spending huge sums of money regardless of the actual details of the situation which may exist. Such a philosophy makes legislation impossible because it assumes the position that the objective of full employment, backed by unlimited spending, is supreme over every other consideration of national policy. That is the theory of the bill. It is contained definitely in paragraph (4) which some of us are trying to eliminate from the bill. We are trying to have it replaced by a provision which will merely say that consideration shall be given to all these purposes, but that it shall not be assumed that public spending is the ultimate panacea for full employment.

Of course, the bill is inflationary in character because the machinery which we have prescribed for it is bound to be inflationary. Any government is bound to put the number of jobs on a high level. Any government, when it multiplies the number of jobs by the average wage, will have to put the wage high or the situation will resolve itself against the worker and in favor of low wages.

The whole theory of the bill is Mr. Wallace's philosophy. The highest point we reached in the war was \$200,000,000,000 a year for goods and services, the Government spending \$100,000,000,000 of it. We have to maintain that in peacetime, and if we cannot do it normally, if it is not a natural result, the Federal Government must spend the difference in order that we may reach the \$200,000,000,000 goal.

Mr. Wallace's philosophy may not dominate the administration which makes this estimate, but the whole force is to make the estimate just as inflationary as possible, so that when we finally get through with the problem, we are doing just exactly what we did in 1929. At that time we inflated the economy by the extension of private credit. We ex-



tended loans abroad; we sold securities all over the country; we built great unnecessary buildings, office buildings, hotels, theaters, so many that no more were required for another 10 years after that time, and the construction industry was dead. We built up a tremendous inflation, and when people suddenly realized they had gone too far, the reaction was so great we had the greatest depression we ever had.

Now it is proposed that we do just exactly what we did in 1929, and if we do the result will be exactly the same. We can go on spending a little longer; Government resources are greater than those of private credit, but sooner or later we will reach the point where the extension of credit will collapse, and then the whole business structure will fall.

Mr. TOBEY. Mr. President—

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. TAFT. I yield.

Mr. TOBEY. The Senator has several times mentioned different authorities whom he accused of having the same philosophy as that exemplified in the bill, or who had announced that policy. He speaks of the Soviet Government. Of course, there is no ground for supposing—and the Senator does not suggest that there is—that any part of the bill was taken from the Soviet Constitution.

I should like to say in passing, however, that whatever there may be, whether it is in the Soviet Constitution, or the Finnish Constitution, or the French Constitution, or the British constitution, or the common law of those countries, which has a chance, in my judgment, of being for the benefit of my fellowmen and for the advancement of their interests, I am not afraid to take it from any source. I am more interested in human beings than in sources.

The Senator has also alluded to Henry Wallace. Henry Wallace occupied the rostrum in this Chamber for 4 years as Vice President. He is now Secretary of Commerce. He is a thoughtful man, and a great public servant. I do not always agree with him, but I voted for his confirmation, and have been prouder of that vote as the days have gone by.

Henry Wallace has written a book, and the world can read it. He did not write the pending bill, and was not consulted about the bill. But let me say one more word about Henry Wallace. Those who scoff at Henry Wallace, in my judgment in future days will come to praise.

Now, taking up the statement the Senator has just made, he said this bill is the philosophy of Henry Wallace. I, as a Republican from New Hampshire, CHARLES TOBEY, say something to this side of the aisle. If this bill represents the philosophy of Henry Wallace, it is also the philosophy of the leader of our party, the titular leader of our party, Thomas E. Dewey, the man we cheered in Chicago, for whom I voted. I have quoted this before. It is Dewey's philosophy. This is his statement:

Government's first job in the peacetime years ahead will be to see that conditions exist which promote widespread job opportunities in private enterprise. \* \* \*

If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours.

That, fellow Republicans—forgetting the other side of the aisle temporarily at least, for which I ask them to pardon me—should be considered as good Republican doctrine. Yet men stand and assail it, speaking of Soviet Russia and Henry Wallace. Why not speak of Tom Dewey and millions of others? There are millions of Republicans in this country who endorse the principles enunciated here.

Our responsibility in a time of depression and widespread unemployment is either to give men opportunity for employment, or furnish them subsistence on relief. Senators may take their choice. As for me, I am going to vote to give men employment, a chance to work out their own salvation, to support their families, and retain their self-respect.

[Manifestations of applause in the galleries.]

Mr. TAFT. Mr. President, my difficulty is that the bill does not do what the Senator from New Hampshire suggests. If the bill did that, I should be for it. But the Senator says he will assure them. How will he assure them? By methods which within a very few years will produce much greater unemployment than would have existed if we had not spent the money. I have no objection to the principle of the Senator's proposal.

The Senator's \$64 question, as it is always asked, is, What would you do if you faced a period of unemployment?

The PRESIDING OFFICER. If the Senator will desist a moment, the Chair wishes to call the attention of the occupants of the galleries to the fact that it is a violation of the rules to applaud any speeches made in the Senate. There have been demonstrations before, and if they occur again, the galleries will have to be cleared. The Chair asks the occupants of the galleries not to demonstrate.

Mr. TAFT. Mr. President, when we face a problem of unemployment we will use every means in every line possible to stimulate the economy by sound methods which may be permanent, which may not only restore employment but will permanently maintain employment at a stable level. There are many different things which could be done and many different fields in which action could be taken. Most of them relate to private enterprise.

I have pointed out before that whereas public works may put two and a half million men to work, the private enterprise system is employing 50,000,000 people. If we can give people the incentive to increase business, if we pursue a policy which will encourage private investment, if we really do it, do not just say we are going to do it, and if we increase the private enterprise machine by 10 percent, we will put many more people to work than will be employed by all the Federal works programs we can ever devise.

I have here an amendment, though I do not know that I shall offer it, a complete substitute for subsection (d). Sen-

ators will find it on their desks. It proposes an economic program which may include, but need not be limited to, the following:

(1) Sound taxation and expenditure policies designed to balance the Budget over the ensuing 6 years—

Which should be changed to 9 years—

to encourage private investment in and expansion of business enterprises, and to encourage adequate consumers' expenditures.

I do not know anything that will better bring about an increase of the private-enterprise machine than sound policies of taxation, sound fiscal policies, if we are not to have inflation.

(2) Measures dealing with the control of private and public credit to the end that the level of business activity may be neither inflationary nor deflationary but fundamentally sound and constantly rising.

In other words, if we find things are going too fast, check the credit. That was done during the war. We can cut down installment buying so that people could not buy automobiles on the installment plan. If the desire is to stimulate buying, if there comes a time when we are afraid there may be a letting down of business activity, reduce the percentage so that automobiles may be bought on a 10-percent basis. I do not object to Government control of private credit, using it as a means of expanding or contracting private business.

(3) Policies within the scope of proper Federal action tending to maintain the proper relationship between expenditures for capital and replacement, for consumers durable goods, and for consumption.

The Government cannot undertake the whole thing without too much of a regimentation, but there are many fields in which it can act. There is the question, for instance, of expenditures for capital and replacement, which deals with the problem of housing. We can tone down the FHA, and stimulate the housing program or retard it.

(4) Policies within the scope of proper Federal action tending to maintain the correct relationship between the level of wages, the level of farm prices, the level of industrial prices, and the cost of living.

One of the causes of the 1929 depression was that farm prices got below industrial prices. We have found various methods by which we can stimulate farm prices, if you please, and we should do so. We should see to it that there is a proper relationship. At the present moment the OPA is pursuing the policy that wages can be increased and at the same time prices be held down. That simply will not work. It is bound, I think, to destroy private enterprise. If that kind of policy is pursued private enterprise, I believe, will be destroyed, because while the large companies can continue to operate, no one is going to enter into a new business in which he will lose money. If wages go up and prices are held down there will be no extension of private enterprise. People will not go into new businesses.

(5) Policies affecting the rate of interest and the rate of return on capital.

That is recognized today as a proper method of trying to control the problem



of savings as against the problem of consumer expenditures.

(6) Federal stimulation and development of production and construction by industries, corporations, and individuals through insurance guarantees or otherwise.

I am willing to try any reasonable methods which are suggested to stimulate private enterprise in fields where for some reason it is not able to proceed by itself.

(7) An increase or decrease in the expenditures of the Federal Government of all kinds designed to assure continuing full employment, including a comprehensive program of public works so planned that it can be speeded up and enlarged in times or lesser activity by private enterprise.

That is one of the things which should be done. Certainly it is one of the things that can be done in an economic crisis. But it is not a panacea any more than any of the other seven things I have listed are panaceas. There is one thing which can be done, and which would be done by the amendment now before the Senate. Instead of saying "Here is a panacea and if you are not satisfied that the other remedies are going to do it, you have got to recommend it," we simply say "Here is another thing that will help, and you are authorized to use it, to consider it, and to submit something along that line."

(8) Policies designed to prevent monopoly and promote competition.

The Senator from Montana [Mr. WHEELER] is interested in that, if it can be done to keep consumer prices down, increase the consumer's purchasing power, and spread the money over a larger number of industrial enterprises and production.

(9) Policies designed to promote foreign trade; and

(10) Policies relating to old-age pensions which will provide for an income for the aged sufficient to enable them to maintain a decent and healthful standard of living, and promote the retirement from the labor force of the older citizens.

Mr. President, if we find we have too many workers, one thing we can do is to drop the old-age pension down to a point where people can retire at an earlier age. There are many other things that can be done, but my objection to the bill is that all these things are cast in the background, and are under the shadow. They are to be tried, yes, but ultimately the Federal Government undertakes that it will absolutely insure employment by Federal spending. Once we have that insurance, what happens? What further responsibility is there on the State and local government, and why should they do anything? The Federal Government has undertaken to do the whole job. Why should the local governments undertake to inconvenience their systems? The Federal Government has taken it off their shoulders. The bill, instead of trying to work out further plans to stimulate private enterprise, provides immediate recourse to more Federal spending. It becomes the key to all national policy from this time on. Not only is Federal spending a panacea, it is a dangerous drug. If we once begin to take it we never can escape it.

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

Mr. TAFT. I yield to the Senator from Maryland.

Mr. RADCLIFFE. The proponents of the pending amendment have accentuated the fact that it is their desire and purpose to stress the opportunity for private industry, and to make it possible for State and municipal governments and private enterprise to do everything they can do to help solve the unemployment problem. No one has raised any objection to that. Never in all the discussions in the committee was any objection raised to that idea. As a matter of fact, there is nothing in the amendment which is now pending which in any way runs counter to that view. On the contrary, the pending amendment states emphatically that State and municipal governments and private industry shall be encouraged in every way possible in order to make their contribution toward relief of unemployment. There is absolutely no difference of opinion whatever on that ground. There was not in the subcommittee nor in the full committee nor has there been on the floor of the Senate any difference of opinion on that ground. The only point of difference has been that if it should develop that all these various methods were not sufficient, whether there should be as a declaration of policy, an unqualified statement, that the Federal Government will spend enough money to absorb unemployment relief. That is the only difference. There has been complete unanimity on everything that leads up to that point.

Mr. TAFT. The Senator from Maryland is entirely correct. The only issue raised by these amendments is whether we say, "When submitting your program you are free to consider every element and choose every element," or whether we say, "You must consider a number of elements, but when you get through you have got to make up the difference in a statistical estimate by recommending Federal expenditures."

Mr. RADCLIFFE. The Senator from Ohio has stated the situation correctly. The only point of difference is when it comes to unemployment which has not been taken up by the various agencies other than the Federal Government.

Mr. HATCH obtained the floor.

#### EMPLOYMENT OF COUNSEL BY PEARL HARBOR JOINT COMMITTEE

Mr. BARKLEY. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. BARKLEY. Mr. President, in this morning's Times Herald of Washington there was an article which is so utterly baseless that I cannot let the day go by without commenting upon it. The article reads as follows:

#### POLITICS SEEN IN PEARL HARBOR COUNSEL CHOICE

Former Attorney General William D. Mitchell yesterday was chosen chief counsel of the Pearl Harbor Investigating Committee after Chairman Hannegan of the Democratic National Committee, it was learned authoritatively, had turned thumbs down on at least one other lawyer given committee consideration.

This intrusion of boss politics into the selection of the man who will assume the

burden of uncovering the true story of Pearl Harbor was merely one of the incidents which marked a series of behind-the-scenes maneuvers.

#### FULTON BLACKBALLED

The man blackballed by Hannegan was Hugh Fulton, former counsel for the Senate War Investigating Committee headed by President Truman when he was Senator. Fulton, widely acclaimed for his probing skill, incurred Hannegan's displeasure by his political ambitions when Mr. Truman became President.

Sam O'Neal, publicity director for the Democratic Committee, conveyed Hannegan's disapproval of Fulton to the Democratic members of the committee and he was immediately removed from consideration. Fulton, a Democrat, had been sponsored by Senator Brewster (R.), of Maine, a member of the Truman committee.

Mitchell, final choice of the committee, was approved unanimously after he had assured the five Senators and five Representatives that he would seek to discover the responsibility for American unpreparedness at Pearl Harbor without regard to whom the evidence might hit.

#### FORMER ATTORNEY GENERAL

The 71-year-old New York lawyer was Solicitor General in the Coolidge administration and Attorney General under President Hoover. He practiced law in Minnesota until he received these appointments, then headed his own law firm in New York after his term as Attorney General ended in 1933. He was chairman of a Supreme Court advisory commission.

In the executive sessions of the committee, it was learned, Chairman BARKLEY (D.), of Kentucky, sought approval of a rule which would have confined the questioning of witnesses to the counsel, leaving the 10 committee members mute.

This unprecedented suggestion evoked indignation from Republican members and several Democrats who noted that it relegated the committee to the status of a jury, leaving the sole responsibility for uncovering the evidence in the hands of one man. BARKLEY then withdrew his proposal.

Ordinarily, Mr. President, these little snipers write their names over the articles in the press, but in this case the identity of the writer of this article is not known, because he was not courageous enough to sign his name to it, or place his name at the head of the article. Therefore I am unable to pin responsibility on any individual, but I suppose it is only fair to say that the newspaper involved accepts full responsibility for the article itself.

Mr. President, I suppose that the committee as a whole, and members of the committee individually, may anticipate that as this investigation proceeds efforts similar to this will be made in some quarters to discredit the investigation in advance. No legitimate interpretation can be put upon this maliciously false article other than to say that it is untrue in every sentence and every word, except insofar as it states the fact that Mr. Mitchell was chosen to be general counsel of the committee. I suppose we may anticipate that efforts will be made, as the committee goes along, to discredit in advance the committee, its hearings, its investigation, and its report.

When I submitted the resolution which called for this investigation I had no idea that I would be named on the committee. Furthermore, when the committee was being organized after the House had unanimously agreed to the resolu-



tion, I implored the Senator from Tennessee [Mr. MCKELLAR], President pro tempore of the Senate, not to appoint me as a member of the committee. I urged that in my position as majority leader of the Senate I had all the work that any human being ought to be expected to do, and that, in my opinion, I could not do justice to membership on the committee to investigate the Pearl Harbor disaster without neglecting my duties in the Senate, and that if I undertook to perform both functions, I probably would neglect both. Nevertheless, the President pro tempore insisted that I be a member of the committee, and appointed me.

When the committee met for organization I was made chairman of the committee over my protest, as every member of the committee will testify. Notwithstanding that, I was unanimously—with the exception of my own vote—made chairman of the committee.

We have had three or four meetings of the committee. Thus far the committee has been unanimous in everything it has done. It has proceeded in harmony, understanding, and accord. No politics has been injected into the deliberations of the committee. There has been none in any decision which it has reached. It is my hope and belief that the committee will continue in that nonpartisan spirit. Unless it were willing to do so, I would not wish to have anything further to do with it, or to associate myself with it.

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

Mr. BARKLEY. I yield.

Mr. FERGUSON. I am sorry to interrupt the able Senator from Kentucky, but I feel that I should say something on this subject in relation to the meetings which the committee has held.

Let me say that at no time has there been even a thread of dissent in the committee. There has never been anything that could be said to be political in any way. No question was ever raised in the committee as to who should ask questions or should not ask questions. The Senator from Kentucky is absolutely correct when he says that this article does not convey what was done or said in any of the committee meetings. It is to be regretted that politics should in any way be brought into this investigation. Mr. President, this is a serious matter. It is a matter which deserves the careful attention of a committee. The committee has been appointed. The committee has not proceeded upon any partisan idea whatever, and there is no evidence to indicate that the committee will proceed along that line.

Mr. President, I wish to say again that nothing was said about who should question any witnesses, and nothing was said in relation to the production of witnesses. Therefore I think it is fair to say that politics has not entered into the proceedings of the committee. I hope—and I know—that is the way it will continue. I hope the public will accept this committee as a committee of men who feel that they have a grave responsibility to the people of the United States, and that they want to do this job without party politics, as Members of the Senate and the House of Representatives should do it.

I am glad to join with the Senator in making this statement.

Mr. BARKLEY. I thank the Senator from Michigan.

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

Mr. BARKLEY. I yield to the Senator from Maine.

Mr. WHITE. I have no wish to comment on the newspaper article which the Senator from Kentucky has read, or upon the activities of the committee, so far as I know them, except in one particular. I want it known that I do not conceive that the committee could have made a wiser selection than its choice of Mr. Mitchell. He is a lawyer of high distinction, who once served as Attorney General of the United States. I think it has been recognized by all who are familiar with the activities of the Supreme Court of the United States and those who practice before it that no man has ever appeared before the Supreme Court of the United States who held the respect and confidence of that Court to a greater degree than did Mr. Mitchell. It is commonly understood that he was one of the most successful practitioners who ever appeared before the Supreme Court of the United States. I have had a personal acquaintance with him for many years. He is a man of quiet ability. He is a man of character. He is a man of courage. He is a man who has the very highest conception of public duty and public service, and I wish to congratulate the committee on its selection.

Mr. BARKLEY. I thank the Senator from Maine.

Mr. President, I wish to state categorically and without reservation that the statement in the article to the effect that Mr. Hannegan, chairman of the Democratic National Committee, injected himself into this subject, directly or indirectly, or even remotely, is without the slightest foundation. No member of the committee consulted Mr. Hannegan about the choice of counsel. Mr. Hannegan did not intrude himself by offering any suggestion or advice, directly or indirectly, as to who should be chosen as counsel for the committee.

I wish also categorically to state, without reservation, that the paragraph of the article which states that "Sam O'Neal, publicity director for the Democratic Committee, conveyed Hannegan's disapproval of Fulton to the Democratic members of the committee and he was immediately removed from consideration," is an unmitigated, unreserved, unconditional falsehood, written by the man who wrote this article for the Times-Herald of Washington, D. C. No member of the committee saw Mr. O'Neal in this connection, or in any other connection relating to the appointment of counsel, or any other service which the committee has begun to render to this country and to the people.

I wish categorically to state that the last two paragraphs, relating to me, in which I am accused of having proposed a rule which would confine the questioning of witnesses to the counsel, are also equally an unconditional, premeditated falsehood.

I wish I knew the identity of the author of it, so that I might call him by name

here on the floor of the Senate. But I do not, and therefore I cannot.

Mr. President, a number of persons were suggested and considered by the committee for counsel. The fact that any of them were not chosen is no reflection on them. The committee had to make a choice. It had before it suggestions of able, eminent counsel. The committee's one desire was to get away from politics and to choose the best qualified man, the man with the highest possible standing, who was willing to undertake the job. We conferred personally with Mr. William D. Mitchell. His reputation was known to all of us. He was one of the first men who was thought of in connection with this work. None of us knew whether he would undertake it. As chairman of the committee, I communicated with him and asked him to come to Washington in order that the committee might confer with him about it. He came. He conferred with the committee. There was absolute frankness on both sides. Then, without a dissenting vote, all 10 of the members of the committee voted unanimously for the selection of Mr. William D. Mitchell.

I do not have to say that Mr. Mitchell's reputation is Nation-wide. I do not have to say that he is a man of the highest character, of the highest standard of legal ethics. I do not have to say that in our judgment he is as well qualified as any other man, if not better qualified than any other man we could have chosen for this important task.

I have felt called upon to make this statement because I do not propose that we shall have our work subordinated, before we get started, by malicious little articles of this sort designed to create lack of confidence and dissent among the people and possibly among the members of the committee. I hope this is the last time I shall be called upon to deny or comment upon any article appearing in the newspapers, either in Washington or elsewhere in the United States.

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

Mr. BARKLEY. I yield.

Mr. SMITH. I wish to congratulate the chairman of the committee and his committee for the wonderful selection they have made. I have known Mr. Mitchell for years. The committee could not have chosen a man who would more directly take partisanship out of the investigation. I congratulate the committee.

Mr. BARKLEY. Mr. President, I thank the Senator. I think that is the feeling of the Senate and the feeling of the country, notwithstanding the effort to create suspicion and doubt of our integrity and our good faith, before we can even start on the investigation.

So far as I am concerned, I do not propose to be diverted from the performance of my duty by this article or by any other articles of similar tenor which may appear. But I did not want this occasion to pass without expressing an opinion of it and of the man who wrote it.

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

Mr. BARKLEY. I yield.

Mr. DOWNEY. The distinguished senior Senator from Kentucky, in expressing his reluctance to accept the chair-



manship of this important committee, was guilty of such an understatement that I cannot allow it to pass unchallenged. The distinguished Senator said he had all the burdens and responsibilities that an ordinary man could carry. I think I am voicing the consensus of the opinion of the Members of the Senate of the United States when I say that only the most extraordinary character we have in the Senate and the most extraordinary character I have ever known could carry the burdens which are borne by our distinguished majority leader. I, for one, a neophyte in the Senate, when I first knew him, and ever since I have known him, have marveled at his patience, his integrity, his industry. I have watched him here, day after day, every day, prepared to speak on complicated legislative matters and to meet unfortunate situations such as this, and I know that the distinguished Senator by his career in Washington has finally achieved such a reputation that he is totally invulnerable to such attacks and such misrepresentations as the one referred to. I am glad to have this opportunity to express my admiration of the industry, integrity, and ability of our beloved leader.

Mr. BARKLEY. I thank the Senator from California.

Mr. President, what I said about myself in regard to reluctance in accepting this assignment ought to be said, I think, of all members of the committee. None of them sought this assignment. None of them accepted it except with great reluctance. No one who could appreciate the magnitude of the task would wish to add it to all his other burdens as a Member of the Senate of the United States. What I said about myself applies to all the other members of the committee with equal strength and equal validity.

I sincerely hope we may be permitted to proceed with our work, as we have started out, on a high standard of patriotic public service, without efforts being constantly made, even before we can get started, to discredit the committee and its work and its counsel in advance.

#### FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

Mr. HATCH and Mr. MOORE addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. HATCH. Mr. President, I am about to proceed with discussion of the pending amendment. Did the Senator from Oklahoma desire to comment on it?

Mr. MOORE. No. I wished to obtain the floor.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Is the pending amendment the one offered yesterday by the

Senator from Maryland [Mr. RADCLIFFE] and the Senator from Ohio [Mr. TAFT]?

The PRESIDING OFFICER. Yes; that is the pending amendment.

Mr. HATCH. Mr. President, that particular amendment is addressed and directed to paragraph (4), appearing on page 14 of the bill. During the discussion yesterday and today by the authors of the amendment and the authors of the bill, it did not seem to me that there was a great deal of difference between what was intended by either. There was a difference in the language, which is interpreted by the authors of the amendment in one way and by the authors of the bill in another way. If it is only a difference in language, and if the objectives and purposes are the same, it occurred to me that the language should be refined and expressed in a way which would meet the intentions of both.

Today, Mr. President, I have drafted a substitute which I shall offer for the pending amendment. I claim no authorship of the language in the substitute, for by and large it is taken altogether from the bill and from the pending amendment, hoping thereby to reconcile the differences and make clear and certain what I believe all intend.

I shall read the substitute which I have drafted, and I hope it will be accepted by those on both sides.

Beginning in line 20 on page 14, I propose to strike out all down to and including the word "Such" in line 25, and to insert the following—I shall now quote the language I propose as a substitute:

To the extent that continuing full employment cannot otherwise be—

Mr. President, that is the exact language of the bill. Following that language, the bill uses the word "assured." The word "assured" has given considerable trouble. Many persons, not only in the Senate but outside the Senate, believe that the word "assured" means "insured," that it means a guaranty. The authors of the bill say it is not used in that sense; they say that by the bill they are not guaranteeing, nor can they guarantee, anyone a job. That being true, I have used the word "attained" in place of "assured."

Following that, I pick up language from the proposed amendment, which is—

The Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy—

Those are the exact words of the pending amendment, and they are taken from it. As I heard the authors of the bill yesterday, they did not contend that their bill was inconsistent with national needs or other essentials or considerations of the Federal Government. On the other hand, they argued that their bill was consistent with national needs and other considerations. I heard no Senator dispute the fact that all legislation should be consistent with national needs. I cannot conceive of any Senator standing on the floor of the Senate and advocating legislation which is admitted to be inconsistent with national needs. If the contrary is the purpose of the authors of the bill and the authors of the amend-

ment, why not adopt such simple language as that which I have suggested?

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

Mr. HATCH. I yield.

Mr. TOBEY. I am sincerely interested in what the Senator is saying. After his suggested use of the words "to the extent that continuing full employment cannot be attained," would he consider the use of substituting for the word "attained" the word "achieved"?

Mr. HATCH. I am using that word in a later phrase. I do not wish to repeat the same word, although I would otherwise have no objection to its use.

Then I take up the language of the bill just as it is written, and after the words "and after other considerations of national policy," say:

provide such volume of Federal investment and expenditure by private enterprises, consumers, and State and local governments to—

The author of the bill uses the word "assure," carrying the thought of guaranteeing. I have changed the word to "achieve" so that the language will read:

To achieve the objective of full employment.

That is the proposed substitute.

Mr. VANDENBERG. Mr. President, will the Senator read his amendment in its entirety?

Mr. HATCH. The language would be as follows:

To the extent that continuing full employment cannot otherwise be attained, the Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy, provide such volume of Federal investment and expenditure by private enterprises, consumers, and State and local governments, to achieve the objective of full employment.

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

Mr. HATCH. I yield.

Mr. MURDOCK. I do not wish to be too meticulous in making suggestions, but it seems to me that in order to carry out the full intent of the bill the words "full employment" should be preceded by the word "continuing."

Mr. HATCH. So that the language will read "to achieve the object of continuing full employment."

Mr. MURDOCK. Yes. That would be the language.

Mr. WHITE. Mr. President, as I understand the proposal now being made, it is to insert in line 21, in place of the word "assured" the word "attained."

Mr. HATCH. Yes.

Mr. WHITE. I am wondering if it would not be more appropriate to say "full employment is not otherwise attained" instead of saying that it "cannot otherwise be attained."

Mr. HATCH. I have no objection to that. I am trying to frame language which will meet the various conflicting views which have been expressed, but which to my mind are not in conflict. Does the Senator suggest using the words "is not otherwise"?

Mr. WHITE. The suggestion I make would involve the use of the words "is not otherwise attained." I am speaking off hand without having thought



much about it. I do not have any particular pride in the suggestion.

Mr. RADCLIFFE. Mr. President, I am not sure that I was able to follow very carefully the suggestion of the Senator from New Mexico. Does the Senator from New Mexico understand there is to be any obligation in his suggestion which would rest on the Federal Government to make up for any deficits in employment?

Mr. HATCH. Does the Senator mean a contractual obligation? There is the obligation set forth here, and in the Senator's amendment, that when full employment is not achieved, and it is consistent with the national policy, it shall be the duty and obligation of the Federal Government to use its resources to achieve the objective of full employment, but not a guaranty of jobs to anyone. The whole purpose is stated as an objective and not a guaranty.

Mr. RADCLIFFE. The amendment which was offered by the Senator from Ohio [Mr. TAFT] and myself begins with this language, "in the furtherance of the objective." If the Senator means that the word "achieve" is more or less identical in meaning with the language "in furtherance of the objective" it seems to me that it is more or less stated already in a somewhat different form. If there is a shifting of the extent and nature of the obligation of the Federal Government, then there may be involved a difference.

Mr. HATCH. I have tried to follow the language for which the Senator argued yesterday, namely, that it was in furtherance of the objective of full employment. I think that is what the language states. I think that is what the authors of the amendment contend that it states. The question is one merely of agreeing on language.

Mr. RADCLIFFE. I think the Senator from New Mexico is making a helpful effort to try to find language which may express what the authors are trying to achieve, namely, that of getting rid of unemployment. There is no doubt in the world about that. However, there seems to be a difference between the amendments, which grows out of the fact that the amendment now pending provides that "in furtherance of the objective of full employment" these things shall be done. The language which is being suggested goes further than that and, I assume, creates some sort of a guaranty. When this language was discussed in the committee—and I have reference especially to the words, "consistent with its needs, obligations, and other essential considerations of national policy"—it is very definitely my recollection that the statement was made by some members of the committee who are in favor of the bill that if that language were incorporated it would cut the heart out of the bill.

Mr. HATCH. Mr. President, of course I was not present in the committee and I am not a member of it. If that language was used in the committee, I can well understand how it came to be used. It was no doubt used in the heat of committee argument and debate when men frequently say things without first thinking them through. I do not think any

committee member would make the statement that if the bill had to be consistent with national policy its effect would be destroyed.

Mr. RADCLIFFE. Again and again the question was asked by myself and others, "What is the objection to the language? If you do not think it is consistent, then it must be inconsistent." Certainly the statement was made, unless my memory is entirely in error, that the language to which I have referred was at the very heart of the bill. As stated awhile ago, I am quite positive that one of the members said that if it were put in it would cut the heart out of the bill. Certainly, if my memory is correct, there must have been something in that statement.

Mr. HATCH. I, too, have engaged in debate and argument in committee, and I have been guilty of making statements which I should not have made. But I wish to say that I think the bill itself, insofar as it seeks to attain or achieve or promote full employment, is consistent with the national policy of this Government.

Mr. TOBEY. Good for the Senator from New Mexico.

Mr. HATCH. I think the Senator from Maryland agrees to that.

Mr. RADCLIFFE. I agree with that. It is consistent, but then the question arises, provided the objective is not attained, provided there is still a deficit, what, if anything, is the Federal Government going to do? That is the crux of the matter.

Mr. HATCH. As I have said, I have used almost the exact language of the Senator's amendment and of the bill, language about which there is no dispute.

Mr. RADCLIFFE. I was not raising any objection to the Senator's amendment. The amendment has not been studied and considered. I think it is an excellent effort on his part to try to suggest something to harmonize the language. But I desire that there should be kept in mind whether or not, according to the language the Senator drafted, he believes there is a responsibility resting upon the Government to pick up the slack of unemployment which may exist after all other agencies, private enterprise, State and municipal activities, fail to accomplish what is desired.

Mr. HATCH. Yes, I believe that. I think the obligation does rest on the Federal Government after all other agencies have failed.

Mr. RADCLIFFE. Of course, there is an obligation, but what I should like to know is how far the obligation goes. Every member of the committee was willing to assume that not only is there an obligation, but that the Federal Government should do everything it could consistent with other obligations.

Mr. HATCH. That is exactly what my proposal says, that is what the bill says, and that is what the Senator's amendment says.

Mr. RADCLIFFE. I think the language of the Senator, which I have not been able to study very carefully, tries to set forth the same idea, and to reach the same goal, but I wanted to know whether he felt that under the language he submitted there was still a responsibility

upon the Federal Government, after all these other things were done, to see that the last remnant of unemployment was taken care of.

Mr. HATCH. I wish to say to the Senator from Maryland that after he studies the proposed substitute he will find it meets—at least, I think it meets—every objection he raised yesterday to the committee bill.

The first objection was that it made employment paramount and above everything else in that it guaranteed full employment, while it only fostered the other things. The authors of the bill denied that. They said that was not true.

Mr. RADCLIFFE. But they objected to the "consistent" clause.

Mr. HATCH. My suggestion does away with the very words which the Senator construed as bringing about that condition, and it inserts other words which I do not think could be interpreted that way at all.

The Senator's other objection was that the bill, in addition to making employment paramount, actually guaranteed a job. Again there was dispute. The authors of the bill said it did no such thing. My amendment seeks merely to clarify that, and I think it does.

I think the Senator's objection was met, and I hope the authors of the bill will agree that my amendment does at least express their intentions as well.

Mr. RADCLIFFE. I certainly appreciate the Senator's efforts.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from New Mexico yield; and if so, to whom?

Mr. HATCH. The Senator from Wyoming was the first I heard address the Chair, and I yield first to him.

Mr. O'MAHONEY. I thank the Senator. I wish to compliment the Senator from New Mexico on the effort he has made. In my opinion he has made a very correct analysis of the issue which has developed.

As I listened to the reading of the amendment he now proposes, the modification, an attempt to combine some language offered by the Senator from Maryland and the language reported in the bill, I think he has done an excellent piece of work. It seems to me it meets the issue.

I hope the Senator will offer the amendment so that it may be printed and considered by all members of the Senate overnight. So far as I am personally concerned, I think the Senator has done a great deal to clarify what apparently was a troublesome issue in the minds of many, in the Senate and outside the Senate.

It may be that the amendment which the Senator has offered will not be acceptable to some. It will not be acceptable, I can say, to those who feel that Government policies should actually fall short of preventing unemployment.

Mr. HATCH. Now I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I shall certainly be very glad to consider the amendment offered by the Senator. The only objection I thought of, as I heard it read, was in the words "such volume as



to achieve full employment." That seems to follow the qualification in the first part. I have some doubt whether even with the qualification it does not impose the same volume and concept to which I objected in the bill and described in my recent remarks.

I shall be very glad to study the proposal of the Senator. I have no doubt we can consider it in the morning.

Mr. WAGNER. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. WAGNER. I wish to concur in the praise of the Senator from Wyoming for the effort the Senator from New Mexico is making to clear up the situation. The Senator is going to have the amendment printed. I am rather favorable to it, but I wish to confer with all the sponsors of the bill and the members of the Committee on Banking and Currency. I think we can do that overnight and I hope that in the morning the amendment will be presented. As I understand, the Senator proposes to offer it as a substitute.

Mr. HATCH. That is correct.

Mr. WAGNER. Very well. I thank the Senator very much.

Mr. VANDENBERG. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. VANDENBERG. First I should like to comment that I think the attitude of the sponsors of the bill is most helpful. What has disturbed me, and, in a sense, shocked me, has been that good faith suggestions from Senators who are anxious to support the bill apparently heretofore have been set aside on the theory that its text is sacrosanct, and that no change should be made in it.

Mr. President, I happen to be one of those who are very anxious to support the measure. I happen to find my chief objection answered by the language in the substitute, which merely insists that the program to meet unemployment shall be geared into the total public interest.

Everyone who has anything to do with the bill says that is what it means, yet up until the moment the able Senator from New Mexico proposed to put it in type, we were told that we could not have such an amendment.

Mr. HATCH. Mr. President, I might say to the Senator that no one told me, and fools rush in where angels fear to tread, so I just sat down and wrote the amendment out.

Mr. VANDENBERG. I refuse to join the Senator in cataloging him in the class in which he has just cataloged himself.

Mr. HATCH. With the angels? [Laughter.]

Mr. VANDENBERG. What I wish to say is that there is no doubt in my mind that with one or two changes of the nature proposed we could get very nearly a unanimous Senate to support the proposition that we shall proceed to plan against depression, and never, never again be left without a plan when we confront depression. It seems to me that if we can have just a little good faith and consideration of the effort to make the bill say what everyone connected with it insists it means, we can

achieve a very healthy, wholesome net result.

Mr. HATCH. Mr. President, I think that if we had a little more time and a few more statements we might pass the bill this evening, but since there have been several expressions of desire to have the proposed substitute printed, I now send it to the desk with the request that it be printed, and I shall offer it as a substitute for the pending amendment. I say again, as I stated in the beginning, that the words are not my words, there is no pride of authorship, they are largely words from the bill and from the proposed amendment, and if any Senator can suggest a word which will better state what all have in mind, so far as I am concerned, I shall be glad to have it used.

Mr. BUCK. Mr. President, may we have the amendment read?

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the amendment of Mr. RADCLIFFE (for himself and Mr. TAFT) as a substitute for the language beginning on page 14, line 20, down to and including the word "such", in line 25, insert the following:

(4) to the extent that continuing full employment cannot otherwise be attained, consistent with the needs and obligations of the Federal Government and other essential considerations of national policy, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to achieve the objective of continuing full employment.

#### THE PRESIDENT'S MESSAGE

Mr. MOORE. Mr. President, the economic, social, and political implications of the President's recent message to the Congress are such that a discussion of the program seems appropriate.

I had awaited the President's postwar message with anxiety and hope that it would point the way to a restoration and preservation of our American way of life. Those of us who were pleased to believe and hope that the influences that had so long permeated the executive branch of our Government were to be put aside have been disillusioned. It now seems clear that the peacetime policies of the Executive will be a continuation and extension of those policies and practices that have for more than a decade led us far from the Constitution.

Although the message is expressed in terms of admirable objectives, the President lacks confidence they can be attained within the limits of a free economy operating under a system of private enterprise. The President has said that it will be the postwar policy of the executive branch to demobilize, as soon as possible, the armed forces; to clear the war plants so as to permit contractors to proceed with peacetime production; to remove all possible wartime Government controls in order to speed and encourage reconversion and expansion; to reestablish and expand peacetime industry, trade, and agriculture. The President declares that in order to provide jobs, we must look first and foremost to private enterprise, to industry, agriculture, and

labor. He insists that Government must inspire enterprise and confidence that comes mainly through deeds, not words; that the Government must give assurances of stability and consistency in public policy so that enterprise can plan better by knowing what the Government intends to do; and that business must have assurance that every governmental policy and program will be pointed to promote maximum production and employment in private enterprise.

The means proposed by the message of accomplishing these objectives, however, are such as to chill with fear every businessman and congeal the very forces that motivate private enterprise.

The recommendation for the retention of wartime controls over prices, and consequently over profits, invalidates the virtue of the objectives expressed. Considerable publicity is being given to the release of many unimportant controls, but the essential controls over prices are to be retained. When prices are controlled, wages and salaries are necessarily controlled and likewise profits, if any, are automatically controlled. The President suggests we must continue such controls in order to overcome the dangers of either inflationary prices or the possibilities of lowered incomes and widespread unemployment. The governmental policy, he said, must guard against both contingencies. In other words, the Government is to prevent prices from either rising or falling and the artificial controls designed for such purposes are to be maintained and continued until all danger of such possibilities have passed. If such is to be the yardstick by which wartime controls of prices, salaries, and wages are to be removed, then it is obvious that the termination of our wartime controlled economy is a myth and the private enterprise system merely a fond memory. Under such program the American people are confronted with permanent controls of those essential forces that make possible a completely controlled economy. True, the message promises the elimination of rationing and price controls on one commodity after another just as soon as supply comes into balance with demand. It is an economic axiom that under an artificially controlled price the operation of the natural forces of supply and demand is stymied and consequently supply either does not catch up with demand under policies predominantly inflationary or overruns demand under policies predominantly deflationary. A perfect demonstration of this economic truth is seen in the operations of OPA. A shortage of meat and other foods, clothing, household wares, and hundreds of other commodities in the legitimate markets induced by prices artificially fixed under their normal level has caused a serious lag in supply. Likewise, a fixed price above normal levels would have caused supply to overrun demand. Demand and supply are economic complements of each other and one may not be controlled without throwing the other out of balance. Business and industry know this truth and therefore have received the President's proposal for a continuation of these wartime controls with misgivings. It would have been a whole-



portant part in tactical operations and training programs.

Secretary Gates stated: "I am pleased with the accomplishments of the program during the wartime emergency. We will continue to encourage the submission of constructive ideas so that the Navy may operate at the highest possible efficiency on a peacetime budget."

### Warning in 1934 by Edwin Gordon Lawrence of Trouble With Japan

#### EXTENSION OF REMARKS OF HON. HUGH BUTLER

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES  
*Thursday, September 27 (legislative day  
of Monday, September 10), 1945*

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Everyday Events," which appeared in the El Paso Times on September 20, 1945. It contains an exact copy of an article which appeared in 1934, and, in the light of recent events, it is very interesting reading.

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

#### EVERYDAY EVENTS (By W. J. Hooten)

Once in awhile this writer takes pleasure in presenting a guest column. For today, let us turn back the calendar to May 30, 1934. On that date, Edwin Gordon Lawrence, now of El Paso, wrote in the Transcript of Athol, Mass., as follows:

#### "A SINISTER SHADOW

"True it is that 'coming events cast their shadows before.' Equally true it is that the sun of events now rising in the East casts the sinister shadow of Japan upon the western world; and that if the substance which is responsible for the shadow (the determination of Japan to control the Far East) is not removed, the result must be a grapple to the death between the Orient and the Occident.

"Pause for a moment and consider this train of events:

#### "CONQUESTS BY JAPAN

"In 1910, Japan annexed Korea with its 85,228 square miles of territory and a population which today numbers over 21,000,000; in 1931 she made undeclared war upon China, seizing Manchuria, a division of the Republic of China, consisting of 363,310 square miles and a population of about 30,000,000. Thus in less than a quarter of a century she has added by conquest about 450,000 square miles to her domain and more than 50,000,000 to her population. This, be it remembered, is aside from the large increase by birth of her own nationals.

#### "A PUPPET EMPIRE

"True, Japan has constructed a so-called independent empire out of the seized Chinese territory to which she has given the name of Manchukuo, but to all intents and purposes it is a part of the Empire of Japan.

"The world may now prepare itself to shortly behold the claim of the puppet emperor of Manchukuo to sovereignty over the whole of China. When that time comes, Japan will uphold the validity of the claim and make it good by means of her military power.

#### "SHADOWS OF COMING EVENTS

"Coming events certainly cast their shadows before in the affairs of the Orient. The conquest of Korea in 1910 forecast that of Manchuria in 1931, and the seizure of the territory of Manchuria and the recent pronouncement of Japan relative to the overlordship of the whole of Asia indicate her probable control of the vast territory and population of China unless the western nations refuse to allow her to violate her treaty obligations and thereby become dominant in the Far East.

#### "A SERIOUS MENACE

"This might be of no concern to the United States were it not for the fact that the consummation of Japan's scheme of conquest would ultimately lead to the welding of the vast horde of orientals into a mighty military machine which would be arrayed against the nations of the Occident.

"This is no 'pipe-dream,' no hallucination. It is as sure to become an actuality as is now the possession of Korea by Japan and her mastery over Manchuria unless means are taken by the western nations to checkmate her intentions to usurp authority over all the Asiatic countries.

#### "THE SCRAPPING OF TREATIES

"The Japanese Government will not of its own accord abide by and live up to Japan's treaty obligations. Her statesmen, military and naval officials, and publicists declare that all treaties which interfere in any manner with Japan's freedom of action must give way before her great needs. Thus must the Treaty of Washington, the Nine Power Treaty, and the Kellogg Peace Pact all go by the board because, forsooth, she must have more room for expansion even though she takes it by force from other nations.

#### "A PLEA FOR SYMPATHY

"Under the caption 'Japan, her back to the wall,' the eminent columnist and editor Arthur Brisbane, puts forth this plea in behalf of Japan:

"It is important for citizens of this country to examine, understandingly and sympathetically, today's condition in the Japanese Empire, making allowances for the pressure, at home and abroad, on a government facing the alternative of starvation or expansion."

"Granting that this is true, would the circumstances justify Japan's seizing the territory of China, converting it to her own use, and killing the inhabitants? To concede the righteousness of such actions would be comparable to acknowledging the right of John Dillinger to seize the property of others on his plea that he needs it.

"Will the learned editor contend that need comes before all else, and that a bandit (granting that he is sorely in need) should be permitted to help himself to the belongings of others, and that he is justified in using force, even to the extent of taking life, in carrying out his intentions?

"Should Mr. Brisbane hold (as he seems to do in the case of Japan) that 'self-preservation is the first law of nature,' I would answer him by saying:

"Yes, in her wild untamed state—such as is exemplified by the famished tigress who leaps upon its prey, be it brute or human, in order to appease the hunger of itself and its cubs. But mankind, as represented by nations as well as by individuals, is presumed to have outgrown that brutish instinct."

#### "LOOK TO THE MORROW

"This is not intended to be a plea in behalf of war, nor favoring armed intervention by the United States between Japan and any other nation. But it is in advocacy of our country minding its own business and, at the same time, making its defensive forces so adequate that no nation will have the

temerity to interfere with what is primarily the business of the United States—the protection of its own people and their territory and the safeguarding of the Caucasian division of the human race.

"My countrymen, before it is too late, remember this: Coming events as surely presage their approach as do the growing shadows slanting toward the east indicate the passing of the day. Therefore prepare for the morrow."

### The St. Lawrence Seaway

#### EXTENSION OF REMARKS OF HON. GEORGE D. AIKEN

OF VERMONT

IN THE SENATE OF THE UNITED STATES  
*Thursday, September 27 (legislative day  
of Monday, September 10), 1945*

Mr. AIKEN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD two editorials, one entitled "Biggest Power Source," from the Democrat and Chronicle of Rochester, N. Y., and the other entitled "Labrador Ore and the Canal," from the Vindicator, of Youngstown, Ohio.

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

[From the Rochester (N. Y.) Democrat and Chronicle]

#### BIGGEST POWER SOURCE

Close on the heels of President Truman's announcement of the atomic bomb came a dispatch from Spokane, Wash., that three more giant electric generators are to be installed at Coulee Dam, to make that project the greatest power-producing center in the world. Boulder Dam, also a Government project, now is said to be the largest single unit for the production of hydroelectric power.

According to William E. Warne, assistant commissioner of the Federal Bureau of Reclamation, each of the new generators will be of 108,000 kilowatts. It is stated that the War Production Board has ordered immediate beginning of construction, which is expected to require 3 years. Inasmuch as abundant electric power is required for atom smashing, as well as for the expected rapid expansion of industry and for rural electrification in the Northwest, it seems reasonable to expect that by the time the new electric generators are ready, the demand for their electrical energy will have been created.

Progress in the Northwest, as forecast by the expansion of Grand Coulee power, possibly may spur the advocates of St. Lawrence River power to new activity, in order that Northern New York and New England may share in the benefits of the postwar era of activity.

[From the Youngstown (Ohio) Vindicator]

#### LABRADOR ORE AND THE CANAL

The discovery of high-grade iron ore in Labrador and nearby Quebec gives Youngstown a new reason to work for the Lake Erie-Ohio River Canal, and gives Pittsburgh a strong incentive for joining.

It is well known that the high-grade ore of the Michigan and Minnesota fields is nearing exhaustion. The Labrador ore is of first-rate quality, averaging 63.2 percent iron and manganese. If the St. Lawrence seaway is



carried through and the lake-to-river canal built, the Labrador ore can replace America's dwindling reserves.

This possibility has as much interest for Pittsburgh as for Youngstown and nearly as much for Cleveland, whose M. A. Hanna Co. has bought an interest in the Labrador discovery. Indeed, it concerns all Ohio, and the whole eastern region. During the war the population of this section has been falling, while the West and South have gained. The South has won a new advantage in the lower freight rates recently granted by the Interstate Commerce Commission. The West, already favored over the East, is asking still further reductions, and there are strong private and public movements to accelerate the westward shift of industry.

The stimulus of connecting the Atlantic with the Mississippi, via the St. Lawrence and a lake-to-river canal, would help the whole East. It might well be a life saver in years to come for the steel industries of Youngstown and Pittsburgh. And since setting up new steel mills in the West will not produce any iron ore, the whole Nation would have a stake in cheap transport for the Labrador ore. The waterway plan should have President Truman's support, in view of his own plan for unifying the waterways of Europe as a means of raising the standard of living.

Probably the railroads will continue to oppose both the seaway and the canal. But if their executives are farsighted enough, they will come to see that the eastern railroads interest lies in helping to stop the deterioration of the region in which they operate, and seeing that it keeps up with the rest of the country.

### The Veteran and Full Employment

#### EXTENSION OF REMARKS

OF

### HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 27, 1945

Mrs. DOUGLAS of California. Mr. Speaker, "It's over! He's coming home!"

Through millions of American minds on the night of August 14 flashed that blessed realization, with the news that the Japanese were ready to surrender. For days and days it was the only thing most of us could think of—the only thing that mattered in all the world.

And now he is coming home. On ocean liners, on hospital ships, in bombers, aboard every kind of craft that can travel on the seas or above them or under them, our men are coming home—by the first of the year they will be coming home at the rate of nearly a million a month.

And now is the time to think soberly and with responsibility about what those boys are coming home to. There is not much time—very little time. Even as those youngsters shout and whistle and sing on the swarming decks of the *Queen Mary* as she glides into her berth in the Hudson River, our factories are closing down. The postwar problem that seemed so dim and far away to many only a few months ago has become a reality. What are those 11,000,000 men coming home to?

First of all, what have they been thinking about while they were away? From everything we can find out, there have been two thoughts uppermost in their

minds during those terrible, endless months in another world: winning the war, quickly, and getting home and finding their place in a community—getting a job. The first part is over, and they won it. Now comes our part, a part in which, again, we need their help. Working together again, soldier and civilian, we have got to lick unemployment. Those men who did their part in far corners of the earth so magnificently and so unselfishly have every right to expect that, having gone all out for war, we shall now go all out for peace.

We have made a beginning where the veteran is concerned, but it is only a beginning. We have made into law a GI bill of rights. We have given him a preferential rating on jobs. But our responsibility does not stop there. What is the good of having a preferential rating on a job that does not exist? What is the good of training if there is no place to use the skill you have labored to acquire? What are your chances of getting a job in a surplus labor market if you are a disabled veteran? Of what value to you are your captain's bars and the Congressional Medal of Honor around your neck if you went away an office boy—just a kid starting out in industry—and that is all there is to offer you when you return?

These men do not want to be coddled. They do not want to be placed in a position where there is only 1 job for 10 men; and if that job is given to a veteran, he eventually becomes the inheritor of the resentment of the community. They cannot be happy and successful themselves unless the home folks are happy and successful, too. If the neighbors cannot buy his produce or his goods or his services, what chance has the veteran to make a success of that farm or that business or that profession he may obtain under the GI bill of rights?

Full employment—nothing less—will give that veteran the chance he has been dreaming about all those long months. If it is a farm he wants, if it is a business he wants, if it is a job in industry, if he wants to be a doctor or a lawyer or a scientist, he can only function in an economy of abundance. He must have customers, and, if he is to have customers, other people must be able to earn a living, too.

This man who was willing to lay down his life for your security and mine now wants a chance to bring up his children in a community free of racial and religious frictions. These are things he has risked his life to stamp out. He wants for his children and for all children of the community the fullest opportunities of education that our modern world can provide. He wants the same effort made as they made during the war to control the spread of disease and loss of life. He wants time for leisure for himself and his family, leisure which our society with technological advances that have been made can provide. He wants a living wage, and he wants some security against sickness and old age. He will not be able to understand why a peacetime civilian should not be given the same opportunities as were given to the green soldier, who was

taken into the Army and trained to use his body and his mind for war.

The veteran does not need or want all the flowers and parades and fine speeches. All he wants is a chance to get back into his community and live a normal, happy, decent life. We are dead wrong if for one moment we think we can give him a hero's welcome and then forget about him.

We muffed it after World War I. We ended up with the disgrace of a bonus army being driven out of Washington. The only way we can fulfill our obligation to the veteran now is to see to it that we fulfill our obligation to all citizens. A peacetime government must answer this challenge—or answer at the polls.

### Secretary Patterson's Tribute to General Wainwright

#### EXTENSION OF REMARKS

OF

### HON. CLARENCE E. HANCOCK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 27, 1945

Mr. HANCOCK. Mr. Speaker, Tuesday, September 25, 1945, will long be remembered by the residents of the beautiful village of Skaneateles, N. Y. It was Wainwright Day when the villagers proudly and affectionately welcomed home their greatest citizen, Gen. Jonathan Mayhew Wainwright.

The principal speaker on that memorable occasion was Secretary of War Patterson. As a part of my remarks, I include his eloquent tribute to General Wainwright:

As the home of General Wainwright, Skaneateles has a just claim to national distinction.

Beyond this town—in the United States, in the Philippines, in the islands of the Pacific, in all the United Nations—General Wainwright is far more than a good neighbor or an outstanding general or a great American. He represents for all time the heroism of the soldiers who fought on Bataan and Corregidor.

He led those brave men through the darkest days of the war. By his own endurance, his own indifference to danger in the front lines, he inspired them to an endurance far beyond the call of duty. Above all, his career marks the long and bitter road the heroic survivors of that little army have traveled, from the tragic shadow of hopeless battle to the grateful welcome of a victorious homeland. In honoring General Wainwright we honor them all, the living and the dead.

He had a force of 50,000 men. No army more completely representative of all our fighting forces has ever fought under the American flag. Soldiers and sailors, marines, and airmen fought it out side by side in the jungle of Bataan and on the rock of Corregidor.

There were veteran regulars of the Thirty-first Infantry. That regiment had not been home as a unit since its formation in 1916. There were National Guard men and selectees, in such outfits as New Mexico's Two Hundredth Antiaircraft, who little more than a year before had been students and clerks, farmers and factory workers. There were marines of the Fourth Regiment in the line

# S. 380

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. TYDINGS to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, viz:

- 1 On page 14, line 21, after the word "provide" add the
- 2 following: "with the assistance and concerted efforts of
- 3 industry, agriculture, and labor".



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## AMENDMENT

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- 1        On page 13, line 18, after the word "responsibility" add
- 2 the following: "with the assistance and concerted efforts
- 3 of industry, agriculture, and labor".



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## AMENDMENT

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- 1 On page 16, line 14, after the word "program" add the
- 2 following "with the assistance and concerted efforts of in-
- 3 dustry, agriculture, and labor".



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## **AMENDMENT**

Intended to be proposed by Mr. TUDINAS to the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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SEPTEMBER 27 (legislative day, SEPTEMBER 10), 1945

Ordered to lie on the table and to be printed







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued October 1, 1945, for actions of Friday, September 28, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed full-employment bill.

SENATE

1. FULL-EMPLOYMENT BUDGET. Passed (71-10) with amendments S. 380, the full-employment bill (pp. 9265-9304). Agreed to Sen. Hatch's (N.Mex.) substitute (for Sen. Taft's) amendment "which merely insists that the program to meet unemployment shall be geared into the local public interest" (pp. 9276-84), and 82-0 to Sen. Taft's (Ohio) amendment to provide that program expenditures shall be accompanied by a tax program designed to prevent any increase in the national debt "over a reasonable number of years thereafter" instead of the "over the ensuing nine years" (pp. 9284-95). Rejected, 30-49, Sen. Hickenlooper's (Iowa) amendment to insert language opposing pursuance of "a policy of engaging in commercial activities in competition with free, competitive private enterprise or the investment of private capital" (pp. 9296-300).

During debate on this bill Sen. Hickenlooper stated that his amendment did not conflict with such programs as REA and Sen. O'Mahoney, Wyo., stated that the REA program "has done more to encourage private enterprise than many things which had been accomplished up to that time" (p. 9297). Sen. Morse, Oreg., stated, "we can and should support farm prices through government action, but we cannot support farm prices for long unless we find ways to discharge our responsibility of maintaining full employment so that there will be a market for farm goods" (p. 9269). Sen. Wherry, Nebr., inserted Albert Goss' statement on the bill (pp. 9290-4).

RATIONING. Received a Wis. Legislature resolution urging discontinuance of butter and cheese rationing (p. 9262).

Received a Potomac Cooperative Federation resolution favoring retention of necessary rationing of scarce foods (p. 9262).

TRANSPORTATION. Received a Mass. Public Utilities Commission favoring H.R. 2536, to authorize ICC supervision of freight-rate agreements (p. 9262-3).

ECONOMY; EMPLOYMENT. Sen. Capper, Kans., inserted O.J. McCormick's letter favoring reduction in Government expenditures and opposing unemployment compensation (p. 9263).



5. RESEARCH. Agreed to Sen. Thomas' (Utah) request that the several bills and reports dealing with research and science promotion be printed as a document (p. 9274).
6. UNEMPLOYMENT COMPENSATION. Sen. Donnell, Mo., criticized President Truman's reported statement that "the Senate had let him down" on the unemployment compensation bill (p. 9265).

BILLS INTRODUCED

7. SOCIAL SECURITY. S. 1445, by Sen. Kilgore, W. Va., to amend the Social Security Act, for the purpose of permitting States, and political subdivisions and instrumentalities thereof, to secure coverage for their officers and employees under the old-age and survivors insurance provisions of such act. To Finance Committee. (p. 9263)
8. SUGAR PRODUCTION. S. J. Res. 100, by Sen. Fulbright, Ark. (for himself and Sens. Wheeler (Mont.), LaFollette (Wis.), Gurney (S. Dak.), Butler (Nebr.), and Thomas (Okla.), permitting federally owned alcohol plants to produce sugars or sirups simultaneously with the production of alcohol. To Finance Committee. (p. 9263.)

ITEM IN APPENDIX

9. ST. LAWRENCE SEAWAY. Sen. Langer, N. Dak., inserted the President's reply (as printed in the N.Y. Herald Tribune) to Governor Dewey's statement in connection with the St. Lawrence Seaway project (p. A4402).

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of action on any particular bill.

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ITEM IN FEDERAL REGISTER Sept. 28, 1945

10. PERSONNEL; REDUCTION IN FORCE. CSC's regulation on retention preferences in reduction in force actions (p. 12181).

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COMMITTEE HEARING ANNOUNCEMENTS for Oct. 1; S. Judiciary, Government reorganization (ex.); S. Post Office and Post Roads, highway construction; H. Appropriations, deficiency bill (ex.); and H. Ways and Means, new tax bill (ex.).

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point system, but to establish for them special critical scores. For example, we quickly discovered we had a relatively large surplus of aviators. Accordingly, the critical score for their release has been cut to 44 points against 49 points for other officers. This device of establishing lower critical scores for surplus categories will be used in other cases if and when we discover those surpluses. At the other end of the scale the need for medical personnel, which you mentioned, has obliged us to set a critical score for male doctors of 60 points, 11 points higher than the normal score for officers of 49 points. By these variations in critical scores the Navy hopes to prevent the needless retention of surplus personnel.

Incidentally, I believe the paragraph above answers your questions about aviation, medical, and construction personnel. They all are under the point system. Doctors and aviators have special critical scores, but all others, including construction personnel, have normal critical scores.

The third type of discharge which you suggest, special order discharges, is the one that causes the greatest difficulty. As you know, we do recognize cases of family hardship—which should not be confused with cases of business convenience—and we do give special attention to discharge applications from enlisted men who have been long in the service and who have especially pressing dependency situations.

You may be interested in how we handle applications for release in hardship cases. A hardship application filed by an enlisted man or an officer goes first to the applicant's commanding officer. The commanding officer must forward the application to Washington, making whatever recommendation he sees fit. Therefore, a hardship plea cannot be either pigeonholed or rejected in the field. Here in Washington the hardship appeals of enlisted men are decided by the Enlisted Personnel Office of the Bureau of Personnel. Those of officers are decided by a board, the membership of which we keep anonymous so that the board cannot be subjected to pressure. No official of the Department will be allowed to overrule this impartial board.

My own observation indicates that both the board and the Enlisted Personnel Office are being lenient in matters of true family hardship—as distinguished from cases of business convenience.

In all honesty, I believe these are the only special order discharges which we can consider. We have had appeals to release all married men and we also have appeals to release single men so that they can get married. We are asked to release all combat veterans because of their sacrifice, and we are asked to release all noncombat men because they won't be any use to the Navy. We are told we should release all young men because they are preparing for their careers, and we are told that we should release all older men because their careers may be ending.

Each of these appeals has its validity, but there is no unanimity among them. They are so conflicting that, if we tried to satisfy one this week and another next week, our demobilization would break down in a chaos of cross-purposes. The net result, I am convinced, would be to slow down the whole demobilization.

The best answer to the appeals of special groups is a fast over-all demobilization. For that reason, we have fixed the rapid release schedule to which I referred before—and we will beat it if we can.

Sincerely yours,

JAMES FORRESTAL.

STATEMENT BY THE PRESIDENT ON  
UNEMPLOYMENT COMPENSATION

Mr. DONNELL. Mr. President, the heading of the first article on the front page of this morning's Washington Post

reads, "President carries fight for jobless pay to House after 'let-down' by Senate." The reference is to a conference which the President had yesterday with the Democratic members of the House Ways and Means Committee with respect to the bill providing unemployment compensation of \$25 a week for 26 weeks. Charles G. Ross, Presidential press secretary, is quoted in the article as follows:

The President spoke vigorously. He said he stood pat on 26 weeks and \$25 for unemployment compensation. He said the Senate let him down and he expected the House not to do so. He said his views were fully outlined in his message to Congress and he stood by them.

From the statement of the President that "the Senate let him down" there follows reasonably the inference that the Senate was under some obligation to the President with which the Senate failed to comply. From the President's statement the implication may clearly be drawn that the Senate had failed to perform its duty by not carrying into effect the President's desires in this matter.

I think it proper that the Senate pause at this point to remember now and for all future time that it is not a body subordinate to the President of the United States or subject to the duty to follow his desires, irrespective of the judgment of Members of the Senate.

It is a proper function of the President to make recommendations to Congress, and it is of high importance that respectful and thorough consideration be given by Congress to every recommendation made by the President. This, however, is entirely different from the view that Congress owes an obligation to the President to follow his recommendations blindly. There is no basis for the President of the United States to be of the opinion that merely because the Senate fails to approve legislation suggested by him the Senate has thereby omitted a duty, which omission is a logical interpretation of the term "let him down."

We have had in past years many illustrations of Executive domination over Congress. It is to be devoutly hoped that no repetition of such domination will ever again occur in our national history. Our Government consists of three coordinate branches, the legislative, executive, and judicial. Each has its own functions. Each is responsible for its own independent exercise of those functions. Each of them owes a duty not to the other branch, but to the people of the United States to perform this duty fearlessly, independently, and without subordination to another branch of government.

The Congress will do well at this point to caution itself never to accede or agree to the doctrine that Congress is subordinate to the Executive. Congress will do well also to caution itself at this time never to accede or agree to the doctrine that by omitting, after the exercise by it of honest judgment, to enact legislation favored by the Executive, it has "let down" the Executive; namely, that it has failed to perform a duty which it owes to the Executive. We are chosen to perform our duty to the people of the United

States. We owe no duty to comply with directions or orders of the Executive to enact legislation. Our duty is to do what we ourselves think best. To fail to follow the opinions of the Executive does not constitute a breach of duty, a non-compliance with obligation, or a "letting down" of the Executive.

In conclusion, I call attention to certain words in Washington's Farewell Address, which are as true in this September 1945 as they were in September 1796 when he delivered that immortal document. Those words are:

It is important, likewise, that the habits of thinking, in a free country, should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding, in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A first estimate of that love of power, and proneness to abuse it which predominates in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal, against invasions by the others, have been evinced by experiment, ancient and modern; some of them in our own country, and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be, in any particular, wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance, in permanent evil, any partial or transient benefit which the use can, at any time, yield.

FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

Mr. MORSE. Mr. President, I had intended to address myself to the full employment bill earlier in the debate. Not having done so, I really feel that many of the remarks which I shall make today will not add anything to the debate, because they have been covered, in the main, by the very excellent discussion on both sides of this question in the speeches which have preceded. Hence I suggested to my cosponsors of the bill that we might very well forego my discussion today. However, it was the judgment of those supporting the bill that in order to complete the record this speech should be made a part of the record because of the emphasis which I shall give to certain features and objectives of the bill.

It is my understanding, Mr. President, that it is the desire—and I certainly share in it—of Senators on both sides of the aisle that we reach a vote on this bill today, if possible. Therefore, I shall decline for the main to yield during my



speech, although I shall wish to extend every possible courtesy to my colleagues if they feel it important that they interrupt for comment or questions on anything I say. I assure my colleagues that after I close my speech I shall be very glad to subject myself to such cross-examination as they may wish to put me to on this very essential piece of legislation. I hope that when I decline to yield during the course of my remarks, no colleague will consider me in the slightest way discourteous, because such will not be my intention.

Mr. President, as a Republican, I support and sponsor the full employment bill because I feel that maintaining full employment is absolutely essential to preserving our economy in this country. If we lose that economy we shall lose many democratic rights as well. I am sure that many of my colleagues in the Senate are aware of my conviction that we shall have to maintain on an efficient and a highly productive level our system of private enterprise economy if we are to preserve political democracy itself. I have said before, but it is a truth which I think so fundamental that it deserves repeating, that under our form of government we cannot separate our form of economy from political democracy itself, because if we do we will have to substitute for our system of private enterprise a regimented economy. If we have a regimented economy by government we also lose many of our basic political democratic rights. I think that the contest between economic systems is one of the great battles of ideology going on in the world today, and it is not foreign to our shores. It is being waged in America today and I want to throw my support to private enterprise. The question is whether we are going to make political democracy and the private enterprise economy work cooperatively in this country, to the end that we can assure full employment under our great democratic Government. We know that our form of government elevates to the highest position among the nations of the world the rights of the individual and the dignity of men. However, if in the future it fails so to plan its economic affairs as to give its people the chance to work and maintain a decent standard of living they will insist upon changes in our economy.

So I say, Mr. President, that I feel that the full employment bill is essential in order to hitch together political democracy and a private enterprise economy. I recognize that there are great differences among us in our approach to these problems, although this debate has shown very clearly that we are of one mind as to the objectives. The opponents of the bill or those who would modify it in various respects have stated over and over again on the floor of the Senate that they are sympathetic with the objectives of the bill. I know their sincerity is as deep as the sincerity of those of us who believe that legislation such as S. 380 will be necessary if we are to hold out to the common men and women of America what amounts to an economic insurance policy which will protect them from the misery and cruelty of depressions and deflated dollars.

I recognize, Mr. President, that one of the great shortcomings of most of the legislative programs of the past 20 years—and I include Republican as well as Democratic administrations in that period of time—has been a failure on the part of both great political parties to come forward with a realistic tax program.

I am aware of the fact that so far as political issues are concerned, and sometimes so far as political consequences to individuals are concerned, a proposal to tax sufficiently to pay for the benefits of government is considered to be bad politics. However, I am convinced, Mr. President, that we cannot maintain the benefits of government which must be maintained and expanded as problems arise unless we tell our people honestly and forthrightly that they must expect to pay taxes to meet the costs of those Government services. In my judgment, if we are to be perfectly intellectually honest about it we must tell the people that they must expect to pay high taxes for years to come, not only in order to pay the great cost of this war—a cost which, after all, is very cheap, because the winning of the war makes it possible for us to be here today as free men representing a free people—but to pay the cost of all other obligations which the Government must assume.

(At this point Mr. MORSE yielded to Mr. CONNALLY, who spoke on the ratification of the water treaty by the Mexican Government, and debate ensued, all of which, on request of Mr. CONNALLY, and by unanimous consent, was ordered to be printed at the conclusion of the speech of Mr. MORSE.)

Mr. MORSE. Mr. President, I happen to be one who believes that we, as representatives of the people of this country, should make perfectly clear to them on a factual basis what are the tax problems of the country, and what are the budgetary necessities of the Government. If we do so, I believe that they will be perfectly willing to pay for the benefits which they insist upon receiving provided we make it possible for them to maintain a standard of living sufficiently high to permit them to pay out of the productive enterprises of this country, and the wealth produced through them, the taxes necessary to meet the expenses of whatever legislative program shall be enacted by the Congress in the public interest.

Moreover, Mr. President, I feel that we should not endeavor to incorporate a tax program into the pending bill. When we are ready to grapple with the tax problems of this Congress I shall be perfectly willing to take the position that we must impose taxes sufficiently high to make it possible to protect the value of the American dollar. Unless we raise revenues through taxation to protect the value of the American dollar there can be no doubt about the fact that we shall be headed toward runaway inflation. Mass unemployment is certain to go along with inflation, and no amount of spending can help unemployment caused by inflation. I shall be perfectly willing to put my political head on the block, so to speak, in support of an adequate tax program in order to protect the value of the

American dollar, because I conceive that to be one of my primary duties to the people whom I try to serve. This full employment bill will assure employment only so long as we protect the soundness of our dollar. Cheap money doesn't create jobs; it destroys them. That is why I think that after passage of this bill we should tackle our tax problems.

However, Mr. President, I am not one who becomes alarmed over the label "deficit spending." When deficit spending for any emergency period of time appears to be necessary in order to maintain and expand the productive resources of this country for the purpose of providing jobs for men and women, I shall not hesitate to vote for deficit spending for whatever the period of time may be which is found to be necessary. Deficit spending, if it results in the creation of wealth-producing jobs, does not deflate the value of the dollar, but protects its value because out of those jobs will come savings with which the cost of the enterprise can be paid through taxes. It is true, of course, that if deficit spending continued for so long as to create a debt in excess of wealth produced, the value of the dollar would be deflated. But I do not fear deficit spending during an emergency in which we are threatened with a depression and unemployment if we agree that the costs of the projects for which the public money is spent will later be returned in taxes after the emergency is over.

Hence I think we should make clear that a time will come when we will have to pay for the cost of any particular emergency in the alleviation of which we spend money under the terms of this bill. I am one who believes that during the serious depression of the 1930's we should have adopted, at the time Congress passed much of the legislation which was enacted during that period, a more adequate and fairer tax program. I assert now that if this proposed legislation is enacted, as I trust it will be, in order to meet the expenditures which the Government will have to make if it is to provide opportunities for the employment of those who want to work, it will be necessary to establish tax brackets sufficiently high to meet the necessary costs.

I have one other statement which I wish to make with reference to the tax problem. The pending bill refers to aiding private industry. One of the best ways in which this Congress can aid private industry is by lifting from it taxes which today amount to confiscation, taxes which destroy the confidence of business, and which offer no inducement to the owners of surplus venture money to invest their funds in wealth-creating industry. I think that at a very early date we should remove the high bracket tax on industry. It is now preventing the investment of huge surpluses of money which should be invested during the reconversion period in new industries and in projects which will produce wealth-creating jobs and new profits out of which new tax dollars can flow.

However, I shall oppose any attempt to weaken and cripple this bill by any amendment which seeks to require as a



condition precedent to providing work opportunities the revenue from taxes to pay for job producing projects. I think our American economy is too dynamic and too vital to necessitate, when we pass the pending measure, the adoption of a tax program which in and of itself would make it impossible during the emergency to provide the jobs necessary to carry out the objectives of the legislation. I agree we must raise the costs through taxes and shall vote for a tax program which will do it when we take up the tax problems of this Congress.

Mr. President, I think that the full employment bill is not the ogre which some of its opponents would make of it. The bill first states its objectives in very plain language. I think that in the closing hours of this debate it would be well to review briefly those objectives.

One of the objectives is that everyone shall have a chance to earn a living in a free competitive economy. The plain and clear language on page 12 of the bill, beginning on line 21, is as follows:

It is the responsibility of the Federal Government to foster free competitive private enterprise and the investment of private capital.

I know of no one who quarrels with that premise. The bill states further:

All Americans able to work and desiring to work are entitled to an opportunity for useful, remunerative, regular, and full-time employment.

We may have some differences of opinion with respect to all the implications and meaning of that language. I am not only willing to stand on what I think is the clear meaning of that section, but I venture the suggestion that if that objective is not carried out in America during the years ahead, private industry itself will be the greatest sufferer.

I have heard no voice raised against the major objectives of this bill, so I assume that we are in general agreement concerning them.

The bill also states in very plain language that the maintenance of full employment opportunity is an obligation and a responsibility of the Government of the United States. Furthermore, the bill accepts in full such responsibility. It states that we will assure the existence of opportunities for full employment.

In other words, to the extent that it can—to the extent that it can, I repeat—the Government will assure that everyone will have a chance to earn a living. I think in this modern world, with all the technological advancements in the field of production, advancements which have accrued to the great advantage of industry generally, that if the best economic interests of employees and industrialists are to be protected, if their property rights are to be preserved, a democratic government ought to recognize, keep faith with, and fulfill the basic objective of the bill—that everyone will have a chance to earn a living.

In stating these things in plain language the bill does not quibble or dodge or duck the issue. It does not indulge in double-talk. It does not say we will encourage this objective or promote this condition or that we will do something along this line. It says that it is the

obligation of the Government to assure that everyone will have a chance to earn a living. It definitely does not say, Mr. President, that we will assure jobs for some and doles for others. It says in plain language, which I think the common people of this country can understand, that we will do whatever is necessary to assure full employment. The bill says so in this language:

Stimulate, encourage, and assist private enterprise to provide, through an expanding production and distribution of goods and services the largest feasible volume of employment opportunities.

Further, the bill says:

Stimulate, encourage, and assist State and local governments, through the exercise of their respective functions, to make their most effective contribution to assuring continuing full employment.

It says that in order to assure full employment opportunity the Government of the United States will create programs and use the sources of governmental powers authorized under the Constitution as developed and improved throughout the years.

This language is to be found on page 13 of the bill, line 22, where it says:

To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation.

I digress for a moment to point out that the bill itself recognizes that we have an obligation as a government to face forthrightly the taxation problems which confront the country. Those of us who sponsor this bill know that an adequate tax program must reinforce this bill just as such a tax program should support all legislation involving public expenditures.

Mr. CAPEHART. Mr. President—  
The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Oregon yield to the Senator from Indiana?

Mr. MORSE. I am glad to yield.

Mr. CAPEHART. I was just wondering if it has not been a fact that the Government has done in the past everything the bill calls for. Has not the Government in the past done the things for which this bill calls?

Mr. MORSE. I think decidedly not.

Mr. CAPEHART. Under this bill what will the Government do in the future that it has not done in the past?

Mr. MORSE. The Government will do what is called for under every section of this bill in regard to coming forward with the necessary program to meet emergencies of unemployment as they arise, by way of governmental expenditures, cooperation with local and State governments and with private industry. The bill calls for advanced planning to meet unemployment emergencies. The plans are to be worked out by the President and approved in every detail by the Congress of the United States.

Mr. CAPEHART. Has not the Government always done that?

Mr. MORSE. If the Government had always done that, I may say to the distinguished Senator from Indiana, we would not, in my judgment, have had

the misery and hardship of the great depression of the thirties. We had doles and work relief, not a wealth-creating employment program.

Mr. CAPEHART. The Senator is proceeding on the premises that in the future we are going to be more active than we have been in the past and that the Government's program and plans will be better than they have been in the past.

Mr. MORSE. I am proceeding on the premise that democracy is vital enough to assure full employment to its people. I think that it must be more wise in the future in handling these problems, if it is to survive.

Mr. CAPEHART. I am not quarreling with the Senator's statement, and I am not quarreling with the bill at the moment. But as I was sitting here and as the Senator was talking I was just wondering if it is not a fact that the Government for 160 years has done exactly what the Senator is talking about and what the Senate has been talking about for several days. It may be that what the Government has done has not been done so efficiently as it might have been done; but the fact still remains that it has done it; and I do not like to have the American people sold on the idea in the latter part of September 1945 that in the future we are going to do something for them we have not done in the past. It may be that we can do it more efficiently, but it certainly is nothing new.

Mr. MORSE. I understand the Senator's point of view, with which I find myself in complete disagreement, because I do not think the Government has to the degree that it should lived up to the obligation to do all within its power and within its resources to provide full employment and to control the causes of depressions.

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

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New Hampshire?

Mr. MORSE. I yield.

Mr. TOBEY. I merely point out, with reference to inquiry of my good friend from Indiana, to the Senator from Oregon, that there is something more in this bill than has been talked of on this floor, and that is the provision in the bill which I call particularly to the attention of the Senator from Indiana, for a Joint Committee on the National Budget, and a National Production and Employment Budget, under which a survey of conditions will be made through the research agencies of the Government. That is something new, and, in my judgment, something good.

The Senator from Indiana is the head of a very successful business corporation which bears his name—more power to him—and which he has built up. I think he will agree with me that he has in Indiana a great research agency whose duty it is to make surveys ahead as to what the probable demand will be for his products, what the supply of materials will be, and what the wholesale opportunities will be. That is certainly true of the General Electric Co., the United States Steel Corp., General Mo-



tors, and other corporations. Under this bill the Government will undertake more than it has done heretofore, more than General Motors has done, more than the Senator from Indiana has done in his organization.

We have vast research potentialities in our Government, and we can get the best experts in the world, who can investigate and consider all the ramifications of industry and business, put them in a test tube, so to speak, hold up the test tube to the light and see, so far as is possible, what future conditions are going to be. Then, the Congress, to which we hope to continue to belong from year to year, will implement the ideas and aspirations of this bill in the light of the findings of the research agencies of the Government showing employment conditions.

Mr. CAPEHART. Mr. President—

Mr. MORSE. Allow me to reply to the Senator from New Hampshire by saying I thank him for his contribution, and to say that if those who feel that in the past the Government has been doing everything that is called for under this bill, then, in my judgment, they should have no objection to giving their votes in support of the bill.

Mr. CAPEHART. Mr. President—

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Does the Senator from Oregon yield to the Senator from Indiana?

Mr. MORSE. I yield.

Mr. CAPEHART. I did not make the statement that the Government had been doing everything it might have done. I merely asked the question whether it was not a fact that the Government in the past had done all the things the bill provided for, and whether the Senator's position, and that of the able Senator from New Hampshire, was not that under the bill the Government would be able to do the things it had done in the past and do them more efficiently.

Mr. MORSE. That is not my answer, I assure the Senator from Indiana. My answer is that the Government has not done in the past many of the things permissible under the bill which it should do.

Mr. CAPEHART. I do not care to take the Senator's time, and I do not wish to get into a debate on the subject, but I should like to have someone—and the Senator need not do it at the moment—point out to me anything that will be done under the bill, other than research in advance, which the Government has not done in the last 160 years. It certainly has promoted private enterprise; it certainly has promoted WPA and PWA, and it certainly has spent billions upon billions of dollars in made work. It certainly has done all the things called for in the bill. I am not fighting the bill; at the moment I am not against the bill, but I do not like to have the American people sold on the idea that all at once here is something brand new, because there is nothing brand new in it.

Mr. MORSE. By his illustrations, the Senator brings out exactly the type of things the Government has done in the past which, in my judgment, were the wrong things to do, because they were not wealth-creating things. I refer to

his illustration of WPA and the so-called dole, job-relief projects. This bill seeks to aid private enterprise in its productive activities.

Mr. VANDENBERG. Mr. President, would it interfere with the Senator if he yielded to me in connection with the point raised by the Senator from Indiana?

Mr. MORSE. I am very happy to yield.

Mr. VANDENBERG. It seems to me that one of the replies to the able Senator from Indiana is that the answers we have made to depressions heretofore have been hit-and-miss answers, they have been spasmodic answers, they have been expedients, whereas the pending measure contemplates a plan with respect to depressions.

If the Senator will permit, I should like to testify that that prospectus has, from my point of view, very honorable Republican roots. When I came to the Senate in 1928 the first bill I ever introduced in the Senate, as reported in the CONGRESSIONAL RECORD for May 17, 1928, was a plan for a "prosperity reserve," which is an even better term than "full employment." It sought the orderly planning of useful public works, and provision in advance for their financing, to be used in time of depression, to cushion, so far as possible, the impact of the depression. I still believe in planning in 1945 just as much as I did in 1928.

Mr. MORSE. I thank the Senator for his contribution.

Mr. TOBEY. Mr. President, will the Senator yield to me so I may address myself to a remark made by the distinguished Senator from Michigan?

Mr. MORSE. I yield.

Mr. TOBEY. I should like to take exception to something the Senator from Michigan said, though I know that is dangerous. He said that this effort has very honorable Republican roots. I ask him to strike the word "honorable." "Republican roots" are synonymous with honesty and integrity.

Mr. VANDENBERG. Mr. President, I think I shall still allow the adjective to remain, because the point raised by the Senator from New Hampshire is controversial in some quarters.

Mr. TYDINGS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. TYDINGS. In theory any man would have a good deal of difficulty in opposing the bill. I think it contains some provisions which may not work as well as its well-intentioned authors propose. For example, there is the provision that the President shall look ahead for a year and determine what, in his judgment is going to happen, and then to promulgate policies to deal with what he thinks the events of the future are likely to be.

Mr. President, I say this not in opposition at all, because it is sound, but the President does that anyway, as the Senator from Indiana has pointed out, in his messages to Congress on the state of the Union. However, as the bill deals specifically with employment, I can imagine two cases. I shall take the Republican case first. I can imagine Mr. Dewey being our President, for example, and he and Mr. Brownell, chairman of

the Republican National Committee, looking ahead, let us say, to a time when the prospects for employment were not very good, and telling the country formally that under his administration the conditions were very bad and likely to become worse, and that therefore "we must do thus and so."

Or I can imagine Mr. Truman consulting with Mr. Hannegan, about a year before election, and saying, "There are 8,000,000 people out of employment and conditions are going to grow worse, and we must tell that to the country." If I know Mr. Brownell or Mr. Hannegan or the average human being in political life, I know that a man in such a position would undertake to persuade the President to tone down what he said about a bad condition being likely to come to pass, because if a Republican President should say that, the Democrats would say, "Here are his very words. He shows his incompetence to run the country. He tells you that conditions are going to be bad, and that millions are going to be out of employment." If a Democrat in the President's chair should make such a statement, the Republicans would say the same thing.

I do not make this statement to belittle the bill or to criticize the work of its authors, because I think in most respects the theory set forth is a good one. The one thing which cannot be written into the bill is the human adaptability to the theories of life and philosophy. When we come to deal with politics, no matter how dark the depression is 1 year before any election, regardless of whether the administration is Democratic or Republican, we can bet our bottom dollar that the President, who will probably be a candidate for reelection, will tell the country that things are going to become better, it would not make any difference whether it was Herbert Hoover, Woodrow Wilson, Franklin Roosevelt, or any other President, because, after all, we live in a world that has in it an awful lot of human nature.

Mr. MORSE. I thank the Senator. I repeat, Mr. President, for those who have come into the Chamber after I started, that although I wish to extend any courtesy anyone may ask of me, it is my desire to cooperate with the floor leadership today and to finish my speech as quickly as possible, and then answer questions at the close. I shall, however, continue to extend the courtesy of yielding to any Senator who feels he must interrupt before I conclude.

I wish to thank the Senator from Michigan [Mr. VANDENBERG] for his helpful contribution to my remarks. To supplement what I have already said to the Senator from Indiana [Mr. CAPEHART] I wish to add that procedurally and substantively the terms of the bill, the program called for by the bill, and the economic planning which will be adopted as the policy of the Government, if the bill shall be enacted, are so different from the hit-or-miss programs, from the too-little and too-late programs of the Government in meeting depression problems heretofore, that I feel confident in saying that the Government has not been doing for 160 years the things proposed by the policies of the pending bill.



Returning, now, to the section on page 13, line 22, Mr. President, I repeat the quotation, because I stopped in the middle of the reading before, but I think we should consider it again from the standpoint of the objectives of the bill. I read:

To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation; banking, credit, and currency; monopoly and monopolistic practices; wages, hours, and working conditions; foreign trade and investment; agriculture; education; housing; social security; natural resources; the provision of public services, works, and research; and other revenue, investment, expenditure, service, or regulatory activities of the Federal Government.

Finally, Mr. President, because employment depends on production and production depends on purchases, on expenditures, the bill says in plain language that if necessary the Government of the United States will provide Federal investment and expenditure to assure the attainment of the objective.

Let me remind the Senate that we have for the most part agreed upon the objective. It is that everyone able and willing to work shall have a chance to earn a living. The language of the bill to which I have just referred is on page 14, line 20:

(4) to the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

The distinguished Senator from New Mexico [Mr. HATCH] has offered and printed copies of it have been placed on our desks this morning, a proposed substitute for that language which has my full endorsement. I think he is to be congratulated on the great contribution he has made by his sincere endeavor to get both sides to this controversy to reach an agreement upon the wording of this section. We must try to reach reasonable compromises so that this bill, with its policies so vital to the economic future of this country and to the private enterprise system, may be passed by the Senate today.

However, let me comment briefly on the language as it is presently in the bill. Let me invite Senators' attention to that language most carefully. It says:

To the extent—

That is qualified language—

To the extent that continuing full employment cannot otherwise be assured—

It says that we will—

provide such volume of Federal investment and expenditure as may be needed.

But let me repeat what I have previously said, that sometimes in the discussions some of us forget that when we pass this bill we are adopting only a policy and a procedure for carrying out that policy. The various proposals for aiding employment will come before the Congress in the report submitted by the

President, and Congress will have ample opportunity to approve or disapprove of those proposals. Then, so as to be perfectly clear, the bill specifies that this investment and expenditure shall be for wealth-creating projects, as follows—page 14, line 26:

Whether direct or indirect, or whether for public works, for public services, for assistance to business, agriculture, home owners, veterans, or consumers, or for other purposes, shall be designed to contribute to the national wealth and well-being and to stimulate increased employment opportunities by private enterprises.

I consider that language of great importance when we contemplate the implementation of the objectives and policies of this bill, because that language makes very clear that it shall be the obligation of the President to come forward with suggestions and recommendations designed to contribute to the national wealth; in other words, we shall not have doles and work-relief programs. Rather, we shall have programs out of which new wealth, resulting in new tax dollars, will flow. Furthermore, the obligation is imposed upon him to come forward with a program for our consideration that seeks to stimulate increased employment opportunities by private enterprises. To me that language is perfectly clear and plain. I think it is simple and positive. In my judgment it should not be changed. It certainly should not be weakened or watered down in any way.

The language of the bill does not say "We will almost do the job." It does not say "if", or "but", or "whereas", or "however", or "may be", or "as limited by arbitrary conventional restrictions." It states an objective and the broad policies for attaining the objective in clear and understandable language.

Now what about the relation of this bill to agriculture? I am glad to say that Oregon is still a great agricultural State. We are proud of our modern industries, and we intend to keep them busy; but we still have our roots in the forests and in the soil. However, national full employment is vital to the prosperity of the farmers not only of my State but of the entire Nation.

I have been somewhat amazed and puzzled to note that some who oppose the full employment bill seem to think that it is not in the best interests of the farmers. The farmers, Mr. President, know that their market is primarily the market basket of the workers in the cities. The farmer is a busy man, a worker—and what a worker! He is a citizen, perhaps the most wide awake of all citizens politically, and he is a family man. As a businessman the farmer fully realizes that if there are opportunities for employment in the cities and the towns of the country it means that there will be opportunities for the farmer to earn a decent living because he can then sell his products at decent prices. As a worker the farmer's job is production, and he likes that job. Farmers go on producing not matter what happens, and what a beating they sometimes take when the markets in the cities fall away, when the jobs are not in the cities from which the

potential purchasers of farm products can receive pay envelopes large enough to pay good prices for their purchases of farm goods.

I could take time, Mr. President, to back up this observation with reams of statistics on quantities produced and prices paid, but these figures are already in the record, put there by farm leaders and farm authorities from all over the country. When business falls off and people in the cities lose their jobs, not only does the farmer lose in the volume of alfalfa, corn, hogs, and all other farm products he can sell, but the prices he receives go all to pieces. I think this employment bill is essential to preventing a depression in the agricultural economy of the country. As one vitally interested in the welfare of agriculture I sponsor this bill because it will be a great aid to farmers.

As a citizen and a voter aware of his responsibilities, the farmer is not easy to deceive. In my judgment he is watching us today. He will not be fooled—that is, not for long—if we quibble and equivocate instead of facing the issue fairly and squarely and writing legislation that will assure the farmers of America of a consumer market with pay envelopes for workers big enough to pay decent prices for farm products.

As a family man the farmer has not forgotten the day not long ago when agriculture became the poorhouse of our economy, the last refuge of the unemployed. He has not forgotten the days when his fine boys and girls could not find opportunities to seek careers in the cities. Statistics show that in normal times there is a constant flow of young people from farm to city. Because of great improvements in modern agricultural productive methods not all of the boys and girls are needed on the farm to produce the goods necessary to feed the Nation. We can and should support farm prices through governmental action, but we cannot support farm prices for long unless we find ways to discharge our responsibility of maintaining full employment so that there will be a market for farm goods.

These are some of the reasons why I have sponsored the full employment bill, and why I believe the overwhelming majority of the plain people of this country are in favor of the bill.

Yesterday I received a letter from a great American, a man who for many years has been very prominent in economic and legislative affairs of this country, Morris Llewellyn Cooke. I read an excerpt from the letter now, and ask unanimous consent to have the entire letter printed in the RECORD at this point in my remarks, together with the resolution attached thereto and the list of supporters of the bill. In his letter Mr. Cooke says:

I have the honor to transmit herewith the text of a resolution adopted at an all day, national conference on the full employment bill held at the Hamilton Hotel, Wednesday, September 12. As you will note, it is the joint expression of 41 national organizations representing, I believe, a very large segment of the voting population of the United States.



The supporting organizations are prepared to give their wholehearted support to the early enactment of an effective full employment bill without any emasculating amendments that are being proposed by opponents and "yes—but" supporters.

The **PRESIDING OFFICER** (Mr. **FULBRIGHT** in the chair). Without objection, the Senator's request is granted.

The letter, resolution, and list of supporters are as follows:

THE HAY-ADAMS HOUSE,  
Washington, D. C., September 24, 1945.  
Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR MORSE: I have the honor to transmit herewith the text of a resolution adopted at an all-day national conference on the full employment bill held at the Hamilton Hotel, Wednesday, September 12. As you will note, it is the joint expression of 41 national organizations representing, I believe, a very large segment of the voting population of the United States.

The supporting organizations are prepared to give their wholehearted support to the early enactment of an effective full employment bill without the emasculating amendments that are being proposed by opponents and "yes, but" supporters.

On behalf of these organizations, I commend you on your support of S. 380—H. R. 2202, and assure you of our assistance in the campaign for its enactment.

Sincerely yours,

MORRIS LLEWELLYN COOKE.

RESOLUTION IN SUPPORT OF EARLY ENACTMENT OF AN EFFECTIVE FULL EMPLOYMENT BILL (PROPOSED FOR ADOPTION AT A MEETING OF NATIONAL ORGANIZATIONS, SEPTEMBER 12, 1945, WASHINGTON, D. C.)

The following statement is made by the undersigned in behalf of their organizations: "Action to assure confidence in continuing full employment is necessary for the transition to peace and later. The sequence of temporary dislocation, postwar boom, and final collapse are deadly threats to economic and social stability at home and to the maintenance of peace throughout the world.

"Dislocation and transition are already upon us. Millions of Americans are already turned out unwanted to look for jobs. Measures to alleviate these temporary hardships are necessary and should be taken immediately, but confidence in postwar prosperity and stability is the essential to prompt and lasting recovery.

"Nothing can so foster that necessary confidence in the hearts of workers, farmers, business and professional people and all others as to know that their Government will, in their names, dedicate its full constitutional power to the performance of this duty.

"It is necessary and proper for the Government of the United States to adopt immediately legislation which will recognize the right of all Americans willing and able to work to useful, regular, remunerative, and full-time employment, and which will recognize the responsibility of the Government, acting on behalf of all the people, to assure opportunities to exercise that right.

"Legislation which will commit the power of the Federal Government to assure sustained full employment is the first step needed. Such legislation must contain these vital and indivisible principles:

"1. All Americans willing and able to work have the right to useful, remunerative, suitable, regular, and full-time employment.

"2. It is the responsibility and the duty of the Federal Government to assure, by whatever means are needed, that sufficient employment opportunities exist for all Americans to exercise this right at all times.

"3. It is the responsibility and the duty of the Federal Government to coordinate the appropriate activities of the Federal Government in order to foster the highest possible sustained level of employment through private enterprise and to provide useful Federal investment and expenditure adequate to maintain full production and full employment.

"We urge the Congress of the United States to pass promptly legislation containing as a minimum these positive commitments and to this end we pledge our efforts and support."

NATIONAL ORGANIZATIONS (TO DATE) WHICH SIGNED THE ATTACHED JOINT RESOLUTION IN SUPPORT OF THE FULL EMPLOYMENT BILL AT THE FULL EMPLOYMENT CONFERENCE, SEPTEMBER 12, 1945

Amalgamated Clothing Workers of America.  
American Association of Social Workers.  
American Federation of Labor.  
American Jewish Congress.  
Americans United for World Organization.  
American Veterans Committee.  
Brotherhood of Maintenance of Way Employees.  
Brotherhood of Railroad Trainmen.  
Business Men of America, Inc.  
Congress of Industrial Organizations.  
Council for Social Action of the Congregational Christian Churches.  
Disabled American Veterans.  
Hosiery Wholesalers National Association.  
Independent Citizens Committee of the Arts, Sciences, and Professions.  
League of Women Shoppers.  
Methodist Federation for Social Service.  
National Association for the Advancement of Colored People.  
National Board, Y. W. C. A.  
National Catholic Welfare Conference.  
National Citizens Political Action Committee.  
National Conference of Jewish Women.  
National Consumers League.  
National Council of Scientific, Professional, Art, and White Collar Organizations.  
National Council of Negro Women.  
National Council for Social Studies.  
National Education Association of the United States.  
National Farmers' Union.  
National Lawyers' Guild.  
National Urban League.  
National Women's Trade Union League of America.  
Non-Partisan Council of Alpha Kappa Alpha.  
Railway Labor Executives Association.  
Southern Conference for Human Welfare.  
Synagogue Council of America.  
Union for Democratic Action.  
United Christian Council for Democracy.  
United Council for Church Women.  
United Mine Workers.  
United Steel Workers of America.  
United States Conference of Mayors.  
W. I. V. E. S.

Mr. MORSE. Mr. President, I do not suggest that any Member of the Senate should vote for any bill, including this bill, because as of a particular time a wave of overwhelming support exists in the country in favor of the bill. I think that informed popular support is a factor that should be taken into account, but not from the selfish standpoint of any political significance it may have to any individual Member of the Senate, because I believe that every Member of this body should rise above such political considerations. However, I do think that as representatives of the people of the country we must necessarily, and should, give great heed today to what I think is an overwhelming feeling in this

country that this Government must pledge itself to the objectives and policies of this bill. The people are calling out to this Government to do all within its power, as provided for in the bill, to prevent another depression. They insist that it must not happen again, so that millions of Americans will not suffer the cruelties of the dole, will not suffer the indignities which they suffer so far as their self-respect and feelings are concerned when they find themselves unemployed and on relief. As citizens of a country with the greatest resources of any nation in the world, our people are demanding, and rightly so, that we adopt this bill which aims to assure them of jobs which permit them to maintain their self-respect and provide a decent standard of living for themselves and their families.

Is that asking too much of democratic Government? Our people answer, "No."

Before I close I wish to say a few words in regard to the minority report, a report which I am sure expresses the views of men who are just as sincere as any of the cosponsors of the bill, but views with which I am in such complete disagreement that for the RECORD I feel I should comment upon them.

Personally I feel that if the minority report is the best case that can be made out against the full employment bill, I am very grateful for the privilege of sponsoring this necessary measure.

The minority report criticizes certain details of the bill. Thus it says, on page 1:

We disagree with some of the methods prescribed to achieve the goal of full employment—

Yet I felt, as I studied the report paragraph by paragraph, that it not only attacked the details of the bill, but also implied a lack of confidence in the private enterprise system itself, and in the competency and dynamics of responsible representative government.

The language of the minority report even goes so far that at one point, on page 6, it seems—although I am sure not intentionally—to attack the motive of those who sponsor the bill. I quote from the bottom of page 6 of the minority report:

The bill contains numerous expressions of lip service to private enterprise. Considering its origin, we may well question the good faith of these professions. For while the bill professes an interest in the encouragement of private enterprise, the basic policy recommended is one which will inevitably destroy private enterprise.

I am very reluctant to believe that whoever wrote that language meant it as an attack on the good faith of my cosponsors. I am convinced that my cosponsors and I are just as concerned about preserving private enterprise as are any of the opponents of the bill. If I were disposed to impute questionable motives, which I am not, it would be easy to quote sections of the minority report in which the writer of the report gives lip service to the objectives of full employment, as on page 1 and page 7, and then, in other passages, virtually states in so many words that we cannot hope to attain those objectives. In my judgment the minority report takes a defeatist



attitude toward this vital problem of full employment. It plays a dirge to private enterprise rather than sings a song of hope and confidence.

For example, on page 7, the minority report recommends certain amendments "designed to remove the objections which we have stated," and flatly claims that such an amended bill would "then provide for an economic program which may embrace every possible policy to secure prosperity and full employment."

Not only that, but it is further stated that such an amended bill "will do everything that can be humanly done to prevent another serious depression. We realize, like the majority, that we must do everything possible to avoid a recurrence of the conditions which existed in the thirties."

Mr. President, I think that is a pretty clear statement of the devotion of the opponents of the bill to at least the objectives which the cosponsors of the bill seek to obtain. But along with this apparent endorsement of the objectives of full employment—one might say lip service if we wished to be unkind, and I do not—there are repeated indications in the minority report of a lack of confidence in the ability of responsible elected representatives of the people to frame sound policies or to estimate the consequences of the policies they adopt. Likewise the minority seems to lack confidence in the ability of administrators chosen in our constitutional tradition to execute the laws which we make in the name of the people. The truth is that our people have more confidence in government to protect them from unemployment than they have in the business interests of the country to save them from depressions. History shows that business, unchecked by government, repeats periodically the cycle of boom and bust. When unchecked by government, business in its ecompetitive struggle indulges in exploitation of labor, which exploitation plays an important causative part in creating unemployment because it results in low standards of living. Private enterprise is essential I think to our form of government but it must be deprived of the license to exploit a pool of unemployed workers. This bill will do it and the people know it.

Further, the minority of the committee would apparently hamstring future Congresses by imposing limitations on the measures which might prove necessary in the future. They do this in spite of their professed willingness to embrace a policy which, to use their own language, "will do everything that can be humanly done to prevent another serious depression." I feel that there may be, I trust that there will not be, emergencies in the future in which it will be absolutely essential to give the Congresses of that day unrestricted authority and power to adopt such programs for meeting those economic emergencies as in their best judgment are necessary at that time.

In passing, Mr. President, I find some little amusement in the apparent eagerness of the minority through their amendments to restrict the action of future Congresses, when at the same time they state on page 1, that section 2 of the

bill "is merely a declaration of policy which cannot be binding on any future Congress or even on this Congress." I agree that the bill is primarily a statement of policy plus procedures for implementing that policy but I believe having that policy enacted into law and thereby assuring to the people of the country a program of full employment will be one of the greatest instruments for building up confidence in the private enterprise system and in a democratic government's ability to meet depression emergencies.

There are other sections of the minority report which are equally confusing, and, in my judgment, misleading. For example, much attention is devoted to the danger that under the full employment bill measures will be adopted which will lead inevitably down the primrose path to inflation, and hence to regimentation. Yet, at the top of page 2 I find the pending bill attacked on the ground that it is merely a declaration of policy, having no legal effect, and that "if any feature of the program submitted by the President is not authorized by existing law, it would be necessary to pass a special enabling act before it could be adopted."

That is true, and, in my judgment, that is one of the most sound provisions of the bill. It shows the devotion of those on the majority side to the basic principle of checks and balances, and the constitutional right of the Congress of the United States to pass judgment upon Executive proposals for economic planning.

As to some of the detailed criticisms of the bill in the minority report, the report begins with what reads like a whole-hearted acceptance of the objectives of full employment. It states that "a comprehensive and carefully planned program should be adopted by the Federal Government looking to the maintenance of full employment." In addition, the report specifically approves provisions in the bill directing the President to submit a national budget and program to prevent unemployment, and establishing a joint congressional committee to consider the President's program. In other words, this language of the minority seems to me to say that the writers of it were prepared to approve everything in the bill except the commitment to make it successful.

Next, at the bottom of page 1 comes the statement that "section 2 is merely a declaration of policy which cannot be binding on any future Congress or even on this Congress."

I submit that that is true. It should not be presented by the minority therefore, by implication as a criticism of the bill. However, I believe that a Congress of the United States can formulate, and should carry out, broad policies in the public interest, in peace as well as in war. True, subsequent Congresses can modify that policy; but if it proves to be a sound policy, supported by the people, they will not do so in the future.

On page 2, near the middle of the page, the report suggests that "it might be desirable to create the Office of Director of the National Budget and require the director to be confirmed by the Senate. Planning of this economic program

is extremely complicated and cannot possibly be done by the President himself. It should be done by an identifiable group, responsible to the Congress and the people, as well as to the President, and not by an anonymous group of economic planners."

In passing on that point, I am a little puzzled to reconcile this language with the view expressed by some of the proponents of the minority side of this issue, when they say in effect that the President can do everything that the bill calls for anyway, and therefore the bill is unnecessary.

In the next paragraph the report approves the idea of a joint committee to study the effect of proposed legislation on economic stability, but it then proceeds to suggest that the standing committees may not give weight to the work of such a joint committee.

Mr. President, I am convinced that it should require very little argument to support the premise that if the bill is passed and if a joint committee of such great importance as is provided for in the bill is set up, every committee of the Congress whose problems are mutually associated with the problems of the joint committee will extend to it not only the highest of respect for its views and its work, but the maximum amount of cooperation.

But the minority report says:

We question somewhat whether the standing committees will pay much attention to the report of the joint committee.

Reading on at the bottom of page 2, I find that the report sets up what I think is a straw man by reading into the bill—

A particular policy which is endorsed by Congress and enjoined upon the President as a necessary part of any plan he submits.

I say this is a straw man because the bill has been very carefully written so as not to embrace any particular policy except full employment and the retention and strengthening of the American free-enterprise system. It has been very carefully written to invoke the entire range of implementing programs that are open to us under our form of government in pursuing its agreed-upon objectives. It very specifically does not bind or attempt to bind any future Congress or any future administration by restricting the means whereby they may carry on their job of working toward our national objectives.

Getting into details, near the top of page 3 the report quotes a Government official as stating that—

There is not even an accepted statistical basis for estimating the number of people who are unemployed in any particular time.

That no such grave uncertainty exists in the minds of those who are primarily responsible for keeping track of employment and unemployment has been stated in no uncertain terms by the Director of the Bureau of the Census. Thus, on page 117 of the hearings, the Director of the Bureau of the Census has this to say on the problem:

At the present time the monthly report on the labor force measures has a high degree of accuracy; not only the number of persons employed and unemployed, but also the characteristics of the persons in each worker or nonworker category.



And on the following page, page 1118, the Director of the Bureau of the Census says:

The monthly report on the labor force also provides a complete and unduplicated count of total employment which is used as the over-all frame of reference for other counts of employment. The monthly report on the labor force provides the only count of domestic servants, unpaid family workers, and others not covered by establishment reports such as those collected by the Department of Labor, the Social Security Board, and the Department of Agriculture. Also, persons working for more than one employer during the reporting period are counted more than once on establishment reports, but only once in the monthly report on the labor force.

I take it from the testimony of the Director of the Bureau of the Census, Mr. President, that services now available would give us a fairly accurate statistical picture of employment and unemployment. But even should the minority be correct on this point—although I think they are not—it is a procedural matter which could easily be remedied by providing the necessary service for the collection of any statistics needed under the type of planning provided for by the bill, if those services are not now in existence.

In the next paragraph the report casts doubt on our ability to estimate national income and output; yet if we cannot make such estimates, how then can we expect to frame good tax legislation? It is true, of course, that we can hardly hope to reach precision in these matters, but it is also true that we need not be exact.

Still on page 3, the next passage refers to the situation in 1929—that golden year of sickening economic disaster. Here the writer of the report begins to reveal the fundamental hopelessness in his views, a feeling that we cannot do much about depressions. He says, to use his language:

Think how wrong any estimate for 1930 would have been if made in 1929.

As I reflect on the events of 1929, my reaction is just the opposite. Every time I recall those black days of despair, I am impressed anew with how badly we needed the full employment bill in 1929. I am impressed with how desperately foolish, how blind we shall be if we take that chance again without the planning services provided for by the pending bill. If this bill had been on the books in 1929 the dole and relief programs of the great depression would have given way to wealth creating jobs.

At the bottom of page 3, I find a still more revealing statement of the defeatist philosophy. The language describes the duties of the President under section 3 (a) to submit a program for assuring full employment and for stimulating and encouraging private enterprise to increase its activity and to assist State and local governments to do the same. The language reads as follows:

Then the President has to make an estimate of how much his economic program will cause private enterprise to make up the deficiency between the desired goal and the estimated reality.

Then there is this comment from the minority:

Of course this is almost an impossible estimate because it is so extremely difficult to judge in dollar or jobs the effect of any general measure, such, for instance, as a tax bill or currency measure.

Mr. President, it is a difficult job, but we must not make it a hopeless job; we must not approach it with a feeling of incapability. In my judgment, we must face it with all the resources we can bring to our command to see to it that such an analysis is made, so that we can get ourselves into the best possible position to meet the threat of depression when the clouds of economic disturbance come over the horizon.

Mr. TAFT. Mr. President, does the Senator care to yield to me for a question in regard to the general discussion?

Mr. MORSE. I am very glad to yield.

Mr. TAFT. The criticism made regarding the difficulty of obtaining statistics was not intended to militate against the desirability of obtaining them. In fact, I think one of the advantages of the bill is that it will force the development of statistical methods which do not now exist. The argument was made in the report more for the purpose of showing that the figures were so uncertain that we ought not to be required—as I believe we are under paragraph (4)—to base an explicit number of dollars on the calculation made on the basis of the estimates. That is a criticism intended not against pursuing statistical methods, but the point is made that they are so uncertain that we should not say, for example, "After you have arrived at these figures you should not then say that \$10,000,000,000 of Federal expenditure is necessary, or that \$15,000,000,000 is necessary." Therefore the statement should not be a definite statement, but merely one that we should proceed with a comprehensive public works program in order to bring about the objective.

Mr. MORSE. I thank the Senator very much for his clarifying statement.

Mr. TAFT. As I understand, the Senator's position is that the bill does not prescribe a definite formula which must be followed, but that the field is left wide open. Am I correct in my understanding?

Mr. MORSE. I believe there is a wide opportunity for the exercise of a great deal of discretion on the part of the President under this bill. There may be situations in which the President will be convinced that he has the evidence necessary on which to base clear predictions as to employment needs in the 12-month period ahead, and perhaps he will want to come forward with a specific program for expenditures in terms of dollars.

Mr. TAFT. If I agreed with that interpretation of the bill, I would not bother with an amendment. I believe that the bill, as modified by the Hatch amendment, meets my objection to the formula to which reference has been made. However, without it I think there is in the bill a more definite prescription of an exact spending program than perhaps the Senator believes.

Mr. MORSE. I understand the viewpoint of the Senator, but I believe that one of the great strengths of the bill is what I please to call its discretionary features. It allows the President to come before us at any time with a program or a plan which he thinks it necessary to recommend in order to meet an existing unemployment problem.

Mr. TAFT. I thank the Senator.

Mr. MORSE. Mr. President, some say that we cannot look ahead. They fear that we cannot estimate the future consequences of our acts, and that we cannot tell in advance what the things we do on this floor will mean in terms of dollars and jobs. I, for one, refuse to follow such a political philosophy of despair and hopelessness. This bill may not accomplish our agreed-upon objectives, but I am willing to try it. I am willing to let the President exercise the discretion which the terms of the bill provide in connection with economic planning for full employment. I am willing to try it because I am satisfied that the alternatives offered by the opponents of the bill will not be helpful in preventing depressions.

After describing how we really cannot do anything about anything, some of the opponents of the bill, as expressed in the minority views, proceed to make what to them is a final and crushing argument, as set forth on page 4 of the minority report:

This is the so-called compensatory-spending theory, advanced by Lord Keynes, Stuart Chase, Sir William Beveridge, and Mr. Henry Wallace.

Mr. President, in my opinion that is merely an argument by invective. I think it is a non sequitur. As one of the cosponsors of the bill, I assert that my judgment has not been influenced one iota with regard to similar views held by other persons in this country or abroad. I think it is fallacious reasoning to object to this bill because of an allegation which, in my judgment, cannot be substantiated in fact, namely, that the roots of the bill are found in the philosophy of Keynes, Chase, Beveridge, or Wallace.

Proponents of full employment were doing their utmost to have this Government adopt a full-employment program before Keynes wrote his articles and book or before Wallace wrote his book.

For example, Mr. President, yesterday my attention was called to the program of full employment which had been pursued for many years past by labor in this country. In reply to statements which have been made repeatedly to the effect that this bill is inspired by, or copied from the proposals of Sir William Beveridge or Lord Keynes, or the writings of Henry A. Wallace or taken from the Soviet Constitution, I should like to read a statement made by Louis G. Hines, legislative representative of the American Federation of Labor at a full-employment conference held in Washington September 12, 1945, and a supplementary statement submitted at the conference by Boris Shishkin, economist of the American Federation of Labor.

Mr. Hines' statement supplemented American Federation of Labor President



William Green's testimony in support of the bill as follows:

The 7,000,000 members of the A. F. of L. stand squarely behind the Murray-Outland bill, better known as the full employment bill now pending before Congress. The approval of the A. F. of L. for this legislation was contained in a statement presented by A. F. of L. President William Green to the Senate Committee on Banking and Currency during the recent hearings. There is insistent need for this type of legislation to insure the perpetuation of free enterprise and sufficient employment for all who need work and are willing to work. Our membership has been fully apprised of the merits of this legislation through contacts with our national, State, and city bodies. Wide response from the millions of wage earners represented by the A. F. of L. reflects the demand of the American workers that this legislation should pass without delay.

Supplementing Mr. Hines' statement, Boris Shishkin pointed out at the September 12 conference that the American Federation of Labor, in hearings before the Tolson Committee on Defense Migration in 1940, supported a policy of full employment, which policy was subsequently published in the *Federationist*, the official organ of the American Federation of Labor, in its issue of March 1941 from which I read:

The American Federation of Labor calls upon the representatives of American industry, technology, and government, to work with labor in an intensive and constructive effort to insure America against an emergency crisis and to make provision for full employment and full use of our industrial plant and of our resources as a means of providing a firm foundation for a lasting, prosperous, and democratic peace.

That, Mr. President, was stated before the Beveridge plan, the British white paper, and the other proposals which the enemies of this bill now allege to be its inspiration. If a source of inspiration must be found and identified, I submit that its source may be found among the publications, the testimony, and the statements of great labor leaders of the United States, such as those to whom I have referred as being connected with the American Federation of Labor. The record is perfectly clear that labor leaders in other branches of organized labor, such as the railroad brotherhoods, the United Mine Workers of America, the CIO, and others, have for years been trying to make people in this country see that we must preserve a system of private enterprise in order that free labor may survive. It cannot survive under any system of economy except a private enterprise economy. Labor understands that very well, although at times it needs to have its recollection on that point refreshed.

Mr. President, I wish to repeat, that labor in this country is fundamentally interested in maintaining the private enterprise system. Labor generally recognizes that only through maintaining the private enterprise system can American workers remain free men, because, as I indicated earlier in my remarks, if we substitute for that system a governmental regimented economy, then of course the freedom of labor ceases to exist.

Mr. President, I think that is basically the reason why labor recognizes the vital importance of this bill, not only to their

own selfish economic interest, in the sense that through it they have a chance to earn a decent living and maintain their families on a high standard of living, but they recognize also that if their Government in the years ahead fails to meet the problems of depression, then we will be confronted in this country with a test as to whether political democracy and economic democracy can serve the economic well being of our people.

No, Mr. President, the source and inspiration of the bill is not to be found among the men whom the opponents of the bill would cite as being the source. The source of the bill is to be found among those in this country who believe we cannot afford to run the risk again of those economic conditions which existed during the thirties. Labor and industrial statesmen agree that the Government has a great responsibility to see to it that it uses its resources and brings those resources to the aid of industry in this country, and that the Government supplements industry during emergency periods by making available through the processes of the bill jobs for those who seek and wish employment but who cannot get those jobs from private industry.

Mr. President, I would digress further at this point to say also that I do not share the observation that was made yesterday on this floor by a Republican spokesman in regard to the fight, the gallant fight, for the principle of full employment, that was made by the distinguished candidate for the Presidency of the United States on the Republican ticket in the last election, Thomas E. Dewey. I do not think there is any basis in fact for the observation that Dewey lost the election when he stood for that great progressive principle of Republicanism and Americanism—full employment.

In his San Francisco speech, when he said out of the depths of his sincerity that "the Government can and must create job opportunities, because there must be jobs for all in this country of ours" Dewey voiced a principle held by a majority of Americans without regard to party. This is not the time or the place for me to express my views as to why I think the election was lost by the Republicans, but I happen to be one who believes Mr. Dewey's stand for full employment reassured millions of Americans that the Republican Party is going to live up to the obligations and the responsibilities of making political and economic democracy work in America. I think Dewey's stand on this issue gave hope to millions of Republicans that the party is really not a party of reaction but still is a people's party.

Now to return to the minority report, Mr. President, I am interested in the very amendment the minority proposes on page 7. It says in plain English that the Federal Government shall "proceed with a comprehensive program of public works and other expenditures so planned that they can be speeded up and enlarged when other employment decreases and retarded when full employment is otherwise provided."

Where is the difference between that objective and the objectives of the bill? I can tell the Senate where the differ-

ence really is, I think, because there is a difference, and it is a very fundamental difference indeed.

I think the minority reveals that it has a great fear of the private enterprise system succeeding, because in the second paragraph on page 4 the minority says:

The authors of the bill emphasize the fact that efforts should be first made to stimulate private enterprise, but every government has always made such efforts, and yet they have not solved the problem of preventing depressions.

Here is the same recurring thought, the same underlying philosophy of defeatism and despair. Let me emphasize it again. If this report reflects the views of our opponents, I suspect that they have no faith in the American system of private enterprise and no faith in the competence and responsibility of representative government to meet economic emergencies.

All these expressions of fear, all these warnings of excessive spending, can have no real basis except a conviction that private enterprise will fall so short and our free Government will fail so badly that we will again be forced to try to spend our way into prosperity.

In the very next paragraph of the report on page 4 it threatens us with the public spending of \$65,000,000,000 in a single year. It says:

During the thirties, we frequently had 10,000,000 unemployed, according to some estimates, in spite of all the assistance and encouragement given to private enterprise.

Mr. President, that statement could only have been written, I think, by those who feel that we will again have 10,000,000 unemployed "in spite of all the assistance and encouragement given to private enterprise." I interpret this part of the minority report as an expression of fear that the private-enterprise system has failed and will continue to fail in the future. I say to the minority, we must not permit it to fail; we must be willing to adopt the provisions of the pending bill and make a great effort to see to it that the Government, through cooperation with private enterprises, uses whatever resources are necessary in a given emergency to give American free men and women the chance to work and to live a decent life.

If this defeatist view prevails, Mr. President, it would seem to me quite certain that the private enterprise system must fail. If we allow our country to slip back into the stagnation of the thirties, then you and I, I think, ought to know what will happen. The people will throw us out and seek new leaders, and they will be right in doing it. They will seek leaders who will give them counsel and acts of courage, not fear, of hope, and not despair.

One more word on the minority report. There is another contradiction, I think, near the bottom of page 4. The minority, I think, reads into the bill the statement that the spending policy is definitely prescribed regardless of all other considerations of national policy.

In the first place, there is no such language in the bill. In the second place, the minority have previously claimed on page 1 that the bill is merely a declaration of policy which cannot be binding



upon any future Congress, or even on this Congress; that is, a declaration of policy having no legal effect.

Now we cannot have it both ways, Mr. President, even if the opponents insist on reading into the bill things that simply are not there.

Aside from this, let me note again the revealing language of the report which suggests that the writers place financial policy above human welfare, for they say on page 4:

The approach of a war might make it wise to husband all further ability to incur debt. Further increase in debt might shake the confidence of the business world.

In other words, this view would prefer to husband financial resources and waste human resources. I do not agree with this view. I would certainly place human resources far ahead of financial resources, and all the more so in the case of an approaching war.

But I submit, Mr. President, that a conflict cannot be allowed to develop between and among us in regard to the great objectives of this legislation. It seems to me the minority report and opponents of the bill generally reflect in their view a great lack of confidence in the private-enterprise system. The report seems to overlook the point that one of the most effective ways to conserve financial resources is to use and not waste the willing productive labor of our people. The only way to financial health and solvency for a man or for a nation is to work and earn on a productive basis. I consider full employment essential to securing national profits in excess of expenses. I consider it an essential if we are going to have a tax program sufficiently strong to meet our national financial obligation.

At the bottom of page 4 the report says:

After all, there are some things more important than employment. One of them is national freedom. One of them is freedom of the individual.

Yes; national freedom is more important than employment. Yes; freedom of the individual is more important than employment. But I happen to be one who is convinced that we will lose these precious things if we are not competent as a government to assure to all of our people the opportunities to earn a decent living so they can keep their freedom.

On page 5, the report mentions such figures as \$20,000,000,000 a year as possible expenditures under this bill. I think this reflects again the conviction that the private-enterprise system will fail to provide all necessary jobs and that it will fail by such a wide margin as to require such excessive spending, and I call it excessive spending. The minority would leave us, it seems to me, with Hobson's choice: To lose our freedom through mass unemployment or to lose it through excessive spending.

The writers of the report say on page 5:

The alternative to a rapidly increasing debt is the levying of heavy additional Federal taxes. Here again, the remedy would discourage free enterprise from expanding to provide the necessary job opportunities.

No, Mr. President, I do not think this is the only alternative. Our free and self-reliant people will not accept a doc-

trine of frustration. There is a better way. I think it is the way of full employment provided for in the pending bill. It is the way of courage, of constructive leadership, of competent and timely action. It is the way of the full employment bill.

Again I note in the minority report further counsel of despair. At the bottom of page 5, immediately following the language I have just read, the minority report says it is not true—

That the refusal to make up the theoretical deficit by public spending means the starvation of the unemployed.

Oh, no; the minority say in effect, we should give them doles.

At the bottom of page 5 they say:

Our policy requires that every one in this country receive a proper standard of food, clothing, housing, and medical care.

They point out that if people lose their jobs they can live with their families or expend their savings. They say that after they have exhausted their own resources and those of their families "others are provided with work relief or direct relief."

So, Mr. President, there you have it in bald, plain language. There is the philosophy of the opponents of the bill set forth in all its stark simplicity. They will feed the people, they will provide clothing and housing and medical care, they will even give them doles and work relief, but they will not give them productive work. They will not assure them a chance to have a job and maintain themselves and their families under a private enterprise system in accordance with a high American standard of living.

I say to you, Mr. President, as solemnly as I can, that the American people will not stand for any such program as the opponents of the bill suggest as an alternative. They will not again tolerate the misery, the frustration, the sheer indignity of doles. I think that the insistence of the American people for full employment—and I believe that insistence is present in the country today—is clear. They are insisting that the Government must see to it that we do not run the danger resulting from the great national issues which would arise, involving disputes on a national scale over even ideologies of government itself, if our Government should fail to provide full employment and thereby thrust our people into another depression such as the depression of the thirties. We have an obligation to the millions of Americans to provide the constructive leadership through legislation such as the bill now pending before the Senate.

But even, Mr. President, if I thought that the people would stand for the dole, which I do not, I would then inquire, How can we afford to pay for idleness? How can we afford to carry out the policy which the report states at the bottom of page 5 in these words?

Our policy requires that every one in this country receive a proper standard—

Note, it says a proper standard—a proper standard of food, clothing, housing, and medical care.

How can we afford such a policy unless we make it possible for the people to

work and earn incomes in wealth-creating jobs?

Returning to the minority report I find on page 6 an interesting and, I think, a sound observation. The report says:

It is important to adopt such other Government policies—

Meaning other than Government public spending—

that there will be a proper incentive of private industry to expand; a proper relationship between wages, prices, and the cost of living; a proper relationship between farm prices and industrial prices; and a proper relationship between savings and consumer expenditures.

That is fine, and I fully agree except that I would not exclude government spending when needed. I am glad that our opponents are with us on many things in this bill. I hope we can reach agreement on both the objectives and procedures of the full-employment bill in keeping with the principles, the bill as we have submitted it to the Senate.

In closing, Mr. President, I submit that this bill will stimulate great intangibles in public thinking, which are vital to property. Let us not overlook the great intangibles of public opinion. I mean, for example, the element of confidence. I mean the flat commitment, the plain, honest language which will say to our people that we will assure opportunities for them to earn a decent living and out of that pledge they will take hope. I mean the plain, honest language of this bill, which says that we will do whatever is necessary to make good in maintaining a decent standard of living for all our people, not merely for some. I mean the plain language which says that we will do everything possible to maintain full employment through private enterprise, and that in order to do this, in order to foster the very confidence on which private enterprise is necessarily based, we will, if necessary, step in and provide the Federal investment and expenditure essential to full employment.

Let us not quibble, hedge, and dodge this issue before our people today. Let us either tell the people that we will make good on this great economic need, that we will assure them opportunities, or else let us admit that we are doomed to business cycles or economic revolution in America. Let us admit, and not merely hint, that we have lost faith; that we do not really believe that the private-enterprise system can give the people what they want; and that we do not really believe in the competence of responsible representative government. For myself, I will fight against the philosophy of despair which I think is held by the opponents of the bill.

Let me say a few words on the proposed amendments set forth in the minority report. On page 7 these amendments are described as being designed to remove the objections which the report has stated. On page 7 it is stated that the bill—

will then provide for an economic program which may embrace every possible policy to secure prosperity and full employment. \* \* \* It will do everything that can be humanly done to prevent another serious depression. We realize, like the majority, that we must do everything possible to avoid a recurrence of the conditions which existed in the thirties.



Then the minority proposes amendments which, unless they are meaningless, mean that they would do perhaps almost enough to make good on our commitment. They mean that we do not really think we can make good. They mean—if, in fact, they have a meaning—that we will offer our people doles, not work.

At the very end of the minority report we find this revealing statement. I quote from the bottom of page 7:

We have had some doubt regarding the statement in section 2 (c) that "the Federal Government has the responsibility to assure continuing full employment."

The word "assure" is an ambiguous word which might be interpreted to mean that a legal obligation is assumed to every man to give him a job. \* \* \* We still feel that it may gravely mislead the public at large.

I do not think we should have any misunderstanding about this, Mr. President. I do not believe that the word "assure" is at all ambiguous. I do not find any misunderstanding about it among those with whom I have talked. They think it means, and I think it means, to make available the opportunity to earn a decent living. It means that we will face the task of doing whatever is needful to make political and economic democracy survive in America.

I consider the full employment bill essential to that end. I believe that we have before us a great nonpartisan bill, involving a great nonpartisan American problem. I know of no greater issue that is going to challenge the statesmanship of the Congress of the United States than the stand which individual Members of the Congress take upon the bill now before the Senate.

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

Mr. MORSE. I yield.

Mr. BUCK. The distinguished Senator stated at one point in his remarks that the only policy set forth in the bill was the policy of full employment. It seems to me that there is another policy which is sought to be established, and one which gives me much concern. I refer to the policy which would permit continued unlimited deficit spending. I wonder if the Senator will let me have his views on that question. Perhaps he touched upon the subject when I was not present. What is the Senator's view with respect to an amendment which would provide for a tax program to go along with the bill and the budget which the President would submit, to pay for the cost of the unemployment program over a period of 4 or 5 years? If such an amendment were adopted, I should be very happy to endorse the bill.

Mr. MORSE. Let me say to the distinguished Senator, my good friend from Delaware, that almost at the beginning of my remarks I discussed at some length my views in regard to the obligations of the Congress of the United States to present to the American people a forthright and intellectually honest tax program. I believe that we have the obligation to make clear to the people of the country that along with the benefits of government which they rightly demand must go the obligation of the people to pay for those benefits through a tax program.

I also said in those remarks that I did not believe that we should insert in this bill a tax program, or that we should limit future Congresses in regard to the tax program which they might find it necessary to adopt in order to bring the country through an emergency which might require heavy expenditures for full employment. I said that I was not opposed to deficit spending to meet an emergency if we constantly keep in the minds of the people of the country the recognition of the fact that they must pay the bill created by the deficit spending once the productive wheels of industry start turning again, and national revenues raised through the productive resources of the country in amounts sufficient to support the necessary tax assessments.

So my specific answer to the Senator's question is that I would not vote for any amendment which would seek to impose upon a future Congress the obligation, at the time such expenditures must be made to meet an emergency, of providing a tax program to equal those expenditures. I believe that broad latitude ought to be given to the Congresses of the future. They have a right to take such latitude anyway, no matter what kind of a bill we pass today. I do agree, however, that the tax legislation of the Government should provide the revenue necessary to pay for full employment as national income permits.

Mr. BUCK. I do not believe that it would be possible to enact a tax bill at this time to pay for the contemplated expenditures; but why should it not be the policy of the bill that over a period of years a tax program should be inaugurated to pay the costs of Federal expenditures which might be necessary under the unemployment program?

Mr. MORSE. Because I believe that that is a policy which should be expressed in the tax legislation itself. I do not believe that it should be made a part of this bill.

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

Mr. MORSE. I yield.

Mr. TAFT. I cannot understand the Senator's point of view. Why should he say that we must impose on Congress the obligation to spend money, but we must not impose on it the obligation to raise the money? I cannot understand the distinction which the Senator makes between imposing upon Congress a policy of spending, and imposing upon Congress a policy of taxation.

Mr. MORSE. If I correctly understand the position of the Senator from Ohio in regard to the so-called tax amendment, he would make a part of this bill such an amendment, which would say to future Congresses, "No matter what the emergency may be in which you find yourselves, you cannot meet that emergency by governmental expenditures unless at the same time you impose, for a definite term of years, a specific tax program which will raise the money with which to pay for the expenditures which the Government finds necessary in order to solve the unemployment problem of that period."

Mr. TAFT. It sounds very reasonable to me. I do not see anything wrong with that principle. The Senator states it exactly.

Mr. VANDENBERG. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Oregon yield to the Senator from Michigan?

Mr. MORSE. I yield.

Mr. VANDENBERG. I wish to submit a general question to the Senator because I have such great respect for his opinion. Perhaps it is not directly related to the bill, and yet it certainly is related to the fundamentals to which the bill is addressed, and I am thinking of the Senator's long experience on the War Labor Board when I submit the question to him. I ask the Senator whether he thinks it is possible for us even to approximate any sort of full and stabilized employment without also succeeding, either voluntarily or otherwise, in attaining a greater stabilization of labor-management relationships?

Mr. MORSE. Mr. President, I think it is absolutely essential. I think it must be accomplished if we are going to keep both free industry and free collective bargaining in this country.

Mr. VANDENBERG. I thank the Senator. It seems to me that as we sit here dealing with this academic phase of the subject, knowing that we are entirely surrounded outside in the realistic world with controversy which makes any sort of planning for industry or for labor impossible, we must concede that what we seek here to do touches only one factor, and that the other factor cannot long resist our attention.

Mr. MORSE. I think the Senator is quite correct.

#### RATIFICATION BY MEXICO OF UNITED STATES-MEXICAN WATER TREATY

During the delivery of Mr. MORSE'S remarks:

Mr. CONNALLY. Mr. President, will the Senator yield to me for a moment?

Mr. MORSE. I am very happy to yield.

Mr. CONNALLY. I wish to make a few remarks about an extraneous matter, but I shall ask unanimous consent that my remarks appear in the RECORD at the conclusion of the address of the Senator from Oregon. What I shall have to say will take only a moment.

Mr. MORSE. I am very happy to yield.

Mr. CONNALLY. Mr. President, I wish to announce to the Senate with a sense of extreme gratification that the Mexican Senate has ratified the Mexican Water Treaty which was ratified by this Senate some time ago. That action was taken by the Senate of the Republic of Mexico by unanimous vote and without appending to the treaty any reservations whatever, so the treaty was ratified in the exact form in which it was ratified by the Senate of the United States.

Mr. DOWNEY. Mr. President, will the Senator yield to me for a very brief comment?

Mr. MORSE. I shall be very glad to yield.

Mr. DOWNEY. Let me offer to the distinguished chairman of the Foreign Relations Committee my congratulations that, holding, as he does, one of the most important and arduous positions in the world today, he has seen brought to a successful conclusion one of his under-



takings under this administration. During the hearings on the treaty there were times when the Senator from Texas and I were brought into apparent opposition. I admired his patience and ability in that connection, and, so far as I am concerned, I am glad that the matter has been brought to a final and successful conclusion.

Mr. CONNALLY. Mr. President, I am very grateful to the distinguished senior Senator from California for his kind remarks and for his gracious and rather extravagant estimate of the services of the senior Senator from Texas. The Senator from California in the hearings, with the marvelous zeal which is his and with the unusual ability he possesses, fought very vigorously and very determinedly against the treaty, but now that it is all over, we are restored to our plane of cordiality and good will.

Mr. President, I wish to say that it should be a source of gratification to the people and the Government of the United States that this question has finally been adjusted and settled. It has been a matter of uncertainty and indecision for a period of 75 years. Now that the treaty has been ratified, the issue has been removed from the field of diplomacy and controversy; and the people of California and Texas, especially, know what their rights are and they can make their plans accordingly. As a representative of Texas, I am extremely happy that the issue has been determined.

I thank the Senator from California for his remarks, and I thank the Senator from Oregon for yielding. I ask unanimous consent that these remarks of the Senator from California and my own appear in the RECORD at the conclusion of the speech of the Senator from Oregon, rather than in the midst of it.

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

Mr. MORSE. Mr. President, I extend my sincere compliments to the senior Senator from Texas for the outstanding leadership which he exercised in bringing about the ratification by the Senate of the Mexican Water Treaty. I think the reception of the treaty in Mexico has been due, in no small measure, to the very fine acts of statesmanship which the Senator from Texas evidenced in the presentation of the treaty to this country as well as to Mexico.

#### FULL EMPLOYMENT ACT OF 1945

The Senate resumed the consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

Mr. HATCH. Mr. President, I now ask to have stated the amendment which I suggested yesterday and which I now offer.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the amendment of Mr. RADCLIFFE (for himself and Mr. TAFT) as a substitute for the language beginning on page 14, line 20,

down to and including the word "Such" in line 25, it is proposed to insert the following:

(4) to the extent that continuing full employment cannot otherwise be attained, consistent with the needs and obligations of the Federal Government and other essential considerations of national policy, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to achieve the objective of continuing full employment.

Mr. HATCH. Mr. President, in offering this amendment, I do so, as I stated yesterday, for the sole purpose of expressing in language what the authors of the bill and the authors of the amendment submitted by the Senator from Maryland [Mr. RADCLIFFE] and the Senator from Ohio [Mr. TAFT] stated many times on the floor of the Senate during the debate was exactly what they intended. I felt there was no difference at all between the intentions of either, and it seemed to me that a provision could be written which would carry out the purposes and desires of those on both sides of the controversy. That is what was sought to be done. The amendment does not offer a compromise between the two so-called opposite schools of thought. It is merely a statement of what they both have contended for.

I wish to express my appreciation to the Senator from New York [Mr. WAGNER], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Ohio [Mr. TAFT], and other Senators who have agreed in substance that this amendment does state what they desired; and, as I understand, they are willing that it now be adopted.

Mr. President, I hope that the distinguished and able senior Senator from North Dakota [Mr. LANGER], one of the authors of the bill, will join with his colleagues who sponsored the pending measure and will also agree to the adoption of my amendment. I hope it will be adopted at this time.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. TAFT. I wish to say that we have not accepted the proposed substitute, and if there is to be a vote on it we much prefer the amendment offered by the Senator from Maryland [Mr. RADCLIFFE] and myself. We think it states the proposition much more clearly and definitely.

I think the substance of our amendment is contained in the amendment offered by the Senator from New Mexico; I do not see any great difference; but unless the authors of the bill are prepared to accept the amendment of the Senator from New Mexico, if we are to have a contest and a vote on it, I should much prefer, and I think the Senator from Maryland feels the same way, to have a vote on our amendment, not on the substitute, in which case we would not be prepared to accept the substitute.

So, Mr. President, I should like to know whether the amendment is a compromise or whether we are asked to modify our proposal because we prefer not to modify it. We think it is a clearer statement than that contained in

the amendment proposed by the Senator from New Mexico, although we realize the motives which inspired the Senator from New Mexico in suggesting his amendment in an effort to reach a compromise, and we appreciate his efforts.

Mr. HATCH. Mr. President, let me say that I understood that my proposal was acceptable to all the authors of the bill. However, a moment ago I spoke to the Senator from North Dakota, and he told me he desired to speak against the amendment. Whether he meant the amendment previously offered by the Senator from Ohio and the Senator from Maryland, I am not sure. I hope, as I have said, that the Senator from North Dakota will join with the other authors of the bill in agreeing to accept the amendment I have proposed, so that we may dispose of it now.

Mr. LANGER. Mr. President, I have no desire to delay a vote on this particular amendment. I am against both the Taft-Radcliffe amendment and the Hatch amendment. I do not wish to delay a vote on it, and I am perfectly willing to have the Senate proceed to vote now. I shall speak against the entire bill, no matter what is the outcome regarding these two amendments, as to both of which I am prepared to vote.

Mr. HATCH. Mr. President, the Senator from North Dakota has said he is prepared to have a vote taken now on the amendment. Therefore, I ask that the Senate vote now on it.

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

Mr. HATCH. I yield.

Mr. VANDENBERG. I ask the Senator for his conception of what the amendment means. I think we are in agreement as to the objective. As the Senator knows, my fundamental objection to the bill as reported has been that while textually it seems to create, although this purpose is denied by the sponsors of the bill, an exclusive obligation on the part of the Government to deal solely with unemployment and to apply the formula here proposed, regardless of what might be the impact of the formula on the national economy, yet it seemed to me that it would not be sound and that it would not have a long-range beneficial effect on unemployment itself. It seems to me that the Senator's amendment puts into words the thing we have been told by the sponsors of the bill is within their meaning, namely, that we shall seek this objective to the maximum possibility within consultation of the national economy generally.

Mr. HATCH. Mr. President, I do not think there has ever been any question about that in the minds of the authors of the bill. We have always intended that unemployment and full employment should be dealt with and must be dealt with consistently with the entire national economy, and that is what the amendment I have proposed actually says.

Mr. VANDENBERG. I thank the Senator.

Mr. HATCH. Mr. President, I wish to express my thanks to the Senator from North Dakota for his willingness to have the Senate vote on the amendment.



The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] proposed as a substitute for the amendment of the Senator from Maryland [Mr. RADCLIFFE] and the Senator from Ohio [Mr. TAFT].

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

Mr. HATCH. I yield.

Mr. WAGNER. In regard to the question asked by the Senator from Michigan as to the attitude of the sponsors of the bill, I should like to state that all the sponsors of the bill are in agreement on the amendment proposed by the Senator from New Mexico as a substitute for the amendment of the Senator from Maryland and the Senator from Ohio. I think the amendment states what was always the contemplation of the provisions of the bill; but, if there is any doubt about it, the adoption of the amendment now proposed will clear it up very definitely.

Mr. VANDENBERG. Mr. President, I thank the Senator for his statement. What has puzzled me is why there should ever have been any resistance to saying textually what the able senior Senator from New York has constantly said the bill means.

Mr. WAGNER. Exactly.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield.

Mr. RADCLIFFE. Mr. President, a number of us on the committee are under the impression—and statements made during the proceedings in subcommittee, in committee, and in course of the debate clearly demonstrate the basis of that opinion—that the language of the bill singled out one form of industry and made it paramount. Again and again attempts in subcommittee, committee, and on the floor have been made to obtain some modification of the language in such way as would recognize the fact that there might be other obligations which should likewise be considered and reckoned upon before an unemployment program was adopted. That is the reason why the language "consistent with its needs, obligations, and other considerations of essential national policy," was submitted in subcommittee, in committee, where it was voted down. I personally prefer the language of the amendment which was submitted by the Senator from Ohio [Mr. TAFT] and myself. However, I am mindful of the fact that the amendment offered by the Senator from New Mexico [Mr. HATCH] includes the language which the Senator from Ohio and myself desire to have inserted in the bill, namely, the so-called consistent clause. To my mind it is very desirable that there shall be absolutely no misunderstanding whatever that any obligation which the Federal Government may assume shall be consistent with its needs, obligations, and other essential considerations of National policy. That is one reason why I have insisted again and again upon a clean-cut and definite statement on that point. I insisted upon it in the subcommittee, in the main committee, and I have also in-

sisted upon it on the floor of the Senate. I think the language of the amendment submitted by the Senator from Ohio and myself represents a very comprehensive statement covering the entire field of the amendment of the Senator from New Mexico. The amendment of the Senator from New Mexico clearly sets forth the substance of our amendment. There is no real difference in the scope of the two amendments. If by agreeing to that amendment of the Senator from New Mexico we can readily dispose of the issues before us personally, as one of the sponsors of the amendment offered by myself and the Senator from Ohio, I am willing to vote for the amendment of the Senator from New Mexico.

Mr. HATCH. I thank the Senator.

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

Mr. SALTONSTALL. Mr. President, will the Senator yield before he insists upon a quorum call so that I may propound a question?

Mr. WAGNER. I withhold the suggestion, and yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the chairman of the committee a question. In his answer to the Senator from Michigan, which I did not clearly hear, did the chairman of the committee accept the amendment offered by the Senator from New Mexico?

Mr. WAGNER. Yes.

Mr. SALTONSTALL. If the amendment is accepted in the language in which it is now written, am I to understand the chairman of the committee to state that the amendment will not mean that the Federal Government assures full employment, but that it will do everything consistent with its needs and other obligations to aid in achieving full employment?

Mr. WAGNER. Yes.

Mr. SALTONSTALL. But the language does not guarantee full employment or assure it. Am I correct?

Mr. WAGNER. I think the statement of the Senator is correct.

Mr. SALTONSTALL. In other words, there is to be no guarantee or assurance on the part of the Federal Government that, after all other means have failed, it will guarantee full employment.

Mr. WAGNER. There has never been a guarantee under the pending measure, but merely that the Federal Government should do everything within its power to assure the opportunity of employment.

Mr. SALTONSTALL. The Government will be expected merely to do the best it can to assure the opportunity of employment.

Mr. WAGNER. Yes.

Mr. MURRAY. Mr. President, at this point I should like to invite the attention of the Senate to the fact that the substitute amendment which has been offered by the Senator from New Mexico goes, of course, very much further than the amendment proposed by the Senator from Ohio [Mr. TAFT] and the Senator from Maryland [Mr. RADCLIFFE]. The amendment proposed by the Senator from Maryland and the Senator from Ohio does not contain the language

which is found in the Hatch amendment, namely:

To the extent that continuing full employment can not otherwise be attained, consistent with the needs and obligations of the Federal Government and other essential considerations of national policy, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to achieve the objective of continuing full employment.

That language is not in the amendment offered by the Senator from Maryland [Mr. RADCLIFFE] and the Senator from Ohio.

Mr. MILLIKIN. Mr. President, will the Senator yield before a quorum call is proceeded with?

Mr. WAGNER. I yield.

Mr. MILLIKIN. I should like to invite the attention of the Senator from New Mexico [Mr. HATCH] to the language of his amendment. I believe there is in it an inadvertent misplacing of the consistency clause. As the language now reads, unless it was changed while I was temporarily out of the Chamber, the qualification clause qualifies that which precedes it rather than that which succeeds it. I suggest that the language of the consistency clause follow the word "provide" rather than the word "attained."

Mr. HATCH. I doubt that the change should be made. I think the language is plain as it now reads. I think its meaning is clear. I may say that the language was submitted last evening to the drafting service. After some changes were made they were convinced that the language of the amendment in its present form is the proper language to use. I do not believe there could be any doubt about what is intended. If we were to change the language now I am quite sure that we would get into complications.

Mr. MILLIKIN. Mr. President, I have a great deal of respect for the drafting service, but I also have respect for the elementary rules of grammar.

Mr. TAFT. Mr. President, I would say that the change should be made. I am sure that if the Senator from New Mexico will consider it he will come to the conclusion that the word "provide" should come ahead of the word "consistent."

Mr. HATCH. There may be some merit to the suggestion, but I am reminded of what the Senator from New York said yesterday evening about a certain distinguished citizen of the United States who said that we can always draft legislation until the semicolon men got hold of it. Personally I have no objection to making the change. I do not want the language changed, but I am willing to make the change suggested by the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. My suggestion is that the consistency clause follow the word "provide", instead of the word "attained."

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.



The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Overton
Bailey	Hayden	Radcliffe
Ball	Hickenlooper	Reed
Bankhead	Hill	Revercomb
Barkley	Hoey	Robertson
Bilbo	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Brooks	Kilgore	Shipstead
Buck	Knowland	Smith
Burton	La Follette	Stewart
Butler	Langer	Taft
Byrd	Lucas	Taylor
Capehart	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Chavez	McKellar	Tunnell
Connally	McMahon	Tydings
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	Wherry
Fulbright	Moore	White
George	Morse	Wiley
Gerry	Murdock	Willis
Green	Murray	Wilson
Guffey	Myers	Young
Gurney	O'Daniel	
Hatch	O'Mahoney	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, has the Senator from New Mexico modified his amendment?

Mr. HATCH. I was just about to ask permission to modify the proposed amendment in accordance with the suggestion made by the Senator from Colorado, which is at the desk. The clause beginning with the word "consistent" will follow the word "provide."

The PRESIDING OFFICER. The Senator has a right to modify his amendment, so the question now is on agreeing to the amendment, as modified, offered by the Senator from New Mexico [Mr. HATCH] as a substitute for the amendment of the Senator from Ohio [Mr. TAFT] and the Senator from Maryland [Mr. RADCLIFFE].

Mr. TAFT. Mr. President, I desire to state the reasons why I am willing to accept the amendment.

In my opinion, the bill contains a prescription of a definite formula, known as the compensatory spending theory, advanced by Mr. Beveridge, Lord Keynes, and various other economists. That compensatory spending theory required a calculation of what industrial activity would be, what would be necessary to produce full employment; and if there should be a deficit, there was a definite prescription that there must be Federal expenditure sufficient to meet it, regardless, I think, of any other consideration.

The pending amendment adopts the essential features presented by the Senator from Maryland and myself. It says that the volume of investment and expenditure shall only be provided if it is "consistent with the needs and obligations of the Federal Government and other essential considerations of national policy."

In my opinion, that kills the compensatory spending theory, because, if I am correct in my interpretation of the bill—and I may be wrong—and there should result a \$30,000,000,000 deficit, the Presi-

dent would no longer be required to submit a program of Federal investment and expenditure of \$30,000,000,000, if he found that would create a deficit, shake public confidence, or do other things which might do more harm to employment than good.

The other parts of the amendment offered I do not feel are as well framed, but it seems to me that the amendment offered by the Senator from New Mexico adopts the essential thing in which I have been interested in the debate. I am very glad, therefore, to urge that, since it is agreeable to all, the amendment be adopted by those who are in favor of the Taft-Radcliffe amendment.

Mr. MURRAY. Mr. President, I am very glad to have the Senator from Ohio [Mr. TAFT] satisfy himself in any way he wishes, but I want it understood that the sponsors of the bill do not accept his construction of the proposed amendment at all. It does not do anything of the nature he mentions. I want it to appear in the RECORD that I am absolutely against his construction.

Mr. TAFT. Do I understand the Senator to say that the bill, then, still contains the compensatory theory of spending?

Mr. MURRAY. No, and it never contained it at any time. That is a proposition the Senator is urging for the purpose of creating prejudice against the bill. It had no merit at any time, either in the committee or on the floor of the Senate.

Mr. TAFT. This is the first time that anyone, I think, has denied that that was in the bill, and I am delighted to have one of the authors of the bill deny it. I am glad to accept his interpretation, and since that is now cleared up, I am very glad that all differences between us have disappeared.

Mr. TOBEY. Mr. President, replying to the remarks of my colleague from Ohio [Mr. TAFT] about his interpretation of this clause of the bill, as it will be amended if the amendment shall be agreed to, I cannot go along with his interpretation. Of course, he is an eminent lawyer, and I am merely an ordinary layman; but a cat can look at a king. Therefore I wish to state my interpretation of the words as they appear to my mind.

The language is "consistent with the needs and obligations of the Federal Government," we can provide and shall provide such volume as is necessary. I submit—and I want it to appear in the RECORD—that no need or obligation of the Federal Government can be paramount to a situation of dire distress in this country caused by great unemployment, for it is a prime need and it is a basic obligation to take care of that matter. That is the interpretation I shall put on the language in the future, if we get into such a situation in this country. There is no greater need, no greater obligation resting upon us, than to take care of unemployment when, as, and if it develops and gets out of hand, and becomes Nation-wide, constituting a grave emergency.

Mr. TAYLOR. Mr. President, I am sorry to delay the vote, but I wish to express my opposition to the pending

amendment. I am wholeheartedly opposed to it. I do not believe the pending so-called full-employment bill is going to provide jobs for anybody. There is nothing in it which would give anybody a job unless it be the provision with respect to the establishment of a corps of statisticians which would provide figures for the President upon which to base his program. Yet I feel that the bill has a value. I consider that there is a psychological value in the bill as it is now written, but not as it will appear if the pending amendment is agreed to. The bill says emphatically that the Federal Government does assume the ultimate responsibility to see that everybody in America who desires work has an opportunity to work. The language which is proposed to be inserted waters that down until it would say, "We will see that you have a job if something does not interfere."

Mr. President, I should like to compare that with the Federal deposit insurance law. There is nothing in that law which says, "Your deposits are insured unless something else happens so we cannot take care of this obligation." It says, "Your deposits are insured up to \$5,000," and regardless of whether or not we deserve it, the people of America have confidence in the Congress of the United States. It is their ultimate recourse to come to Congress. I know that because I have come directly from the people. I know how they think respecting different things. They feel that if the Congress says "There will be a job" there will be a job. But if we say "There are going to be jobs—perhaps," this bill will not be worth the paper it is written on, because there is nothing to it other than a declaration of principle. On the other hand, if the people can have confidence in it, it will mean something. It will give them confidence that there will be jobs; they will go ahead and spend the money they have saved during the war which will start the wheels turning again, and businessmen will have confidence.

I call attention to the upsurge in the stock market immediately following President Truman's message to the Congress. Some businessmen may curse this bill as a conglomeration of silly platitudes, but at the same time, when the President issued his message saying that there was going to be full-employment legislation and other liberal measures, business reacted favorably.

Aside from the common sense proposal calling for economic planning, to my mind the only good that can come from the passage of this bill is the psychological effect it will have upon the country. If we water it down it will have no effect whatever.

At the risk of being tedious I wish to say a few words to my colleagues and tell them exactly how I stand on this and other measures advocated by the President in his message to the Congress a short time ago. Not so very long ago I was one of those who might be classed as belonging to the lower strata of our society. I was raised on a side-hill farm, and all my life I have spent in the show business. I was just downtown addressing a luncheon meeting, and was



there introduced as a formerly well-known star of the stage and radio. I told them they were mistaken; that I was merely a poor ham actor, and that is true. I never saw Broadway. I have never yet seen a show on Broadway, much less participated in one. I had my own company playing through the West, and the depression and the talkies came at the same time. We could not secure bookings because the theaters were full of talkies, and if we did get a booking no one came to see us anyway, so it made no difference. I saw what people went through in those days.

We had to go into the small communities, to cross-road halls and school-houses which the talkies had not reached. Many times we have taken farm produce, chickens—sometimes live chickens—and vegetables, in exchange for tickets to our show. I have seen children stand outside and beg to be admitted, and I would admit them sometimes, and, at times, about the third night, instead of 20 children, there would be about 150 standing outside, and then I would have to draw the line.

I know how the common people feel when they cannot get jobs. Frankly, Senators, I have seen the time when I would have signed up for \$25 a week for the rest of my life. I would not have done it if I were the only one I had to consider, but I had a family, and the members of my family needed medical attention, and I could not afford it. In such circumstances it is not a matter of favoring democracy or private enterprise. It is a matter of life or death.

To be perfectly frank, Senators, the experiences I went through started me thinking. If I had not gone hungry I would not now be a United States Senator, because I was pretty well satisfied. I had started my own business and made several thousand dollars in a few weeks' time, and I thought everything was quite rosy. I did not give private enterprise credit for it, because I did not even know there was such a thing as private enterprise. I was just going along making a living and doing the best I could. But when the going got tough I started to study, and I did study diligently for a number of years. I have seen the sun come up while I was still reading. It got to be a matter of religion with me. I read books of all kinds. I want to be fair about this matter, and I will say that I read *Capitalism the Creator*, and I read books by Stuart Chase, and many others, I read a book by King C. Gillette, the man who invented the safety razor. He pointed out that there was plenty for everybody; that it was simply a question of whether we were going to shut the factories down and starve to death. His idea was that the whole country should be operated on a business basis as he operated his great factory for producing razor blades. He said in his book:

I will produce my razor blades just as cheaply as I can and sell them for just as much as I can get for them, and if I can get more for my blades by advertising than I can by making a better blade I will advertise.

He contended that our whole economic system was wrong. He said:

Our system of competition for profit leads to war.

Frankly, I was greatly influenced by that book written by King C. Gillette. God help the man; he died broke, as I understand. He loved his fellow men so much that he neglected his business.

But I want to make it plain that I was not a Communist and I was not a Socialist. I have never belonged to either of those organizations. I have talked to Socialists and I have talked to Communists, and they were just the same as Senators are here. I believe they were just as smart and just as amiable. They were splendid men who earnestly believed in what they fought for, as I give Senators here credit for believing in what they are fighting for. But I never joined any of their organizations. My father was a Democrat, and I think that is why I am a Democrat, although even if my father had not been a Democrat I think I would have had enough sense to be a Democrat anyway. [Laughter.]

Frankly, Mr. President, my economic ideas were quite radical back in those days. I was ready to junk the profit system and plan for plenty. Well, I take it if one is going to do anything about a proposition the only way to do it is to start, so I ceased my travels about the country and took up residence in Idaho with the purpose in mind of running for office. After I had been there 6 months I announced my candidacy for Congress. I had to make use of the tools at hand. By that time I had gone out of what I am pleased to call the show business, because there was no longer any place to put on shows. I had organized a cowboy band. So I took the cowboy band and campaigned with them. I was fourth in a field of nine in the primaries in that race for Congress. It encouraged me. I defeated five old party wheel-horses.

The next year it so happened that the late great Senator Borah had in the meantime gone to his reward. So I decided that if I were going to do anything along political lines, there was no use running for dog catcher or even for Representative in Congress. I might as well run for the Senate. So I ran for the United States Senate.

I did not know anything about politics. When I first ran I did not know a single precinct committeeman. When I ran for the Senate in 1940, while the politicians were arguing over which one of them was going to be nominated, I went out and frankly laid it on the line to the people of Idaho, a State which has been Republican, and which is considered pretty conservative. That was in 1938, a year of comparative prosperity. I told the people that the private enterprise system had not worked, and I quoted from King C. Gillette's book.

It is very easy to argue for a planned economy. It is much easier than to try to convince the people that there is any logic in our present economic system. I told them that we could plan for plenty, and they nominated me for the United States Senate. I had one precinct committeeman working for me.

As soon as I got the nomination the politicians got together. I had not asked their consent to run. They got together and ganged up on me. While Roosevelt was carrying the State by 25,000, I lost by 15,000, and that was a pretty bad beating.

The politicians figured that that was the end of me. The war started shortly after that. They said I was too old to fight, and that the next best thing I could do would be to get a job in a defense plant, which I did. First I went to a war plant in my State of Idaho, and told the man to whom I applied that I wanted a job on defense work. He told me to write my name, which I did. I shoved the paper across the counter. The man looked at it and said, "GLEN TAYLOR. Are you the man who ran for the Senate?" I said, "Yes." He said, "Well, Mr. TAYLOR, we have nothing suitable for you". I explained to him that I did not want to manage the plant. I simply wanted a job. I told him that I was a pretty good home-made carpenter, better than some of those who carried cards. I could drive a truck. I could use a sledge hammer expertly—which was true. I used to have a tent show, and had to drive stakes. But the man insisted that he had nothing suitable for me, so I saw what the score was. He thought I wanted to put on a silk hat and a pair of gloves and be a gentleman.

So I left Idaho and went to California and got a job in a war industry there. I worked shoulder to shoulder with the common man. I know what he thinks, and just about how his mind works. I worked right along with him. My co-workers did not know that I had run for the Senate. I kept it very dark. I wanted to be one of them.

Then 1942 came along. I went back to Idaho and ran again. The politicians were very much surprised to see me back. They thought that they had done for me, because I had been beaten twice.

The same thing happened again. I got the nomination while the other boys were arguing over the matter, and this time I was defeated by only 4,000 votes. That was very encouraging. I saw that I was making headway. So I went back to work in a defense plant, and the politicians were sure that they were rid of me.

I am recounting this simply to encourage anyone who may be listening who believes that things are not being run properly. He should not give up. If he wants to be a United States Senator, let him start running and keep at it.

I returned to Idaho and ran again. Again I got the nomination.

While I was in the war plant I saw a great deal of inefficiency. It was not a Government plant. It was a cost-plus plant. This can be no reflection on the Government. The newspapers of my State picked up the statement which I made in the Senate some time ago and tried to make it appear that the New Deal was at fault because there was inefficiency in the war plant where I worked. That was not the case. The New Deal had to pay the big business boys.

We all remember that big business was the first to go on strike when the war started. They said that they would not produce anything unless they got cost-plus. They did not intend to take any chances whatever. So the system of cost-plus contracts was inaugurated. It was very wasteful and extravagant. I saw many things that could have been done better, but no one wanted any suggestions from a poor, lowly sheet-metal mechanic.



Incidentally, I held a union card. I was not asked to join. I joined voluntarily, because I realized that the only chance the workingman has to get a fair break is by organizing. There was one man who worked in the plant who was a janitor. That is not much of a job, but there was a janitor's union. However, he did not join. No one made him join. He used to tell me that he worked overtime on Saturday and Sunday, and received double time for overtime, and that he was very much pleased about it. I said to him, "Did you ever stop to realize that you would not get any overtime or double time if there were no union?" I saw him the next day, and he said, "I went down and joined the union yesterday."

My experience there changed my outlook somewhat. I believe it was the most trying time of my life. I made good wages but could not save very much, and I could not exercise my initiative. I saw things that needed to be done, but no one was interested; so we continued to waste time, taking a week to do a job which could have been done in 2 days if some of us had been allowed to figure out a better way to do it.

I decided then that perhaps the idea we have of every man being his own boss if he cares to be was not so bad, after all. Frankly, my present attitude is that I should like to see the private enterprise system continue. I admit that I am not so closely wedded to that idea as are some others. Frankly, if the stopper is kept in the kettle and we refuse to allow any changes to take care of changing circumstances, and the thing blows up, and the Socialists take over, I will try to help the Socialists make socialism work, just as I am honestly and sincerely trying to help the private enterprise boys make that system work now.

In 1944 I went back to Idaho and ran again. I got the nomination, and this time I was elected, and here I am. The callouses have scarcely worn off my hands; but I thank God that callouses have not yet started to form on my heart. I am here because I am sincerely interested in the welfare of the common people. I feel that the bill now pending before the Senate will help to make jobs for people, not because it will give anyone a job, as I said before, but because it will give confidence to the people to go ahead; and confidence is absolutely essential to the working of our private enterprise system.

I am opposed to changing the language of the bill. The proposed amendment would make the bill wishy-washy. It does not say that, "come hell and high water, we are going to give the people jobs." It says that perhaps, if other things do not get in the way, we will provide jobs for the people.

Let me read an excerpt from our declaration of war on Germany. After declaring a state of war, and saying that we were going to fight Germany with all our armed forces, we proceeded to say:

And to bring this conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States.

The Congress did not say, "We are going to spend so many billion dollars, and

if that does not win, we will give up." It said that all the resources of this Nation were pledged to bring the conflict to a successful termination.

That is the way I feel about the full employment bill. If we are to have any bill at all, then let us say, "All or nothing. We will give them jobs or we will die in the attempt." We might as well say that, because if we do not give them jobs, the private-enterprise system will be finished, anyway.

I have been with the people. I know how they feel. I know how easy it was to persuade them to throw the whole thing overboard; and it can be done much more easily if the system breaks down again. They have seen what we can provide in war in the way of jobs and a high standard of living for all the people. If we break down again, we are bound to lose our private-enterprise system.

There are two matters upon which I will not compromise. I shall always fight for democracy and an opportunity for every citizen to earn a living. That is my attitude. I am here to try to make our economic system work. I am willing to cooperate with anyone who wants to make it work; but when I see some of the opposition to the various valley authority projects, I wonder. I will admit that these projects are socialistic. There is no use beating around the bush about it. They are socialistic, but they will provide abundant cheap power. That will bring into being new private industries, and farms upon which people can settle, and keep our private-enterprise system working. So when I see proposals of that kind scuttled, and measures like this watered down, frankly, my hopes are not very high.

Mr. President, I hope that the Senate will reject the pending amendment and pass the bill as it is presently written.

Mr. BARKLEY. Mr. President, I wish to express the fervent hope that we may conclude consideration of the pending bill today. I have not had anything to say about it thus far, and I shall speak only briefly at this time.

I was not a member of the subcommittee of the Banking and Currency Committee, and I did not attend the hearings which were held before the subcommittee. I have not read them. I doubt whether any Member of the Senate has read all the hearings on the bill, because they are somewhat lengthy and voluminous, and with all the other things we have to do it is difficult to read all of hearings which occupy 3 or 4 weeks, so as to be familiar with everything which everyone may have said for or against this bill or, in other cases, for or against other measures of similar importance.

I am fairly well familiar with the general theory upon which the pending bill is based. I have not adopted as my policy the theory of anyone who has written on the subject. I hope I shall never reach the time when I cannot be benefited by reading what other men say in regard to economic problems. But my thinking on this measure has not been induced by Sir William Beveridge, Lord Keynes, Mr. Henry Wallace, or anyone else, although I am reasonably familiar with what they have had to say and with their theories, and with much that they

have said and with much that they believe I agree.

Mr. President, I was for this bill as it was reported from the committee. In the committee I voted against all amendments designed to water it down, because I think the bill itself watered itself down as far as it could safely be watered down and still have anything whatever left.

We all agree that what we are undertaking to do is to adopt a policy, a goal, to which not only the people of the United States but also their representatives in Congress may look forward with some hope of attainment.

As has already been said, there is nothing in the bill which automatically gives anyone a job. There is not a sentence or paragraph or section of the bill which automatically gives a job to anyone. There is not a paragraph or a section of the bill which sets up a Government project which will give a job to anyone. The bill sets out certain goals to be attained. In view of the language contained in section 6, to which I shall refer in a moment, it may not make a very great deal of difference what the language of subsection (d) may be; but no matter how broad or how comprehensive it may be, the entire bill is modified by section 6, which, in order to be overcautious, sets out certain things which cannot be interpreted as being authorized or directed by the terms of the bill which precede it.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I do not wish to prolong my remarks by a running debate, but I yield.

Mr. TAFT. I merely wish to point out that my interpretation of section 6 in no way limits in any respect the program which is prescribed under section 2. It seems to me that all it does is to say that this is not an authorization bill and that if the President recommends anything which is not already covered by law, it will be necessary to obtain an authorization bill. I think that is what section 6 means. I do not think it is a limitation on policy.

Mr. BARKLEY. Mr. President, I shall read section 6 in a moment, and I shall place my interpretation upon it. As I interpret it, no matter what else is placed in the bill, we cannot do anything about it until Congress subsequently passes some other law.

Subsection (d), at the bottom of page 13, provides as follows:

To that end—

In other words, to the end of accomplishing the objectives mentioned in subsection (c), and so forth—

The Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation, banking, credit, and currency; monopoly—

And so forth. It sets out the goal to be attained.

At the bottom of page 14, paragraph (4) reads as follows:

To the extent that continuing full employment cannot otherwise be assured—

In other words—

Such program shall, among other things—  
(1) Stimulate, encourage, and assist private enterprises—



And so forth—

(2) Stimulate, encourage, and assist State and local governments—

And so forth—

(3) Provide for an income for the aged sufficient to enable them to maintain a decent and healthful standard of living—

And so forth; and—

(4) To the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

As a substitute for that language, the Senator from Maryland [Mr. RADCLIFFE] offered yesterday his amendment providing that these things shall be consistent with all other needs and all other programs of the Federal Government—in other words, making this program secondary, as I understand it, to all other programs and all other efforts. I am sure the Senator from Maryland did not so intend it, but it seems to me his amendment offered a loophole for any future Congresses to say that the program, whatever it may be, recommended by the President and outlined in the National Budget, is not consistent with all other things the Government is obligated to do, and therefore they will do nothing about it.

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

Mr. BARKLEY. I yield.

Mr. RADCLIFFE. I do not place that interpretation upon the word "consistent." I do not regard the term "consistent" as meaning that the unemployment program proposed by the bill shall be considered as secondary to other programs. When an activity is consistent, it means that it will work and be considered with other activities.

Mr. BARKLEY. In other words, if it is to be consistent with other programs already adopted, that means it shall not be inconsistent with or in opposition to other programs or shall not prevent the working out of all programs already adopted.

Mr. RADCLIFFE. It means that the unemployment program shall not take a place superior to that of other programs already adopted unless expressly so determined, but that the needs and obligations of the Government under other programs, whatever they may be, shall be considered together with the needs and obligations under the unemployment program, and then we shall decide what shall be done at that time in regard to all of them, each standing on its own intrinsic merits.

Mr. BARKLEY. Yes; and that will have to be consistent with the routine reports of the Director of the Bureau of the Budget on measures referred to him; and if he finds that the program to be inaugurated under this bill is not consistent with the programs established under other measures, he will recommend the rejection of this program.

Mr. RADCLIFFE. Mr. President, when we say that this program is to be consistent, that means that the other programs to which the Government is com-

mitted shall be considered in connection with this program and none shall be considered as being superior to the others unless specific facts demonstrate a superiority.

Mr. BARKLEY. It means that the program to be inaugurated under this bill must be considered in the light of everything which has been ordained by the Government and is being carried out and must be done, and it means that, if anything in connection with the program organized under the provisions of the pending bill is inconsistent with any part of the programs inaugurated under measures previously enacted, the program proposed under the provisions of this bill shall be abandoned.

Mr. RADCLIFFE. Mr. President, will the Senator further yield to me?

Mr. BARKLEY. I yield.

Mr. RADCLIFFE. It means that there shall be a basis of relative values and a sense of proportion, and that each proposition, when it comes up for consideration, shall be considered on its merits without any prejudged opinion as to which of one or more needs or obligations is superior to the other. That is the way in which we have always operated. That is the way our legislation has been enacted for years and years. When a proposition comes before the Senate it is considered in connection with what has been done or what is under consideration, and with what are relevant and interrelated facts. Then we reach conclusions as to what should be the predominant factors in determining our judgment.

Mr. BARKLEY. Mr. President, I do not believe the Congress of the United States has ever proceeded on any policy in an emergency by first considering whether or not what it was about to do was consistent with something else which it had done theretofore. I do not think we have ever adopted a policy on the basis of whether the legislation which was being considered was or was not consistent, no matter what the emergency might be, and took the position that we would not do anything about the emergency because it was inconsistent with some other program which might be technical or routine in nature.

Mr. RADCLIFFE. The meaning is that if we have a program of national defense, for example, we will do what should be done under that program, bearing in mind all our other obligations. If there are two propositions being considered, we must consider the two together and then decide what is the proper course to follow in regard to each, bearing in mind all the facts and all the circumstances.

Mr. BARKLEY. I assume that debate on the Senator's amendment is academic anyway, because the Senator from New Mexico [Mr. HATCH] offered a substitute which I suppose, from all I understand, will be agreed to. Then the Senate will be called upon to decide whether it will accept the substitute in lieu of the language of the bill. I was explaining why I voted in the committee against the proposal of the Senator from Maryland, and why I shall vote against it if I am called upon to vote upon it.

Mr. RADCLIFFE. While the Senator from Kentucky [Mr. BARKLEY] was not in the Chamber the Senator from Ohio [Mr. TAFT] and I both made statements to the effect that we considered the amendment which we had offered to be superior in many respects to the amendment which was offered by the Senator from New Mexico, although both covered the same ground. We are willing to accept it.

Mr. BARKLEY. I understand. I think the amendment offered by the Senator from New Mexico is superior to the amendment offered by the Senator from Maryland and the Senator from Ohio. As between the two, I am in favor of the amendment of the Senator from New Mexico. I reserve the right to determine, in case the amendment shall be agreed to, whether I will vote for the language in the bill.

Mr. President, I am not one of those who deny the obligation of our Government to take steps to alleviate the economic and social conditions of our people. The Government of the United States is the only symbol of organized society to which the people may look. All kinds of volunteer organizations, and all kinds of religious bodies may pass resolutions and adopt policies and programs for the alleviation of suffering and want, as well as for the elevation of standards of living, but the only agency of the American people that can do anything about those conditions with any power whatever is the Government of the United States. Whether we like it or not, that statement is becoming more and more true as our economic and social life becomes more complex. We are no longer living under simple agricultural conditions. Thomas Jefferson is said to have stated—although I have not been able to find any record of it—that that government is best that governs least. If he ever said it I have not been able to find it; but if he said it, no doubt he was talking about a simple agricultural, pastoral life at a time when there were no complexities involved, and when the Government of the United States was not compelled to intervene in order to protect the weak against the strong. I do not care to go into that philosophical, political, and metaphysical field. We are living in a complex age, and conditions are becoming more and more involved. In my judgment, our Government cannot ignore its obligation to deal with these economic and social problems. It was because of that fact that we enacted the social-security law providing for old-age pensions and old-age subsistence. It is because of that fact that we are now considering the pending bill for full employment of our people. The other day we considered an unemployment compensation law. It is evident that we must deal with all these problems.

I have received letters from businessmen who object to the pending bill. They seem to have allowed goose pimples to form all over their anatomies because of a fear that the bill would interfere in some way or other with private enterprise, and that it would establish com-



petitive business enterprises for the purpose of employing people.

Mr. President, I wish to read from the bill. I believe that section 6 waters the bill down to as great an extent as anybody could want to have it watered down, if it is to mean anything at all. I assume that we are hoping that the language of the bill means something, and that we are not going to enact a futility. I hope that we are not marching up the hill and then marching down again, and saying that we passed a full employment bill. Every section of the bill, every paragraph, and every line of it, must be read in connection with section 6.

Under the title "Interpretation," section 6 reads as follows:

Nothing contained herein—

That is in this bill—

shall be construed as directing or authorizing—

(a) the operation of plants, factories, or other productive facilities by the Federal Government.

Nothing in this bill shall be construed as authorizing or directing the operation of any plant in order to produce anything the American people may need, or which may employ people who need work. Nothing in this bill shall be construed as authorizing or directing anything of that nature. How can any man who operates any business enterprise see under his bed any ghosts or spooks which would arouse fears in his heart because of the provisions of this bill, when the first subparagraph of section 6 states that nothing in the bill shall be construed as authorizing or directing anything of the kind?

I continue reading:

(b) The use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower.

No agency of the Federal Government, under this bill, shall have any authority to do anything toward the allocation or distribution or redistribution of employees anywhere in the United States in order to give jobs to them. Government agencies are denied any power or authority, under this bill, to allocate or redistribute manpower in the United States.

Subsection (c) reads:

Any change in the existing procedures on appropriations.

That is, nothing contained in this bill shall be construed as directing or authorizing any change in the existing procedures on appropriations. We all know what those procedures are. We know that appropriation bills for all purposes are referred to the Appropriations Committee. Not under any constitutional mandate, but as a matter of immemorial habit or custom, appropriation bills originate in the House of Representatives, come to the Senate, and then are referred to the Committee on Appropriations. Nothing in this bill shall be construed as directing or authorizing that there shall be any change in that procedure. So we need not be uneasy about the jurisdiction of the Appropriations Committee being impinged upon, or Congress going awry in the appropriation of money on matters which have not gone through the regular procedure.

Subsection (d) provides:

Nothing contained herein shall be construed as directing or authorizing the carrying out of, or any appropriation for, any program set forth in the national budget, unless such program shall have been authorized by provisions of law other than this act.

No matter what the national budget may provide, no matter what the recommendations of the President may be, no matter what his annual report may contain in regard to statistical information or prognostications as to investment or employment, under this bill no project can be carried out or begun unless Congress later on separately, by other legislation, shall authorize specifically the things which are to be done, without regard to this measure. So that the bill is not even an authorization to build a bridge or highway, or to do anything which would cost one dollar to the United States, unless later Congress separately and specifically authorized the construction of a project or a program of projects which would involve the employment of men in industry.

Therefore all the fears which have been conjured up that the Government of the United States is going into business in competition with private industry have no foundation. Men who proclaim such a fear have not even read the bill, because, I contend, section 6 waters down the entire legislative program, so that all that remains of it is a goal, an objective, a perspective, that we will do all we can to create conditions which will give employment to all our people who are able and willing to work. But we cannot even do that until subsequently Congress passes additional legislation authorizing any of the things we may have in mind to supplement private industry and to supplement the activities of States, counties, and cities, and all the other accumulated agencies of employment, when there is a need for the Federal Government to supplement these things with such projects as may be hereafter authorized in order to give full employment to our people.

Mr. President, that is why I could not support the amendment offered by the Senator from Maryland and the Senator from Ohio in the committee. That is why I favor the Hatch amendment as against their proposal. I am not enthusiastic about the limitations placed upon the power that Congress may exert to attain the goal and the objective, even by the amendment offered by the Senator from New Mexico. Personally I prefer the language as it is in the bill. But if the amendment of the Senator from New Mexico shall be adopted in lieu of the amendment offered by the Senator from Maryland and the Senator from Ohio, in view of the limitations placed upon the entire bill in section 6 I am not certain whether it makes much difference whether the original language of the bill be retained or whether finally the substitute amendment of the Senator from New Mexico [Mr. HATCH] be adopted.

I wanted in this brief period of my contemplation of this subject to call the attention of Senators to the fact that, no matter how ambitious their goals may be, no matter how high their aspirations may be as to objectives, no matter what

lip service we may render to full employment, even under the bill as written by the committee nothing can be done about it until Congress later on passes additional legislation providing employment and projects which will give jobs to people. We can deal with the problems as they arise, and need not conjure up imaginary fears now, because it seems to me we have hedged it around with all the safeguards that may be written, in order that Congress may not go wild either in the adoption of projects or the expenditure of money.

Mr. President, I have stated my view about the proposed legislation. I am not afraid of it. I am not scared at the contemplation of anything Congress may do hereafter, and I should infinitely prefer that we plan in advance in order to forestall unemployment and forestall depressions, than to idle around and loiter around and loiter around in our legislative capacity until the catastrophe has overcome us, when we must proceed hastily to deal with the problem, as we did in 1931, 1932, 1933, and subsequent years. I wish to guard against the recurrence of raking leaves or digging holes in the ground, or any other unuseful or unconstructive work or unremunerative work that may not contribute to the wealth of our Nation, and I hope we may be foresighted so that, with all our frailties, in the years to come we may provide against depressions and may meet by legislation the problems as they arise year by year.

Mr. BALL. Mr. President, I do not intend to delay a vote for very long, but I think the pending amendment is vital to the bill. If the section remains as it was reported by the committee, I cannot vote for the bill, and I wish to state my views very briefly.

It seems to me that the type of language written into section 2 of the bill is extremely unfortunate. We cannot read the newspapers or talk with our constituents without realizing that a great mass of the people of this country will, if we pass the bill, no matter what we say it means, interpret it as meaning that the Federal Government has guaranteed a job to every individual who wants one. Of course, we know that the bill does no such thing, but I think we are laying up trouble for ourselves because the language of the bill is calculated to mislead the people, and is susceptible of the interpretation I have suggested, and I think we may be very confident that that interpretation will be placed upon it.

Actually, of course, section 6 nullifies any legal commitment if any is made in section 2. It is my own opinion that the bill would be much sounder if section 2 and section 6 were both stricken out, and only sections 3, 4, and 5 were left in the bill as having any legal effect.

I think both the Senator from Ohio [Mr. TAFT] and the Senator from Wyoming [Mr. O'MAHONEY] have made an excellent case for a better job of economic planning by the Government to achieve the goal of full employment, which every administration in every country has sought. I think that objective would be completely accomplished if section 2 were stricken out completely.



In section 2, on page 14, in the statement of what the program shall include, we find that it shall "stimulate, encourage, and assist private enterprise." That can mean anything under the sun.

Then it is provided that it shall "stimulate, encourage, and assist State and local government." Again, those are most general terms.

Subsection (3) is a little more specific. It provides "for an income for the aged sufficient to enable them to maintain a decent and healthful standard of living."

I suppose the Townsend group will interpret that as an endorsement of their program.

Then we come to subsection (4), which reads:

To the extent that continuing full employment cannot otherwise be assured, provide such volume of Federal investment and expenditure as may be needed, in addition to the investment and expenditure by private enterprises, consumers, and State and local governments, to assure continuing full employment.

There is nothing general or vague about that. It is a flat commitment. To those sponsors of the bill who have argued that that is not a commitment to definite deficit spending, I say that if it is not, I do not know how they read the English language. It says the Government will spend sufficient money to assure full employment. It does not say anything about providing the revenue so that it will not be deficit spending. If that is not a flat moral commitment to the deficit spending theory of achieving prosperity, then I cannot understand the English language.

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

Mr. BALL. I yield.

Mr. RADCLIFFE. I am not sure that I heard distinctly what the Senator said, but in reading the amendment I think he left out the phrase "consistent with the needs and obligations of the Federal Government."

Mr. BALL. Let me say to the Senator that I was not reading the amendment. I was reading the language of the bill as it was reported by the committee. I am supporting the amendment.

Mr. RADCLIFFE. I am sorry I interrupted. I thought the Senator was reading the pending amendment.

Mr. BALL. My argument is that the language as it now stands is a flat commitment and a direction to the Federal Economic Planning Commission to adopt a deficit spending theory of achieving prosperity.

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

Mr. BALL. I yield.

Mr. TOBEY. The Senator from Minnesota just said that as he interprets the bill it is now in such form as to assure that the Federal Government could and would go into deficit spending in order to achieve prosperity. I think he misinterprets the whole intent of the bill. When, as, and if this Nation becomes engulfed in a great fearful wave of unemployment and depression, and millions are out of employment, and a public works program does not take care of and fill the gap, and men are knocking at doors seeking for work, and children

are crying for bread, the plan proposed under the bill is not one aimed at achieving prosperity; what we are undertaking to do in such an emergency is to defeat adversity and we shall use deficit spending under this bill to defeat adversity when it affects the lives and fortunes of millions of our fellowmen, and when there is no other recourse.

Mr. BALL. I am glad to hear the Senator from New Hampshire, one of the sponsors of the bill, admit that the bill carries with it a commitment to deficit spending.

Mr. TOBEY. It is a commitment to use all resources of the country to defeat adversity, an all-out effort just as we used to win the war.

Mr. BALL. The Senator can say it in any words he wants to; it is still deficit spending.

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

Mr. BALL. I yield.

Mr. MILLIKIN. May I invite the Senator's attention to page 13, the opening language:

In order to assure the free exercise of the right to an opportunity for employment set forth above and in order to—

And then a number of objectives are listed. Let me now direct the Senator's attention to page 13, where it says:

The Federal Government has the responsibility to assure continuing full employment; that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

That has not yet been affected by amendment.

Mr. BALL. That is correct. I shall come to that a little later. As it stands, I think paragraph (4) on page 14, while it has no legal effect, certainly leaves any President in the future free to submit and any Congress free to approve any kind of program they want to on any basis. So far as I am personally concerned, if I voted for the bill with that provision in it I would feel that when the President submitted a program calling for \$5,000,000,000 or \$10,000,000,000 or \$15,000,000,000 of deficit spending to assure full employment, I had morally committed myself at least to support such a program, although I grant that the bill imposes no legal obligation on any future Congress and cannot do so. Actually, it would be a much more honest title for the bill if it were labeled, instead of a full employment bill, "a bill for Federal economic planning," which is actually what it does legally.

Referring to the argument raised so frequently by the sponsors of this bill that, if in 5 or 10 years we face a situation where 10,000,000 or 15,000,000 are unemployed, the Federal Government will have to step in and do something about it, and that probably in that case the free private-enterprise system is washed up, I am inclined to agree with that argument, but I am not prepared now to wash up the present system.

Mr. President, if the Congress adopts the policy contained in paragraph (4) of deficit spending, with all that that implies, I think we are making absolutely certain that we will arrive at that day.

We talk about stimulating and encouraging free enterprise so as to provide full

employment. Mr. President, today there are more than 500,000 men unemployed because of strikes, and heaven only knows how many more hundreds of thousands are unemployed because materials and parts are not being made and are not available because of work stoppages due to labor disputes. Yet the Congress is not doing anything to resolve the present chaos existing in the field of labor relations.

Today the OPA in setting reconversion prices for smaller industries—and if I have received one I have received reports of a dozen cases from my State—is pursuing a policy that is slowing down re-employment and making sure that we will have widespread unemployment. Are we doing anything about that? Have we made any move to adopt the resolution offered the other day by the Senator from Indiana [Mr. CAPEHART] to investigate the OPA and at least see what kind of theory they are following in the matter of pricing? No. Are we moving to establish a labor relations policy so that a businessman planning to expand his business or to start a new business may have some remote idea of where he stands, and what will be the procedure if a union comes in and makes demands on him? No. Can private enterprise hope to meet the call of full employment until it has some assurance of what the labor-relations policy is going to be? No.

I do not think they can make any planning to affect full employment until we tell them what the postwar tax program is going to be. We have now in effect an 80-percent excess-profits tax. I think everyone will agree that that is an extremely excessive tax insofar as stimulating expansion of small business is concerned. It does not affect a big business so much. How can a small business—and small business is always developed by plowing back earnings—how can a small business hope to get anywhere under an 80-percent excess-profits tax?

The Senator from Wyoming [Mr. O'MAHONEY] told us yesterday that during this war the tendency to concentrate the industry of the country into a few large firms has been accelerated. How can we hope that competitive free enterprise will meet the challenge of full employment until we do something about reversing that trend toward monopoly. How can we hope that they will do it while under the Supreme Court interpretation there is a wide open loophole in the Sherman Antitrust Act and all that an employer has to do to evade that act completely is to conspire to fix prices with a union, and he cannot be touched?

What I object to in this flat commitment to deficit spending is that while we are setting up an economic planning agency to study all the factors which may affect the goal of full employment—and of course we are all for that—we are telling them in advance that they must reach this one specific conclusion—deficit spending. That is the only answer we give them. We do not say anything specific about labor relations, about OPA policies, or about taxes or about monopoly. All those questions are dealt with in general terms. It would be just as



though the Senate were to create a committee to investigate the Pearl Harbor disaster and were to tell the committee in advance that it must find Kimmel and Short guilty. That is a fine way to plan objectively—to tell what conclusion must be reached before beginning to study the facts.

Finally, Mr. President, I am dubious about where this insidious and insistent demand that the Federal Government assume completely the obligation to provide every citizen of this country with a high standard of living, is going to lead us. It seems to me that it was the demand for economic security above everything else which led the people of Italy and Germany into the clutches of the Fascists and the Nazis. We have just finished fighting a great war because to us there are things which are more important than having full stomachs and security. So far the free enterprise system has provided the highest standard of living of any economic system that has ever been tried. However, I am not so sure that we can make a free enterprise system work and assure everyone complete economic security, because unfortunately there is a minority of individuals who, if they have that assurance, will not try. It is individual initiative and enterprise, and determination to provide adequately for their families, which have made men and women achieve in this country.

Finally, if we as individuals are to turn over to the Government our obligation to produce something, to do our part of the job of achieving security for ourselves and our families, I fear that inevitably we shall also turn over to the Government a large part of our individual liberties and freedom. If the Government is to guarantee every individual a job, it will not be long before the Government will be telling the individual where he shall work, at what he shall work, for how much, and how long. His freedom will be gone. There were jobs for everyone in Russia, Germany, and Italy. I would take a considerable degree of unemployment in this country before I would wish to see such a system imposed in the United States.

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

Mr. BALL. I yield.

Mr. TAYLOR. The Senator says he would take a considerable degree of unemployment. Would he be willing to take unemployment himself, and have his wife and children go hungry and in need of medical care? How would the Senator feel then?

Mr. BALL. I will say to the Senator from Idaho that he is not the only Member of this body who has been unemployed. I have gone hungry, and my wife has gone hungry. However, that never impelled me to say that the fundamentals of individual freedom and political liberty on which this Government was founded should be thrown overboard in favor of totalitarianism.

So Mr. President, I sincerely hope that the Taft-Radcliffe amendment, as modified by the amendment of the Senator from New Mexico [Mr. HATCH] will be adopted. I think it would improve the bill if we were to strike out all of

section 2, but I believe that the amendment meets the main objection, and it will enable me to vote for the bill. If it is not adopted, I cannot in good conscience support the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. HATCH] in the nature of a substitute for the amendment offered by the Senator from Maryland [Mr. RADCLIFFE] and the Senator from Ohio [Mr. TAFT].

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment of the Senator from Maryland [Mr. RADCLIFFE] and the Senator from Ohio [Mr. TAFT], as amended.

The amendment as amended was agreed to.

Mr. LANGER. Mr. President, I should like to have the RECORD show my vote against the amendment.

The PRESIDENT pro tempore. The RECORD will so show.

The committee amendment is open to further amendment.

Mr. TAFT. Mr. President, on behalf of the Senator from Maryland and myself I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 15, at the end of line 15, it is proposed to insert the following: "Provided, That any program of Federal investment and expenditure for the fiscal year 1948 or any subsequent fiscal year when the Nation is at peace shall be accompanied by a program of taxation designed and calculated to prevent any net increase in the national debt (other than debt incurred for self-liquidating projects and other reimbursable expenditures) over a period comprising the year in question and a reasonable number of years thereafter."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Maryland [Mr. RADCLIFFE].

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

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. Actuated again by the desire to conclude consideration of the bill today, I wish to propound a unanimous consent request, that from now until the conclusion of consideration of the bill no Senator shall speak more than once or longer than 15 minutes on the bill or any amendment thereto.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

Mr. MORSE. Mr. President, I object. The PRESIDENT pro tempore. Objection is heard.

Mr. BARKLEY. Mr. President, I should like to feel the Senate out in another direction, having evidently put my hand on the wrong place at this particular time. [Laughter.] Would the Senate be willing to agree that at an hour not later than 5 o'clock p. m. a vote be taken on the bill and all amendments thereto.

Mr. TAFT. Mr. President, I would have to object to fixing an hour for voting. I should be glad to agree to a limitation of debate.

Mr. BARKLEY. Mr. President, much as I should regret the necessity for a session tomorrow, if we cannot conclude consideration of the bill today, I see no alternative to having a session tomorrow.

Mr. TAFT. Mr. President, this is the second amendment which is presented in the report of the minority to be found on Senators' desks, with a modification. In the amendment in the minority report, the period during which taxation was to cover any deficit is stated to be "the year in question and the ensuing 9 years, without interfering with the goal of full employment." The amendment which I am now offering strikes out "the ensuing 9 years, without interfering with the goal of full employment" and inserts "a reasonable number of years thereafter", so as to make the amendment read:

*Provided, That any program of Federal investment and expenditure for the fiscal year 1948 or any subsequent fiscal year when the Nation is at peace shall be accompanied by a program of taxation designed and calculated to prevent any net increase in the national debt (other than debt incurred for self-liquidating projects and other reimbursable expenditures) over a period comprising the year in question and a reasonable number of years thereafter.*

Under the program suggested in the bill, the entire emphasis is on Federal investment and expenditure. There is reference to a taxation program, but so far as I can see it is a program designed to encourage employment by reducing taxes rather than by increasing them. This amendment provides that if a program of expenditure is to be presented a program of taxation shall be presented to accompany it. It does not require that the Budget be balanced in 1 year. A deficit may be contemplated in the year in which the program is submitted, or for several years; but the amendment requires that with the program of expenditure there shall be submitted a program of taxation which, over a reasonable period of years to be selected by the President in submitting his program—I suggested 6 years or 10 years, although it might be longer—will liquidate the expenditures. Presumably some of those years would be prosperous, and we would pay off whatever deficit we had in the year in which it was thought necessary to recommend a deficit.

Mr. President, it seems obvious to me that if we are to have a program of expenditure which would require a system of taxation so heavy as to discourage employment we ought to know what that system of taxation is.

Incidentally, it seems to me that Congress should say to the Executive, "If you are going to recommend a program of expenditures or public works, you should assume the responsibility at the same time of telling us what the cost will be, and you should tell us what taxation system should be provided in order to raise sufficient money for the program and in what manner you propose to raise it." Then we could judge whether the expenditure should be made. Then we could judge whether perhaps it would



discourage employment more than it would encourage it. Then we could judge whether it would impose on consumers who are not employed such a burden as actually to handicap them as against those whom we are trying to take care of by a program of full employment.

Mr. President, it seems to me so obvious that unless we adopt some such provision the entire bill will be one-sided; it will recognize only expenditures, but it will not in any way recognize the responsibility to raise the money with which to pay the bills which will be incurred.

It seems obvious to me that if we are going to lay emphasis on "Federal investment and expenditure"—and that phrase appears three, four, or five times in the bill—we certainly should say to the President, "If you wish to engage in such a program and if you think it is necessary, let us know the system of taxation which is essential in order to meet the program."

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

Mr. TAFT. I yield.

Mr. SALTONSTALL. Do I correctly understand that the amendment about which the Senator is now speaking would delete the word "net," which appears before the words "increase in the national debt"?

Mr. TOBEY. Mr. President, the Senator from Ohio did not delete that.

Mr. TAFT. I did not eliminate the words "prevent any net increase in the national debt." They appear in the printed amendment. As a matter of fact, I have been very liberal because I exclude debts incurred for self-liquidating projects, which mean irrigation projects, such as Boulder Dam, any large expenditures which are self-liquidating and will pay themselves off, and other reimbursable expenditures.

I would even except loans. We may question whether they will be paid, of course, but, so far as the system of taxation is concerned, I would not require that taxation be levied to such an extent as to bring in the amount of money needed to make the loans. In the case of those which presumably are reimbursable, I see no objection to a reasonable increase in the national debt.

Mr. President, I asked the Director of the Bureau of the Budget, who testified in favor of the bill, whether he favored a policy of deficit spending. He said he did not. He said the period of years should be a reasonable one and that we should not have to balance the Budget in a particular year, inasmuch as there might be reasons why that could not be done. But he said that over a period of years he was opposed to a policy of deficit spending.

I think nearly all the economists who support even the compensatory spending theory say that sufficient taxes should be levied in the good years to make up for the deficit in the years that are bad. Their only question is how long the period should be. So I do not believe that by adopting this amendment we would be departing even from the theory of the radical economists who believe that Government spending is a solution for the

unemployment problem. The theory is that if the Government spends \$20,000,000,000 this year, everyone will be put to work and there will be a period of prosperity. Very well. Then where is the system of taxation which in a period of prosperity will repay the money which will be put up this year?

Mr. TOBEY. Mr. President, will the Senator yield to me for a moment?

Mr. TAFT. I yield.

Mr. TOBEY. I direct this inquiry to my colleague from Ohio. In his original draft of the amendment, which I happen to hold in my hand, after stating the number of years, there appear the words at the conclusion of the amendment, "without interfering with the goal of full employment." I think the inference is justified that the framers of the amendment thought there was a possibility that if the amendment were put into effect it might interfere with the goal of full employment, and so they put in that clarifying and saving clause. But now the Senator has deleted it. I wonder why.

Mr. TAFT. Mr. President, I did so because many persons who read the amendment said to me they thought it was ambiguous, and I think it was. The idea was that the program of taxation which would be submitted should be one which would not be so heavy that it might interfere with the goal of full employment, by discouraging private enterprise from going ahead. That was the idea, but it was not clearly expressed. The language was ambiguous. It seemed to me better to leave it out and eliminate it, and simply to require a system of taxation.

I have no objection to that language, but I think most of those who read the amendment did not understand at first glance what those words meant, and I thought it was better to eliminate them.

Mr. TOBEY. The Senator has explained it so well that I request him to put the words back into the amendment and let the words speak for themselves.

Mr. TAFT. Would the Senator then be persuaded to vote for the amendment?

Mr. TOBEY. I think I would. "Almost thou persuadest me," as Agrippa said to St. Paul.

Mr. TAFT. Mr. President, I am glad to hear that.

Mr. McCLELLAN. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. McCLELLAN. A moment ago the Senator said that even those who oppose this compensatory spending believe that the Federal Government should in good years levy sufficient taxes to make up for deficit spending in poor years. I wish to ask the Senator a question and to make an observation. Was there ever a time in the history of America when the prospects for prosperity were brighter than they are for the present and the next few years? I do not believe there ever has been.

Mr. TAFT. I agree with the Senator.

Mr. McCLELLAN. I should like to conclude with my observation, Mr. President: There is more purchasing power in the hands of the people today than there has ever been in the history of our country. There is more pent-up

demand for goods and services than there has ever been before. We boast about our system of free enterprise and we express the hope that it can be preserved. Let me say to the Senator that if free enterprise cannot survive during the next few years then there is no hope for democracy. But, Mr. President, with the greatest opportunity we have ever had, I do not entertain the idea that now seems to predominate in the minds of Senators, namely, that we must now, without any real cause for fear or any real cause for a case of the jitters, go into hysterics about unemployment, when I see no unemployment in the country today and when I see no prospect of unemployment if we remove the controls and let the people go back to work and get back to getting the services and supplies and goods they want. I think it is well for us to try to plan to tax sufficiently to meet the cost of the proposed expenditures, but it seems to me this proposed legislation is premature if we really have faith in our private enterprise system. If we have lost faith in it, possibly the pending bill is well justified.

Mr. TAFT. Mr. President, I think I agree with all the Senator has said, with some exceptions. I have always felt that we would have a prosperous period for 5 or perhaps 10 years after the war. However, I have always felt that the time would come when the backlog would be exhausted. I have always felt that the real crisis in this country will be in 5 or 10 years from now, and that will be the time when we should plan to avoid a depression, if we can do so.

I do not regard this bill as one needed for today. I do not see any hurry for it. I regret that we were called back from the vacation to consider it. I do not believe it will have any great value until, as I have said, 4 or 5 years from now.

There is one remark the Senator made with which I also agree, namely, that there is one way to prevent prosperity, and that is to foster a condition in which no one will work—a condition which seems to be growing in this country today—and a condition in which wages will be increased while prices will be held down, which apparently is the present policy of the administration. If wages go up, it seems to me prices should go up, because if they do not, I believe private enterprise will be so discouraged that there will be no expansion, and all the additional people who may want to go into business and who should be encouraged to go into business will wait until they see that the prices they will receive will afford an adequate return against the costs they will incur. I think there is a serious danger today, if the present policy of the administration is continued, that we may have a depression. I hope very much that that policy may be changed.

I agree with what the Senator from Oklahoma [Mr. MOORE] said yesterday on the subject of retaining Government controls; and one condition requisite for the prosperity the Senator advocates is certainly the lessening of the Government controls which exist today.



Mr. TAYLOR. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. TAYLOR. It seems to me that an argument is being advanced that if the proposed law is ever needed it will not be needed for 4 or 5 years. That is not an argument for not passing the bill now. I think that now would be the ideal time to pass it. If we have prosperity for a period of 4 or 5 years, or 3 or 4 years, perhaps the people will say, "Well, no wonder we have prosperity; we have a full employment law." Such a law would give them confidence that prosperity would continue forever. We have been told in the past by Mr. Hoover and by Mr. Roosevelt that fear is the only thing we needed to fear. We should try and establish the belief in the minds of people that they have nothing to fear. Mr. President, I believe that now would be a good time to pass the bill.

Mr. TAFT. I am in favor of passing the bill, and with the change already made in it, if the amendment is agreed to, I intend to vote for the bill, and hope that it will be agreed to by the other House.

Mr. TAYLOR. We should pass the bill before we are face to face with a situation in which we will have to use great sums of money.

Mr. TAFT. Not only that, but it will require a year in order to put the law into operation and make possible the fruition of plans contemplated by the bill.

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

Mr. TAFT. I yield.

Mr. RADCLIFFE. It seems to me that for psychological reasons this is a very desirable time to make some provision for meeting expenditures which may become necessary. We all realize that this bill is something more than a restatement of general principles. If we are to enunciate principles and make provision for expenditures it seems to me that now is a good time for us to indicate that we are giving consideration to the question of how the expenditures shall be met.

I think we have wisely avoided setting forth any specific legislative program on that particular point. We are merely trying to provide that any plan which may be adopted shall contemplate the balancing of the Budget within a reasonable length of time. I cannot understand how anyone can object to such a policy. We must work out some plan by which the Budget may be balanced within a reasonable time. I am sure that all of us have that idea in mind, and if it is worthwhile being stated in general principle, why should we not incorporate the idea in specific language so that the public will know that we intend, whenever a deficit exists, to provide a plan of taxation by which the budget shall be balanced within a reasonable time. That is an objective which we all have in mind. Why not give concrete expression to it?

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Maryland [Mr. RADCLIFFE].

Mr. MURRAY. Mr. President, I should like to inquire of the Senator from Ohio

[Mr. TAFT] why he left out of the amendment the language which he had in it when it was originally presented? I am speaking of the language to which reference was made only a few moments ago.

Mr. TAFT. Mr. President, I thought the language was ambiguous. The Senator from New Hampshire questioned me and I said that I was willing to restore the original language if thereby his support of the amendment would be secured. It is agreeable to me to make the language read "over a period comprising the year in question, and a reasonable number of years thereafter, without interfering with the goal of full employment."

Mr. MURRAY. In other words, if at any time there should be a serious period of unemployment, no attempt would be made to balance the budget.

Mr. TAFT. No; that is not what the language means. What I have in mind is a program of taxation which is designed and calculated to prevent any net increase in the national debt, but without interfering with the goal of full employment.

Mr. MURRAY. If there should occur a serious depression which required a heavy program of appropriations, and the Budget had not been balanced for some time, would the Senator construe the language of the amendment to mean that in the midst of such a depression we would undertake to balance the Budget?

Mr. TAFT. No. I have no objection to an unbalanced budget in 1 year or 2 years, but considering the matter over a period, for example, of 10 years, we should be able to tell whether prosperous conditions have returned sufficiently to take care of a deficit in depression years.

Mr. MURRAY. Has not that been the system of government for many years past?

Mr. TAFT. No; I would not say the Government has recommended any system of taxation in the past, except a system of hand to mouth, any more than it has recommended an economic program except one of from hand to job. My proposal is that we should plan our expenditures and correspondingly plan a system of taxation.

Mr. MURRAY. I have heard discussions relative to tax bills which have come to the floor of the Senate during the many years I have been a Member of the Senate, and I have always understood the policy of Congress to be that the Budget should be balanced whenever it was feasible and practical to do so. Can the Senator point to anything in this bill which precludes that kind of a policy being carried out? Is there anything in the language of the pending bill which would prevent the balancing of the Budget?

Mr. TAFT. I find at four or five places in the bill reference to a program of Federal investment and expenditure. Federal investment and expenditure is at least one of the solutions to be provided, according to the language in which the bill is framed. If we are to follow a program of that kind we must also be told what it will cost. As has already been pointed out, the proposal is only a pro-

gram. Of course, it may appear that there will be no deficit. On the other hand, there may be a large deficit. But in any event, we should know what form of taxation we must have if we are to go ahead with Federal expenditure in the way the bill proposes.

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

Mr. TAFT. I yield.

Mr. MURDOCK. Reference has been made to certain years. Let us assume that in the year 1950 it may become necessary to spend a few billion dollars in order to take care of unemployment. That being so, we must, in that year, under the Senator's amendment, increase taxes.

Mr. TAFT. No. All that is required is that the President shall submit a program showing how the particular system of taxation suggested would produce a few billion dollars a year for 4 or 5 years thereafter, so that the net result for 6 years, for example, would be a balanced budget. Congress does not need to enact such a system right away if it does not care to do so. It is not intended that there shall be required a balancing of the Budget in any year, or any combination of years, but that only over a reasonable period of time the President shall inform the Congress what kind of a system of taxation will be necessary to justify the expenditure. We might find that the system was completely discouraging to private industry, and that it might result in creating more unemployment than in creating employment. Moreover, we must know how much the system will cost and where the money is to be obtained with which to finance it.

Mr. MURDOCK. I can see no objection to the amendment so far as a balanced budget within a reasonable number of years is concerned, but it would seem to me wholly inconsistent for the Federal Government to be confronted with the fact that it must expend a few billion dollars in order to do away with unemployment and at the same time raise taxes.

Mr. TAFT. That is not involved at all. It is a program over the 10 years of taxation, designed to show what this proposal is going to cost.

Mr. MURDOCK. The Senator says 10 years. The amendment says a reasonable number of years.

Mr. TAFT. The President may pick out any number of years he thinks is reasonable—5 years, or 15 years—so long as it shows that we are not spending beyond our means.

Mr. MURRAY. Mr. President, will the Senator explain how he would define what a reasonable period would be?

Mr. TAFT. That would be up to the President. It is a prescription to the President to submit the estimate. He can pick out any number of years. I suppose that if he said 50 years, Congress might say that would be unreasonable; but I do not know what they could do about it. This leaves it up to the President as to what period he desires to submit.

Mr. MURRAY. The Senator says he does not expect serious unemployment for at least 5 years.



Mr. TAFT. That is my own belief, if private enterprise is allowed to act as it should be permitted to act.

Mr. MURRAY. I notice that is the opinion of experts, statisticians, and economists. I note that Roger W. Babson wrote an article which appeared in the Washington Post July 2, 1945, in which he said:

Most economists are agreed that we should be prepared for trouble any time after 1950. As to what form this trouble takes depends largely upon the success or failure of the Russian Communist experiment. If, after 1950, Russia and the rest of the world suffer from unemployment, we have not much to fear.

Apparently Mr. Babson does not expect that anything is going to be done about it, and that so long as there is unemployment in other countries of the world, we do not have to have any program in this country to meet unemployment conditions. It seems to me that the Senator is leaving this matter rather vague when he says that the Budget should be balanced over a reasonable period of years.

Mr. TAFT. It is leaving it rather vague, but it states the principle. After all, this bill is only concerned with stating principles, and the amendment states a principle which I think is fundamental in the administration of such a Government as ours.

Mr. MURRAY. I do not see the necessity for it, and I do not think the amendment adds anything to the bill. There is nothing in the bill which would prevent the President from sending a message to Congress at any time when he felt that the Budget should be balanced. There is nothing in the proposal before us whatever which would interfere with the President calling for a balanced Budget. Therefore there can be no necessity for the amendment, and I am opposed to it. It is not designed to help the bill, but create an erroneous impression as to the purpose and effect of the bill.

Mr. TAFT. I desire to modify the amendment by adding at the end thereof the words "without interfering with the goal of full employment."

Mr. MURRAY. Mr. President, with that language included, then, the effect of the amendment would not be to require the balancing of the Budget if there were an unemployment situation.

Mr. TAFT. No; that is not what the language says. The program of taxation must be one which will not interfere with the goal of full employment. That is the effect of the addition of the words.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. AIKEN. Would not a reasonable number of years be that period of time during which the Government, through taxation or any other method, if there is any other method, could finance the full employment program without increasing the hardship to a greater extent than it would alleviate the distress?

Mr. TAFT. I think that is the meaning of it.

Mr. AIKEN. No one can foresee how long a period that would be.

Mr. TAFT. That is correct. It is left to the President. As a matter of fact, a

good many of the economists regard business conditions as going in cycles. There was testimony from Mr. White, on the Bretton Woods bill, that there are more or less recognized periods of cycles. There might be 9 years between the ups and downs, and I assume the President would pick out one of those which his economists told him was a typical cycle, including both good and bad years.

Mr. VANDENBERG. Of course, the size of the deficit would have some bearing on what was a reasonable number of years.

Mr. TAFT. That is also true. If the deficit figure were large, it would have to be spread over a longer period.

Mr. AIKEN. I think government, like an individual, would like to finance as far ahead as possible. I myself do not see that the acceptance of the amendment would weaken the bill. I do not claim to be an expert in analyzing a bill, but I can not see why planning a program of taxation or other means of financing some distance ahead is wrong.

Mr. TAFT. This is a planning bill, and it should cover planning for taxes as well as spending.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. It strikes me that there is probably an inconsistency in the terms of the Senator's amendment, with the addition he has suggested. I suppose the original theory of his amendment was that whenever the President presented a program for Federal investment and expenditure in any one year he should also present a program of taxation. I find in the amendment the words, "calculated to prevent a net increase in the national debt for that year and subsequent years over a reasonable period."

The Senator originally had 5 years.

Mr. TAFT. Including that year or a reasonable number of years, as he may select.

Mr. BARKLEY. The program he may submit would be for a particular year. Let us say that for the year 1948 he would recommend a program of expenditure. Under the amendment he would have to prepare a tax program and submit it not only for that year, but for a period of years following it, although following 1948, or any other year, there might not be a program of expenditure. It is difficult to understand just what the Senator has in mind.

I might offer the Senator a suggestion before he answers. The President's program for investment which he submitted to the Congress might go to various committees. It might go to half a dozen different committees in the two Houses. But all taxation must originate in the House of Representatives, and must originate in the Ways and Means Committee in the House; so that the probability would be that five or six or more committees would be dealing with the suggested program of expenditure in any one year, accompanied by a tax program, which theoretically would be expected to be carried out by the Congress in order that there should be no increase in the deficit. That tax program would, under the Constitution, be required to go to

one committee in the other body. So that we would have no assurance that Congress would enact tax legislation dealing with a program of expenditure in any one year. I am wondering whether the amendment would really be effective, or whether it is even consistent with itself.

Mr. TAFT. I do not understand the Senator. The program submitted by the President would go to the standing committee, the joint committee of 15 from the House and 15 from the Senate.

Mr. BARKLEY. They do not have legislative jurisdiction.

Mr. TAFT. Not at all.

Mr. BARKLEY. And the legislation to carry out the program would have to be parceled out among probably half a dozen different committees.

Mr. TAFT. That is correct, but the only effect of this amendment is to add the Ways and Means Committee to the other committees.

The Senator referred to the fact that tax measures must originate in the House. So would the appropriations the President is to recommend have to originate in the House, unless it were an authorization bill.

Mr. BARKLEY. Unless the Ways and Means Committee proposed a tax program, no matter what we did with the program so far as expenditure was concerned, the Senate could never deal with it in the way of taxation.

Mr. TAFT. There is nothing in the bill that makes any program compulsory unless we want to make it.

Mr. BARKLEY. I understand that.

Mr. TAFT. It is simply a program the President is supposed to submit.

Mr. BARKLEY. But it is supposed to have some moral effect; otherwise it would be useless.

Mr. TAFT. I presume it would be supposed to have some moral effect. It would have a moral effect on taxes, I suppose. That is why I inserted the language.

Mr. GEORGE. Mr. President, I do not see how anyone can oppose the amendment unless he wishes to admit frankly that this is a program for deficit spending, indeed, unlimited deficit spending, and if that is the program, then it makes no difference what law may be passed, we are not going to have full employment, we are going to have national bankruptcy. That is the only answer.

A prohibition law was passed, but it did not result in full prohibition. We are not going to have full employment by this sort of legislation. We must carry out a sound fiscal program if we are to have full employment in this country. The one way to destroy full employment or to prevent full employment is to have an unsound fiscal program, because such a program would nullify everything we do, and everything we might attempt to do.

We now have 25 cents back of the dollar. The national debt is still being increased. The more the national debt is increased the thinner is the backing behind the dollar. When the man in the street loses confidence in the American dollar, then nothing we can do will



prevent inflation—inflation of the most disastrous kind.

If we are living in a world of reality, if our heads are somewhere down in that atmosphere where men have to live and move, if we have not lost all sense of reality, then there can be no just opposition to this amendment, which simply provides that when the President proposes a program of public spending he shall likewise recommend a program of taxation which over a reasonable period of time, to be adjudged by the President, of course, will bring about liquidation of the debt which the President is asking the Congress to incur.

My own judgment is that any man who opposes this amendment announces to the world that this whole scheme is fraudulent and is not intended to do anything but fool the American people, if you please, the American worker.

If Senators really want to do anything they will say that if we incur a debt, and we have any faith in this program bringing on full employment, we will also consider a tax which over a reasonable period of time will liquidate the debt, and not let it add to our national debt.

There is one thing certain, Mr. President, and that is if we keep on increasing the national debt, if we provide for unlimited and uncontrolled deficit spending, we will rapidly approach the time in this Nation of capital levies and confiscation, and then gentlemen who cry out for full employment will be crying for the rocks and the mountains to fall on them and hide them from the faces of the workers of this country who have relied upon mere language of a bill to bring about full employment and prosperity. Prosperity does not come that way. Prosperity comes only from work, from the employed time of the workers. Unless this Nation is willing to forget unrealities and disregard unrealities and face hard facts, prosperity will not come back.

But surely there is not a man alive who can defend this bill against the open assault and attack that it is a bald proposal for deficit spending, unlimited deficit spending, if he is not willing to provide that at the time when the President makes the proposal to spend in order to provide work, he shall likewise be asked to submit a program of taxation over a reasonable period of years that will liquidate the debt.

Mr. President, I cannot see how anyone can vote against the amendment. In my judgment, it would be reasonable to provide for a system of taxation which would currently liquidate the debt, provided Senators have any faith that this bill will produce full employment, because if it does produce full employment there will be a base of taxation which will care for the debt.

The way the bill is drawn it does not provide for a current collection of anything on the debt or for liquidation of the debt, but merely leaves it to the President to suggest some system or method of raising revenue over such period as may seem to him reasonable to liquidate the indebtedness.

So I hope the amendment will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] on behalf of himself and the Senator from Maryland [Mr. RADCLIFFE], as modified.

Mr. TAFT and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, may I ask the Senator from Ohio whether he ought not to transpose the language at the bottom of his amendment so that it would be placed in line 5, after the word "taxation", because I gather that the program which is to extend over a period of years is the taxation program, and not the expenditure program, so that it would read:

That any program of Federal investment and expenditure for the fiscal year 1948 or any subsequent fiscal year when the Nation is at peace shall be accompanied by a program of taxation for the year in question and a reasonable number of years thereafter designed and calculated to prevent any net increase in the national debt.

It is the taxation program, as I understand, that the Senator intends to continue over a period of years, and not the expenditure program, because the expenditure program would be for any particular years according to the President's program. Does not the Senator think the amendment would be clarified by inserting the language at the point I suggested?

Mr. TAFT. I do not think so. It seems to me to be clear. It is accompanied by "a program of taxation designed and calculated to prevent any net increase in the national debt, over a period comprising the year in question" or any reasonable number of years.

Mr. BARKLEY. It seems to me the taxation program ought to be over a period of years instead of the expenditure program.

Mr. TAFT. It is.

Mr. BARKLEY. But the way the Senator's amendment now reads, it modifies the length of time of the deficits, and not the period of taxation. What I think the Senator is trying to do is to provide a period of taxation over a period of years that will not increase the debt. He does not want to tie it to the deficit but to the tax program.

Mr. TAFT. I see what the Senator means. I would be willing to modify the amendment so that it would read:

A program of taxation over a period comprising the year in question and a reasonable number of years thereafter designed and calculated to prevent during any period any increase in the national debt.

That is what the Senator from Kentucky is suggesting.

Mr. BARKLEY. I think that improves it, and ties the "reasonable" to the taxation and not to the expenditure.

The PRESIDENT pro tempore. Let the Chair state that unanimous consent is required to modify the amendment, because the yeas and nays have been ordered. Is there objection to the modification asked for by the Senator from Ohio in his own amendment? The Chair hears none, and the amendment may be modified.

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

Mr. TAFT. I yield.

Mr. MORSE. In the interest of better draftsmanship, to eliminate something which is ambiguous to me, at least, I should like to ask the Senator from Ohio whether he would be willing to accept a change in the language. The amendment now reads "without interfering with the goal of full employment." I ask if the Senator would be willing to accept instead the language "unless such program of taxation interferes with the goal of continuing full employment."

First, let me say that the language "continuing full employment" has been used elsewhere in the bill, and I think in the interest of consistency it ought to be used again at this point.

Second, I believe that the language "unless such program of taxation interferes" makes perfectly clear what I think the Senator has in mind, with which I am in agreement.

Mr. TAFT. That is not what I have in mind. I have explained twice what I have in mind—that the program of taxation shall not be one which will interfere with the goal of full employment. At first I omitted the words "without interfering with the goal of full employment" because I thought they were ambiguous. The Senator from New Hampshire [Mr. TOBEY] requested me to restore them, and I was willing to restore them. I think they should be restored, and remain as they are. I do not care further to modify the amendment.

Mr. BARKLEY. As I understand, the Senator has accepted the modification which I have suggested.

Mr. TAFT. Yes. I will modify the amendment in accordance with the suggestion of the Senator from Kentucky.

Mr. WAGNER. Mr. President, so far as I am concerned, as chairman of the committee, I see no objection to the amendment.

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

Mr. TAFT. I yield.

Mr. MILLIKIN. It seems to me that the language which has been appended, "without interfering with the goal of full employment," throws some confusion on what I thought was the purpose of the amendment. It seems to me that a program leading to a balanced budget might become a matter of paramount necessity, and it might have to interfere with the goal of full employment, and might have to interfere with many other things. Is it the intention of the Senator, by the amendment as now modified, that a program leading to a balanced budget shall not be submitted, no matter what the compulsions for it may be, if it interferes with the goal of full employment?

Mr. TAFT. No. My purpose is that the program of taxation should not call for taxation so high as to interfere with the goal of full employment. If the budget could not be balanced, the program of Federal investment and expenditure would have to be reduced. A certain program of expenditure might be recommended. It would require a program of taxation; but it might be found



that the program of taxation was so heavy as to interfere with full employment. So it seems to me that the whole plan would have to be revised, and either extended over a longer period of years or reduced. Either the investment and expenditure would have to be reduced or the whole plan would have to be extended over a longer period of years. The important point is that the program must be balanced, without interfering with the goal of full employment.

Mr. MILLIKIN. Suppose it were the other way around. Suppose that the threat of inflation, which would put everyone out of employment, were so imminent or so foreseeable that it became necessary to have a projected program leading to a balancing of the budget which would interfere with full employment. Would the amendment reach such a situation?

Mr. DONNELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. DONNELL. I presume the Senator from Ohio wishes to answer the question of the Senator from Colorado.

Mr. TAFT. I do not think I can state any more clearly than I have what I intend. Perhaps I made a mistake in restoring certain language at the request of the Senator from New Hampshire, because I see that it is capable of ambiguous construction, as I feared. However, I will not attempt further to modify it.

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

Mr. TAFT. I yield the floor.

Mr. DONNELL. Mr. President, after the very clear exposition by the distinguished Senator from Georgia [Mr. GEORGE], I realize that any remarks along the line of those which I shall make are unnecessary to present the facts which he has so ably presented to the Senate. However, there is one thought which I should like to emphasize in connection with his address this afternoon. I shall endeavor to make my remarks as brief as possible.

As I see it, there are three reasons for supporting this amendment. One is the reason of good common sense, good business judgment—the very point which the distinguished Senator from Georgia elaborated upon so eloquently and powerfully only a few moments ago.

The second point, as I see it, upon which this amendment deserves our support is a very close approximation to the point of the constitutional power of Congress.

I am not undertaking to say that without this amendment the bill would be unconstitutional. However, I do undertake to say that the clear intent of the Constitution of the United States is that the expenses, he outlay, the investment to carry out a program such as that which is recited in the so-called full-employment bill, must ultimately be paid for by taxation, and cannot ultimately be paid for otherwise.

I do not undertake to deny the fact that the Constitution of the United States gives to Congress the power to borrow money on the credit of the United States. I do not undertake to deny that for a temporary period—perhaps under

great emergency, or perhaps not even under great emergency—the power to borrow money to carry out this program may possibly be reasonably implied from the language of the Constitution. But the point to which I advert is that the Constitution of the United States contemplates that if a program of this type shall be adopted by the Congress, ultimately—not, perhaps, temporarily, but ultimately—the expenses and outgo of such a program must be paid from taxation, from revenue, and not from deficit spending, involving an undetermined period and undetermined unpaid obligations.

I say that for this reason: In the first place, we all realize that the power of the United States Government itself is strictly limited. Our power is not unlimited. We realize that under the tenth amendment to the Constitution of the United States it is provided that the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people. But the correlative statement of the power of Congress itself may not come so readily to our minds. I undertake to quote a sentence or two from the decision of the Supreme Court of the United States in the case of *Dorr v. United States* (195 U. S., 138, p. 140), where the court said:

It may be regarded as settled that the Constitution of the United States is the only source of power authorizing action by any branch of the Federal Government. "The Government of the United States was born of the Constitution, and all powers which it enjoys or may exercise must be either derived expressly or by implication from that instrument." (*Downes v. Bidwell* (182 U. S., 244, 248) and cases cited.)

Where do we find power to enact legislation of the type of the Full Employment Act of 1945? As we search through the Constitution we realize that a considerable number of explicit and express powers are granted to Congress. They include the power to regulate commerce with foreign nations, the power to coin money, the power to establish post offices and post roads, and numerous other specific powers which are expressly granted by the Constitution of the United States.

Mr. President, if we search these powers from one end to the other, with the possible exception in some instances of the power to regulate commerce, we shall not find any express power given to the Congress of the United States to enact legislation for the purpose of providing employment for any one. The Constitution gives to Congress the power to establish post offices and post roads, to coin money, to define piracies, to declare war, and many other powers. Except possibly in the event of national emergency such as war, there is not a word in the Constitution which authorizes the enactment by Congress of an act guaranteeing employment, or undertaking to provide employment. But there is a clause in the Constitution which to my mind will authorize it. It is clause 1 of section 8 of article I of the Constitution of the United States. That clause does not refer expressly to this sit-

uation; it does not refer expressly to conditions such as these. It reads as follows:

The Congress shall have power—

To do what? Not to enact laws for the general welfare; not at all. The Constitution states this:

The Congress shall have power to levy and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States.

For many years there was a controversy, as every lawyer in this body and as, doubtless, nearly every other Member of this body, if not everyone, will remember, as to the proper construction of that section of the Constitution, namely, as to whether, on the one hand, it gives the power to levy and collect taxes, and, on the other hand, whether it gives the power to provide for the common defense and general welfare. But the Supreme Court has settled that question; and, Mr. President, with your permission, I should like to read a few sentences from the decision of that Court in the case of the *United States v. Butler* (297 U. S. 64), where the Court said:

The clause sought to authorize the legislation—the first—confers upon the Congress power "to lay and collect taxes, duties, imposts, and excises, and to pay the debts and provide for the common defense and general welfare of the United States \* \* \*." It is not contended—

Said the Court—

that this provision grants power to regulate agricultural production upon the theory that such legislation would promote the general welfare. The Government concedes that the phrase "to provide for the general welfare" qualifies the power "to lay and collect taxes." The view that the clause grants power to provide for the general welfare, independently of the taxing power, has never been authoritatively accepted. Mr. Justice Story points out that if it were adopted "it is obvious that under color of the generality of the words, 'to provide for the common defense and general welfare,' the Government of the United States is, in reality, a government of general and unlimited powers, notwithstanding the subsequent enumeration of specific powers."

Then, Mr. President, the Court concluded as follows:

The true construction undoubtedly is that the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts and making provision for the general welfare.

So, Mr. President, the proposition I present is that the only place in the Constitution where Congress is granted the power to enact legislation such as that now proposed is the clause which authorizes the Congress to levy and collect taxes.

Yesterday a dramatic and powerful address was delivered to the Senate by the Senator from Wyoming [Mr. O'MAHONEY]. He concluded his address with a short sentence:

This is a bill to promote the general welfare.

That is undoubtedly the theory of the proponents of the bill.

Mr. President, the only other place where "general welfare" is mentioned in



or in connection with the Constitution is in the preamble of that instrument; but as we all realize—and it has been expressly held by the Supreme Court of the United States—the preamble grants no legislative power whatever.

So, Mr. President and gentlemen of the Senate, the proposition to which I direct your attention at this moment is based on the fact that the only power under which Congress has the authority to enact the proposed legislation which is before the Senate this afternoon is the power set forth in this clause of section 8 of article I of the Constitution, namely, the taxing power; and the provision with respect to paying the debts and providing for the common defense and the general welfare of the United States, as a definition and a limitation of that power, is the only provision in the Constitution under which you and I have authority to pass the proposed legislation.

So, Mr. President, when the senior Senator from Georgia so eloquently referred to these facts, upon which he laid emphasis, and also to the fact that he himself would not be averse, as I understood him to say, to some provision for current revenue, I understood him to say that he himself was emphasizing vigorously and powerfully the fact that this section of the Constitution contemplates, and that certainly this program of general welfare must be tied into, a taxation program.

Accordingly, Mr. President, I am for this amendment, first, because of the fact that it represents sound common sense and good business judgment, the same kind of judgment which every Member of this assembly would undertake to use in the management of his own business, so as to know where the money is coming from before it is expended, to arrange for the procurement of the money before he arranges to expend it. That is the first point.

The second point upon which I stand for the amendment is, as I tried to indicate, that whereas there may be some question as to the technical constitutionality of any provision which would contemplate an extended payment of an extended indebtedness, nevertheless the whole spirit and whole intent of the only section of the Constitution of the United States under which this specific bill which is proposed to be enacted would be valid and constitutional is that the expenditure must be tied to some provision for the raising of the money by means of taxation.

Mr. President, for these reasons I am for the amendment as suggested.

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from Ohio for himself and the Senator from Maryland [Mr. RADCLIFFE]. On this question the yeas and nays have been demanded and ordered.

Mr. WHERRY. Mr. President, before the vote is taken on the amendment, I should like to clarify, for the record, a statement made yesterday by the distinguished junior Senator from New Hampshire [Mr. TOBEY]. I do this only for the record. The American Farm Bureau is opposed to the proposed legislation as it came from the committee.

For some reason, when the Senator from Ohio placed in the RECORD the statement made on the part of the American Farm Bureau, not all the statement was included. Therefore, I ask unanimous consent to have printed in the RECORD, at this point in my remarks, the entire statement made on the part of the American Farm Bureau, including the reasons set forth as to why it is against the proposed legislation.

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

The American farmer recognizes that a high level of employment is essential to the national well-being. The American farmer believes, however, that it is not the responsibility of government to assure every individual a full-time job at competitive levels of pay, at all times, under all circumstances, and to assume the obligation of unlimited expenditures to carry out this commitment. It is the responsibility of government to help create an environment in which the private citizens of the Nation can develop opportunities which will not only provide jobs but will also afford the worker an increasing standard of living.

The American Farm Bureau Federation, while favoring the goal of full employment, is strongly opposed to the bill S. 380—the Full Employment Act of 1945—in its present form, because it believes that this legislation will discourage rather than help our economy during the critical reconversion period.

The American Farm Bureau Federation has supported in the past and will again support a well-coordinated program for useful public works designed to alleviate unemployment.

The American farmer, like American labor, has a vital stake in full employment, but both the farmer and the laborer have an even greater stake in our democratic way of life, for which many have died upon the field of battle. We believe that the program as proposed in this bill will eventually mean the Government absorbing more and more functions and displacing the creative initiative of the individual, which has made this Nation great.

We believe that the maximum employment can best be attained and the national welfare most effectively promoted by adherence to the following basic objectives:

1. Industry, labor, agriculture, and other groups should assume the primary responsibility for cooperation in production, price, and wage policies designed to attain maximum production and employment, and to maintain an equitable balance in purchasing power among all groups.

2. Reconversion from war to peace must be handled in an efficient, prompt, and orderly manner so as to provide the maximum reemployment of veterans and war workers.

3. Unemployment compensation programs should be supplemented where necessary to meet the essential needs of workers during the reconversion period.

4. A useful, well-planned and coordinated public works program should be carried out, if needed to alleviate unemployment.

5. A sound fiscal and monetary policy should be adopted to bring greater stability to our economy and to our price level.

6. Taxes should be adjusted in such a manner as to facilitate reconversion and encourage the highest possible level of employment and production.

7. Every practical effort must be made to encourage an increased volume of foreign trade. An international conference designed for this purpose should be called in the immediate future.

8. The international monetary plans must be developed on a sound basis and in such a manner as to promote domestic and foreign business.

9. A vigorous antimonopoly program should be carried out in order to promote and provide an opportunity for our competitive economy to function effectively.

10. An aggressive program for the promotion and development of small business is also essential.

The American Farm Bureau Federation pledges its cooperation with labor, industry, other groups, and Government in developing and carrying out sound, practical, and effective measures to attain these fundamental objectives.

Edw. A. O'Neal, President; Earl C. Smith, Vice President; Warren W. Hawley, New York; George M. Putnam, New Hampshire; Arthur Packard, Vermont; Herbert Voorhees, New Jersey; John M. Bailey, West Virginia; Perry Green, Ohio; H. E. Slusher, Missouri; Frank W. White, Minnesota; Allan Kline, Iowa; Hassil E. Schenck, Indiana; H. J. King, Wyoming; George Ogilvie, Nevada; George H. Wilson, California; J. F. Porter, Tennessee; H. L. Wingate, Georgia; R. E. Short, Arkansas; Ransom Aldrich, Mississippi; J. Walter Hammond, Texas; Mrs. Roy C. F. Weagly, Maryland.

Mr. WHERRY. Mr. President, let me also say that on page 9216 of the RECORD the following appears:

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

Mr. TAFT. I yield.

Mr. TOBEY. I know the Senator wants to give the whole truth, and the whole truth with reference to farm organizations is that while the American Farm Bureau is registered against the bill, the National Grange, through its president, Mr. Goss, appeared before the committee and made a lengthy address in favor of the bill.

At this point, I ask unanimous consent that the statement of Mr. Albert S. Goss, president of the National Grange, as found in the hearings taken in August 1945, be printed in the RECORD. That will clarify the apparent confusion which arose between the two Senators regarding the statement made by Mr. Goss concerning the bill. I should like to say that relative to section 2, Mr. Goss said the following in his statement:

Section 2 (b) has caused confusion as to the exact purpose of the measure. This subsection has the tone of subscribing to the "Government support the people" theory, with which we are in sharp disagreement.

Then he suggested four different amendments to the committee amendment. He finally concluded his remarks as set forth on page 824 of the hearings, as follows:

We feel that without these, or similar amendments, the bill is not a sound measure.

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

STATEMENT OF ALBERT S. GOSS, MASTER OF THE NATIONAL GRANGE

Mr. Goss. I have prepared a written statement, Mr. Chairman, and I would appreciate it if I be allowed to read it.

The CHAIRMAN. Yes; without interruption, if you prefer it that way.

Mr. GOSS. Yes; I would prefer that.

The CHAIRMAN. Very well.

CONFLICTING VIEWS ON PURPOSE OF S. 380

Mr. Goss. We find a great deal of confusion with reference to the purpose of this bill. Some consider it a measure to promote "the highest feasible levels of employment oppor-



tunities through private and other non-Federal investment and expenditure" as stated in section 2 (d), while others see in it a bill for the Government to create jobs for everyone.

The former contend that the essential features of the bill are, (1) the national production and economic budget providing for a periodical survey of our domestic economy and a report to the Congress, (2) a joint congressional committee of Senate and House of Representatives of major committees to review the facts and coordinate congressional legislative planning to meet the Nation's economic needs, (3) a stock of public expenditure projects worked out on a sound basis, and (4) a plan to use them when needed to meet an emergency.

The latter see in the measure (1) a vast public-expenditure program which will be used to prop up a tottering economic structure, and (2) instructions for the Government to open up some form of public expenditure project whenever unemployment of any kind appears.

This confusion arises partly from what appears to be a conflict in the purposes of the bill as expressed in section 2 (b) and 2 (d), and possibly other places, and partly from the fact that the bill has been called the full employment bill or sometimes the public-works bill. In any event we believe the bill should be amended so that its purpose cannot be misunderstood. We will suggest some specific amendments for this purpose.

Before suggesting amendments we should first determine what the purpose is. All are agreed that we want full employment, but there are two very different schools of thought on how to obtain it. These different views stem back to basic differences in the theory of government. Some believe that it is the responsibility of the Government to support the people; others that it is the responsibility of the people to support the Government. Some believe that we have reached a stage in the progress of mankind where we cannot consume the goods we produce, and that it is necessary to enter into a program for Government spending in order to create jobs. Others believe that it is entirely possible to develop and maintain a sound, well-balanced economy which will normally result in full employment without resorting to unusual Government expenditures except in cases of emergency.

#### THE GRANGE IS OPPOSED TO STATISM

These two schools of thought lead in sharply divergent directions. One leads to statism and the other to private enterprise. We cannot travel both roads at the same time. Our first step should be to choose which course to follow.

The Grange adheres to the private-enterprise school of thought. Our philosophy is based upon three broad economic principles which we have come to call the Grange guideposts.

They are:

"First. All prosperity springs from the production of wealth, or consumer goods. Stating it another way, any program which retards the production of wealth is unsound.

"Second. The compensation of each should be based upon what he contributes to the general welfare.

"Third. The prime purpose of Government is to protect its citizens from aggression."

We believe in an economy of plenty characterized by ample production, maximum consumption, and the full employment which will inevitably flow from such conditions in a well-balanced economy. The Government's chief role in a free-enterprise system is to see that it is free—that its citizens are protected from physical or economic aggression or interference, so that each may develop his talents in his own way according to his capacity, energy, and ingenuity, just so long as his activities do not interfere with the rights of others. Under such a system, America has developed a standard of

living so much higher than any other nation in history that we can see no sound reason for abandoning it. True, many abuses have crept in, but let us find and cure them, rather than turn to statism, which has no enduring record of success, though often tried.

We believe the Grange guideposts are economically sound, and we measure every proposal by the principles therein expressed to see whether or not it rings true. We have followed such a course in considering the bill under discussion and we find much in it which merits support. In some places clarification is needed; in others, weaknesses or defects are revealed for the correction of which we will make suggestions.

#### DANGER THAT FEDERAL SPENDING WILL COMPENSATE FOR, RATHER THAN CORRECT, MALADJUSTMENTS

Before taking up the provisions of the bill, I should say that we are in thorough sympathy with the general program of studying our economic situation and devising plans for meeting any needs which may develop. We are in sympathy with the professed purpose of operating as far as possible through private enterprise. We also believe that if private enterprise fails to do the job, after being given an adequate opportunity, the Government must step in to see that its citizens have an ample opportunity to make a living. We believe that private enterprise can do the job, but we also believe that it is possible to handicap private enterprise in many different ways so that it cannot operate successfully. We believe that the greatest danger in this bill lies in the probability that if private enterprise were not doing the job, the tendency would be to call upon the Government to step in with public works, or other form of public expenditure, rather than cure the handicaps which prevented private enterprise from functioning. We believe that, no matter how skillfully we plan, there will be ups and downs in our income and employment, and that we should plan so that the Government can step in during the depression periods with self-liquidating public works, or some form of public expenditure which will be to the lasting good of the Nation, as a means of furnishing employment, rather than raking leaves or going on the dole. If, however, we do not take adequate steps to see that the maladjustment which brought about the depression is cured, the net result would be that we would drift toward statism and away from that private enterprise which develops individual initiative, and makes it possible for each to receive a compensation in proportion to his individual effort. We think the bill lacks definiteness in this respect.

#### INSUFFICIENT STRESS ON AGRICULTURE

Our second criticism is that the bill bases its whole program on jobs for workingmen, and in its practical application ignores America's largest industry, that of agriculture. While it is true that the word "agriculture" appears once or twice in the bill, this industry in which 20 percent of our people are engaged, and upon the trade from which another 20 percent are directly dependent for a livelihood, is ignored in the actual workings of the bill. It is assumed that with full employment, there would be prosperity in agriculture. This does not necessarily follow, and we believe that it is essential to consider the problems of agriculture along with the other problems before prosperity could be reasonably expected.

There can be no prosperity for agriculture without full employment. We recognize that as clearly as anyone. In fact, whenever we have had a prosperous agriculture, there has always been full employment. However, full employment does not assure prosperity for agriculture, as was clearly demonstrated in the early twenties when business and labor enjoyed the highest income and the greatest

prosperity in the Nation's history up to that time. During that same period, the farmers lost their shirts, and it was the break-down in purchasing power of the 50 percent of our people who were then engaged in farming, or dependent upon farm trade for a livelihood, that led the way to the most disastrous depression in our history. It was the failure to recognize this condition, and to provide a basic remedy, which prevented adequate recovery. We are sure that the sponsors of the bill are in thorough sympathy with maintaining a high income for agriculture along with a high income for labor and industry and that the omission is an oversight. It is all the more necessary that this principle be recognized, because the chief cause of the break-down in agricultural income has been the service that agriculture has rendered the Nation in producing an abundance.

Agriculture cannot plan its production with definiteness, both because of the number engaged in it under individual management, and the vagaries of the weather. If we are to have enough for all, we will frequently have surpluses. Under our marketing system these surpluses have often resulted in driving prices down below cost of production, even though we might have had full employment. We are certain that prosperity depends upon abundance, but in our plans we must provide that the purchasing power of agriculture is maintained when we contribute our share to a program of abundance, and happen to raise a bit of surplus. We failed to do that in the twenties, and that is what will happen again, unless definite steps are taken to prevent it.

Therefore, we are proposing certain additions to the bill which will recognize the part that agriculture plays in our economy. We are not proposing full legislation to meet agriculture's problems, but merely that they be recognized in the whole picture and that, in the planning, the President present the problem to Congress in his national budget, so that Congress will be on notice that the economy cannot be maintained on a free basis unless something is done to meet whatever problems agriculture may be facing in maintaining an adequate income and an adequate purchasing power.

#### DANGER OF PATERNALISM

We believe that the Government does not owe anyone a living and ordinarily does not owe anyone a job. Through the prevention of aggression, both physical and economic, as outlined in our Guidepost No. 3, we believe the Government does have the responsibility of seeing that a free and open economy is maintained under which opportunities exist for one to make a living, or either find or make his own job. Section 2b puts the Government in a paternalistic role which we do not feel is justified. It is an expression of lack of faith in a free system under which individual initiative is relied on to develop the opportunities to be found in a free economy, and we believe the wording is such as to indicate to most people that they have the right to look to the Government for work, even if opportunities for self-employment might exist around them. If a man loses a job and there are opportunities for self-employment such as farming, or starting to make flower pots, or neckties, or put up horseradish, or enter into any one of thousands of productive undertakings that an enterprising self-reliant citizen might develop for himself, we do not think that he has the right to demand that his Government make a job for him. If there are no opportunities, we think that the Government has the responsibility of correcting the economic maladjustment which has resulted in the denied opportunity and, in the meantime, public expenditure should be used to provide the job, but we think it is a mistake to develop a policy under which everyone will look to the Government for a job at the least provocation.



We have faith in the possibilities of a self-supporting economy. We believe that a nation which has learned to produce the enormous wealth per capita which we have demonstrated can be produced, can certainly learn to consume what it produces, and learn to keep its economy in balance. It ought not to be as hard to effect an adequate method of distribution of the wealth we produce when we are enjoying plentiful production, as it is to distribute that wealth when we suffer from scarcity. We may have to overcome selfishness and greed through the prevention of economic or physical aggression, but really this should not be as hard a job as to learn to produce everything we need. In other words, we have faith in developing individual initiative and enterprise. There are certain types of activities in which the Government can engage, which will help to foster and develop individual initiative and enterprise; there are other types in which it may have to engage in order to prevent aggression; and the Government should stand by to help its citizens in case they are the victims of aggression; but let us not encourage people to run to the Government at the least provocation, or to lean unnecessarily upon the Government. It is a self-reliant citizenry which has built America, and we believe we should do our utmost to protect and develop self-reliance among our people.

#### DEFINITION OF FULL EMPLOYMENT

Now turning to the bill itself, we think the bill would be improved if the second section were devoted to definitions of full employment, and Federal investment and other expenditures, as proposed in the Morse amendment, with three changes.

First, we would add to line 12, page 4, of the Morse amendment, after the word "work", the words "within reasonable access," so that the phrase will read "opportunities to engage in productive work within reasonable access at locally prevailing wages and working conditions, etc."

Some contend that if a factory closes down, and if private industry does not open it, the Government should. We cannot subscribe to such a position. If our economy is kept free, someone will operate the factory unless it is disadvantageously located, or poorly designed, or subject to some other natural handicap. In such event it should not be operated, and those who have worked in it should seek employment under economically sound conditions. The wording of the amendment and the position of the word "locally" might be construed to mean the opportunity to engage in work locally. We are sure that is not the intended meaning, but we are equally sure that job opportunities which are practically inaccessible should not be statistically used to prevent the reasonable carrying out of the purpose of the bill.

Second, we suggest that some other term than "frictional unemployment" be used to avoid the necessity of adding another section defining the definitions.

Third, other references to investment and expenditure obviously do not refer to investments of every nature, but rather to investments which result in the expansion of facilities which will require the employment of labor or the use of material the production of which will require the employment of labor. We believe that the term investments as used in this bill should be defined in the section devoted to definitions.

#### DEFINITION OF GOVERNMENT RESPONSIBILITY

Section 2 (b) has caused confusion as to the exact purpose of the measure. This subsection has the tone of subscribing to the "Government support the people" theory, with which we are in sharp disagreement. It may be interpreted as meaning that it is the responsibility of Government to bring the job to the man, rather than the responsibility of the man to seek the job which will exist somewhere within reasonable access if the Government assures a truly free economy.

If that free economy breaks down, a humane Government must and should step in to take care of the needs of its citizens. I believe this section has given rise to the extreme differences in opinion as to the purpose of the bill. If the purpose of the bill is to develop a free economy, why not say so in terms that do not lead to confusion?

For these reasons we recommend that section 2 (b) be amended to read as follows:

"All Americans have the right to engage in any occupation, business, or enterprise of their choice, which may not be inimical to the interests of others, and it is the policy of the United States to protect its citizens from acts of physical or economic aggression such as may prevent them from exercising that right, and to foster ample production of consumer goods under conditions which will result in maximum consumption, so that those who have finished their schooling, and do not have full-time housekeeping responsibilities, and who are able to work and seeking work, may have an opportunity to engage in useful, remunerative, regular, and full-time employment."

22. The wording may well be improved, but this would appear to be the proper point to eliminate the confusion and make it clear that it is the policy of the Government to protect its people in the rights to engage in free enterprise and enjoy the ample production of consumer goods which would flow from it, and that if free enterprise failed to result in full employment within the terms of the definition, it is the responsibility of Government to step in with public expenditure to meet an emergency.

We recommend that section 2 (d) be amended to read as follows:

"It is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will prevent monopoly and encourage economic returns to its citizens in approximate proportions to what each contributes to the general welfare, as the basic means of securing the highest level of consumption of consumer goods, and personal services, thereby assuring the highest level of employment opportunity through private and non-Federal investment and expenditures."

Our chief objection to subsection (d) as it is written is that it confines its recommendations to jobs, while we believe that basically it is the production and consumption of consumer goods which count. The section ignores the problems of agriculture and similar industries (such as fishing). If it is not desired to amend the section as completely as I have suggested, its present form could be improved by changing the last clause to read:

"It is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will (make possible the highest levels of production and consumption of manufactured goods and the products of our farms and similar industries, as the basic means of securing) the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditures."

The words in parentheses are new, being substituted for the three words "stimulate and encourage," line 4. While this would be an improvement over the section as written, we decidedly prefer the substitute section which we have first suggested.

We think the bill lacks definiteness of purpose in its failure to point out that it is the responsibility of Congress to cure any un-economic causes which may have resulted in unemployment as soon as possible. We, therefore, recommend a new subsection under section 2 as follows:

"(g) When it has become necessary for the Federal Government to make investments and expenditures in accordance with the provisions of subsections (e) and (f) of

this section, it is the responsibility of both the administrative and legislative branches of the Government promptly to take such steps as may be necessary to restore and maintain economic conditions under which full employment will be maintained on a self-supporting basis without Government expenditure."

Unemployment and destructively low price levels are not the causes of economic trouble, but rather the results of maladjustments. The trouble may arise from an unsound tax law, or tariff policy, or discriminatory freight rate, or monopolistic control of essential industries, or it might be something wrong in the field of labor such as work slow-downs or stoppages, union membership restrictions, jurisdictional wastage; or, in the field of agriculture, restricted production or the piling up of surplus products may be a cause of trouble.

#### MINIMUM WAGE LAWS

Let us illustrate what we mean. Last Sunday, in a nationally broadcast program, a representative of the CIO advocated a minimum wage law of 87½ cents per hour. Let us assume that such a law were passed and its application made universal, while price controls of foodstuffs were maintained. Few farmers could employ labor under such conditions, and a million or two men would be thrown out of work. Our supply of food would drop at least a third, and black markets would serve the wealthy, while the poor would go hungry. Very few could employ domestic help of any kind, and other millions usually so employed would not have jobs. Public works would have to employ many millions, but that would not get at the heart of the trouble, which would be that we were failing to produce ample consumer goods. Admittedly an extreme case, but not much more extreme than we may actually face. Let us assume a 65-cent minimum wage, which is roughly double what the average farmer makes with all his investment. Suppose we have no price controls, but through our reciprocal trade agreement laws we held farm prices to world levels. Even if farmers were exempted from this 65-cent minimum wage provision, they could not compete with 65-cent public works opportunities, and over one-third of the Nation's normal purchasing power would be reduced to subsistence levels. Obviously we would be headed for an economic upset that no amount of public expenditure could cure. The only cure would be to return to the maximum production of wealth. We believe the bill should clearly provide that public expenditures would be resorted to only as an emergency, and that the first responsibility of the Congress would be to find the cause of the emergency and apply a remedy.

#### PUBLIC SPENDING A TEMPORARY PALLIATIVE

It may be pertinent here to remind ourselves that practically every nation in the world suffered from the effects of the depression which followed the last war, and that of them all, the United States spent the most in public expenditures trying to get ourselves into economic balance again. We failed. In fact we were the last one of the major powers to get out, and it was not until a threatening war brought up our production of goods that we really made progress. It is easy to make the error of putting a thousand men under public employment and driving a like number out of private employment. We repeat unemployment is the result of something wrong. We hope the bill makes it amply clear that the first job is to find what is wrong, and that public expenditures are justified only as an expedient until the basic trouble is located and fixed. We are not opposed to all types of Government expenditures on public works, but we believe that the normal public expenditure should be based upon what a healthy economy can afford, rather than on what a sick economy



needs. We believe in a proper use of medicine, and keeping a supply on the shelf, but don't believe in using it unless we are sick.

#### THE NATIONAL BUDGET

We approve of the purposes of section 3 under which the President shall submit a National Budget to the Congress, but call attention to the fact that in election years the new President does not take office until 2 or 3 weeks after the Congress has convened. Under the provisions of section 3 (a) the outgoing President would have to submit the budget for the incoming administration. The incoming President should be given enough time to act. We suggest that section 3 (a) read as follows:

"Within 30 days after the beginning of each regular session, or as soon thereafter as practicable, the President shall submit to the Congress the National Production and Employment Budget"—

And so forth. Because we feel it essential that the part that agriculture plays in our national economy be considered in the make-up of any production and employment budget, we recommend a fourth subsection to section 3 (a) enumerating the things which the President shall set forth in such national budget, reading as follows:

"(4) The estimated volume of farm and fisheries production, and prospective domestic and export consumption thereof, with estimates of price levels necessary to render returns to the producers sufficient to maintain standards of living (a) consistent with the labor and investment used in the production thereof, and (b) such as may reasonably be expected under conditions of full employment."

Subparagraph (c) of section 3 ignores the necessity of corrective legislation. In order to avoid this we recommend that line 21, page 5, be amended to read:

"(c) To the extent, if any, that any suggested legislative action or such increased non-Federal investment and expenditure—"

And so forth. To cure the defect of ignoring the effect of agriculture on our whole economy we recommend a new subsection to section 3, following line 16, page 6, as follows:

"(d) If the prospective price level of the products of agriculture and fisheries may prove insufficient to render an income as defined in subsection (a) (4) of this section, the President shall include recommendations designed to bring the income of producers of agricultural and fish products up to levels consistent with a full-employment program."

The above changes will necessitate renumbering subsections (d), (e), (f), and (g) to make them become (e), (f), (g), and (h), respectively. It will also necessitate changing line 5 on page 7 to read: "(c), (d), and (e) of this section shall include such measures."

We do not think that the submission of the national budget at the beginning of each regular session is sufficient. Present subsection (g), beginning with line 16, page 7, grants permission to the President to transmit further estimates. We think this should be mandatory and recommend that line 16 be made to read as follows:

"(h) At least semiannually, and whenever he deems it advisable, the President shall transmit."

#### ADVISORY BOARDS SHOULD BE MANDATORY

We heartily approve the use of advisory boards as provided in section 4 (c), for they provide a practical means of keeping administrative officials familiar with the problems of all segments of our economy. However, we believe the provision should be mandatory. It has been our experience that the value of such advisory boards is greatly enhanced if they are provided with resident staff officers to keep in constant touch with problems as they arise. We, therefore, recommend that this subsection be amended to read as follows:

"The President shall consult with industry, agriculture, labor, consumers, State and local governments, and others, with regard to both the developments and administration of the national budget, and for this purpose may establish such advisory boards as he may deem advisable, and may pay any expense in connection therewith including the employment of a resident board secretary where advisable."

The failure to recognize the part agriculture plays in our economy has been emphasized in section 5. In order to overcome this we recommend the addition of the word "agriculture" after the word "on" in both lines 18 and 22 on page 8, so that the Committees on Agriculture will be presented on the joint committee.

#### CONGRESSIONAL RESPONSIBILITY FOR VARYING EXPENDITURES

Up to this point the central thought of the bill has been to make an adequate survey and report the conditions to the Congress, so that it could take appropriate action. This places the responsibility on the Congress, where it belongs. Section 6 departs from this basic approach and instructs the President to make a quarterly study and take what action he considers appropriate. We think the responsibility should be kept in the Congress. We realize that in ordinary times the Congress may not be in session when the President feels that action is necessary, but in such circumstances we believe the representatives in the Congress on the joint committee should pass on any decisions made. We, therefore, recommend that section 6 (b) be amended to read as follows:

"(b) Subject to such principles and standards as may be set forth in applicable appropriation acts and other statutes, the President may formulate recommendations for varying the rate of Federal investment and expenditure to whatever extent and in whatever manner he may determine to be necessary for the purpose of assisting in assuring full employment and an adequate price level for agriculture and similarly situated industries, with due consideration being given to current and anticipated variations in savings and in investment and expenditure by private business, consumers, State and local governments, and the Federal Government. Such recommendations shall be submitted to the Congress if in session, or to the joint committee as provided in section 5 (a) hereof if the Congress be not in session. If the Congress be not in session, it shall be the duty of the chairman of the joint committee to assemble the members of the committee within 20 days to consider the recommendations of the President. The President is hereby authorized to put such recommendations into effect unless disapproved within 60 days from date of submission by a majority vote of both Houses of the Congress, if in session, or a majority vote of said joint committee in case the Congress be not in session."

We feel that such a provision will not only prevent a hasty and unwise use of Federal expenditures, but it will also assure better cooperation between the Congress and the President. The Congress will be much more inclined to provide an ample number of projects for Federal expenditure if it knows that it will have an opportunity to pass upon the necessity of their use. In such circumstances we can plan ahead much more constructively.

We also feel that this suggested amendment greatly lessens the possibility that such projects might be used for political purposes. No matter what party is in power, there would be a temptation to make use of public funds prior to a general election, either in order that certain communities might have temporary benefits through the expenditure of funds in that community, or that the whole economy might be "pepped up" temporarily. We feel that this is one of the seri-

ous objections to the bill in its present form. But if the Congress, made up of representatives of all parties, or the joint committee in which the political parties have similar representation, had to approve these expenditures before they were made, it would be necessary for the President to present a defensible case justifying the expenditure. We feel that this is very important. Unless such a safeguard is provided, the whole question of making use of public expenditures rather than getting at the heart of the maladjustment which is responsible for unemployment might be determined by a President quite contrary to the wishes of the Congress or the policies set forth in the bill. The easiest way to get temporary acclaim, and possibly the easiest way to win an election, would be to spend public money rather than follow the more difficult course of correcting the maladjustment. The amendments we have suggested are designed to lay emphasis on the necessity of correcting maladjustments, but section 6 is wide open unless protected by some amendment such as we have suggested, enabling the Congress to keep control of the situation. If the expenditure of public funds is justified, it should be borne in mind that the Congress will be just as anxious to make use of this procedure as the President. We do not believe that the restrictions will handicap any justified expenditures but we feel it is essential to prevent the possibility of abuse.

It may be well to consider where the money is coming from. That must always be the responsibility of the Congress. The Congress should be foresighted in authorizing a supply of public works in order that we may not be caught unprepared in case of emergency. This might run into billions, and the determination when to use the money should not be left to one man. It is the clear responsibility of the Congress and should be carefully safeguarded as such.

We believe the bill when perfected will be a distinct contribution to our economic thinking. Too frequently we have approached the consideration of such basic economic problems as taxation, transportation, tariffs, labor legislation, farm legislation, financial legislation, and a host of others in a detached and narrow manner, without adequate consideration for the effect of the policy established upon our whole economy. Every sore spot affects our whole economy, but we have been too much inclined to consider each problem separately. Here, in the joint committee, the interdependence of all segments of our economy would be recognized in a practical way. A comprehensive national survey is made and the findings reported to a joint committee of both Houses made up of representatives of the major committees to which most of these problems are referred. If amended the way we have suggested, the responsibility for final action remains with the Congress where it belongs, but it is given adequate information and equipment to do whatever job needs to be done.

#### S. 380 NOT A RECONVERSION MEASURE

One more point before we close. This is not an emergency measure. Quite the opposite, it sets up permanent machinery for study and investigation with recommendations to be made to the Congress so that it may take well-considered rather than hasty action. We have been somewhat concerned by the amount of steam put behind it to pass it in a hurry as a means of meeting our immediate problems of reconversion. I think this has contributed to public distrust and misunderstanding, for unless there is intent to jump into public expenditures before the studies are made, there seems no need for excessive haste. Neither is there reason for delay, for if its purposes are sound we should begin such studies promptly. The circumstances justify most careful scrutiny to see that its purposes are not misunderstood.



Care should be exercised to see that nothing in the wording would justify the conclusion that the Congress was approving a policy of statism as a means of meeting a situation during the period of reconversion in which considerable unemployment is an inevitable aftermath of war. The wording should be such that its purpose is clear. Then it will be recognized as a method of providing a reasonable assurance against economic tailspins, and a measure which could be counted on as a real safeguard by those contemplating risking their time and money in initiating some private enterprise. That is the purpose of the amendments we have suggested. We feel that without these or similar amendments the bill is not a sound measure.

The CHAIRMAN. Thank you very much, Mr. Goss. Are there any questions to be asked? Senator MURRAY. I note your statement in your concluding paragraph there, "We have been somewhat concerned by the amount of steam put behind it to pass it in a hurry as a means of meeting our immediate problems of reconversion." I don't understand that there has been any great amount of steam put behind this bill to get it passed. We were criticized, in fact, for not pressing it more diligently and having it passed before we took the adjournment recently. We were very severely criticized in some sections of the country for that failure. I am glad to note that you say, "Neither is there reason for delay, for if its purposes are sound we should begin such studies promptly." I think that is true. I think we are proceeding diligently, but not with any great steam behind the bill. We are giving full hearings here and we are very glad to hear your very comprehensive statement here.

I appreciate that you are in favor of the principles and policies designed to be achieved by this legislation; you are proposing some amendments which you feel would really strengthen it. But I do think that we have not attempted to railroad this bill through in any way.

Mr. Goss. I am glad you mentioned that, because I did not mean to intimate you are trying to railroad it through. I think the committee is handling it very well. In the back country there has been a lot of work done, propaganda, if you call it, that—

Senator MURRAY. Yes.

Mr. Goss. That already has been designed to get this bill out immediately. I just happened to receive today a letter from an officer in our Nebraska State Grange, telling of two men who were out there going through the country, working along the line of immediate pressure. Now, those things have caused suspicion. This man was badly upset over it and he wrote me about it.

The CHAIRMAN. Certainly he is not an agent of this committee.

Mr. Goss. I am very glad that Senator Murray raised that question, because if the wording of my comment could be construed as a reflection upon the committee, that was not the intent. I think the committee has handled it very, very well.

Senator MURRAY. I appreciate that.

Mr. Goss. We have been told weeks in advance that you planned this hearing. We have been asked to appear, and the impression I have had of the work of the committee is that you are seeking to get a full expression of all views.

The CHAIRMAN. That is right.

Mr. Goss. We certainly appreciate that, but I do want to make it clear that in the back country there is a lot of pressure and it has caused suspicion as to the purposes of the bill.

#### MISINTERPRETATION OF THE BILL

Senator MURRAY. Don't you think that the apprehension in the back country is due to the fact they are fearful of the danger of unemployment developing in this country in the postwar period and they are anxious that some program be established by the

Government which is going to encourage them in the feeling that we are going to have high production and full employment in this country?

Mr. Goss. That may be. I think, Senator, as I stated right at the opening, there are two schools of thought with reference to it. I think some people are viewing this bill as an opportunity to throw public works wide open, and we are going to have a lot of Government employment as soon as there is any unemployment, we are going to jump right in, and I think some people are pushing it for that reason.

The CHAIRMAN. But the bill does not provide for that, Mr. Goss. There is no such provision in the bill.

Mr. Goss. I don't think the bill does provide for it, but I think that the bill might be construed by many as meaning that. I have tried to make that clear. I have tried to be perfectly fair in our presentation of what we believe should be done.

The CHAIRMAN. As far as I am concerned, I think in your statement that "Others believe that it is entirely possible to develop and maintain a sound, well-balanced economy which will normally result in full employment without resorting to unusual Government expenditures except in cases of emergency"—I think that is what the sponsor of this bill and the committee believe. So you are right about that.

Mr. Goss. As you notice, I have suggested several amendments which I thought would avoid that misunderstanding.

The CHAIRMAN. The committee will have to consider those.

Mr. Goss. Undoubtedly there is a lot of misunderstanding through the country about this bill. I don't know that I ever saw a bill whose sponsors and opponents differed more widely as to what it means. I think that ought to be cleared up.

Senator MURRAY. Yet don't you think we have attempted to use here the clearest language to emphasize the fact that we are trying to protect free enterprise here? We are trying to foster free enterprise. The very first sentence in the bill provides that the Congress hereby declares that it is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States. Then it goes on with other provisions there with reference to its objectives. It says, in subdivision (d) of section 2, at the bottom of page 2:

"In order to assist industry, agriculture, labor, and State and local governments in achieving continuing full employment, it is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditure."

Now, it seems to me that that is a very clear statement that it is the purpose and the object of this legislation to do that through private enterprise, and only when conditions develop that bring on unemployment notwithstanding every effort has been made to have it accomplished through private enterprise then the public-works program is to be supplemented.

I notice in another paragraph in your statement here, at the top of page 3—

Mr. Goss. May I just comment on that last statement?

Senator MURRAY. Yes.

Mr. Goss. I quite concur that it is written in in many places. I also know that there is a misunderstanding in spite of the fact it is written in, and what I have tried to do is to suggest a wording that would avoid that misunderstanding.

Senator MURRAY. Don't you think largely that misunderstanding is because of the fact

that there has been a statement published widely throughout the United States attacking the bill and misrepresenting its purposes? In fact, they have even charged that it is communistic, that we got the idea from Stalin and from foreign countries. I have read articles and editorials in the press. In fact, I have two or three volumes of them up in my office, of propaganda of that kind which naturally would mislead people, because people read these things in the paper and believe them, but when you come to read the bill you find a totally different proposition.

Mr. Goss. Well, the misunderstanding has come from a number of things. For example, I heard one of the strong proponents of the bill argue that when a factory was closed down, private enterprise should be given 30 days to open it, and if it could not open it that the Government should step in and open it, and that this bill provided for it. I don't think this bill does provide for it, but he was using that argument. So I say that with all the arguments, both by the friends and opponents of the bill, that have gone through this country, the committee should be doubly careful to see that the bill is so worded that there will be no misunderstanding.

The CHAIRMAN. I can assure you the committee will consider your amendments very carefully. Thank you very much.

Are there any other questions?

Senator TOBEY. Just one comment. You spoke of there not being more in the bill to sustain agriculture. Are you familiar with this amendment that Senator Morse has presented on behalf of himself, Senator Langer, and myself, on agriculture, two pages that are given to elucidating the agricultural position? Have you read that?

Mr. Goss. Yes.

Senator TOBEY. Do you approve of that?

Mr. Goss. I don't believe we ought to write the details of how you are going to handle anything. This goes into considerable detail. It opens up some controversial problems as to just what the agricultural law would be. I get the impression that it would open up a possibility for a very heavy regimentation of agriculture. So I have suggested in here that instead of writing the details in that they do two things: First, that the President recognizes it in his budget and calls the attention of Congress to the problem; second, that he makes such recommendations as at that time seem pertinent.

I am not out of sympathy with the emphasis the amendment seeks to attain, but I think it is not quite in keeping with the simplicity of the rest of the bill. If you went into such details for labor and industry and other programs as you have in agriculture, you would have a bill from 40 to 100 pages long, instead of this length.

Senator TOBEY. All right, thank you. That is what I wanted to know—your reaction to that amendment.

Mr. Goss. To a certain extent my criticism would extend to the first section of the proposed amendment also.

The CHAIRMAN. Are there any other questions?

(There was no response.)

Thank you very much.

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

Mr. WHERRY. I yield first to the distinguished Senator from New Hampshire. I wish merely to add that I was requested to straighten out the record, and I am sure the statement speaks for itself.

Mr. TOBEY. Is it the Senator's understanding that Mr. Goss opposed the legislation, or was in favor of it?

Mr. WHERRY. Unless the four amendments which he offered were placed in the bill his position was that he



would not be in favor of the bill as reported by the committee.

Mr. TOBEY. Has the Senator read the full text of Mr. Goss' remarks?

Mr. WHERRY. Yes.

Mr. TOBEY. Will the Senator put them in the RECORD?

Mr. WHERRY. I have already done so.

Mr. TOBEY. That is entirely satisfactory to me.

Mr. WHERRY. I know the Senator from New Hampshire wants to be fair, and would not place any interpretation upon Mr. Goss' statement which was not a correct interpretation.

I now yield to the Senator from Vermont.

Mr. AIKEN. I know that every Member of the Senate has a very high regard for Albert Goss, master of the National Grange. His testimony was on the bill before it had been rewritten by the committee.

Mr. WHERRY. That is true. He testified on August 29. I was instructed by Mr. Goss to say that as the bill was reported by the committee he felt that it should be amended in accordance with the amendment which he suggested, and if the amendments were not placed in the bill his construction of Senate bill 380 would not be changed.

Mr. AIKEN. What amendments have been placed in the bill and what have not been placed in it?

Mr. WHERRY. One amendment which Mr. Goss asked for was an amendment to section 2 of the bill. The amendment of the Senator from Ohio [Mr. TAFT] might change the language of the bill in accordance with Mr. Goss' wishes.

I did not rise to take issue with the distinguished Senator from New Hampshire [Mr. TOBEY] or the distinguished Senator from Vermont [Mr. AIKEN]. I merely wished to submit the testimony which was given by Mr. Goss on the 29th of August before the subcommittee of the Committee on Banking and Currency.

Mr. AIKEN. I am not attempting to speak for Mr. Goss. I do not pretend to know why his amendments have not been offered on the floor of the Senate for the consideration of the Senate. As I understand, Mr. Goss has expressed himself as being in full sympathy with the pronounced objectives of the bill, although I do not question that he has differed with the verbiage of the bill to some extent.

In regard to the American Farm Bureau Federation, I understand that its executive committee took a stand against the bill. I also understand that there was a difference of opinion among the members of the executive committee. Those who differed with the majority did not see fit to file minority views or anything of that nature. They did not want to have any squabble with the majority. So, as the record stands, the American Farm Bureau Federation is opposed to the bill.

Mr. WHERRY. I do not wish to detain the Senate in reaching a vote on the pending amendment, but I want it clearly understood that the position of the American Farm Bureau Federation, which came to my attention yesterday, is

now in the RECORD. I have cleared up the record with reference to the position which Mr. Goss takes in connection with certain amendments. His position with reference to Senate bill 380 will have to be interpreted as being against the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT] and the Senator from Maryland [Mr. RADCLIFFE], as modified, which will be read by the clerk.

The CHIEF CLERK. On page 15, line 15, after the word "standards", it is proposed to insert the following:

*Provided*, That any program of Federal investment and expenditure for the fiscal year 1948, or any subsequent fiscal year when the Nation is at peace, shall be accompanied by a program of taxation over a period comprising the year in question and a reasonable number of years thereafter, designed and calculated to prevent during that year any net increase in the national debt (other than debt incurred for self-liquidating and other reimbursable expenditures) without interfering with the goal of full employment.

The PRESIDENT pro tempore. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Kentucky [Mr. CHANDLER] are detained on public business.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from New Mexico [Mr. HATCH], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] are absent on official business.

I am advised that if present and voting, all the Senators whose absences I have announced would vote "yea".

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Idaho [Mr. THOMAS] are absent because of illness. All of these Senators would vote "yea."

The Senator from Connecticut [Mr. HART] is necessarily absent. If present he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS]. I am advised, however, that on this vote both Senator BRIDGES and Senator THOMAS would vote "yea."

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The result was announced—yeas 82, nays 0, as follows:

## YEAS—82

Aiken	Chavez	Hill
Bailey	Connally	Hoey
Ball	Cordon	Johnson, Colo.
Bankhead	Donnell	Johnston, S. C.
Barkley	Downey	Kilgore
Bilbo	Ellender	Knowland
Bridges	Ferguson	La Follette
Brooks	Fulbright	Langer
Buck	George	Lucas
Burton	Gerry	McCarran
Butler	Green	McClellan
Byrd	Gurney	McFarland
Capehart	Hawkes	McKellar
Capper	Hayden	McMahon
Carville	Hickenlooper	Magnuson

Maybank	Reed	Tydings
Mead	Revercomb	Vandenberg
Millikin	Robertson	Wagner
Mitchell	Russell	Walsh
Moore	Saltonstall	Wheeler
Morse	Shipstead	Wherry
Murdock	Smith	White
Murray	Stewart	Wiley
Myers	Taft	Willis
O'Daniel	Taylor	Wilson
O'Mahoney	Thomas, Okla.	Young
Overton	Tobey	
Radcliffe	Tunnell	

## NOT VOTING—14

Andrews	Chandler	Hatch
Austin	Eastland	Pepper
Brewster	Glass	Thomas, Idaho
Bridges	Guffey	Thomas, Utah
Bushfield	Hart	

So the amendment offered by Mr. TAFT (for himself and Mr. RADCLIFFE) was agreed to.

Mr. TYDINGS. Mr. President, I send to the desk an amendment which I ask the clerk to read.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 13, line 18, after the word "responsibility," it is proposed to add the following: "with the assistance and concerted efforts of industry, agriculture, and labor, and State and local governments."

Mr. TYDINGS. Mr. President, the purpose of the amendment is merely to make clear what the title of the bill says is the purpose, that the Federal Government shall step in to insure full employment so far as it can, with the assistance and concerted efforts of industry, labor, capital, local and State governments. That is the intention of the bill, so the authors say. I have submitted the amendment to a number of them, and they are in favor of it. I have submitted it to a number on the other side of the proposition, and they favor it. It is simply in the nature of a clarifying amendment.

Mr. BARKLEY. Could the amendment be interpreted to mean that the Federal Government itself could not do anything unless it had the active cooperation of these other agencies?

Mr. TYDINGS. Oh, no; it merely means that the Federal Government is not the only agency in the whole picture which has the full responsibility.

Mr. BARKLEY. In other words, that it contributes to an over-all program?

Mr. TYDINGS. That is it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment to the amendment was agreed to.

Mr. CORDON. Mr. President, I call the attention of the distinguished Senator from New York [Mr. WAGNER] to page 18 of the bill, paragraph (3), and I will ask him for his views as to the purpose of that portion of the paragraph beginning with subsection (b) in line 19. The provision has to do with the functions of the Joint Committee on the National Budget of the two Houses. I read:

It shall be the function of the joint committee—

"As a guide to the several committees of Congress dealing with legislation relating to the National Budget, not later than April 1 of each year (A) to file a report with the Senate and the House of Representatives containing its findings and recommendations



with respect to each of the main recommendations made by the President in the National Budget."

That is self-explanatory. My query goes to the next provision:

(B) To prepare and report a joint resolution setting forth for the ensuing fiscal year its summary recommendations concerning the National Budget.

My inquiry goes particularly to the purpose of having reported to the Congress a joint resolution which in itself, if enacted, would have the force of law, and which under the Constitution must carry the signature of the President, as would any other legislation. Can the Senator advise me as to what the purpose of that is?

Mr. WAGNER. I shall read from the report:

The purpose of this joint committee was admirably expressed in the testimony of Albert S. Goss, master of the National Grange (p. 824):

"Too frequently we have approached the consideration of such basic economic problems as taxation, transportation, tariffs, labor legislation, farm legislation, financial legislation, and a host of others in a detached and narrow manner, without adequate consideration for the effect of the policy established upon our whole economy. Every sore spot affects our whole economy, but we have been too much inclined to consider each problem separately. Here, in the joint committee, the interdependence of all segments of our economy would be recognized in a practical way."

In other words, the joint resolution would include the report of the committee, which would contain all the rejections and acceptances of the joint budget program.

Mr. CORDON. Mr. President, the paragraph itself first provides for the making of a report by the joint committee to all the appropriate committees of both Houses. That is perfectly clear, and an orderly method of presenting its findings and recommendations. What is the purpose of requiring the committee, in addition to making that report to both Houses and to all the committees interested in both Houses, to prepare and report a joint resolution setting forth for the ensuing fiscal year its summary recommendations concerning the national budget? What purpose is to be subserved by that.

Mr. BARKLEY. If the Senator from New York will allow me to observe, I think the Senator from Oregon has made a sound suggestion. I do not see any use of that. We have a legislative drafting service which can draft all the resolutions, joint or otherwise, we need. I do not see that there is anything to be accomplished by having the joint committee prepare a resolution and send it to Congress to be referred to various committees. I do not think subsection (B) really is of any value.

Mr. CORDON. Mr. President, in that event, on page 18, in line 19, I move to strike out beginning with the word "and" all down to and including the word "Budget" in line 22, and to strike the comma after the word "Budget" in line 19 and insert a period. Also to strike out the "(A)" in line 15, which ceases to have any meaning if the motion is agreed to.

Mr. WAGNER. Mr. President, I have no objection to the elimination of subparagraph (B).

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oregon [Mr. CORDON].

The motion was agreed to.

Mr. RADCLIFFE. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 12, in line 24, it is proposed to strike out the word "desiring" and to insert in lieu thereof the word "seeking"; and on page 13, in line 21, it is proposed to strike out the word "desiring" and to insert in lieu thereof the word "seeking."

Mr. WAGNER. Mr. President, we have no objection to that amendment.

Mr. RADCLIFFE. I do not think the amendment is at all controversial. The original language was "seeking." The word "seeking" implies some effort to secure a position. The word "desiring" is negative in that respect. I think the word "seeking" is a better word.

Mr. WAGNER. Mr. President, I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland [Mr. RADCLIFFE].

The amendment was agreed to.

Mr. RADCLIFFE. I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 12, in line 26, it is proposed to strike out the period, insert in lieu thereof a comma, and add the words "including self-employment in agriculture, commerce, industry, or the professions."

Mr. RADCLIFFE. Mr. President, I think this amendment will somewhat round out the objectives of the bill. It refers to employment. Since we are interested in fostering employment, we are also interested that people in self-employment, in agriculture, commerce, industry, and the professions should be on an equal footing.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland [Mr. RADCLIFFE].

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 13, in line 1, it is proposed to strike out the words "right to an."

Mr. FULBRIGHT. Mr. President, this amendment is simply to reconcile subsection (c) with subsection (b) which was amended in the committee. There was some controversy over the original amendment which changed the language in (b), and I overlooked the striking out of the words "right to an." That makes it consistent with the language of the first subsection.

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

Mr. FULBRIGHT. I yield.

Mr. TOBEY. How will the provision read with the Senator's proposed amendment?

Mr. FULBRIGHT. It will read:

In order to assure the free exercise of the opportunity for employment set forth above—

And so forth.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

Mr. HICKENLOOPER. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

Mr. TOBEY. Mr. President, I must give an admonition to the majority leader of the Senate. Some 2 years ago, in a situation somewhat like unto this—

Mr. HICKENLOOPER. Mr. President, do I have the floor?

The PRESIDENT pro tempore. The Senator from Iowa has the floor.

Mr. TOBEY. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. For what purpose?

Mr. TOBEY. To give an admonition to the majority leader of the Senate.

Mr. HICKENLOOPER. I yield.

Mr. TOBEY. Some years ago the distinguished majority leader, at a time like unto this, when amendments were being offered from all four corners of the Senate floor, and when we were considering a bill at the tail end of the session, rose on the floor and dramatically charged and enjoined us as follows: "When we approach the tail end it is the wise policy to proceed with caution."

I bring that back to the Senator's memory now. Let us go slow and know what we are doing in this great flash flood of amendments which is being poured upon us now.

Mr. BARKLEY. I thank the Senator for his admonition, and I assume by reason of it that we are approaching the tail end.

Mr. TOBEY. I sincerely hope so.

The PRESIDENT pro tempore. The amendment offered by the Senator from Iowa will be stated.

The CHIEF CLERK. After the period at the end of section 2 (a) of the bill as reported, it is proposed to add the following:

In furtherance of this responsibility the Federal Government should not pursue a policy of engaging in commercial activities in competition with free, competitive private enterprise or the investment of private capital.

Mr. HICKENLOOPER. Mr. President, with great frequency and announced with great vehemence by its sponsors are statements that free enterprise is being promoted by this bill. There is very little in the bill that assures any attention being given to the fostering of free enterprise except what appear to be some occasional statements which are not confined to anything in particular.

My amendment proposes to add to section 2 a little clearer declaration of the devotion of this bill to free enterprise,



if that is what it means, and I propose to add to that section the amendment as read. The language, therefore, would read as follows:

It is the responsibility of the Federal Government to foster free competitive private enterprise and the investment of private capital.

That language is already in the bill. I would add to that this further declaration:

In furtherance of this responsibility the Federal Government should not pursue a policy of engaging in commercial activity in competition with free, competitive private enterprise or the investment of private capital.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Iowa.

Mr. O'MAHOONEY and other Senators address the Chair.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Wyoming.

Has the Senator from Iowa concluded his remarks?

Mr. O'MAHOONEY. Mr. President, I claim the floor.

The PRESIDENT pro tempore. Yes; but the fact that a Senator claims the floor does not always mean that he is entitled to the floor.

Mr. O'MAHOONEY. The Chair recognized the Senator from Wyoming. The Chair had stated the pending question, and several Senators rose to their feet, but the Chair was good enough to recognize the Senator from Wyoming, and therefore by reason of the recognition of the Chair I claim the floor.

The PRESIDENT pro tempore. The Chair now recognizes the Senator from Wyoming.

Mr. O'MAHOONEY. Mr. President, I desire to call the attention of the sponsor of this amendment and of the Senate—

Mr. HICKENLOOPER. Mr. President, does the Senator from Wyoming now have the floor, or do I have the floor?

The PRESIDENT pro tempore. The Chair understood the Senator from Wyoming had concluded, and the Chair put the question. While putting the question, the Senator from Wyoming rose and was recognized by the Chair. If the Senator from Iowa desires recognition later, he will certainly receive it.

Mr. HICKENLOOPER. I thank the Chair.

Mr. O'MAHOONEY. I may say, Mr. President, that if the Senator from Iowa has not completed his explanation of his amendment I shall be very glad to await the explanation.

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

Mr. O'MAHOONEY. I shall be very happy to.

Mr. HICKENLOOPER. For the purpose of explaining the amendment I may say to the Senator from Wyoming and to other Members of the Senate that the amendment provides that in furtherance of the declared responsibility announced in the first paragraph of the bill it is the responsibility of the Federal Government, in effect, in fostering free enterprise, free competitive enterprise, not to pursue a policy of competition.

That is, our Government will not adopt or pursue a policy of competition with free competitive enterprise or the investment of private capital. In preparing this amendment I used the word "pursue" as a softer word than "refrain" or "avoid," which I first submitted in the committee, because certain members of the committee thought that the word "avoid" was a complete admonition for the Government to stay out of all manner of activities. The question was raised as to whether or not the use of the word "avoid" might preclude the Government from going into REA activities, irrigation projects, dam construction, and such things. I was perfectly willing to agree, and do agree that there are large fields of activity of that kind which are either too extensive or too expensive for private capital successfully to handle. I therefore attempted in this amendment to qualify and modify the activity of the Federal Government by a mere admonition that, as announced in this bill, it was not our general policy to pursue such a competitive theory in connection with private enterprise. I think it strengthens the statement that it is our responsibility to foster private enterprise. I believe the amendment would not harm the bill, but would add confidence on the part of those who will have to administer the bill, and those who will have to cooperate with the administration.

In my own State, from which I have recently returned, and through correspondence which has come to me I find a substantial fear that there is an ulterior purpose behind the bill to move the Federal Government in and take the actual control of competitive private enterprise in many fields; that it is a move toward Government ownership. I myself do not hold that view. I believe I have studied the bill with sufficient care, and have discussed it to a sufficient extent with members of the committee so that I am satisfied in my own mind that there is no such intent. But after all this bill—a policy-announcing bill, and not an enabling act, except in certain particulars—still must receive the cooperation of free enterprise in this country if free enterprise is to make it work. After all, that is the group which must make the bill and the future implementing legislation work.

If we are to avoid collectivism as an ultimate result of full government paternalism. I believe that every reasonable and moderate assurance that we can give should be given to free enterprise that their government is not, by insidious means, step by step, moving in to take control of their activities. I believe that the more such assurances we can give, the more we can strengthen the activities which must arise under this bill, and the better we can look forward to its success.

I sincerely hope that the bill will work. I believe that there are many deficiencies in it, beginning with its title, which is a "fooler," a misnomer, so far as its actual purposes are concerned. But I am willing to go along, and I believe that the bill has potential possibilities in connection with its planning provisions if properly administered.

Mr. President, the success or failure of this proposed legislation will depend not

so much on its verbiage, but upon the administrative judgment and the administrative progress which is made when it once goes into effect.

It is the administration of the legislation and not the words contained in it, which will measure its success.

It is for that reason that I offer this amendment, only to emphasize to the free American people, in a time of economic and social confusion at the close of this great war, and on the verge of a reconstruction period, that we propose to encourage free enterprise by some rather strong assurances and statements that its own Government does not design, either by this bill or as a policy, to move in and take over the control of competitive private enterprise or the investment of private capital in an expanding economy.

I thank the Senator from Wyoming for yielding to me.

Mr. O'MAHOONEY. Mr. President, I was very glad to hear the Senator from Iowa say that from his own reading of the bill he was satisfied that there was nothing contained in it which would sustain the apprehension expressed by some that this is a measure designed to permit the Government to take over private enterprise. Great care has been exercised in drafting the bill, to make it clear that its primary purpose is to make the free enterprise system work. Its primary purpose is to set up an agency of government in the executive branch which will cooperate with a joint committee in the legislative branch to stimulate the investment of private capital in the encouragement of free enterprise. In view of the clear language in which that is stated in the bill, and in view of the primacy which the bill gives to the encouragement of free enterprise, it seems to me unnecessary, by general language such as that in the Senator's amendment, to endanger the activity of of the Federal Government in some very necessary enterprises.

The Senator from Iowa referred to rural electrification. The rural electrification program was resisted on this floor on the ground that it was in competition with private enterprise. Now we know that the rural electrification program has done more to encourage private enterprise than many things which had been accomplished up to that time.

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

Mr. O'MAHOONEY. I yield.

Mr. HICKENLOOPER. I cannot recall the language of the REA Act. I ask the Senator if it is not true that the REA Act itself specifically provides that the REA activities shall not enter into direct competition with existing privately owned power lines. Is not that true? I will say to the Senator that it is my recollection that it is, but I would not wish to make the flat statement.

Mr. O'MAHOONEY. I do not remember the language to which the Senator refers, but I do know very well that REA has established rural electrification projects in areas in which private projects had previously operated ineffectively. The result of the institution of rural electrification projects has been not only greatly to assist farms and local busi-



nesses, but even to assist many of the private enterprises which had been operating inadequately before.

The Senator referred to reclamation. The reclamation projects upon which the entire West depends, projects for which Senators on both sides of the aisle fought so vigorously when the flood control bill was under consideration in the last session of Congress, are supported by public power projects, by the manufacture of power under the Bureau of Reclamation. Every one of those projects would come under the ban of this amendment.

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

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. Would it not also not only be possible, but almost certain, that this amendment would be construed as declaring a policy which would ban any further TVA development because it comes in competition with private enterprise and private investment? Would it not also be interpreted as declaring against the policy which we adopted within the past 2 or 3 weeks, to expend Federal money in the building of airports all over the Nation for the accommodation of travel, which airports come in competition with railroads, busses, and other forms of transportation? How can this general language be interpreted otherwise than as indicating a policy which bans all those things because they come in competition with private investment, although the Government has already embarked upon them wherever thought necessary?

Mr. O'MAHONEY. I am glad that the Senator has made reference to the airport bill. I was about to call attention to it myself.

Mr. BARKLEY. Is it not true that subsection (a) of section 6 of the bill is all that is really needed in order to guarantee that the Government is not going to engage in competition with private productive enterprise? That language reads as follows:

Nothing contained herein shall be construed as directing or authorizing—

(a) the operation of plants, factories, or other productive facilities by the Federal Government.

Mr. O'MAHONEY. The purpose of that provision was to carry the reassurance the Senator from Iowa is requesting.

Mr. BARKLEY. And it is more specific than the amendment which he offers.

Mr. O'MAHONEY. It is more specific. I feel that the language offered by the Senator from Iowa is so general in its effect that it would be an extremely dangerous amendment to adopt. I hope it will not be approved.

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

Mr. O'MAHONEY. I have finished.

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

The PRESIDENT pro tempore. The Senator from Iowa was first on his feet, and he is now recognized.

Mr. HICKENLOOPER. Mr. President, I should like to address a question to the Senator from Kentucky. The Senator referred to section 6, which says:

Nothing contained herein shall be construed as directing or authorizing—

(a) the operation of plants, factories, or other productive facilities by the Federal Government—

And so forth. In the discussion which the Senator from Kentucky had with the Senator from Wyoming, the Senator from Kentucky indicated that we have already done all that will be needed to give this assurance. I ask the Senator from Kentucky if he interprets section 6 as being a general prohibition against having the Government enter the field of private enterprise.

Mr. BARKLEY. I think it is a more specific prohibition than the language of the Senator's own amendment, because it sets out specifically and in very clear language a declaration that—

Nothing contained herein shall be construed as directing or authorizing—

(a) The operation of plants, factories, or other productive facilities by the Federal Government—

So, Mr. President, if that does not operate as a prohibition against doing anything of the sort under this proposed legislation, I do not know how to construe it.

Mr. HICKENLOOPER. —Mr. President, I have given considerable thought to section 6. I have heard it discussed from all standpoints. I have come to the conclusion that all section 6 means is merely a statement that the bill does not go so far as to authorize the operation of such plants. It is not a prohibition against the Government going into such activities, but it is merely a statement that the Government will not attempt to go that far in this program.

Mr. BARKLEY. Mr. President, the amendment ties specifically into subsection (a) of section 2, which says:

It is the responsibility of the Federal Government to foster free competitive private enterprise and the enforcement of private capital.

Then it goes on to say, Mr. President, that in furtherance of that responsibility the Federal Government should not pursue a policy of engaging in commercial activities in competition with free competitive private enterprise or the investment of private capital. So, tied into subsection (a) of section 2, the amendment is also limited to the provisions of the bill, and I do not think it is as strong as subsection (a) of section 6, which specifically prohibits the construction of this bill as authorizing its use for any purpose outlined in the amendment offered by the Senator.

Mr. HICKENLOOPER. Mr. President, if that is the case, I submit that if my amendment is not as strong a prohibition as the one contained in section 6, it certainly will not limit the bill in any greater way or, as alleged, hurt the bill.

Mr. BARKLEY. Of course, Mr. President, I probably should have said that it would not be so well adapted even to accomplish the same purpose, because if it is not as strong as the language contained in section 6, it certainly is not needed. If it is not as strong, it is encompassed within the prohibition contained in subsection (a) of section 6, and therefore is redundant. If the amend-

ment is intended to mean that by this bill we are declaring a general policy that the Federal Government cannot engage in any activities similar to those in which it is now engaged, such as public improvements, the building of airports, the building of dams upon our rivers so as to control floods and incidentally create power, and the establishment of Rural Electrification Administration organizations and other similar projects, certainly it should not be adopted because it is not the intention of Congress, I am sure, to declare a policy which would be construed as preventing the Government from doing the things it is now doing, things which private capital has not done and cannot do, as I view the possibilities for the investment of private capital.

Mr. DOWNEY and Mr. AIKEN addressed the Chair.

Mr. BARKLEY. I yield, if I have the floor.

The PRESIDENT pro tempore. The Senator from Kentucky does not have the floor. The Senator from Iowa had the floor and he gave it up. The Senator from California has first addressed the Chair, and he is recognized.

Mr. DOWNEY. Mr. President, as I have listened to the arguments on this bill in the last few days and as I listened to the hearings before the Committee on Banking and Currency, I have agreed with the distinguished majority leader that, the pending measure is a most emasculated instrumentality for the purpose of maintaining full employment and indeed for preserving our very civilization. We have already watered down the bill until it does not amount to very much. I hope the proposed amendment will not be used to further weaken it.

I am not, however, very much concerned about the amendment offered by the distinguished Senator from Iowa, because when the tremendous impact of coming events strikes us, and our hearts and homes, we in the Congress and Government of the United States are going to do everything that is necessary to be done to preserve our lives and existence. But I do wish we had the power to project ourselves forward 20 years and to place ourselves in the position of historians of that time who will review this argument. I say "historians who will review this argument," assuming that any such are then in existence, and that is a very real question, because if we can believe authoritative sources, fantastic and incredible as is the story of the bomb that destroyed Hiroshima, we already have bombs from atomic power many times more destructive than that bomb. Indeed I believe we already possess power by which we may readily destroy all civilization including ourselves.

Mr. President, I am one who has announced my belief that the only hope of preserving civilization is to perfect an international organization and turn over to it control of atomic bombs and atomic power. Many Members of the Senate, perhaps a large majority, will disagree, but I feel that every Member of the Senate must and will agree that with the dreadful, fearful power of atomic energy, so fantastic that it is incredible, our Government must control atomic



bombs in the United States. If our Government does that, it must control all atomic energy. I see no escape from that conclusion.

Mr. Pr sident, let us not be misled by those who tell us that the use of atomic energy for commercial purposes will not occur until 10 or 20 years from now. That is not so. Assuming continued peace, commercial use of atomic energy will be developed in the world within far less than 20 years. If great interests in the United States, to preserve the value of coal mines, petroleum, railroads, and hydropower plants, endeavor to hold back the development of atomic power, of course, Europe and Russia will move away from us, and we would rapidly become a fifth-rate power.

I, for one, Mr. Pr sident, am not willing to fetter, even by innocuous declarations, the hands of our Government and of our Congress by saying, for instance, in regard to atomic energy that the Government could not sell it in competition with petroleum or coal mines or electrical power. I think such a declaration, in this the most dynamic era of all time, is short-sighted and futile, and only blinds us to coming events which will test our courage, tolerance, and wisdom, as well as our democratic institutions, to the utmost limits.

Mr. Pr sident, there may be Senators present who would say, "Yes; atomic energy is a dreadful, fearful power which may destroy all our cities, homes, and civilization, but we must turn it over to DuPont, General Motors, or other corporations or individuals for private exploitation. But I am sure our people will say that this power, dreadful for evil, imperial for good, must be used by the Government of the United States for our own people and those of all the world; that it must be used for the common good everywhere, even though it brings our Government into competition with private business.

I make no pretensions to clairvoyant powers or ability to prophesy, so I am unable to say what will happen in relation to these tremendous changes that are upon us. I am glad that the distinguished senior Senator from Michigan [Mr. VANDENBERG] is pressing his resolution to investigate this subject and God guide him and the President and anyone else who must assume responsibility to deal with this dangerous and difficult subject.

Mr. Pr sident, I am not speaking with this vehemence because I am worried about this amendment. When the day of action, and the day of reckoning comes, we Senators will do what we believe should be done, and we will not be fettered by any words which would prevent us from disposing of atomic power to factories or to towns or cities by the Federal Government, whatever seems to be best for us, even though our Government might then come into competition with coal and electric power, and adversely affect the banks and insurance companies whose interest largely rests upon existing values and equities.

Mr. Pr sident, I for one regret that this dreadful power is now reposing in the hands of mankind. We are like children playing with dreadful toys which may

destroy us overnight. I do not believe there is any use in minimizing the danger in which we stand. And neither do I believe there is much use in proceeding to weaken by amendment the bill which is now pending, and I for one intend to vote against the amendment which is now before the Senate.

Mr. AIKEN. Mr. Pr sident, I wish to protest with all the emphasis at my command against the adoption of the amendment offered by the Senator from Iowa. To adopt it would be the same as saying that our Government cannot appropriate money for highways, for the improvement of waterways, or for the construction of airports. I believe that every Member of the Senate was besieged by lobbyists at one time or another during this year who urged us not to vote money for highways, or waterways, and other things which are absolutely necessary to the welfare of the country. If we followed the requests which have been made of us we would be unable to construct REA lines or do anything of that nature. I wish to protest with all the vigor at my command against agreeing to the pending amendment.

Mr. MURRAY. Mr. Pr sident, among other things which the amendment would dispose of would be the Senate restaurant, and then we could not obtain any more bean soup. [Laughter.]

Mr. LANGER. Mr. Pr sident, on this question I ask for the yeas and nays.

The yeas and nays were not ordered. Mr. HICKENLOOPER obtained the floor.

Mr. MURRAY. Mr. Pr sident, this is a very important matter.

The PRESIDENT pro tempore. The Senator from Iowa has been recognized.

Mr. BARKLEY. It will save no time by not ordering the yeas and nays, because any Senator may immediately suggest the absence of a quorum.

Mr. HICKENLOOPER. Mr. Pr sident, I wish to say that I am rather surprised to find that the pending amendment is the neutralizer of the atomic bomb. I think that perhaps it will be viewed with only a grain of encouragement by nations which have been striving to find a defense against the atomic bomb. To say that this amendment, in the language in which it is couched, would prevent governmental activities is to make a statement which is not true.

The pending bill is of a policy-making nature. It is a policy-announcing bill. All the pending amendment does is to declare that the general policy of the Government is not to go into private business. By no stretch of the imagination, in my opinion, can it be said that the amendment would preclude construction of REA lines, highways, power dams, reclamation projects, or other public works. I think that any argument in that direction is specious and without foundation.

Mr. AIKEN. Mr. Pr sident, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. Is it not a fact that a representative of the railroad brotherhoods appeared before the committee and protested against any bill the language of which would permit money to

be used for the construction of highways?

Mr. HICKENLOOPER. If that be true, I can only say that I was not present at the session of the committee at which the person to whom the Senator from Vermont refers appeared.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER] on page 12, in line 22.

Mr. AIKEN. I suggest the absence of a quorum.

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

The legislative clerk called the roll, and the following Senators answered to their names.

Aiken	Hickenlooper	Overton
Bailey	Hill	Radcliffe
Ball	Hoey	Reed
Bankhead	Johnson, Colo.	Revercomb
Barkley	Johnston, S. C.	Robertson
Briggs	Kilgore	Russell
Brooks	Knowland	Saltonstall
Buck	La Follette	Shipstead
Burton	Langer	Smith
Butler	Lucas	Stewart
Byrd	McCarran	Taft
Capehart	McClellan	Taylor
Capper	McFarland	Thomas, Okla.
Carville	McKellar	Tobey
Chavez	McMahon	Tunnell
Connally	Magnuson	Tydings
Cordon	Maybank	Vandenberg
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Ellender	Mitchell	Wheeler
Ferguson	Moore	Wherry
Fulbright	Morse	Wiley
Gerry	Murdock	Willis
Green	Murray	Wilson
Gurney	Myers	Young
Hawkes	O'Daniel	
Hayden	O'Mahoney	

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER].

Mr. AIKEN. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. HATCH's name was called). The Senator from New Mexico [Mr. HATCH] is necessarily absent on important official business. If present he would vote "nay."

The roll call was concluded.

Mr. MYERS. The senior Senator from Pennsylvania [Mr. GUFFEY] is absent on official business. If present he would vote "nay."

Mr. HILL. The senior Senator from Mississippi [Mr. BILBO] is absent on important public business at the War Department.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Kentucky [Mr. CHANDLER] are detained on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] are absent on official business.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN] is absent because of illness. I am advised that if present he would vote "yea."



The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Maine [Mr. BREWSTER] and the Senator from Connecticut [Mr. HART] are necessarily absent.

The result was announced—yeas 30, nays 49, as follows:

## YEAS—30

Bailey	Ferguson	Revercomb
Ball	Gerry	Robertson
Brooks	Gurney	Smith
Buck	Hawkes	Taft
Burton	Hickenlooper	Tydings
Butler	Millikin	Vandenberg
Byrd	Moore	Wherry
Capehart	O'Daniel	Wiley
Capper	Radcliffe	Willis
Cordon	Reed	Wilson

## NAYS—49

Aiken	Kilgore	Myers
Bankhead	Knowland	O'Mahoney
Barkley	La Follette	Overton
Briggs	Langer	Russell
Carville	Lucas	Saltonstall
Chavez	McCarran	Shipstead
Connally	McClellan	Stewart
Donnell	McFarland	Taylor
Downey	McKellar	Thomas, Okla.
Ellender	McMahon	Tobey
Fulbright	Magnuson	Tunnell
Green	Maybank	Wagner
Hayden	Mead	Walsh
Hill	Mitchell	Wheeler
Hoey	Morse	Young
Johnson, Colo.	Murdock	
Johnston, S. C.	Murray	

## NOT VOTING—17

Andrews	Chandler	Hatch
Austin	Eastland	Pepper
Bilbo	George	Thomas, Idaho
Brewster	Glass	Thomas, Utah
Bridges	Guffey	White
Bushfield	Hart	

So Mr. HICKENLOOPER's amendment was rejected.

Mr. HICKENLOOPER obtained the floor.

Mr. WILEY. Will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. WILEY. Mr. President, I had prepared some remarks on the bill which we have been discussing for the last few days, but I feel we have had enough talk on it, so I ask unanimous consent to have my remarks printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Iowa has the floor.

Mr. CONNALLY. Mr. President, reserving the right to object, let me ask the Senator from Wisconsin if he expects this matter to appear as a speech, or as a memorandum or statement.

Mr. WILEY. It will be printed as ordered by the President of the Senate.

Mr. CONNALLY. After the Senator gets consent.

Mr. WILEY. I understood I had gotten consent.

Mr. CONNALLY. No; I had a right to object, and I rose and addressed the Chair as loud as I could.

The PRESIDENT pro tempore. Of course, if the Senator from Texas was on his feet and asking recognition, he is entitled to have a reconsideration of the order.

Mr. CONNALLY. All I can do is address the Chair.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. CONNALLY. There is objection until I find out about it.

The PRESIDENT pro tempore. There is objection. The Senator may proceed.

Mr. CONNALLY. I have no objection to the Senator having his material printed in the RECORD in the form of a statement or memorandum, but I shall have to object if he puts it in as if he delivered it on the floor of the Senate.

Mr. WILEY. I understand, Mr. President, that my request was in accordance with the rule. I do not want any violation of the rule by myself. Of course, the statement will not be printed as a speech, it will be printed, as I requested, as a statement, and I am sure that there is no necessity for any objection to that.

The PRESIDENT pro tempore. Is there objection?

Mr. CONNALLY. I make no objection if it appears as a statement and not as having been delivered on the floor.

Mr. WILEY. Mr. President, I am familiar with the rule, and I made no request in violation of the rule.

The PRESIDENT pro tempore. Without objection, the matter will be printed as requested.

The statement is as follows:

## FULL EMPLOYMENT, BUT IN THE AMERICAN WAY

Mr. President, I should like to present my views with regard to the full employment bill, S. 380.

But before I do, may I recall a pertinent quotation from Scripture. This quotation may help to give us that sense of balance, of calm, of reason and judgment which is so badly needed to solve our problems.

The quotation is from I Kings 19: 11 and 12, and it is this:

"And, behold, the Lord passed by, and a great and strong wind rent the mountains, and brake in pieces the rocks before the Lord; but the Lord was not in the wind; and after the wind an earthquake; but the Lord was not in the earthquake:

"And after the earthquake a fire; but the Lord was not in the fire; and after the fire a still small voice."

I emphasize the fact that it was always "the still small voice" which has guided men to the solution of their difficult problems such as this.

## INITIAL SUMMARY

Now, specifically, my position on this bill's various aspects is as follows:

A. Objective: The objective of this bill (promoting full employment in America) is a noble one. It is one with which no American-thinking American will disagree if the means to attain that objective are appropriate.

B. Nature and result: The nature of this particular bill and its possible results have, however, been terribly misrepresented to the American people, not, however, by members of this body.

C. Instrument: The principal instrument (a joint congressional committee) by which this bill will attempt to realize its objective is one which can be very constructive and useful.

D. Psychology: The guiding psychology behind this bill (a psychology of fear and leaning on Government) is dangerous to the American way of life.

E. Financial theory: The financial theory which seems to be behind this bill (that of deficit financing) also violates the American way.

Now, let us briefly consider each of these aspects in the order cited above.

## A. OBJECTIVE

What is the stated objective of this bill? It is as follows:

"To establish a national policy and program for assuring continuing full employment in

a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government."

I have stated that no American-thinking American will disagree with this objective if the means to attain it are seasoned by the Taft, Radcliffe, Hatch, and Tydings amendments.

But I emphasize "American-thinking American." Why do I do so? Because there are American citizens who think and act not in the American way but in the European way, in the Communist way.

This is not mere conjecture or idle hearsay. I personally have heard men say: "When the war is over we will take over the factories." They had deep convictions on that subject.

Now, where did they get those convictions, those ideas? Who fostered them? What agencies and organizations fed into the minds of the workers that forceful expropriation of other people's property was a solution to the problem of unemployment—to bettering their way of life?

But a few months ago, after the German surrender in northern Italy, we saw the workers attempt to take over the factories. Then, lacking management "know-how," lacking materials, lacking credit, they returned them to the owners.

Crimes are often committed in the name of liberty. But as shown above, crimes can also be committed in the name of a false way of life.

No "American-thinking American" wants that to happen here.

I, for one, want all of my countrymen who are ready, willing, and able to work to have gainful, rewarding work in the American way. I want them to be employed at a living wage and at ever higher standards of living. I want their initiative and their diligence to be well compensated. But, above all, I want unhampered the American initiative to create wealth and jobs, to sustain the Republic. "Leaning on others" never built this great Nation. It was the ingrained, innate, self-reliance and creative energy that did the war job and made us the leaders of freemen among the nations of earth.

The much-discussed thoughts of bread lines, of doles, of apples being sold on street corners by veterans, are as completely objectionable to me as these thoughts are to everyone of my colleagues and to every right-thinking American.

Well, how are we going to assure against these conditions? This brings us to the nature of this bill which is supposed to insure full employment.

## B. NATURE

Just what does this bill provide?

Sections 1 and 2 state the title and aims of the bill.

Sections 3 and 4 provide for a national production and employment budget to be prepared by the President, with the advice of various groups and to be transmitted to Congress.

Section 5 provides for a Joint Congressional Committee on the Budget consisting of 15 Members of the House and 15 Members of the Senate who will make a continuing study of the national budget.

Section 6 is an interpretation of the provisions of the bill which is designed to antidote some of the fears which have grown up because of this bill.

That is the sum and substance of this bill.

But that is not what has been told to the country. This bill has been presented as a panacea which will cure every employment problem in every community. It has been represented as guaranteeing a job of his own choosing to every worker. The Senator from Wyoming did a fine job yesterday. He definitely stated it was not a panacea, not a guaranty.

This bill has been sold, oversold, publicized, and ballyhooed to the extent that part of the



public has almost gotten to believe that the millennium will be legislated into existence once this bill has passed. This debate has cleared up much misapprehension.

When will we awaken from the mesmeric spell that we can by legislation alone cure economic ills, moral ills, and war. Political paternalism breeds individual weakness and lack of stamina—the very stuff which makes for unemployment.

Let us all be fair and admit that there has been misrepresentation on both sides of this bill. One group has held it to be a universal panacea and the other group has held it to be an unmitigated evil.

Actually the bill is neither. It contains at least one constructive feature. Let it be known—

It does not authorize the expenditure of a single nickel.

It does not authorize the President to do anything which he cannot do on his own initiative now.

It does not create a single job except for the staff of the proposed joint congressional committee.

It does instruct the President to report out a production and employment budget.

#### C. THE INSTRUMENT

Having seen the nature of this bill, let us look at the instruments which it sets up to achieve its objectives.

One of these instruments, of course, is the proposed new "National Production and Employment Budget" which is supposed to predict many months in advance—

1. The total of employment opportunities, production, and investment which are necessary for full employment;

2. These three items as they are actually expected to be; and

3. A program which will make sure that the totals that are necessary and the totals that are expected may be brought together so as to coincide.

All of these calculations are, of course, so difficult to make accurately as to be almost impossible. Who can predict all the variations in the human equation a full year in advance? Moreover, who can foresee the effect of the President making these predictions upon the state of mind of the Nation—its confidence, its energy?

Mr. President, my purpose here is to be constructive and I want to call attention to another instrument planned by this bill which could have an entirely beneficial result.

That instrument is the proposed Joint Congressional Committee on the National Budget. If this new joint committee were to work with the Joint Committee on Internal Revenue in limiting Government spending, in balancing income with outgo, in insuring an equitable tax system, in encouraging private enterprise, in siphoning out public works in accordance with the Taft-Radcliffe amendments, it might help to resurrect that dormant spirit of faith and confidence which is so essential to American prosperity.

If, on the other hand, this new committee became just one more funnel for a lot of synthetic thinking (aimed at deficit spending, at an increase in the Federal bureaucracy, etc.), then this committee would be one more instrument impairing our American way of life.

I would want this new committee to work in the American way rather than against it.

In the Seventy-eighth Congress, on January 21, 1943, I introduced Senate Resolution 3 to create a Joint Committee on the Budget. Again in this Congress I introduced Senate Concurrent Resolution 29 on September 10, 1945, in order to create this same joint committee. Needless to say, if the sound objectives which I have indicated above and which I stated in Senate resolution 3 of the Seventy-eighth Congress and Senate Concurrent Res-

olution 29 of the Seventy-ninth Congress were to be achieved by the joint committee proposed by Senate bill 380, I would be indeed proud and happy and would not care in the slightest that my own particular bill for these objectives had not been enacted. But as I have said, the test of the new committee will be in the actual work that it does. Its findings, however, will have to be siphoned through a standing committee. That's a real check and balance.

These, then, are the instruments proposed under Senate bill 380 and the varying results that they may have—good and evil, depending on how they are utilized.

#### D. PSYCHOLOGY

Unfortunately the results which may be predicted under this bill are not enheartening. That is because the psychology behind this bill is a fear psychology. It is apparently based on distrust in the American system of private enterprise. It promotes anxiety, doubt, and fear in the American people about the true effectiveness of our American system.

Our late President said that the only thing we had to fear is fear itself. Why then is fear injected into the American people to the effect that depressions are certain unless this bill is passed? Medical science has shown what fear does to an individual. It strains the heart, it stops digestion, in some cases it is so harmful as even to cause death. Well, our country is made up of individuals and to inject them with fear may do as much damage to our system as it would do to an individual.

But not only is the psychology of fear stimulated by some of the proponents of this bill, but the psychology of leaning on Government is stimulated. Our people are encouraged to believe that this bill and similar bills can change economic laws and in effect can legislate the millennium into existence.

Those possibilities are obviously completely false. It is my hope and my earnest belief that our people have enough horse sense and will come to know that this bill, with its glittering generalities and objectives, with its pious pronouncements, with its theories, with its fanciful statistics, does not legislate jobs into being or appropriate one cent for that purpose.

#### E. FINANCIAL THEORY

The most crucial part of this bill is, of course, its underlying financial theory. That theory is one of deficit financing. Throughout the years of the New Deal this theory has been called compensatory spending, pump priming, and any other innocuous title that could be thought up. But the principle is always the same—the Government spends more than it takes in.

In 1932 the Democratic administration was elected on the promises of balancing the Budget, reducing Government expenditures, curtailing the bureaucracies, and other similar economy measures.

Yet, in 7 years of the New Deal, 1933–1940, we incurred a deficit of \$22,000,000,000, or an average of over \$3,000,000,000 for every year. In spite of that enormous deficit spending, we had an average of 20,000,000 persons on relief through those 7 years. Obviously deficit spending was not the answer to unemployment. Why then is it presented now as the answer to unemployment? Why then is it presented now as the key to the door of prosperity when it will have even more harmful effects than before in view of our approaching \$300,000,000,000 of national indebtedness?

Now let me make my position clear. I recognize the obligation of Government—which is the agent of the people—to so act in an emergency that it will do whatever is necessary to alleviate economic maladjustment and economic ills. Therefore, there are occasions when deficit spending is appropriate. The war exemplifies that. But when the Government goes into deficit

financing as a planned and continuous program, then there is double responsibility upon us to inquire:

(a) Whether the situation requires same.

(b) Whether deficit spending will not cause more harm than good.

With reference to (a), it is obvious that the situation now and in the foreseeable future does not require deficit spending. Private industry is ready to go on all-out production if it can get materials and labor. The cities and the States are ready to go, especially if they find that any unemployment is imminent. Our people have accumulated savings of over \$140,000,000,000 and have an enormous backlog of demand for housing, household appliances, autos, farm machinery, and the like. There will be a tremendous demand to recondition our railroads, to increase air transportation facilities, and such. Why, then, should we lose our heads in a wild rush to meet the directives of the deficit spenders? Why should we put the Federal Government into competition with the States and the cities in building public works, when, instead, the Federal Government projects should be held back on the shelf to meet any labor slack that may occur in spite of the efforts of private enterprise, our States, and our cities to prevent it.

With reference to (b), it is obvious that deficit financing now and in the foreseeable future will do more harm than good. It will bring us still further to the brink of inflation. It will peril the solvency of our \$300,000,000,000 of national indebtedness held by our banks, our insurance companies, our trust companies, our corporations, and by individuals. In placing these bonds in jeopardy, deficit spending will strike at the very heart of the American way and of the well-being of the American family.

#### CONCLUSIONS

And so it is obvious that if we would have true full employment and if we would retain our liberty and individual security, we must proceed to get that full employment in the American way.

Now, how are we going to do this?

I submit the following proposals:

#### 1. GET GOVERNMENT OUT OF BUSINESS AND GET BUSINESS INTO GOVERNMENT

Smash the bureaucratic stranglehold which has throttled American business. Free business of the shackles of Washington dictates. Free Government of the wild-eyed spender, the blank-minded lender, the foreign-minded schemer, the irresponsible dreamer who have plagued industry, labor, and agriculture.

#### 2. ENCOURAGE THE MEN WHO CREATE WEALTH, WHO CREATE JOBS

Give them the tax incentives to produce. Take the brakes off the activity of the men of enterprise, the men of vision, the men of courage. Give them the go ahead to expand, to build, to develop.

#### 3. MEET THIS CRITICAL LABOR SITUATION HEAD-ON

While we are talking here in the Senate about this bill, irresponsible labor leaders are sabotaging the very life of this Nation. Meet their challenge head-on. Smash the lawlessness, the will-to-violence of these men who are driving the great mass of honest American workers to ruin.

Ask the labor leaders that they come forth with a bill which will constructively produce work and jobs.

Put an end to the kind of situation such as occurred recently in Detroit. Eleven men were fired as a result of bodily injury being done to a foreman. After an appeal to the appropriate Government board, 7 of the 11 men were reinstated. One of the remaining 4 had left the State. Because the last 3 were not reinstated, several thousand men struck in one plant. And as a further result of their striking, 50,000 men in a Ford plant were forced out of work because materials were unavailable. If labor leaders will not



join in framing such a bill, then let this body initiate legislation which will protect the public interest by making violators responsible to law. How much longer will we tarry?

4. RESURRECT THE SENSE OF INITIATIVE IN MEN, THEIR DILIGENCE, THEIR CONFIDENCE, RATHER THAN IMPLANTING IN THEM THE DEFEATISM THAT GOVERNMENT BUREAUCRATS CAN REBUILD AMERICA

This is the planning America needs. By diligence, the Nation's house was builded. By diligence it will continue to be built. Plan constructively Federal projects and siphon them in as needed, keeping ever in mind the people's savings in the \$300,000,000,000 of bonds, make the Budget committee work, as I have indicated, and "well done" will be the verdict of our people. Put an end to Federal paternalism. Restore in men their desire to rise by their own efforts—work, industry, thrift, collaboration.

These, then, are the ways by which we will achieve full employment—in the American way.

Mr. HICKENLOOPER. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 14, line 8, in subdivision (1) of section 2 (d) before the word "stimulate" it is proposed to insert the following: "avoid unnecessary governmental restrictions and by other means."

Mr. HICKENLOOPER. Mr. President, I propose to insert the words of the amendment in line 8, on page 14, after (1) and before the word "stimulate." I propose to add the words "avoid unnecessary governmental restrictions and by other means," which would make the last sentence of the paragraph beginning in line 6, together with the following paragraph, as I would amend it, read as follows:

Such program shall, among other things—  
(1) avoid unnecessary governmental restrictions and by other means stimulate, encourage, and assist private enterprise to provide—

And so forth. I call the Senate's attention to the fact that the amendment contains the words "unnecessary governmental restrictions." It appeals to me, Mr. President, that there could be very little objection to that language. I think it is quite generally felt that there is a growing fear of governmental restrictions.

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

Mr. HICKENLOOPER. I yield.

Mr. TOBEY. What tribunal is going to decide what are "unnecessary governmental restrictions"? Where does the responsibility lie to determine the equation?

Mr. HICKENLOOPER. I will say to the Senator from New Hampshire that this bill is full of uncertainties and nebulous statements of policy.

Mr. TOBEY. If we were to grant that to be true, would the Senator add one more to it, and have that procedure continued ad infinitum?

Mr. HICKENLOOPER. I think we need to add that fundamental, and I think it is highly necessary that unnecessary governmental restrictions be avoided in this period.

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

Mr. HICKENLOOPER. I yield.

Mr. MURRAY. I am glad the Senator feels so happy. The sponsors of the bill, however, are opposed to the amendment. It is absolutely uncalled for and unnecessary. It is assumed that this is a bill against private industry whereas it is a bill to stimulate, encourage, and assist private industry. I do not think the amendment is offered with any intention to help the bill at all. It is offered, I think, for the sole purpose of casting an insinuation against the bill which is not justified by its provisions as a whole.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, may I ask the Senator from Montana a question? Is the Senator from Montana in favor of maintaining unnecessary governmental restrictions in connection with business and industry in this country?

Mr. MURRAY. To what unnecessary restrictions does the Senator have reference?

Mr. HICKENLOOPER. They run all through our governmental regulations. It would take volumes to publish them. The lists are so long that they almost defy belief. I would not undertake to start stating what are the unnecessary governmental restrictions.

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

Mr. HICKENLOOPER. Before I yield to the Senator from Kentucky, I again ask the Senator from Montana: Does he care to answer my question? Does he want to leave any unnecessary restrictions in this country?

Mr. MURRAY. I challenge that statement. There is absolutely nothing in the bill that involves any restrictions, unnecessary or necessary. The bill is designed to assist private industry to maintain production and full employment, and the amendment is totally unnecessary. It does not mean anything. It could not accomplish anything except to confuse the issue.

Mr. HICKENLOOPER. Mr. President, I again ask if the Senator from Montana cares to answer my question? If he would rather not, I shall pursue the question no further.

I will now yield to the Senator from Kentucky.

Mr. MURRAY. Mr. President, I answered the question. I cannot give the Senator understanding. If the Senator does not understand the answer I have given, it is not my fault.

Mr. HICKENLOOPER. I admit I am somewhat confused by the Senator's answer.

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

Mr. HICKENLOOPER. I ought to yield to the Senator from Kentucky first.

Mr. BARKLEY. Mr. President, I have changed my mind, and do not wish the Senator to yield to me.

Mr. GURNEY. Mr. President, will the Senator now yield to me?

Mr. HICKENLOOPER. I yield.

Mr. GURNEY. I was somewhat in doubt and have been for quite a while

respecting the whole bill, but if the Senate refuses to adopt this amendment I can be sure my people back home will compliment me in voting against the whole bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER]. [Putting the question.] The Chair is in doubt.

Mr. AIKEN and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. Hatch's name was called). The Senator from New Mexico [Mr. HATCH] is necessarily absent on important official business. If present he would vote "nay."

The roll call was concluded.

Mr. MYERS. The senior Senator from Pennsylvania [Mr. GUFFEY] is absent on official business. If present he would vote "nay."

Mr. HILL. The senior Senator from Mississippi [Mr. BILBO] is absent on important public business at the War Department.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Kentucky [Mr. CHANDLER], and the Senator from Arkansas [Mr. FULBRIGHT] are detained on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are absent on official business.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN] is absent because of illness. I am advised that if present he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Maine [Mr. BREWSTER] and the Senator from Connecticut [Mr. HART] are necessarily absent.

The result was announced—yeas 35, nays 44, as follows:

YEAS—35

Bailey	Gurney	Robertson
Ball	Hawkes	Saltonstall
Brooks	Hickenlooper	Smith
Buck	Langer	Taft
Burton	McClellan	Tydings
Butler	Millikin	Vandenberg
Byrd	Moore	Wherry
Capehart	O'Daniel	Wiley
Capper	Overton	Willis
Cordon	Radcliffe	Wilson
Ferguson	Reed	Young
Gerry	Revercomb	

NAYS—44

Aiken	Johnson, Colo.	Murdock
Bankhead	Johnston, S. C.	Murray
Barkley	Kilgore	Myers
Briggs	Knowland	O'Mahoney
Carville	La Follette	Russell
Chavez	Lucas	Shipstead
Connally	McCarran	Stewart
Donnell	McFarland	Taylor
Downey	McKellar	Thomas, Okla.
Ellender	McMahon	Tobey
George	Magnuson	Tunnell
Green	Maybank	Wagner
Hayden	Mead	Walsh
Hill	Mitchell	Wheeler
Hoey	Morse	



## NOT VOTING—17

Andrews	Chandler	Hatch
Austin	Eastland	Pepper
Bilbo	Fulbright	Thomas, Idaho
Brewster	Glass	Thomas, Utah
Bridges	Guffey	White
Bushfield	Hart	

So Mr. HICKENLOOPER'S amendment was rejected.

The PRESIDENT pro tempore. The committee amendment is before the Senate and open to further amendment.

Mr. MILLIKIN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 13, line 13, after the word "responsibility", it is proposed to insert a comma and the words "consistent with the needs and obligations of the Federal Government and other essential considerations of national policy."

Mr. MILLIKIN. Mr. President, the effect of the amendment in line 13 on page 13 would be to make the language read, beginning with the words "the Federal Government," in line 17, as follows:

The Federal Government has the responsibility, consistent with the needs and obligations of the Federal Government and other essential considerations of national policy, to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

The purpose of the amendment is to bring the language of that part of the bill into conformity with the language, as amended, on page 14, in subclause (d) (4). We have been all over it and argued it. The amendment was agreed to for similar language there, and I assume that there is no need for extended argument.

Mr. OVERTON. Mr. President, will the Senator kindly read the text?

Mr. MILLIKIN. Starting in line 17 on page 13, the language, as proposed to be amended, would read:

The Federal Government has the responsibility, consistent with the needs and obligations of the Federal Government and other essential considerations of national policy, to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

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

Mr. MILLIKIN. I yield.

Mr. TYDINGS. I do not think the Senator caught it, but immediately after the adoption of the Hatch amendment, as I recall, I offered an amendment in that section which the Senator did not include in the reading of the language as he proposes to amend it. The amendment which I offered was to insert, in line 18, after the words "responsibility", the words "with the assistance and concerted efforts of industry, agriculture, and labor, and State and local governments," so that the language would read:

The Federal Government has the responsibility, with the assistance and concerted efforts of industry, agriculture, and labor, and State and local governments—

And so forth. The reason that amendment was offered is obvious, because it was the one place in the bill where it seemed that no one except the Federal Government had any responsibility to make jobs.

Mr. MILLIKIN. Then I will modify my own amendment so that the consistency clause will begin immediately after the Senator's amendment, adding the word "and" at the beginning of the amendment as I have offered it.

Mr. TYDINGS. How would the language then read?

The PRESIDENT pro tempore. The language will be stated by the clerk.

The LEGISLATIVE CLERK. On page 13, line 17, after the comma, the language would read:

The Federal Government has the responsibility, with the assistance and concerted efforts of industry, agriculture, and labor, and State and local governments, and consistent with the needs and obligations of the Federal Government and other essential considerations of national policy, to assure continuing full employment, that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN].

Mr. MURRAY. Mr. President, the language which the Senator from Colorado is attempting to insert at this point has already been included in the amendment proposed by the Senator from New Mexico [Mr. HATCH], which has been adopted. This is a mere repetition of the language in the amendment of the Senator from New Mexico. It is totally unnecessary. It confuses and makes the section more vague than it should be.

Mr. MILLIKIN. Mr. President, the purpose of the amendment is to bring the language into conformity with the amendment of the Senator from New Mexico.

Mr. MORSE. Mr. President, I should like to ask the Senator if his language is identical with the language of the Hatch amendment.

Mr. MILLIKIN. It is identical.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN]. [Putting the question.]

The Chair is in doubt and will request a division.

On a division, Mr. MILLIKIN'S amendment was agreed to.

The PRESIDENT pro tempore. The committee amendment, as amended, is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The

bill having been read the third time, the question is, Shall it pass?

Mr. McCLELLAN. Mr. President—

Mr. TOBEY. I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. McCLELLAN. Mr. President—

The PRESIDENT pro tempore. For what purpose does the Senator rise?

Mr. McCLELLAN. I ask for recognition.

The PRESIDENT pro tempore. For what purpose does the Senator rise?

Mr. McCLELLAN. I wish to discuss the bill.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Arkansas was trying to obtain recognition before the clerk started to call the roll, and he is entitled to it.

Mr. McCLELLAN. Mr. President, I do not wish to take up the time of the Senate. I merely wish to make a brief statement.

I have no objection to that part of the bill contained in sections 3, 4, 5, and 6. I think it is very well that that part of the bill be enacted. I could not support the bill in its original form. A number of amendments have been adopted which tend in some measure to clarify it.

Mr. President, the reason I cannot vote for the measure is that I still believe that by section 2 we are conveying to the people of the Nation an impression that from now on the Federal Government takes over the full responsibility of seeing that there is continuing full employment in this Nation. By that policy, whether we use the word "assure" or the word "guarantee", certainly we shall convey the impression that the Federal Government will guarantee everyone a job at all times.

Mr. President, I certainly am just as strongly in favor of having us do everything we can to promote full employment as anyone here present is. I am just as strongly in favor of fostering free enterprise as anyone else here present is. But I know that if we undertake to guarantee continuous full employment at all times, under any conditions, and if we make that the paramount policy, above all others, it cannot be done except with unlimited deficit spending. I believe that of the two, the risk of some unemployment or a program going all the way on a policy of unlimited deficit spending, the latter course would be more dangerous to this Government than would the former.

I assume there never was a time, unless it is now and during the war period, when there were not some few unemployed persons for some short time.

Mr. President, as to the rest of the program, namely, the plan to have a joint committee to study proposals and to have the President make recommendations respecting these things, that may be well and good. But we have all agreed that there is now no immediate prospect of wholesale unemployment in the near future. If there is, if with the demand for goods and services which exists in this country today and with the purchasing



power which now reposes in the hands of the American people, there is now a threat of immediate unemployment, then, Mr. President, I see no hope of preserving democracy, and the only course which will be left to us will be to go into a state of socialism or communism or some form of totalitarianism whereby the Government itself will assume full responsibility and will provide everyone with a job and, along with that, will also provide direction as to where they shall work and when they shall work and what compensation they shall receive.

Mr. President, with the proposals which have been made from time to time that this Government implement private employment by providing public-works program, I am in thorough accord. I have constantly and consistently supported all such measures. I wish to reserve the right to decide about that when the time comes.

At this time I do not wish to make a committal for the future, without having an opportunity to study the programs when they are submitted and an opportunity to vote on them according to their respective merits and according to the needs which exist at the time.

I know it is said we can still do that under the provisions of the pending bill. Mr. President, I am simply trying to guard against practicing any deception or against committing at this time any act which will mislead the people I represent. I know that under the terms of the bill I would be able to study the programs and decide them on their merits when the time came; but by declaring at this time the policy enunciated in the bill, by declaring it at a time when we should have every reason to expect fair and full employment, and by declaring that we guarantee everyone a job, I would feel that I had made a committal—by voting for section 2 of this bill—to vote for practically any program which might be submitted, if it were submitted under the authorization and direction contained in the bill. If I did not then support and vote for whatever may be proposed, I possibly would be charged with not keeping faith with the policy here announced.

I do not think there is any great emergency existing. I do not think there is any stress which can be put upon us at this hour for the adoption of this legislation. It might be wise legislation a year, 2 years, or 5 years from now. But I am unwilling to make an all-out committal without having the opportunity from time to time, as programs are presented, to study, consider, and weigh them in the light of conditions then existing.

Mr. President, the bill is a better bill than it was when originally introduced. I believe that less violence will be done by the bill in its present form than in the form as reported by the committee to the Senate. I do feel, however, that we are creating the impression that the Congress is giving assurance that this Government will see that everyone is furnished with a job at all times, and that there will never be any unemployment. I cannot subscribe to that policy. I will go as far as I can to preserve our institutions and our system of government. I

am in favor of full employment and the making of expenditures consistent with a sound public policy. I am as strongly in favor of those measures as is any Member of the Senate. But I will not make a committal with reference to circumstances which I cannot foresee. If I should support this bill with section 2 in it, I would feel that I was committing myself to carry out practically any program which may be recommended as to any unemployment situation which might arise. I think we will have plenty of opportunity to act in time when such situations threaten to arise.

It has been difficult to follow all the amendments which have been offered and adopted today and to get their full significance.

I believe the bill as originally drawn, if passed, at least in the form as reported by the committee, would certainly convince the American people that the Government is making assurances—a guaranty which I do not believe it could redeem except by unlimited deficit spending. I think that the true meaning of the bill in the form as originally reported to the Senate was the laying of a foundation for the establishment of a permanent and gigantic WPA.

For the reasons which I have stated, I shall not vote for the bill on its final passage. However, I am glad that the amendments to which I have referred have been agreed to. To a great extent they modify the original form of the bill. I still believe that the bill creates the impression that Congress is guaranteeing to every person in America a job at all times, and I do not believe that is sound public policy, unless we are prepared and willing to spend this country into bankruptcy and change from a democracy into a totalitarian state. That I am not willing to do.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

The yeas and nays having been demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HILL. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Kentucky [Mr. CHANDLER] are detained on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are absent on official business.

I am advised that if present and voting the Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Kentucky [Mr. CHANDLER], and the Senator from Utah [Mr. THOMAS] would vote "yea."

Mr. MYERS. The senior Senator from Pennsylvania [Mr. GUFFEY] is absent on public business. If he were present and voting, he would vote "yea."

Mr. BARKLEY. I make the same announcement which I made previously in regard to the Senator from New Mexico [Mr. HATCH]. If he were present and voting he would vote "yea."

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN] is absent because

of illness. I am advised that if present he would vote "yea."

The Senator from Connecticut [Mr. HART] is necessarily absent. If present he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Idaho [Mr. THOMAS] are absent because of illness.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The result was announced—yeas 71, nays 10, as follows:

Yeas—71		
Aiken	Hayden	Overton
Bailey	Hickenlooper	Radcliffe
Ball	Hill	Reed
Bankhead	Hoey	Revercomb
Barkley	Johnson, Colo.	Russell
Bilbo	Johnston, S. C.	Saltonstall
Briggs	Kilgore	Shipstead
Brooks	Knowland	Smith
Burton	La Follette	Stewart
Butler	Langer	Taft
Capehart	Lucas	Taylor
Capper	McCarran	Thomas, Okla.
Carville	McFarland	Tobey
Chavez	McKellar	Tunnell
Connally	McMahon	Tydings
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Ellender	Mitchell	Wheeler
Ferguson	Morse	Wiley
Fulbright	Murdock	Willis
George	Murray	Wilson
Green	Myers	Young
Hawkes	O'Mahoney	
NAYS—10		
Buck	McClellan	Robertson
Byrd	Millikin	Wherry
Gerry	Moore	
Gurney	O'Daniel	
NOT VOTING—15		
Andrews	Chandler	Hatch
Austin	Eastland	Pepper
Brewster	Glass	Thomas, Idaho
Bridges	Guffey	Thomas, Utah
Bushfield	Hart	White

So the bill, S. 380, was passed.

The title was amended so as to read: "A bill to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government."

#### LEAVE OF ABSENCE

Mr. DOWNEY. Mr. President, I have certain imperative duties awaiting attention in my State of California. I therefore ask unanimous consent of the Senate to absent myself for the purpose of going to California for a week or 10 days.

The PRESIDENT pro tempore. Without objection, consent is granted.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)











1 ernment to foster free competitive private enterprise and the  
2 investment of private capital.

3 (b) All Americans able to work and seeking work are  
4 entitled to an opportunity for useful, remunerative, regular,  
5 and full-time employment, including self-employment in agri-  
6 culture, commerce, industry or the professions.

7 (c) In order to assure the free exercise of the oppor-  
8 tunity for employment set forth above and in order to (1)  
9 foster free competitive private enterprise and the investment  
10 of private capital; (2) promote the general health and  
11 welfare of the Nation; (3) foster the American home and  
12 American education as the foundation of the American way  
13 of life; (4) raise the standard of living of the American  
14 people; (5) provide adequate employment opportunities for  
15 returning veterans; (6) develop trade and commerce among  
16 the several States and with foreign nations; (7) maintain  
17 expanding markets for agricultural products and assure  
18 expanding income for agricultural enterprises; (8) contribute  
19 to the economic development of underdeveloped areas of the  
20 country; (9) encourage and strengthen competitive small  
21 business enterprises; (10) strengthen the national defense  
22 and security; and (11) contribute to the establishment and  
23 maintenance of lasting peace among nations, the Federal  
24 Government has the responsibility, with the assistance and  
25 concerted efforts of industry, agriculture, and labor and

1 State and local governments and consistent with the needs  
2 and obligations of the Federal Government and other essen-  
3 tial considerations of national policy, to assure continuing full  
4 employment, that is, the existence at all times of sufficient  
5 employment opportunities for all Americans able to work  
6 and seeking work.

7 (d) To that end the Federal Government shall, in coop-  
8 eration with industry, agriculture, labor, State and local  
9 governments, and others, develop and pursue a consistent and  
10 carefully planned economic program with respect to, but not  
11 limited to, taxation; banking, credit, and currency; monopoly  
12 and monopolistic practices; wages, hours, and working con-  
13 ditions; foreign trade and investment; agriculture; education;  
14 housing; social security; natural resources; the provision of  
15 public services, works, and research; and other revenue, in-  
16 vestment, expenditure, service, or regulatory activities of  
17 the Federal Government. Such program shall, among other  
18 things—

19 (1) stimulate, encourage, and assist private enter-  
20 prises to provide, through an expanding production and  
21 distribution of goods and services, the largest feasible  
22 volume of employment opportunities;

23 (2) stimulate, encourage, and assist State and local  
24 governments, through the exercise of their respective



1 functions, to make their most effective contribution to  
2 assuring continuing full employment;

3 (3) provide for an income for the aged sufficient  
4 to enable them to maintain a decent and healthful  
5 standard of living, and promote the retirement from  
6 the labor force of the older citizens; and

7 (4) to the extent that continuing full employment  
8 cannot otherwise be attained, provide, consistent with  
9 the needs and obligations of the Federal Government  
10 and other essential considerations of national policy,  
11 such volume of Federal investment and expenditure as  
12 may be needed, in addition to the investment and ex-  
13 penditure by private enterprises, consumers, and State  
14 and local governments, to achieve the objective of con-  
15 tinuing full employment. Federal investment and  
16 expenditure, whether direct or indirect, or whether for  
17 public works, for public services, for assistance to busi-  
18 ness, agriculture, home owners, veterans, or consumers,  
19 or for other purposes, shall be designed to contribute  
20 to the national wealth and well-being and to stimulate  
21 increased employment opportunities by private enter-  
22 prises. Any such Federal investment and expenditure  
23 calling for the construction of public works by the Fed-  
24 eral Government shall provide for the performance of  
25 the necessary construction work by private enterprises

1 under contract, except where the performance of such  
2 work by some other method is necessary by reason of  
3 special circumstances or is authorized by other provisions  
4 of law; and all such work shall be performed in accord-  
5 ance with all applicable laws, including laws relating  
6 to labor standards: *Provided*, That any program of  
7 Federal investment and expenditure for the fiscal year  
8 1948 or any subsequent fiscal year when the nation is  
9 at peace shall be accompanied by a program of taxation  
10 over a period comprising the year in question and a  
11 reasonable number of years thereafter designed and  
12 calculated to prevent during that period any net in-  
13 crease in the national debt (other than debt incurred  
14 for self-liquidating projects and other reimbursable  
15 expenditures), without interfering with the goal of full  
16 employment.

17 (e) It is the policy of the United States to discharge  
18 the responsibilities herein set forth in such a manner as will  
19 contribute to an expanding exchange of goods and services  
20 among nations and without resort to measures or programs  
21 that would contribute to economic warfare among nations.

22 THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

23 SEC. 3. (a) The President shall transmit to Congress  
24 at the beginning of each regular session the National Pro-



1 duction and Employment Budget (hereinafter referred to  
2 as the "National Budget"), which shall set forth—

3 (1) for the ensuing fiscal year and such longer  
4 period as the President may deem appropriate, an esti-  
5 mate of the number of employment opportunities needed  
6 for full employment, the production of goods and services  
7 at full employment, and the volume of investment and  
8 expenditure needed for the purchase of such goods and  
9 services;

10 (2) current and foreseeable trends in the number  
11 of employment opportunities, the production of goods  
12 and services, and the volume of investment and expendi-  
13 ture for the purchase of goods and services, not taking  
14 into account the effects of the general program provided  
15 for in paragraph (3) hereof; and

16 (3) a general program, pursuant to section 2, for  
17 assuring continuing full employment, together with such  
18 recommendations for legislation as he may deem neces-  
19 sary or desirable. Such program shall include whatever  
20 measures he may deem necessary to prevent inflationary  
21 or deflationary dislocations or monopolistic practices  
22 from interfering with the assurance of continuing full  
23 employment.

24 (b) The National Budget shall include a review of  
25 the economic program of the Federal Government during the

1 preceding year and a report on its effect upon the amount  
2 of the national income and upon the distribution of the  
3 national income among agriculture, industry, labor, and  
4 others.

5 (c) The President shall transmit quarterly to Congress  
6 a report on economic developments, together with such modi-  
7 fications in the National Budget and such legislative recom-  
8 mendations as he may deem necessary or desirable.

9 (d) When the National Budget and the quarterly re-  
10 ports thereon are transmitted to the Congress, they shall  
11 be referred to the Joint Committee on the National Budget  
12 hereinafter established.

13 PREPARATION OF NATIONAL BUDGET

14 SEC. 4. (a) The National Budget shall be prepared  
15 under the general direction and supervision of the President,  
16 and in consultation with heads of departments and estab-  
17 lishments.

18 (b) The President shall consult with industry, agricul-  
19 ture, labor, consumers, State and local governments, and  
20 others, with regard to the preparation of the National  
21 Budget, and for this purpose shall establish such advisory  
22 boards, committees, or commissions as he may deem desirable.

23 JOINT COMMITTEE ON THE NATIONAL BUDGET

24 SEC. 5. (a) There is hereby established a Joint Com-  
25 mittee on the National Budget, to be composed of fifteen



1 Members of the Senate, to be appointed by the President of  
2 the Senate; and fifteen Members of the House of Representa-  
3 tives to be appointed by the Speaker of the House of Repre-  
4 sentatives. The party representation of the Joint Committee  
5 shall as nearly as may be feasible reflect the relative mem-  
6 bership of the majority and minority parties in the Senate  
7 and the House of Representatives.

8 (b) It shall be the function of the Joint Committee—

9 (1) to make a continuing study of matters relating  
10 to the National Budget and to consult with the President  
11 with respect thereto;

12 (2) to make a study of the National Budget trans-  
13 mitted to Congress by the President in accordance with  
14 section 3 of this Act; and

15 (3) as a guide to the several committees of Con-  
16 gress dealing with legislation relating to the National  
17 Budget, not later than April 1 of each year to file  
18 a report with the Senate and the House of Representa-  
19 tives containing its findings and recommendations with  
20 respect to each of the main recommendations made by  
21 the President in the National Budget.

22 (c) Vacancies in the membership of the Joint Com-  
23 mittee shall not affect the power of the remaining members  
24 to execute the functions of the committee, and shall be filled  
25 in the same manner as in the case of the original selection.

1 The committee shall select a chairman and a vice chairman  
2 from among its members.

3 (d) The Joint Committee, or any duly authorized sub-  
4 committee thereof, is authorized to sit and act at such places  
5 and times, to require by subpoena or otherwise the attendance  
6 of such witnesses and the production of such books, papers,  
7 and documents, to administer such oaths, to take such testi-  
8 mony, to procure such printing and binding, and to make  
9 such expenditures as it deems advisable. The cost of steno-  
10 graphic services to report such hearings shall not be in excess  
11 of 25 cents per hundred words. The provisions of sections  
12 102 to 104, inclusive, of the Revised Statutes shall apply in  
13 case of any failure of any witness to comply with any sub-  
14 pena, or to testify when summoned, under authority of this  
15 section.

16 (e) The Joint Committee is empowered to appoint and  
17 fix the compensation of such experts, consultants, technicians,  
18 and clerical and stenographic assistants as it deems neces-  
19 sary and advisable, but the compensation so fixed shall not  
20 exceed the compensation prescribed under the Classification  
21 Act of 1923, as amended, for comparable duties. The com-  
22 mittee is authorized to utilize the services, information,  
23 facilities, and personnel of the departments and establish-  
24 ments.

25 (f) The expenses of the Joint Committee shall be paid



1 one-half from the contingent fund of the Senate and one-half  
2 from the contingent fund of the House of Representatives  
3 upon vouchers signed by the chairman or vice chairman.

4 INTERPRETATION

5 SEC. 6. Nothing contained herein shall be construed  
6 as directing or authorizing—

7 (a) the operation of plants, factories, or other pro-  
8 ductive facilities by the Federal Government;

9 (b) the use of compulsory measures of any type  
10 whatsoever in determining the allocation or distribution  
11 of manpower;

12 (c) any change in the existing procedures on  
13 appropriations; or

14 (d) the carrying out of, or any appropriation for,  
15 any program set forth in the National Budget, unless  
16 such program shall have been authorized by provisions  
17 of law other than this Act.

Passed the Senate September 28 (legislative day, Sep-  
tember 10), 1945.

Attest:

LESLIE L. BIFFLE,

*Secretary.*





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## AN ACT

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To establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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OCTOBER 1, 1945

Referred to the Committee on Expenditures in the  
Executive Departments







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued October 11, 1945, for actions of Wednesday, Oct. 10, 1945)

(For staff of the Department only)

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HIGHLIGHTS: House conferees appointed on bill to repeal land-grant rates on military and naval traffic. Rep. Jensen introduced bill to provide for egg import quotas. Reps. Curtis and Mills introduced measures to permit Federal alcohol plants to produce sugars and sirups. Rep. Cochran criticized expenditure of public funds "to defeat legislation pending before Congress" on the MVA bill and Rep. Rankin criticized opponents of regional authorities. Rep. Sadowski cited difficulties of UNRRA's foreign relief program, including distribution of agricultural machinery, supplies, and information.

HOUSE

1. TRANSPORTATION; LAND-GRANT RATES. Reps. Boren (Okla.), Priest (Tenn.), Harris (Ark.), Holmes (Mass.), and Beece (Tenn.) were appointed conferees on H.R. 694, to amend the Transportation Act to remove the statutory obligation to transport military and naval traffic over land-grant railroads at 50% of their established tariff charges for such transportation (p. 9670). Senate conferees not yet appointed.
2. MISSOURI VALLEY AUTHORITY. Agreed without amendment to S.Con.Res.34, to authorize the printing of 9000 copies of the hearings on S.555, the MVA bill (pp. 9670-1, 9674). During discussion on this measure Rep. Cochran, Mo., criticized expenditure of public funds "to defeat legislation pending before Congress" on the MVA bill (p. 9671); Rep. Rankin, Miss., criticized opponents of regional authorities, including water-developments and rural electrification (p.9671); and Rep. Rich, Pa., criticized efforts to hamper free speech and free press by opponents of this measure (p. 9673).
3. UNRRA. Rep. Sadowski, Mich., discussed the difficulties of UNRRA's foreign-relief program, including the distribution of farm machinery, supplies, and information (pp. 9704-7).
4. FULL EMPLOYMENT. Rep. Outland, Calif.; urged consideration of broad objectives before limiting the full-employment bill on an expenditure basis (pp.9699-701). Rep. Flumley, Vt., stated that this bill "belies its title as it presents more and greater perils to our system of government than it undertakes to avoid" (p. 9703).
5. IMMIGRATION; FARM LABOR. During discussion on H.R.3517, to authorize admission to the U.S. of persons of races indigenous to India, Rep. Bennett, Mo., stated that these people do not go to work on farms, and Rep. Murdock, Ariz., stated that we could learn things regarding irrigation from the Asiatics (pp.9688,9690).



- 6. FARM LABOR; UNEMPLOYMENT COMPENSATION. Rep. Knutson, Minn., criticized increase in unemployment compensation and inserted A. J. Olson's (Chrmn. Minn. Peoples Political Action Committee) telegram stating "increase in unemployment payments will aggravate" the farm-labor situation (p. 9672).
- 7. SUGAR SUPPLY. Rep. Crawford, Mich., criticized the "strange situation" with respect to the need for U. S. guarantee to Cuban industry against loss of the 1945 sugar crop (p. 9673).
- 8. PUBLIC WORKS; CHILD CARE. Received the President's recommendation for a reduction of \$6,000,000 in the amount of a proposed appropriation rescission for "War public works (community facilities)", in order that FWA may continue Federal aid to child-care centers. To Appropriations Committee. (p. 9674.)
- 9. TAX BILL. The Rules Committee reported a resolution for the consideration of H.R. 4309, the new tax bill. (pp. 9674, 9708).
- 10. VETERANS; HOUSING; LOANS. Rep. Patman, Tex., discussed the "increasing confusion over the Nation's housing situation," the need for housing for returning veterans and war workers, price controls to avoid inflation, and loans to veterans for purchase of homes (pp. 9701-2).

SENATE

NOT IN SESSION. Next meeting Thurs., Oct. 11, 1945.

BILLS INTRODUCED

- 11. EGGS. H. R. 4346, by Rep. Jonsen, Iowa, creating an import quota on eggs. To Ways and Means Committee. (p. 9708.)
- 12. SUGAR. H. J. Res. 256, by Rep. Curtis, Nebr., and H.J. Res. 257, by Rep. Mills, Ark., permitting federally owned alcohol plants to produce sugars or sirups simultaneously with the production of alcohol. To Ways and Means Committee. (p. 9708.)
- 13. MINERALS. H. R. 4343, by Rep. Fernandez, N. Mex., to provide for the extension of certain oil and gas leases. To Public Lands Committee. (p. 9708.)
- 14. EMPLOYMENT; LABOR. H. R. 4344, by Rep. Hoffman, Mich., to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy and to protect the right to work. To Labor Committee. (p. 9708.)
- 15. FOREIGN RELIEF. H. Res. 369, by Rep. Merrow, N.H., to provide for the investigation of the operations of the United Nations Relief and Rehabilitation Administration. To Rules Committee. (p. 9708.)
- 16. ACCOUNTING. H. R. 4350, by Rep. Manasco, Ala., to amend Sec. 3646 of the Revised Statutes, as amended, relating to the issuance of checks in replacement of lost, stolen, destroyed, mutilated, or defaced checks of the U.S. To Expenditures of the Executive Departments Committee. (p. 9708.)

ITEMS IN APPENDIX

- 17. FOOD PRODUCTION. Extension of remarks of Rep. DeLacy, Wash., favoring full farm production and full employment, and including an article urging an economy of

abundance (pp. A4562-3).

18. FOREIGN RELIEF; SURPLUS FOOD. Rep. Luce, Conn., inserted a Bridgeport Telegram editorial urging relief to Europe using as a basis the information released by this Department on food surpluses (p. A4559).  
Extension of remarks of Rep. Murray, Wis., giving Agriculture's statistics on possible surplus foods and favoring foreign relief to fulfill commitments (p. A4582).
19. FULL EMPLOYMENT. Extension of remarks of Rep. Outland, Calif., favoring the full-employment bill, H.R. 2202, without weakening amendments (pp. A4582-3).  
Rep. Hook, Mich., inserted his radio address urging full-employment legislation, not only as an aid to city workers but to farmers as well (pp. A4585-6).
20. REGIONAL AUTHORITY. Rep. Curtis, Nebr., inserted a Miles City (Mont.) State editorial opposing an MVA (pp. A4584-5).
21. ST. LAWRENCE SEAWAY. Extension of remarks of Rep. Butler, N.Y., opposing this project as unfeasible (p. A4564).
22. TAXATION. Rep. Smith, Ohio, inserted a Marion (Ohio) Star editorial urging reductions in taxes and government expenditures (p. A4581).
23. FOREIGN LOANS. Extension of remarks of Rep. Knutson, Minn., suggesting loans to Britain via the International Bank and including an article on British economy (pp. A4558-9).  
Rep. Jenkins, Ohio, inserted an Irish World article opposing loans to England (p. A4576).

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COMMITTEE HEARINGS ANNOUNCEMENTS for Oct. 11: S. Special Defense, surplus property disposal; S. Agriculture, Chicago Board of Trade regulation; S. Military Affairs and Commerce, science program; S. Judiciary, reorganization bill (ex.); S. Finance, GI Bill amendments; H. Appropriations, deficiency (ex.); H. Agriculture, marketing investigations; H. Interstate, Bulwinkle bill on railroad-rate agreements.

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 112 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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

There was no objection.

Mr. JUDD. Mr. Speaker, on the thirty-fourth anniversary of its birth the Republic of China stands today as an independent and equal nation among the nations of the earth. Extraterritoriality for foreigners in China is gone. The concessions controlled by various European powers have been returned. The Japanese attempt at conquest has been broken. Russia has signed a 30-year treaty of friendship, including a promise not to interfere in China's internal affairs. The Communists in China are without hope of outside assistance, and the danger of civil war is thereby greatly reduced. China is at last free.

In some quarters it has been popular to criticize China for not making more rapid progress in achieving full democracy. Yet, if looked at with perspective, it is clear she has made substantial progress even in the midst of a cruel war of survival. Next to victory over Japan the most important fact in Asia today is this: That at a time when so much of the rest of the world, including our own country, has been putting more and more power into the hands of centralized government, the Chinese people and their greatest leaders are moving resolutely in the opposite direction. They have rejected the colonial system, which the imperialistic powers of Europe are trying to perpetuate in Asia; they have rejected totalitarianism of the Fascist model; they have rejected totalitarianism of the communistic model; they have rejected totalitarianism of the racial model which Japan tried to develop in Asia; they are deliberately choosing for themselves democracy of the American model with such modifications as their own particular situation and genius dictate.

This is the fact which overshadows all others. It has great significance not only for China but also for all of Asia and for the whole world, including the United States. True democracy with respect for individual human beings and all their rights is under attack in many parts of the world. We are now gaining a new partner in democracy, and China's experience with it will almost certainly determine which way Asia is to go.

Let no one have illusions about the ease of China's task in the years ahead. Chinese know how great are the difficulties—the hunger, the disease, the poverty, the inflation, the lack of transportation and modern industry, the millions of refugees, the illiteracy, the sectionalisms. They know there are some in the government who do not want to follow Generalissimo Chiang in transferring power to the people, and that there are some among the Communists who want to continue as a separate government with a private army, rather than become a loyal opposition. It will take time for each of the groups in China to learn to trust the other, and to trust the democratic way of winning support from the people, not by arms, but by giving them better government.

Yes, it will be slow and hard and there will be discouraging set-backs. Nevertheless, the great moment of opportunity

has come. The oldest and largest and potentially the strongest people in the world is finding itself as a nation. China at long last is on the march toward government of the people, and by the people, and therefore for the people.

#### EXTENSION OF REMARKS

Mr. DICKSTEIN asked and was given permission to revise and extend the remarks he made earlier in the day and include a letter from the President, the State Department, and the Attorney General.

#### NATIONAL EMPLOY THE PHYSICALLY HANDICAPPED WEEK

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, on last Tuesday when I made my speech about National Employ the Physically Handicapped Week, I spoke from notes and not from manuscript and I had not time to finish all my remarks.

One of the very important things I did not reach was to point out the excellent work which has been and is being done by the subcommittee of the Labor Committee headed by the gentleman from Pennsylvania [Mr. KELLEY]. I regret very much that I had not the opportunity to get to that in my remarks. I want the RECORD to show how deeply all those concerned and interested in the handicapped people of this country appreciate the fine work that subcommittee has done and will continue to do.

#### SPECIAL ORDERS

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HERTER] is recognized for 45 minutes.

[Mr. HERTER addressed the House. His remarks will appear hereafter in the Appendix.]

#### FULL EMPLOYMENT AS A NATIONAL GOAL

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. OUTLAND] is recognized for 20 minutes.

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

Mr. OUTLAND. Mr. Speaker, the Senate has amended and passed the full employment bill. At the same time it has raised an issue as to what is the paramount national objective in this country.

The amended bill includes a proviso that Federal expenditures necessary to achieve full employment shall be undertaken only if they are "consistent with the needs and obligations of the Federal Government and other essential considerations of national policy."

On the face of it, one can hardly take exception to such a requirement. Whether explicitly stated or not, it is obvious that the various items of Federal legislation should be consistent with each other and should all be integrated

and oriented toward the over-all objectives of national policy. This indeed is one of the major purposes of the full employment bill—to set up procedures for working out a legislative program that will deliberately take into account all phases of Federal activity and knit them together into a national economic policy that is internally consistent.

Nevertheless, there is an implication here that must be challenged—the inference that there will be occasions on which the full-employment objective conflicts with other national goals and so will have to be rejected. This implication must be thrust out into the open and debated on its merits.

My own position is that I cannot conceive of a situation in which full employment would be inconsistent with anything else to which we might aspire. On the contrary, I consider the achievement of the full-employment level of activity so fundamental to all other "needs and obligations of the Federal Government" that it becomes the A No. 1 "consideration of national policy."

In short, the insistence on putting such specific language into the bill seems to me like arguing whether or not to support economic prosperity in this country in case the people decide they do not want it.

Nevertheless I am aware that there are some who do not accept as axiomatic that full employment is the paramount problem with which we are confronted today. There are individuals and groups in this country who feel that the existence of job opportunity for all who are able and willing to work would be incompatible with other objectives which to them are more important.

For this reason it is fitting that we should reopen the whole question and ask ourselves again what it is that we are after. Let me put it to you squarely. What do you think the primary goal of Federal policy should be? What do you believe it is that we as a nation cherish most?

#### OPPORTUNITY TO EARN A LIVING

Let us look at it first in terms of the people who comprise the Nation. What is it that is most important to them as individuals?

Remember that an overwhelming majority of these people are workers or families of workers—workers on farms and workers in shops of their own as well as workers in the shops and factories of others. Remembering that, can you believe that there is anything more basic in our national life than the opportunity to earn a living?

It has been charged that this is a crass materialistic view—that work should not be made a primary aim of life. I ask you, What else can a man be but materialistic when he is faced with the problem of sheer subsistence? If it is materialism to desire bread and milk and clothing and shelter for one's wife and children, so be it.

But what other avenue do most other individuals have to the "finer things of life" than the incomes earned from their jobs? If we want man to turn his thoughts to music and art and literature and gracious living, we must provide him



economic security. We must relieve him from the gnawing and persistent fear of destitution. We must give him access to the health and education and pleasant surroundings which are so necessary if leisure is to be an opportunity and not mere idleness.

#### WORLD PEACE

No doubt some of you are thinking that world peace is by far the paramount issue today—much more crucial than daily livelihood. And certainly you are convincing if you speak of what war means in terms of shattered minds and bodies and homes, of hunger, loneliness, and pain, of physical destruction.

But where is the conflict of goals? Every day we are being told that the greatest single contribution which we in this country can make to world peace is to achieve and sustain full employment. And the greatest single threat to international cooperation is the growing fear in other countries that they must insulate themselves against depression in this, the world's leading industrial Nation.

The world has learned a lot since the last war. It has learned that economic warfare is the chief source and the chief method of political warfare. And it has learned that the level of economic activity in the United States is strategic and can make the difference between world prosperity and world depression.

So if we are sincere about world peace, we must commit ourselves to full employment. This will assure other nations that it is safe to deal with us, export and import barriers will begin to disappear, exchange currencies will stabilize, world trade will expand, living standards will rise everywhere, the monopolistic scramble for markets will lose its point, and nations will once again begin to trust one another. This, gentlemen, is the only safeguard we have against war. The stuff out of which peace is made must be fashioned at home. International conferences can do no more than weave it into the final pattern.

#### FREE ENTERPRISE

I know there are lots of people who, if asked what they consider most important in Government policy, would think first about profits. This is just as logical and just as materialistic as for workers to think about jobs. For both it is a means of livelihood that is at stake. But it so happens that the profit takers have a more influential voice in shaping legislation. Hence, we are likely to hear, and have already heard, a great deal about the dangers of a full-employment program to the free-enterprise system.

Again I am at a loss to see how the two are incompatible. Again I think that the maintenance of full employment is a fundamental prerequisite for preserving the free-enterprise system.

After all, free enterprise as we know it pivots round two concepts—markets and competition.

The connection between jobs and markets is almost too obvious for comment. Unemployed workers are not good purchasers. Nor will products fetch a fancy price in a depressed market.

But competition is equally basic to free enterprise. "Enterprise" implies competition. An economy that is monopolistic

ceases to be either enterprising or free. Monopoly is a disease which eats away at the system and, if it is not destroyed, will eventually destroy that system. To be sure, monopoly makes for profits, big profits, but only for the few at the expense of the many. It forces out would-be small and new competitors and it kills new ideas and methods. The high price and restricted output which are the methods of monopoly destroy markets. Worst of all, monopoly is one of the principal causes of the devastating cycles of prosperity and depression which are the greatest menace to the free-enterprise system.

Now, admittedly, full employment by itself could not cure this monopoly disease, but this much is certain—that disease cannot be cured without full employment. The loss of faith in steady markets impels producers to price for depression—that is, to pile up profit reserves during periods of boom to tide them over periods of bust. Not until producers are assured of the stable and expanding markets generated by continuous full employment will they be willing to embark wholeheartedly upon the traditional American policy of high volume and low price and to give free rein to the new ideas, new methods, and new enterprise which are the essence of our free enterprise system.

#### DEMOCRACY

There are those, sincere and otherwise, who proclaim that in carrying out a Government promise of full job opportunity we would lose our democratic way of life.

Certainly, this awful war has demonstrated that there is nothing more precious in life than that bundle of economic freedoms which we term "democracy." I am sure there is not one among us willing to tolerate unnecessary Government interference in the market place. We in America are unalterably committed to that process of law making which works through the will of the majority—to government of the people, by the people, and for the people.

Indeed, it is precisely because democracy is such a primary goal of our national life that we must face up squarely to this problem of unemployment and must pledge all our resources to the realization of the fundamental right to work. The essence of democracy is response to the will of the people, and the people of this country are demanding jobs. That demand is so loud and so insistent that it will not brook interference. All obstacles to it will be swept away. It is too late now for inertia or delay, for weaselly words or double talk.

I can assure you, gentlemen, that if we in Congress do not make good on the administration's pledge of full employment—I should say on the country's pledge, committed to by leaders of both political parties—we shall be swept from office. And if our successors do not carry through on that promise, they too will go, and with them our democratic way of life.

Unemployment gave rise to Hitler and his nazism—to Mussolini and his fascism—and it can happen here.

Democracy can survive only so long as it meets the acid test of democracy—which means only so long as it satisfies

the fundamental needs of the people. And this means those needs which the people themselves conceive to be fundamental—not what a few in Congress tell them they should regard as all-important.

To those who fear that a full-employment commitment by the Government would involve a dangerous increase in bureaucratic controls, I should like merely to point to the record. Do you recall the era of Government regulations that was ushered in by the great depression? The surest way to multiply Government controls is to allow mass unemployment to develop. Then we shall have everyone running to the Government for help—for subsidies, for special protection in the scramble for markets and jobs, for the imposition of restrictive controls upon the other fellow. If, on the other hand, the fiscal and regulatory powers of the Government are directed toward influencing, not isolated segments of the economy, but the overall level of demand in the interest of jobs, adequate markets, and free competition, then there will be full scope for enterprise and democracy.

#### BALANCING THE BUDGET

These are big concepts with which I have been dealing in discussing the basic considerations that must govern Government employment policy—concepts like human values and world peace and free enterprise and democracy.

Hence, it is an anticlimax—indeed, akin to the ridiculous which follows the sublime—to turn to what seems to be the primary objective which opponents of the bill have in mind when they would subordinate full employment to other essential considerations of national policy.

Above all these other considerations, they insist that we must balance the Budget. More important than the right to earn a living, more important than cooperation with other nations, more important than markets for business, more important than rule by the majority is the necessity of keeping tax revenues equal to Government expenditures.

Now there can be no quarrel as to the desirability of balancing the Budget over a reasonable period of years. The issue is rather one of emphasis, of putting first things first.

The fundamental consideration as far as fiscal policy is concerned is that we cannot hope to balance the Budget unless we get and keep a full employment level of activity. Aside from war, depression has been the principal cause of growth in the public debt. When there is mass unemployment emergency relief expenditures rise rapidly. At the same time the tax base dwindles away as the national income plummets downward.

This is why we must sustain production and employment at a high level if we want to avoid Federal deficits. On the other hand, we must be prepared to spend if necessary to counteract a trend toward deflation, even if this necessitates a temporary rise in the debt. This would be the stitch in time which would prevent not only much greater deficits later on, but also the mass misery and frustration which depression entails.



I very much object to having human considerations ranked lower than fiscal policies in the scale of values. But I object even more strenuously to the vicious and misleading implication that the two are somehow incompatible. I think it is high time for all of us to recognize that in order to balance the Budget we must achieve and maintain full employment.

Let me close with this one thought. Full employment is not an end in itself. It is rather a means to most of those things which we hold dear in this democracy of ours. The full employment bill does not cure our economic ills—no one is foolish enough to make that claim. But it is a basic step in the right direction. It is the foundation upon which other legislation can be built. It should be passed speedily and without substantial change. It is not in conflict with our other great goals, it is closely in harmony with them.

**HOMELESS VETERANS! WILL OUR RETURNING SERVICEMEN BE GIVEN BUILDING PRIORITIES, OR WILL THEY BE LEFT TO THE MERCY OF SPECULATORS IN AN UNCONTROLLED MARKET? ORGANIZED PUBLICITY OF SELFISH INTERESTS CLOUDS THE ISSUE**

The **SPEAKER**. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, in the increasing confusion over the Nation's housing situation, which now has been placed in the hands of our highest administrative officials for decision, charges and counter-charges of opposing groups are completely obscuring the fundamental facts. In my opinion, it is high time we paused in our unrestrained demands to do away with so-called bureaucratic control of the construction industry and examined the actual housing picture as it exists today, before we take hasty action.

Many builders and building realtors are crying, "Take away these bureaucratic controls and we will build all the housing the Nation needs."

I am in full accord with their fundamental objective of building houses as rapidly and on as full a scale as they can be built. But I deeply fear the by-products of their program, which deliberately disregards the danger of uncontrolled inflation inherent in their proposals.

Any thinking man today, particularly those who went through the building boom and collapse of the early twenties, fears inflation, as a direct threat to our prosperity. Responsible business leaders today are in agreement that all the inflammatory ingredients needed to bring that uncontrollable inflation to our country are smoldering in the present housing situation, ready to burst into flames at the slightest spark.

We have one of the country's biggest industries with a critical scarcity of materials—lumber, brick, pipe, some of them in shorter supply now than during the war years.

We have the tremendous pent-up demand for new homes, which has risen to unprecedented heights through lack of construction during the war.

And, last, we have the pressure of our wartime savings, a purchasing power the like of which this country has never seen before, coupled with no prospect for any control on the selling prices of finished homes.

The law of supply and demand is still a basic economic tenet, but when demand exceeds supply that law often operates as the basic guide to uncontrolled inflation.

We have been conducting a splendid home-front war on the inflation front. Now that the military conflict has been concluded, I see no reason for the assumption that inflation no longer threatens us. For us to yield now to the self-centered and vociferous demands of an organized few who seek selfish gain at the expense of the Nation does not become this administration. We must consider the implications of the program they so loudly seel.

Let me cite some sobering facts on this housing situation:

First. The shortage of seasoned lumber is greater than it was during the war period. A few weeks ago one of our highest housing officials optimistically stated that cancellation of war contracts and cessation of Army purchasing would turn a stream of lumber in private channels. Today we know that most of the canceled Army contracts covered future deliveries of timber—timber which still is in trees in our forests. WPB now plans to put lumber on its critical list of materials.

Second. Manufacturers of ceramics, soil pipe, brick, and other essential building materials, without which no housing program can function, are finding it increasingly difficult to step up production because they cannot recruit the labor, despite price increases for their product.

Third. The maximum production of new houses that we can expect, to take care of all our national requirements between now and July 1, 1946, is between 400,000 and 600,000 homes.

Fourth. It is estimated that 1,500,000 returning servicemen, either newly married or about to be married, will be in the market for homes between now and July 1.

Fifth. Millions of displaced war workers, returning to their own localities or seeking greener pastures, will be competing with those 1,500,000 veterans for those homes.

Sixth. Only the man willing to pay the highest dollar will get those homes unless we work out some formula to keep prices from skyrocketing through the manipulations of the speculators.

A fundamental decision faces this administration on this point. Too few voices have been raised to acquaint the general public with the cold facts—to throw public light on the machinations of these big business building speculators.

The only issue involved is patriotism versus greed.

I am particularly concerned over the plight of the returning veteran who wants to buy a home in such an inflationary market. Some 1,500,000 of them will be seeking homes. The majority will need loans with which to purchase them.

Federal Housing Administration loan security requirements are such that it would be impossible for a returning soldier to obtain an FHA guaranty for a loan if the selling price of his home is too far above normal value.

Even the loan provisions of the GI bill of rights specify that the price of a home must be near its "reasonable and normal value."

These provisions, of course, are for the soldier's own protection against the unscrupulous building speculators. Yet the leaders of the group who are raising the hue and cry against control of building prices are the ones who are lobbying to have the phrase "reasonable and normal value" taken out of the GI bill of rights. They want the returning veteran to be at the mercy of the speculators.

Unless we do protect our servicemen, it is not too fantastic to picture hundreds of thousands of our youngsters, the boys who fought your fight and mine, walking the streets of our cities with their families, unable to find shelter. Rumbblings of such a situation already are reaching us. Remember the news stories of the veterans who sought to pitch their tents in Central Park.

As home prices continue to rise, the returning soldier will be unable to obtain a loan for home purchase from responsible bankers. There already is a trend on the part of banking interests to scrutinize values more carefully now. Unable to get his money there, the serviceman will be forced to turn to high-interest speculative money lenders for his home financing, or he will be unable to buy a home. His only hope lies in our ability to hold the line against inflation of home prices.

The cry that says "do away with bureaucratic controls" and "put these Government housing agencies out of business" is sheer bunk, a smoke screen for the speculative interests. Unfortunately, many of our responsible and well-meaning business interests have been innocently drawn into the fight, as allies of a group whose real purpose is to split the housing market wide open, regardless of its effect upon the Nation's economy. Yesterday, one of the members of this group made the public statement that he personally did not think a little inflation "would be so bad." Yet that gentleman's own organization recently made a survey of the real-estate market which showed a rise of 50 percent in housing costs during the war, with smaller houses in some instances doubling in cost.

I am the last man in Congress to think of opposing any sound construction program. We need homes and we need them as rapidly as they can be built. We need them, however, at fair and decent prices and not on the basis of what the traffic will bear in an uncontrolled market.

The largest single investment that the majority of our citizens ever makes is in a home. The most important investment that our returning serviceman and his bride will make for many years to come will be his home. There is no code of justice or fair play to which I subscribe which will permit me to endorse any



program that lays these young people open to the mercies of greedy speculators now or at any future time. Our boys did not fight our fight to return home to this.

For anyone to say that homes cannot be built and built at top speed at fair prices under a system of governmental priority control is not in keeping with the factual record.

In my home State of Texas in the city of Lubbock, there is as good an example of what I am talking about as can be found. The man who is doing this constructive job is none other than the president of the National Retail Lumber Dealers, Mr. Lamar Forrest, a local lumber dealer and home builder of substance and outstanding civic spirit.

Mr. Forrest is building homes, principally for veterans, under the present L-41 regulation to which so many peculiarly allied interests object. He is building them under OPA order 251, which limits the contractor's profit, and is building them on a custom basis for individual customers. He is making a profit. Yet the local real-estate interests there have raised objections to his work. Why? Because they say he is selling his new houses more cheaply than they can sell old ones, and he is driving down the inflated real-estate market.

Now comes the strange paradox. Mr. Forrest's own association, the National Retail Lumber Dealers Association, privately realizes there is a need for continuation of OPA controls on building materials. They know there is a tremendous scarcity, and the whole industry fears the mad scramble that would result if those controls were removed. Their leaders have been wise enough to know the need for such control of supply prices for a few more months until production is stepped up. Yet the association opposes the continuation of L-41. It opposes any form of price control on the finished house, or any control over the profit of the real-estate dealer. It falls into the role of supporter and ally of the big speculative interests, the mass construction builders who do not contract their sales in advance and are thereby exempt from order 251, which limits the contractor's profit.

Before we fall into this trap, gentlemen, which these well-heeled mass construction interests are trying to set for us, let us give some sober thought to this trouble-loaded situation. Let us recommend that our administrative leaders refrain from precipitate action, such as removing these now workable controls too soon.

I shall have more to say on this subject in a few days. If the formula for solving this problem cannot be found by our agency heads, I shall offer my own program.

Strictly speaking, this problem is not and should not be the problem of Congress. If, however, our agencies fail to solve it from the human and national welfare point of view, Congress has no recourse other than to take a hand in the matter by adopting such legislation as is necessary to do the job.

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

#### ATTACKS ON GENERAL MACARTHUR

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 20 minutes.

Mr. DONDERO. Mr. Speaker, World War II, the great conflict, is concluded. It is fitting and proper that a grateful Nation bestow its gratitude and appreciation upon those who fought so nobly to bring the struggle against tyranny to a victorious conclusion. From the dark days of Guadalcanal to our triumphant march into Tokyo, no figure stands out more gloriously than that of Gen. Douglas A. MacArthur. Mr. Speaker, I rise at this time to contrast the treatment accorded this heroic commander, this ever-faithful public servant, with that accorded to those who have never ceased their efforts to undermine and destroy our American Republic; to those whose primary loyalty has always been to a foreign dictatorship; to those who betrayed us once and will betray us again.

The ink was hardly dry on the Japanese surrender when a barrage of vilification and slander was launched against General MacArthur, led by the Communist Daily Worker, PM, and Drew Pearson, who is the voice of David Karr, formerly with the Daily Worker. For more complete information on this subject, I refer you to the story in the Washington Daily News of October 8, 1945. Even Dean Acheson, our own Acting Secretary of State, participated in that hue and cry, and it was echoed in London by Soviet Commissar Molotov. It has reached a climax in the Russian proposal to hamstring MacArthur with a four-power control board, the fruition of a well-synchronized and thought-out plan to sacrifice American interests to those of the Soviet Union.

There is another side to the picture. On June 7, 1945, the FBI announced the arrest of Philip J. Jaffe, editor of the pro-Communist magazine, Amerasia, Kate L. Mitchell, his coeditor, John Stewart Service, and Emmanuel Sigurd Larson of the Far Eastern Division of the State Department, Navy Lt. Andrew Roth, former research associate on Amerasia, and Mark Gayn, a writer for Collier's magazine, who was planning to leave for Russia. They were charged with espionage and with possession of documents stolen from secret Government files.

These charges were not made by some irresponsible person. They were made by J. Edgar Hoover, chief of the Federal Bureau of Investigation, a highly respected and responsible Government official of long and highly accredited standing. They were made after months of arduous investigation, and on the basis of carefully accumulated evidence. It is inconceivable that Mr. Hoover could have acted without the full knowledge and approval of the State Department and the White House on so important a matter.

As soon as these charges were announced, the same mud-slinging brigade which is now villifying MacArthur rose as one, in defense of the six individuals; namely, the Daily Worker, PM, and Drew Pearson. The results of their efforts of-

fer Americans food for serious thought as to the power and effectiveness of the pro-Soviet press in our own country and the power and effectiveness of those who are dedicated to Soviet appeasement.

Kate L. Mitchell, John Stewart Service, and Mark Gayn were publicly exonerated. Joseph C. Grew, Acting Secretary of State, who was identified by the press as one of the officials pressing for prosecution in the case, for some reason issued a public apology to John Stewart Service, who was immediately reinstated and is now part of a group supervising the work of General MacArthur in the Far East. Mr. Grew resigned and his place was taken by Dean Acheson. On September 29, 1945, Philip Jacob Jaffe, who is wealthy, was released by the Washington district court upon payment of a fine of \$2,500, with the assurance by the prosecutor that the investigation showed that the confidential records, which had been stolen from secret Government files, had been put to no injurious use. Proceedings are now taking place in the courts to quash the two remaining indictments.

I have no knowledge of what the files of the FBI contain in reference to these cases, other than the charge made in the public press of "conspiring to obtain, possess, or transmit information affecting the national defense." The records discovered in the possession of the defendants included confidential documents from the State Department, the War Department, the Navy Department, the Office of Strategic Services, the OWI, FCC, and other agencies. But I do know that five of these individuals have public records which show convincingly their sympathy and cooperation with the foreign policy of the Soviet Union and the cause of international communism. I present this record before the bar of the House of Representatives and the American people. I believe this record will establish that this was no simple case of overzealous journalism, as the left-wing press sought to prove, but rather what J. Edgar had charged in the first instance—outright espionage in the interest of a foreign power.

\*Philip Jacob Jaffe, alias J. W. Phillips: For more than 10 years a leader and heavy financial supporter of Communist propaganda causes. A Communist who teaches at the Jefferson School of Social Science, official school of the Communist Political Association. In 1934, at the request of Earl Browder, he took charge of the American Friends of the Chinese People, a Communist front. Under the alias of J. W. Phillips he became its executive secretary, financial angel, and editor of its publication, China Today. His contribution to the Communist cause is known to exceed \$5,000 annually. Jaffe is a member of the board of directors of the National Council of American-Soviet Friendship, Inc., the leading pro-Soviet propaganda organization in this country. An even closer associate of Jaffe over the last 11 years has been Frederick Vanderbilt Field, wealthy backer of the Communists and now columnist on their tabloid, the Daily Worker. In October 1935, Field spoke at a banquet given by China Today, as J. W. Phillips. The featured speaker was Earl Browder. While still editor of China Today, Jaffe in 1937 founded Amerasia, along with Field, as managing editor and chairman of the editorial board. Field directed a continuous picket line at the White House



against what Field called America's march toward fascism. Jaffe was busy, too. He saw to it that both Amerasia and China Today hewed to the Communist party line. Jaffe wrote in the November 1940 issue of Amerasia:

"The war in Europe is between Great Britain, the greatest imperial power in the world, and a country which is ambitious to replace Great Britain in that role. \* \* \* Thus the war in Europe is between two powers, each with similar economic ends, each denying its subjects democratic procedure."

About 1933 he became contributing editor of Labor Defender, monthly magazine of the International Labor Defense, the legal arm of the Communist Party. Following a trip to these sections (of Communist China) in 1937, Jaffe wrote a long report for the New Masses, Communist weekly. (Frederick Woltman in the Washington Daily News, June 7, 1945, pp. 1 and 2.)

Writing under the pseudonym of John Phillips in the Labor Defender of March 1934, he said, "Defend the Chinese Soviets in their struggle against their national and imperialist oppressors." Jaffe was also active, together with Frederick V. Field, in the affairs of the American Council of the Institute of Pacific Relations, whose policies according to changes by one of its own members, Alfred Kohlberg, importer of Chinese textiles, are "determined and carried out by staff members, who are dominated by Communist sentiments and beliefs." (Proceedings before New York Supreme Court Justice Charles B. McLaughlin in the New York Times, Apr. 13, 1945, p. 3.)

Kate L. Mitchell: Member, editorial board of Amerasia, together with Jaffe; member of the executive committee of the American Round Table on India, together with Jaffe and Robert Norton, secretary, a well-known member of the Communist Party; writer and assistant to Secretary-General Edward C. Carter in the Institute of Pacific Relations (1933, 1936, 1939). Carter is now the head of the Russian War Relief, Inc.

John Stewart Service: Shepherded to Yenan the American military mission which brought back a favorable report about the Chinese Communists—a report which placed an estimate on the Communist military potential which General Wedemeyer later found to be exaggerated. \* \* \* Service spoke before the Institute of Pacific Relations after his return to America. (Christopher Emmet in the New Leader, June 16, 1945, p. 8.)

Andrew Roth: Writer for Amerasia, November 1940 issue in which Jaffe attacked the war as imperialistic; writer for the Institute of Pacific Relations, see his pamphlet Japan Strikes Back; writer of a book entitled "Dilemma in Japan," which is severely critical of the State Department and which was most favorably reviewed in the Daily Worker, September 12, 1945, page 8, and September 21, 1945, page 11.

Mark Gayn, alias for Mark Ginsbourg: Mentioned in the New Leader of May 26, 1945, as a writer who published in Collier's a long diatribe against the Chinese Government and refers to Gayn as pro-Communist.

From these known facts, the case bears all the earmarks of a whitewash. Congress should inquire into this case. Who is responsible for its liquidation? What is behind it? This is the same crowd who opposed our national defense program in 1940 and 1941. This means that from now on Soviet agents can carry on espionage with impunity. This is an open invitation to subversive elements in our Government to continue, expand, and increase their activities and defy all consideration of national security. This is the same crowd which is now villifying General MacArthur. This is not the cause for which enormous sacrifices

in blood and treasure were made unstintingly by our country. Congress must inquire into this matter. The people look to us for action.

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

#### THE FULL EMPLOYMENT BILL

The SPEAKER. Under previous order of the House, the gentleman from Vermont [Mr. PLUMLEY] is recognized for 20 minutes.

Mr. PLUMLEY. Mr. Speaker, the President, it is said, is not disturbed by management and labor strife, which he considers a natural outgrowth of the war and is not worried by the situation.

Well, Mr. President, the people of the country and the boys who are coming home after having been deprived of ammunition and equipment because of strikes in essential war industry plants do not feel as you do concerning the situation.

They resent your attitude which they say is that of your predecessor who did nothing to prevent strikes which killed their buddies, though Congress had given him all the authority he needed. They point to definite shortages of ammunition and equipment due to strikes resulting in the death of thousands of American boys for lack thereof. They say that to strike against the United States during war is treason to those who are deprived of an opportunity to save their own lives while fighting for freedom, and they say you have now declared the war is over. You will hear plenty, Mr. President, and those who talk to me are not complacent nor foolish. And they think the full employment bill as written is a joke on them, and on the public, and that you are playing politics.

"Of course," they say, "everybody is for full employment, and to the extent that the bill under consideration is only a gesture so everybody will have to vote for it as would they were the Ten Commandments an issue."

They think your honeymoon is over. They are hard-boiled guys. They could be for you but up-to-date are not, for reasons too many to enumerate. You know why. You just cannot fool them.

Yes, Mr. Speaker; it is true the title of the bill belies its content and real intent. The real friends of labor in Congress are disturbed by the situation which obtains, and the returning veterans are very vocal in their opposition to it. All the gains labor organizations have made are being sacrificed on the altar of greed and attempts to gain an end by the use of threats against Members of Congress who will not submit to domination by any minority power groups. Laboring men should pray to be delivered from their bosses who certainly are running wild toward an abyss in which all that has been accomplished will be sacrificed for their own selfish ends—and it will be "ends."

The American people will not submit to regimentation by labor while labor persists in its unjustifiable attempt to dictate to the people, so greatly in the majority, what its group insists upon, or else. There is no "or else" unless we cease to function as a democracy which

is not to be contemplated. When Mr. Murray and Mr. So-and-So try to tell Congress that if it does not do thus and so it will be replaced by another Congress which will, then they are advocating a government by force rather than by representation, a government of men and not of laws.

Mr. Speaker, the longer the people consider the so-called full employment bill the more evident it becomes that the measure belies its title as it presents more and greater perils to our system of government than it undertakes to avoid.

It has been demonstrated that, if it could be administered, the act would tend to reduce employment opportunities rather than to increase them. It is possible that it might work; and if so, as has been repeatedly pointed out, by working it would not only commit us to industrial stagnation and business standpatism but destroy our cherished liberties as well. It is the peril of the hour that so many people seem willing to settle for a phrase like "full employment" without regard to the probability that such a promise, if carried out by the means prescribed in the Murray bill, will end in compulsory employment in jobs and at wages fixed by public authority. Leaders from Diocletian to Stalin have "solved the unemployment problem," but how many of them have kept their hands off human liberty? The Murray bill proposes to do it by a pious clause in the preamble.

Of course, everybody is for full employment, but it cannot be accomplished by compulsion or dictatorial legislation under our form of government. The bill at best is a demagogic gesture.

The methods being employed by the pressure groups, suspected of inspiring the alleged wildcat strikes to increase confusion, are not conducive to making friends for labor's cause. Quite the contrary, as is evidenced by the attitude of many Members of Congress who refuse to be threatened.

As Merlo Pusey said in his column when he asked the question, "Are unions above law?" the present situation is critical.

Mr. Pusey said:

Most of us think of the current epidemic of strikes as a crisis in industrial relations. It is that, of course, but it is also something more. The question we ought to be asking, in my opinion, is why natural and unavoidable disputes over wage rates should flare up to a crisis before serious attempts were made to achieve a meeting of minds around the conference table.

Pursue this question thoughtfully and it will soon be apparent that the underlying difficulty is a crisis in Government. Labor is following about the same tactics that it has employed for a decade. Management is reacting in accord with the traditional pattern. The chief failure is that on the part of Government to bring about a climate in which amicable adjustments and faithful adherence to contracts are accepted as normal procedure.

When strikes began to reach dangerous proportions, the first act of the administration was to "beg" labor and management to agree peacefully. This pleading tone implied that the Government is helpless in the face of industrial warfare. Probably it encouraged strikers to go ahead with their plans without regard for the consequences to the national welfare. When they did so,



the President was quoted as saying in great disappointment, that organized labor had let him down. There was no alternative to use of the war powers to seize oil refineries and possibly other plants and mines paralyzed by strikes.

Here the crisis in Government is demonstrated in acute form. For more than a decade the White House has encouraged and strengthened organized labor and sponsored laws for its special benefit. Under Presidential sponsorship unionized labor has grown from pygmy stature to that of a giant. But no rules have been laid down to guide or control the use of labor's enormously increased power. The White House has simply relied upon labor's supposed loyalty to the President.

In these circumstances, it was inevitable that President Truman should be "let down" just as President Roosevelt was often "let down." The simple fact is that sound relations in a democratic country cannot be built on a foundation of personal loyalties. Ours is a government of laws, and unless all groups are amenable to laws protecting the national welfare, the result is almost certain to be chaos.

Today all pretense of enforcing the law against coercive tactics on the part of strikers has been dropped. One of the refineries which the Government recently seized, for example, was not idle because of any dispute between the employer and the employees. Instead, it was forced to close because hundreds of CIO men, none of whom were employees of the refinery, threw a picket line around it and issued the inevitable threats of violence if gasoline production should continue.

This is a common practice. Employees as well as employers are coerced with no effective effort on the part of the Government to protect their rights if they fail to obey union edicts. The blunt truth is that lawlessness on the part of unions has come to be an accepted means of enforcing their demands.

In many instances, too, collective bargaining becomes a farce because only one side is required by law to bargain. Labor has been put under no obligation to bargain with management for the higher wages or improved working conditions to which it thinks it is entitled. It may upset existing contracts with impunity and put a whole industry out of operation without once sitting down to a conference table.

These are the truly alarming facts back of the disruptions now crippling the Nation's reconversion efforts. Mighty organizations with millions of members have maneuvered themselves into a position where they are stronger than the Government. Instead of having to abide by sensible rules of fair play laid down by the Government, they are frequently able to dictate to the Government and get away with it. During the war the Government was able to avert disaster by seizing industrial plants as a last resort and operating them itself. In peacetime that expedient will no longer be at hand.

The underlying question is whether private enterprise can continue to exist if it is left to the mercy of powerful labor combinations that are not required to respect the rights of either employers or employees. For that matter, democracy itself is imperiled when equal protection under the law disappears.

It may well be that the severest test of the Truman administration will come in its handling of this issue. The pendulum has swung from extremes of business license in the twenties to extremes of labor license at present. No management-labor conference can be expected to repair this critical weakness in our national policy. It is a task that Government—Congress as well as the executive branch—must tackle directly. If they cannot summon the courage to do so, the outlook for both industrial peace and full employment will remain gloomy.

Those who are pushing the buttons and pulling the switches to control labor's policy in the present crisis will pull a switch or press a button one of these days which will pull down on their heads the temple which labor has constructed over the years for its protection rather than to bury it in the ignominy of a lost cause.

The American people will stand up for labor so long as it stands for American ideas and ideals and methods. They will not tolerate, long, such a bolshevik program as is now being followed by the alleged leaders. Those who sow to the wind will reap the whirlwind. The weather vane of popular opinion indicates that the patience of the people has been stretched already too far.

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

#### UNRRA IN POLAND AND EUROPE

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. SADOWSKI] is recognized for 20 minutes.

Mr. SADOWSKI. Mr. Speaker, more than 2 years ago the United States Government entered into a solemn agreement with the governments of 43 other nations to form and operate an organization to meet the emergency relief and rehabilitation needs of those Allied Nations blasted in the World War, the nations who manifestly would be unable to meet such needs through their own resources.

This agreement was signed in the White House. A few days later the first meeting of the Council of the United Nations Relief and Rehabilitation Administration convened at Atlantic City.

This was the first meeting of its kind, the first completely concurrent gathering of minds on a problem of world peace outside of the councils which were previously set up to carry on the war.

At Atlantic City the primary policies were formulated. The Council asked all uninvaded nations to contribute the equivalent of 1 percent of their national incomes, calculated as of the year ending June 30, 1943, toward an operating fund. That is, a fund to supply the necessary food, clothing, medical and other supplies for relief and rehabilitation, and to pay the costs of hurrying those commodities to the places where they are so sorely needed to forestall the horrible starvation and misery left in the wake of invasion. This request met with an astonishingly unanimous support.

I feel that no one in this House or no responsible person in our Nation will quarrel with the motives and purposes which led to the formation of UNRRA. The American people are the most generous in the world when they see human suffering. Our record after the First World War in feeding the stricken Europeans and our gifts to relief in the present war are ample evidence of our desire to ameliorate conditions of suffering, wherever they may strike.

In recent weeks, many persons from my own district, as well as elsewhere, have come to me with deep concern about conditions abroad and the opera-

tions of UNRRA. I feel that these questions demand an answer. Accordingly, I have made inquiry into the entire problem.

Many of the people in my district are of Polish extraction, as I am, but there are also a substantial number of others whose ancestry reads back to the other shattered and devastated nations of Europe.

In recent days, I have talked with UNRRA authorities and with men who have just returned from the European scene, so I could obtain to best advantage the facts about UNRRA's work as well as about the conditions which UNRRA must meet.

The outstanding result of my inquiry, I believe, is to spotlight a considerable misunderstanding of the UNRRA set-up, its rights, and its obligations under the agreement between the Allied nations.

In the second place, I find that many persons who came to me have little knowledge of the appalling problems that UNRRA must overcome. I confess that I, myself, did not fully realize them.

It should be understood by all at the outset that UNRRA works only through the governments or established authorities of these devastated nations. It does not handle distribution of supplies itself, being only a mixture of provider, advisor, and supervisor. The governments or established national authorities take over the supplies, once UNRRA purchases and piles them up on the distressed shores. Able and unselfish UNRRA men and women are present to advise and counsel with these governments, seeking to oil the machinery of distribution. But they cannot go into every city and hamlet to hand out food and clothing and medical supplies and seeds and farm equipment. That is so huge a task that it must continue to be the job of the national and local governments.

Before any UNRRA program can be set up for one of these countries, the national authorities, with UNRRA experts, make a survey of the minimum needs for existence of the populace so that purchase of supplies may be undertaken on a basis of some intelligence and not in a helter-skelter fashion. A flighty, guesswork program might supply tropical clothing and seeds to northern Poland for example. Fortunately, there seem to have been no such crack-brain procedure.

Now, as to the problems. As is well known, the Allied Nations early in the war set up combined boards to allocate supplies, both manufactured and raw materials. Had they not, the casualty lists and sorrows would be much larger. UNRRA agreed to clear its needs through those combined boards so that it would not compete for commodities more vital to prosecution of the war than to any other purposes. This, it seems to me, was the only sane and businesslike procedure to take.

Procurement of vessels for shipping was organized in the same way. When shells were needed, the ships carried shells. Up to the last few months, shipping of the United Nations, and of neutral nations where it could be obtained, was first devoted to the all-out task of winning the war. When Allied armies



which has been a decisive factor in the Pacific war. We are also very appreciative of the generous aid from the American people received through the National War Relief Fund, United China Relief, and the American Red Cross. This has been from the people of America to people of China. It has eased the burden of suffering. It has helped maintain morale when conditions were discouraging. It has improved efficiency of services to our soldiers and civilians. It has enabled many of our social agencies to carry on. It has preserved universities for their great postwar task. All this has played a significant part in the achievement of final victory. Now the days of war have ceased and days of rehabilitation and reconstruction have come. During the war the Allied armies fought as one. Allied Governments planned as one. Allied peoples bore their burdens as one. In unity was strength and in strength victory. Therefore let us now be resolved that this cooperation and brotherhood may not be things of the moment only but in even deeper measure may characterize the days ahead so that in peace as in war unity will prevail.

CHIANG KAI-SHEK.

### Santa Claus and Chicken Feed

#### EXTENSION OF REMARKS

OF

### HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1945

Mr. SMITH of Ohio. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to include an editorial which appeared in the Marion (Ohio) Star of October 3, 1945:

#### SANTA CLAUS AND CHICKEN FEED

As was expected, the Truman administration has come out in favor of tax reduction as a broad, general principle, in much the same way that it is in favor of Santa Claus.

Since there is no record of Congress ever having voted against tax reduction when the opportunity presented itself to curry votes by seeming to be generous to its employers, some kind of reduction beginning in 1946 is a certainty. Further than that, the prospect is vague. It is not customary, however, to be too particular about Santa Claus, on the premise that almost anything is better than nothing. But the fact is that the Government's proposal is hardly worth considering.

The Truman administration, through Secretary of Treasury Vinson, proposed repeal of the normal tax, thus removing perhaps 12,000,000 persons from income-tax lists at a time when the national debt will be approaching \$300,000,000,000 and the ordinary expenditures of government will be continuing to rise. However, the 12,000,000 are only nominally taxpayers; they contribute virtually nothing.

It proposes elimination of the excess-profits tax on corporations, a gesture of good will to business enterprise. And it proposes an automatic return after next June 30 to prewar excise-tax rates, wiping out wartime rates on luxury items. All told, the maximum effect of the cuts would be no more than \$5,000,000,000, a small sum relative to the total of anticipated tax collections—and a small amount of tax relief relative to what the population must have in order to release the buying power that is the only possible source of national prosperity.

Either the Truman administration should declare plainly that in its opinion no tax relief at all is feasible under the circum-

stances or it should propose enough relief to do some good. Five billion dollars one way or the other these days is chicken feed. What the country needs is a wholesale retrenchment in Government spending and a tax cut of something like \$20,000,000,000 to give it a postwar shot in the arm.

### Address of Hon. Clare Boothe Luce

#### EXTENSION OF REMARKS

OF

### HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1945

Mr. JUDD. Mr. Speaker, under leave to extend my remarks, I include the following notable address given on October 9, 1945, by our distinguished colleague, Mrs. LUCE, at a meeting in Trenton, N. J., in celebration of China's Independence Day:

Tonight, on this great Double Tenth, many many eloquent tributes have been paid to our valiant ally, China. Her long resistance to Japan, before we entered the war is our historical debt to her, for it saved us immeasurable costs in blood and materials. But that service to us, tremendous as it was, is only one great episode in the history of mutual aid between China and America. It is that mutuality of aid and obligations between our two great nations that we must all try to emphasize tonight.

For over 80 years America has played a notable part in helping China to be and stay a free nation. Way back in 1861, when the freedom and unity of our own Nation was in grave jeopardy, we had still the strength and wisdom to strike shrewd diplomatic blows for China's freedom. Anson Burlingame, whom Mr. Lincoln and Mr. Seward had sent as minister to China, found that nation weakened by opium wars and by corruption in high imperial places, and almost defenseless before internal dissension and the truculent trade and territorial demands of European powers. Other western diplomats suggested that the outright partition of China would be the wisest, as well as, to them, the most profitable, solution.

But Burlingame, with a courage and vision worthy of Mr. Lincoln, wrought a miracle of diplomacy over the more cynical and experienced diplomats of other then far greater powers. His views of justice and good will prevailed. He stated, and Seward, John Hay, and Elihu Root in time, established, the great principles of the Open Door for China: noninterference in its internal affairs by foreign nations, guaranties of Chinese sovereignty and territorial integrity, and equality of interest, obligation and cultural and economic exchange between China and western powers.

After 80 years Burlingame's policy endures, not only as a great doctrine, but a great challenge still to America. Have Americans the vision, the good will, the intelligence to walk with China in united friendship and respect toward the great common goals of progress and freedom? There is no time in history when America's answer to that challenge, that question, is more crucial to the future of both nations than in this very year.

For the first time since China became a republic she has an even chance of becoming a great modern nation. That will not be easy. Her postwar problems are vast. Eight years of war have intensified the poverty of a nation which was, even before those years, terribly poor compared to our western democracies. Uncounted millions of Chinese

have been killed and maimed; perhaps 30,000,000 more are homeless. China's railways, mines, industries, roads, factories, dams, power plants, communications and agriculture are all in chaos. To gain the most elementary economic stability, she still needs much help from us. And this we owe her, for at last she has a chance.

That chance must, of course, be predicated on the assumption that China and Soviet Russia will stay at peace with one another; that the present pact between Soviet Russia and China will be honorably observed to the letter by both parties. But surely, after the lessons of the past decade any other assumption is incomprehensible.

But China has notable assets, too. She has a government and a leader which have surmounted every hazard ever offered to a struggling nation: revolution, civil war and foreign war, domestic and foreign intrigue, inflation, disease, and famine. China's leader, Chiang Kai-shek, has remained longer at the helm of the ship of state under incomparably greater difficulties than any other world statesman. He has stood the greatest test of statesmanship by bringing peace to his people and guaranties from Soviet Russia and the other great allies of territorial and domestic sovereignty.

And this Chinese leader has presented his nation and the world with another great challenge—greater than any voiced by any other world leader. On VJ-day, Generalissimo Chiang Kai-shek delivered this message to the Chinese people:

"I am," said the generalissimo, "deeply moved when I think of the teachings of Jesus Christ that we should do unto others as we would have them do unto us and love our enemies. My fellow countrymen know that 'remember not evil against others' and 'do good to all men' are the highest virtues taught by our own sages. We have always said that the violent militarism of Japan is our enemy, not the people of Japan. Although the armed forces of the enemy have been defeated, and must be made to observe strictly all the terms of surrender, yet we should not for a moment think of revenge \* \* \* upon the innocent people of Japan \* \* \*. Permanent world peace can be established only upon the basis of democratic freedom and equality and the brotherly cooperation of all races and nations."

We westerners have talked much in times past of our spiritual superiority to the Chinese—without reflecting whether such superiority existed. Yet it remained for a Chinese leader—among all the leaders of the world on VJ-day, unmistakably to strike the most clear and profound Christian note.

No nation has fought so long, nor endured a tenth so much as China at the hands of the Japanese. Perhaps no other people, except the Jews of Europe, have suffered individually so terribly, and could be less criticized for overlooking the Christian doctrine of forgiveness. Under these circumstances, surely all men who believe that the truest expression of religion is the love of one's fellow man must thrill to these words of Chiang. Surely, if he means it, as he must, he ranks with the Lincoln who could say "with malice toward none and charity toward all." So let us accept his text and examine how Chiang may be expected to apply it, not only to his foreign enemies, the Japanese, but to his domestic enemies, the Chinese Communists.

It is certainly not for us to direct any nation as to its forms of government or the solutions of its internal problems—certainly not that of China, the longest standing of all our global allies, the oldest and most sophisticated people in the world.

And yet, as Americans we have a duty to the world to set forth our opinion on those forms of government which we have found in the past serve best to meet the demands of a common peace and prosperity. We can justifiably place our own experience at the



disposal of China, which like America, claims to love democracy.

Democracy to us in America means many things. But basically I think it means the civil rights of man—his right to say what he thinks, to think what he chooses, to worship as his conscience dictates, to assemble with like-minded people peaceably. It means, as Lincoln said, "That the Government is the instrument of the people and can be changed by the people at their will, through the free exercise of their ballot." It means, furthermore, that majority rule carries with it no right forcibly to liquidate the rights or convictions of the minority.

With its blood and its aid and its share in victory, America has surely won the right to speak frankly to her friends. Are we not justified in admitting that these basic civil rights and freedoms have never existed throughout China, and particularly not during the terrible decade of the war for national existence? But is not America also justified in believing that China has postponed the realization of democratic freedoms only because war made postponement necessary, and that with the blossoming of peace, these basic rights will speedily be granted to the people of China? "Do good to all men" can have no other meaning in a true democracy.

China during the war was a house politically divided. The problem of political unity in China today stands before all others, even the tremendous economic ones which face her. But lasting unity and true peace in China can come only through the basic precepts of democratic freedom.

It goes without question that no nation can exist if two independent governments share its sovereignty, or if two independent political armies stand marshalled face to face along the line of a shaky truce. There must be a basic solution. A China half Communist, half Kuomintang, and both halves armed, cannot endure. From that truth, other truths follow: China is too vast and numerous a nation, its communications too inadequate, its local customs too varied, to permit, short of tyranny, of one enormously centralized government organ controlling every detail of national life down to the remotest village. We Americans learned that lesson 170 years ago—we wanted unity, and yet our regional variety made impossible that integration of every State and every conviction, into one rigid, central framework. We sought and found a solution that has endured to this day—a Federal Union.

Within our Federal Union, the most diverse elements live at peace. The customs and laws of South Carolina or Nevada are different from those of Connecticut or Maryland, yet there is no doubt that we are one united people. Our Federal Union has been granted certain basic powers—national defense, foreign affairs, finance, interstate commerce, but other powers are reserved to the States, and sometimes further subdivided from States to municipality and county. Each State chooses its own governors, makes its own criminal and civil laws, creates its own educational system, permits and regulates the political franchise to individuals as it sees fit. By this system of unity in variety, we have become a great Nation.

China is even greater in numbers than America, and far behind us in communications and unity. It cannot wisely be controlled in toto from Chungking or Nanking or Peking, by one man or even a group of men, however patriotic. Its customs are too disparate, its distance too great for governors of provinces to be selected by one central government, for universities in each province to be the creation of one central government, for its local tax laws and police administration to be the creation of one central government. It needs a central government to provide for its national defense, to direct its foreign affairs, to lay the foundations of national industrial reconstruction, to

regulate its commerce, to collect taxes for these projects, and to do all those things without which no sovereign power can exist. But by attempting to do all, it will turn the clock of democracy backward, either to communism or fascism, but in any case, to dictatorship.

There are certain areas in China which we all know are now dominated by the Communist Party. There are certain areas—much larger—controlled by the central government of Chiang Kai-shek; others where Moslem militarists are in control; still others where the people are ethnically and racially non-Chinese. All of these areas must make of their political armies one single force subordinated to a central government. But none of these armies will lay down their arms if they feel that their political convictions and beliefs, indeed, their very lives, are at the mercy of other revengeful political parties—if they believe that all they have gained in local reforms or local self-government, during the war is to be wiped out by dictatorial edicts from far away.

It is the opinion of many thoughtful Chinese and Americans that only federal union offers a real solution for China's problems. A federal union, in which each political party should be allowed to organize and govern provinces they now clearly possess and hold, and the citizens of which are loyal to it. Each party must participate in one central government on a basis of representation; and to that one government all armies in China must be subordinate. Further, the federal government should, as it does in America, guarantee that every province should have a representative form of government as soon as possible; and to every person in any province, no matter what his political creed, the right to speak his mind and think his thoughts. Kuomintang papers must be allowed to publish in Communist areas, and Communist papers in Kuomintang areas. The federal government should allow no terrorist police of any party to operate anywhere in any province. If Chiang Kai-shek thus does unto the common men of China, who honestly believe in Chinese communism, exactly what he would have them do unto the common men of his political party, we need have small fear for the democratic future of China.

I say incalculable forces for peace and happiness have been tapped if 450,000,000 Chinese even partially follow this advice of their leader, if he follows it himself, and if we will follow it, too: "Do unto others."

And follow it we must—Americans, Chinese, and everybody. The atomic bomb alone has made any other course impossible. The splitting of the atom, which has found the ultimate secret of material destruction, has also destroyed the supremacy of all material values. What remains, in an atomic age, alone indestructible, is mind and spirit. The Golden Rule of all religions, "Do unto others as you would have them do unto you," has become the political law of survival for governments, for nations, for all mankind. To follow that law is what we and the Chinese, who owe one another so much in the past, owe the world in the future.

### Possible Surplus Foods

#### EXTENSION OF REMARKS

OF

#### HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1945

Mr. MURRAY of Wisconsin. Mr. Speaker, our distinguished colleague the Honorable CHRISTIAN HERTER, of Massa-

chusetts, who has been selected by the Secretary of Agriculture to visit the countries that are in the greatest need of food, has furnished me the following list of apparent surplus of foods:

Possible food exports as shown in the statement of the Department of Agriculture, dated Oct. 1, 1945

	Million pounds
Meat (after maintaining our level at 150 pounds per capita; production 40 percent over prewar)	1,500
Fish (canned)	175
Cheese	300-400
Canned milk	1,000
Lard	450
Vegetable fats and oils	100-200
Dried fruit	300
Dry beans	150
Dry peas	200
	Million bushels
Wheat	325
Potatoes (dehydrated)	10
	Million dozen
Eggs	600
Powdered milk	Large quantities

During the war I, like all my colleagues, have made every effort to support legislation that would increase the production of war foods.

We now are faced with the problem of fulfilling the commitments made to the American farmer, and we are faced with the problem of furnishing the foods that have been promised by President Truman at Potsdam. The above table with the Agriculture Department estimates of food indicates that the foods are available in the United States. The big question seems to be as to how to accomplish the distribution of this surplus where it is most needed.

### Statement of Policy of the House Steering Committee on H. R. 2202

#### EXTENSION OF REMARKS

OF

#### HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 9, 1945

Mr. OUTLAND. Mr. Speaker, the co-sponsors of H. R. 2202 today adopt the following statement of policy:

We have joined together as sponsors of H. R. 2202 because we believe that it is a measure which will materially further the goal of full employment in a free competitive economy. We do not consider this bill to be a panacea; we consider it to be only one step, but a most essential step, in the achieving of full employment in the United States.

The importance of this measure is twofold:

(a) It is a statement of basic principle, namely, that every American who is able to work and desires to work has the right to the opportunity for useful, remunerative, regular, and full-time employment. We as sponsors reaffirm this principle and its corollary, that the Federal Government has the responsibility of insuring continuing full-employment opportunities through the full use of all of its powers including its financial resources.



(b) The machinery to implement this principle is present in the authorization of the President's national production and employment budget and the joint committee of Congress to consider and make specific recommendations on that budget.

Any amendment which weakens either the statement of principle or the machinery proposed, weakens the bill as a whole and is injurious to the achieving of full-employment opportunities. As cosponsors of H. R. 2202 we oppose any such amendments and we respectfully urge the chairman and the members of the Committee on Executive Expenditures, which is now holding hearings on this bill, to report out H. R. 2202 without any such weakening changes.

### The American Constitution and Its Significance in These Critical Days

#### EXTENSION OF REMARKS OF

**HON. AUGUSTUS W. BENNET**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1945

Mr. BENNET of New York. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include an address by Frank E. Gannett at the Sons of the American Revolution luncheon, Rochester Chamber of Commerce, Constitution Day, Monday, September 17, 1945:

It is a great pity that more of us do not realize what the Constitution means to everyone. Our well-being, our happiness, our freedom, all our many blessings, all that America is and all that America stands for has been made possible by this great document described as the greatest charter of liberty ever penned by man.

Of the 40,000,000 people who have lived on this planet since the birth of Christ, probably not more than 3 percent have lived under a government where they might call their souls their own; where they were something more than herded cattle to be ordered about by someone in power. And by far the great majority of that tiny 3 percent who have had any liberty are those who have lived in this country under our Constitution, since its adoption in 1789.

It is most fitting that we should come here today to observe the anniversary of this great event and the tremendous achievements that have resulted. Normally we would rejoice, but if we open our eyes and read the signs correctly, this is not a time to celebrate. Instead, it should stir us to action.

Everywhere throughout our land today are militant groups striving viciously, selfishly, arrogantly to undermine our Constitution, wreck the framework of our liberty and happiness and destroy the very foundations of this Republic. Even as you and I pause on this occasion to pay tribute to the structure of our Government as conceived by its founders, these insidious influences, cheaply camouflaged with scores of disguises are tunneling under our institutions, gnawing at the base of our economy.

These forces would substitute for our constitutional system a planned economy. They have a definite program of alluring promises. They have unlimited money, fine sounding slogans, and clever, unscrupulous leaders. They are influencing the minds of our youth

with their false representations and they propose to destroy the foundations of this very Constitution to which you and I today pay tribute.

This, then, is a most appropriate time for us to rededicate ourselves to the preservation of that document and all that it has meant, not only to America, but to the entire world.

You are all familiar, I am sure, with the history of those critical days when our Republic was being developed. I should like to point out that it was to escape exactly such intolerable conditions as recently prevailed in Italy, Germany, and Japan under the tyrants now overthrown, that our forefathers left their homes and friends in Europe and fled to an unknown wilderness here in America. They had found arbitrary government unbearable. They wanted freedom to worship as they pleased. They wanted to live better than animals. They resented the all-powerful government that had made them slaves, subject to the whims of their rulers who exercised authority over all, under the theory of the divine right of kings. The people in those days had no voice in government, no way to protest against oppression, no way in which they could obtain justice. There was no opportunity for them to improve their lot. For long hours of toil they got only a bare existence. They were mere pawns to be used at a tyrant's nod. A man's life, his home, his family, were not safe from arbitrary, despotic rulers.

Even at the time our Constitution was being adopted, men in Europe were put to death for debt. For petty offenses men were drawn and quartered; that is, pulled apart by horses. Even at the beginning of the nineteenth century there were, in fact, 230 crimes, including theft, punishable in England by death. In other countries of Europe conditions were still worse. The very year our Constitution was adopted, a woman counterfeiter was burned at the stake in England. In much of Europe there was no trial by jury. The accusation of the king or of a government official was sufficient for execution or imprisonment for life. Every safeguard of innocence was abolished or destroyed, and all the ingenuity of cruelty was exercised to find new modes of torture.

The patriots who fought the war for our independence were not merely protesting against a tax on tea. They had a far nobler purpose and that was to find a way to limit the power of government. Here was born a glorious new idea, namely, that man is not the servant, but the master of the state.

After we had won the war with Great Britain there came a period of chaos in the Colonies that resulted finally in calling the Constitutional Convention. Sixty-eight delegates were named, but such was the conflict of ideas that many delegates did not attend. Out of the sessions of the Convention, which we should remember was composed of young men, there finally emerged our great Constitution. Five of the men who were powerful in bringing about its adoption were in their thirties—Hamilton was only 30; Madison, 37; Randolph, 34; Pinckney, 30; Gouverneur Morris, 35. The document they produced, which finally was signed by only 39 of the delegates, has proved to be the greatest charter ever devised by man. It has been rigid enough and yet flexible enough to stand the storms and crises of 156 years, and is as useful and workable today as when written.

The first 10 amendments to the Constitution, the Bill of Rights, guaranteed to all, for the first time on this planet, freedom of the press, freedom of speech, freedom of religious worship, the right of petition and of assembly, trial by jury, privacy of home or office, and protection against unlawful seizures by the Government.

Under the Constitution it became the right of everyone to manage his life as he saw fit, to engage in any trade or profession or

in any field of work that he might choose, so long as he did not harm others.

And most important was the provision that whatever reward he might win from his efforts became his, to be used and disposed of as he wished. This meant opportunity and an incentive for all to achieve success according to their abilities, energy, and ambition.

Of special significance was the fifth article of the Bill of Rights which reads: "No person shall be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation."

Here life and property, the one dealing with the commandment, "Thou shalt not kill," and the other dealing with the commandment, "Thou shalt not steal," are put into the same classification and protected by our law. Thus the individual is entitled to his property because it is his. If its public use should be desired, there must be just compensation, a recognition of his ownership of it and the value of it. This involves the profit motive, the individual's gain of his property, and the whole system of individualism that is attacked today in the propaganda of the radicals who would undermine and destroy our way of life.

As a result of these provisions, the removal of Government restrictions, the opening of unlimited opportunity, America began the greatest development the world has ever seen. At last there was an incentive for all to work, to save, to create new products and new methods. In a century and a half, more progress was made in every field—transportation, communication, education, manufacturing, invention, medicine, science—than in all the countless preceding centuries. Labor-saving devices lessened toil for man, gave us unlimited production, raised the standard of living to heights never before dreamed of.

America's great progress amazed the world and aroused its envy. Our form of government was widely copied. Nation after nation became more prosperous. Countless millions enjoyed liberty and freedom for the first time in the world's history.

Then came tragedy. In search for power and to satisfy intense greed, despotism again raised its ugly head. In 1914 there began a devastating world war. Democracies finally triumphed but at frightful cost. Then in 1929 there began a depression so deep and so widespread that it proved even more destructive than the war itself. Let us not forget that during that period 32 governments were overthrown. Leaders groped in vain for some solution of the woes of the depression. All sorts of schemes and panaceas were tried.

Despite the warnings of history, the theory was again promoted that government could solve our problems and take care of us. Promising bread, glory, and everything else to hungry, unhappy peoples, the Hitlers, the Mussolinis, and the Lenins came into power. Once again the state became master of the people in a large part of the world. Men again became the servants of the state.

Ambitious dictators resorted again to war, a war that has caused more misery, more suffering, greater destruction of property and loss of life than the world has ever known. Thank God that war, too, has been brought to a victorious end, even though at staggering cost—a public debt of more than \$275,000,000,000 and more than a million of our finest boys killed or wounded in combat.

In carrying on the war it was necessary for us to surrender to our Government tremendous power, full control over our lives and our mode of living. But now that the war has been won this Government control must end. We must return again as soon as possible to constitutional government.

In winning the war against our powerful enemies we proved to the world that individual effort can surpass years of planning and preparation for war by any totalitarian government. It was our system of free enter-



prise, the efforts of freemen, that made it possible for us to outdistance our enemies in war production, a vital factor in winning victory. It was our vast aid to Russia in material that paved Russia's road to victory.

No nation in the world can in war or peace match our production under our system of free enterprise, with its incentives and rewards for effort. The United States has emerged from the war as the most powerful nation on earth.

A system of government that has made all this possible, that has given us the highest standard of living ever known, that has opened the way for our amazing progress and has provided opportunity, happiness, and blessings not enjoyed anywhere else in the world—such a system of government certainly is worth saving. And it must be saved.

To accept the substitute, a planned society, it is necessary to surrender the right to think—to surrender the mind which controls the free actions of men. In a planned society education is controlled, freedom of speech is abridged, freedom of the press is abridged, freedom of assembly is abridged. The control of the mind of man for the maintenance of the plan is not economic democracy; it is not social justice. It is tyranny, blind tyranny, the darkest, blackest tyranny that the human race has ever seen.

These people who advocate state socialism advance the theory that we should depend on government for everything. They ignore the fact that not even supermen could from Washington, successfully manage our lives and our affairs. They ignore the fact that government is carried on by a group of only average men and that government does not create wealth. The money that it spends lavishly comes out of the pockets of the people. No one who buys any article or receives compensation escapes taxation. Unlimited government spending leads to disaster. Neither the government nor an individual can spend itself or himself into prosperity.

Planned economy means reverting to the all-powerful state and inevitably will bring back slavery to the state. Italy, Germany, and Japan had planned economy. Russia still has it. Surely we don't want it in America. And we must not have it. The tremendous sacrifices that we have made in this war will have been in vain if we should finally see established here the very same statism, national socialism or totalitarianism that we fought to overthrow in Europe and in Asia.

And yet such a fate for us is entirely possible if we neglect and forget the Constitution and the way of life that it has provided. Failing to realize the great benefits and blessings that have come to use because of our Constitution, most of us remain asleep and do nothing to protect our form of government and offset these efforts, while zealots who promote socialistic and communistic programs fight on with enthusiasm and determination. If they succeed in their plans, it will mean the end of the America we love.

There are too many who say that this can't happen here and smugly ignore what is going on. Let me remind you that no one expected that a handful of schemers could overthrow the Czar of Russia, but they did and they have remained in control of the Russian Government ever since.

It seemed most unlikely that Churchill, the great war leader, who saved Britain and probably the whole world, could be driven from office by those who stood for a program of state socialism that may lead to almost any kind of an economic revolution in England. But they did succeed, and today America with our Constitution stands as the last bulwark in the world as protection against all the dire results that will surely come from any form of a superstate.

Harold Laski, who did much at Harvard and in Washington to promote socialistic plans, said recently in England that the capitalistic system is doomed. If that be

true, then everyone who owns a farm or a house, a mortgage or a bond, a business or a factory, is destined to be deprived of his property. It would mean the scrapping of our Constitution.

Why have the people of this country supinely allowed the terms "capitalism" and "private enterprise" to be referred to with a sort of apology; something to be talked down, whispered down, as being of the regrettable past? They are as much a part of America as the Constitution and the Bill of Rights.

Capitalism has made this Nation the great, rich country that it is, incomparably the most powerful on earth. After saving the rest of the world and having acted as the storehouse for its rehabilitation, thoughtless and subversive elements in this country would tear down what we have built up.

Almost every inhabitant, other than agitators, in every country in Europe, would prefer the American system if he could have the opportunity to live under it. That is his dream. In his present despair he is turning to forms of socialism and communism under the mistaken delusion that, in some manner not understood by him, he will obtain a measure of security. What a pity he does not know what that means—the loss of freedom.

What we need here is a great educational campaign that will acquaint our people with the basic principles of the Constitution and arouse them to defend at all costs that great charter. It is most encouraging to see Sons and Daughters of the American Revolution both becoming active in this task. The substitutes advocated for it have been tried again and again throughout the ages and have always failed.

Who is being most deceived in this matter of liberty? Surprising to some, it is the laborer, who is the highest paid, has the best tools and finest working conditions, and the highest production record in all the world. The Constitution is the greatest bread-and-butter document in the history of the world. The propaganda used to mislead the worker aims to make him think he is going to get something more under a new system. He is being fed propaganda that inflames class hatred in America—hatred of the capitalist, hatred of management, hatred of those who have money.

The demagogues overlook the fact that if it had not been for those Colonists like Washington, who gave their money to finance the War for Independence, the America we know would never have existed. False propaganda has made some believe that the wealth of America is in the hands of a few, while, as a matter of fact, the riches of this great country are owned by the people, the average level of wealth being higher than in any other country.

Here 45,000,000 people have life insurance, some 50,000,000 have savings-bank deposits, and more than 15,000,000 own their own homes or farms.

The laborer also is being told that the way to get even with those who have prospered by toil, effort, thrift, and ambition is to destroy the system that makes it impossible for anyone to succeed. But the destruction of the system will make it impossible also for this man, his children, and his children's children to improve their lot.

The American workingman is too sensible, I hope, to be duped by such unsound proposals. He must know that the individual knows better than the state what is good for him. He knows that bureaucrats who live on the earnings, sweat, and toil of others are not supermen. They are instead a crushing burden and a great obstacle to all progress.

Jefferson, that great democrat who drafted our Declaration of Independence and had much to do with the creation of our Constitution and our Republic, said this: "A wise and frugal government which shall restrain men from injuring one another, shall otherwise leave them free to regulate their

own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government."

That is the kind of government that would get all its powers from the people and never be their master. It would give every individual by divine help the right to shape his own destiny. But when government undertakes to guarantee economic security, it destroys individualism, destroys initiative, thrift, self-denial, self-reliance, independence, pride, and self-respect.

In the Proverbs we read, "He that tilleth the land shall have plenty of bread, but he that followeth after vain persons shall have poverty enough."

In these days there is much confusion in our thinking about the future. I have faith in America's future if we cling to our constitutional government which has given to us in every way more than any people on the globe have ever had. The scientists who were developed under our free-enterprise system have solved the greatest mystery of the ages, the power of the atom. Their mastery of this secret may lead to a release of tremendous power, progress, and production for all, such as no one can now imagine.

Our free scientists in their laboratories also have found ways to create new products and uses for old products, that regardless of what the atom may do, will change everything about us—the clothes we wear, the food we eat, the houses we live in. They have given us new horizons that will lead to health, happiness, and prosperity such as never before known. They have charted the road to more leisure, more culture, better living and a better world for all mankind.

But to achieve all this we must have the protection of the Constitution that has made possible our amazing progress. We must cling fast to that great charter of our liberties. We must remain freemen, free from slavery to our Government or any other government.

I have faith in the American people. I believe that their common sense, their intelligence and patriotism will yet triumph and that the trend of Government toward State and national socialism, totalitarianism, and communism in the rest of the world will be checked here in America and that our constitutional form of government will be preserved.

The chairman of the convention that framed our Constitution was George Washington. On the back of his chair there was a painting of the sun as it appeared just above the horizon. When, after many months of wrangling and discussions which often threatened to break up the convention entirely, the Constitution was finally signed by the 39 delegates, Benjamin Franklin, then 83 years old, who had been a great stabilizing force in the convention, arose and said:

"I have looked at that painting again and again. I have wondered whether it was a rising or a setting sun, but now I know it is a rising sun."

And for 156 years it has been a rising sun. Now we must see to it that this sun that has shone upon us with such favor, that has seen America grow from a weak little group of colonies into the greatest of all nations, see to it that this sun does not set.

### An Editorial on the MVA

EXTENSION OF REMARKS  
OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1945

Mr. CURTIS. Mr. Speaker, the question of whether or not there shall be a



Missouri Valley Authority is now being discussed by a great many people, including many of our midwestern newspapers. I wish to extend my remarks by including an editorial from the Miles City (Mont.) Star for Sunday, September 30, 1945. The editorial is as follows:

HAS ST. LOUIS POST-DISPATCH GROWN WEARY OF MVA?

The only vehement supporter in the big time journalistic field of the Missouri River Basin, for the totalitarian scheme of a Missouri Valley Authority has been the St. Louis Post-Dispatch. (Not counting its twin paper in the same city and under the Pulitzer ownership.) All of a sudden about a year ago, and for no good reason at all, the Post-Dispatch climbed on the socialist wagon of the authority boys. Since then it has been doing its level best to cram this bunch of nonsense down the throats of plain people of the valley. No one ever heard of the twins of Mr. Pulitzer raising a voice about our welfare back in the drought years of 1934 and 1936 when choice cattle herds were being destroyed by the Government at \$15 a head to save them from death by thirst and starvation. There was no socialism in that situation for men of inherited wealth, such as Mr. Pulitzer, to dabble in. There was no chance to control the lives of people by socialist experiments, when even the waters of the earth dried up. None of the pro-MVA boys were on hand then; not Mr. Pulitzer of the inherited wealth, Marshall Field of a lot more inherited wealth; the CIO'ers and other rabid unioncers from St. Louis and Kansas City; the TVA'ers of Lillenthal's stripe; the pseudo farmer, Jim Patton and his left-wing Farmers Union political organization; magazines like Collier's of former high thoughts and ideals; certain pinkish and ill-informed New York newspapers, plus a few misguided clergymen who can't smell socialism when it is laid in front of their very noses.

At the time Mr. Pulitzer decided to put over this reform on the Missouri Valley he selected his ace editorial writer and rumor has it he told said writer to stay on the job until the MVA was an accomplished fact. In other words Pulitzer apparently figured that whatever his ideas were, they were good for everybody in the valley. So he picked this ace, Sam Shelton. Now Sam has tried hard to carry out instructions of the big boss. He has written reams of clever, wordy and at times slightly caustic articles on the matter of an MVA. He dispatched another writer (pardon us for the term) into the valley who was supposed to write a fairly correct account of what he found therein. Well, what that fellow sent back to Sam reminded us of the figures of the three monkeys who see nothing, hear nothing, and tell nothing. His writings were just about that good and had just that much effect on the question under discussion. We recall that brother Shelton dogged the water conference committee which met in Chicago last September for the purpose of formulating a national water use policy for the guidance of Congress. What he wrote about that conference was in the same class as what might have fell out of the transom. In other words, Sam didn't get very close to the heart of the discussion which indicated he might have been on the outside listening in. Oh, he did write a magnificent editorial once. It took up a whole page in the Post-Dispatch and was illustrated with a half-baked drawing by their staff drawing-board artist. Sam thought so much of the editorial he addressed it to all the editors in the valley (including ours), and sent out reprints helter-skelter up and down the river. That was the one which launched his MVA campaign. Of course, it fell like a dud in the upper basin States and that was something Sam Shelton never could understand. It was such a noble thought and the bushlander editors just wouldn't fall for it.

But as time went on Sam's efforts became more and more feeble in the cause of the MVA, and his arguments lost whatever potency they once had. Now we learn via Editor and Publisher that Sam is no longer on the editorial staff of the Post-Dispatch. It seems he made much more of a fist of handling a strike of the St. Louis carriers than of putting over the MVA. So now Mr. Pulitzer has gathered Sam unto himself, for Editor-Publisher says: "Shelton will assist Pulitzer on various problems relating to publishing the newspaper and will join the management's committee in negotiating all contracts."

Isn't that a nice way of getting a good guy out of a tough spot where you placed him, after finding that the "reform wave" has failed; especially the one you tried to backwash up the Missouri Valley?

Well, so long, Sam. You put up the best scrap you could in view of the fact that you had been equipped with propaganda pillows instead of boxing gloves. Anyway we enjoyed your shadow boxing on the TVA benefit performances.

the farmer could produce and could have used even more. America at peace can do the same if the purchases of farm products is sustained through full employment of the farmers' No. 1 customer—the urban industrial worker.

The Bureau of Agricultural Economics of the Department of Agriculture, in a pamphlet discussing the peacetime role of farmers has this to say:

"What peace can mean to American farmers depends more upon the level of business activity and nonfarm employment that can be maintained after the war than upon anything else."

It is perfectly true that a program of full employment will not solve all the problems or cure all the headaches of the American farmer, but without full employment the average farmer is doomed to an ever-decreasing income, to a lessened standard of living, and to abandonment of the land as a livelihood for many thousands of them.

It is very interesting to note that it was a farm organization which first proposed the full employment bill. It was the Farmers' Union, a national organization of working farmers, which proposed the plan of Senator MURRAY, of Montana, in August of last year.

Full employment is not an academic or abstract theory to the farmer, to the man who raises the pigs, the cows, chickens, corn, wheat, and other foodstuffs to supply the tables of America. Full employment throughout the Nation means full production and cash in hand on the farm.

The great agricultural production record during the war demonstrated as nothing else could the economic interdependence of farmer and worker, of city folks and country folks. That relationship did not start with the war; it will not stop with victory. If anything, the dependence of the farmer on industrial pay rolls will grow with the end of the war. During the last several years the farmers have shared with industry the United States Government as their most important customer.

Even with a vast Government program of relief in form of food and clothing for the peoples of the war-devastated countries, the United States Government will no longer be the big consumer of farm products that it has been. The ordinary American will have to take up the slack through increased purchases of the farmers' produce. This means the ordinary American is going to have to eat more and better foods than he did before the war, and he can't do this unless there are more jobs at decent wages than there were before the war.

What this means is clear. The farmers' stake in full employment in the United States is as great as is the workers', the shopkeepers', or the businessman's.

A very good example of how the farmer benefits from widespread increases in purchasing power among urban workers is found in the consuming habits established during the war. Not only did total production go up to amazing records, but individual consumption of farm products went way up.

Even taking into account rationing and the diversion of great supplies to the armed services and to lend-lease, civilian consumption of pork and lard jumped from 67.1 to 87.1 pounds per person, of chicken from 17.9 to 28.1 pounds, of wool from 4.5 to 7.7, and of cotton from 25.3 to 39.8 pounds.

Of course there were decreases in consumption by individuals, too, but these were in foodstuffs and other farm products that simply were not available for civilian use. It is very significant for the future, that American consumers during the full employment period of the war used ever increasing amounts of agricultural products whenever they were available.

There is no reason to believe that this trend would not continue after the war when the inhibitions against buying have been removed.

## The Benefits to Agriculture From the Full Employment Bill

### EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 10, 1945

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address recently delivered by me:

Friends of the Twelfth District, one of the most widely discussed legislative measures now before Congress is the full employment bill of 1945 which recently passed the Senate and will shortly be acted on by the House of Representatives.

I have talked to you before about this measure and have indicated to you the reasons for my strong endorsement of it. Tonight I want to discuss full employment again but from another point of view.

When the problem of maintaining employment is discussed, people are very inclined to think of employment or unemployment in terms of the urban industrial worker. This is a natural thing to do growing out of the obvious role of the millions of industrial workers in our total economic picture.

The city worker, however, is just the most obvious beneficiary of an economy of full production and full employment. All the people of our modern America will benefit from the fullest possible use of the total work force in a program of full production.

We have seen how this worked during the war when we did use a maximum number of workers in the maximum effort to produce the weapons, the machines, the uniforms, and the food necessary to achieve victory.

The impact of the war upon agriculture was as great and its results as miraculous as was the unprecedented production records reached in industry. The American farmer proved himself to be as great a production genius as the industrial worker.

One of the byproducts of this great wartime record by farmers in the United States has been the change in thinking among many economists and theorists as to the potential productivity of agriculture and its relationship to the whole economy. The theory of scarcity economics in agriculture has been completely outmoded by the war experience. America at war consumed all



This increased consumption of farm products during the war was possible because a war economy is an economy of full employment. What could this not mean in a peacetime economy of full production and employment when the wartime brakes on civilian consumption have been removed?

The Bureau of Agricultural Economics has estimated that if the United States had full employment at a national income level of \$150,000,000,000 in 1950, the average consumer in the United States would eat 113 percent of the beef and veal he ate during the 1935-39 period, 143 percent of the pork and lard, 140 percent of the chickens, 117 percent of the eggs, and 112 percent of the dairy products.

The Bureau estimates, on comparison with consumption in past years, that the average citizen would use 154 percent more citrus fruit, 138 percent more canned vegetables, 119 percent more sugar, 133 percent more wool, 119 percent of cotton and 132 percent of tobacco.

Imagine what this kind of consumption by the American people would mean to the farmer. And it is possible. The figures arrived at by the Bureau of Agricultural Economics are based on past relationships between employment levels throughout the country and farm-products consumption.

These figures, amazing as they may seem as opposed to the old concept of scarcity planning, do not take into account such important factors in increased consumption as nutrition education resulting in better eating habits, or a greater diffusion of buying power through elimination of substandard wages.

They are based on present consuming habits, and on present wage levels which, in millions of cases, make adequate family diets impossible.

In all my discussions of full-employment legislation, I have said repeatedly that it would not solve all the ills of modern industrial capitalism. It is not the open sesame to the world of peace and prosperity which ideally we strive for. It does provide a blueprint for the kind of healthy total economy in which peace and prosperity can thrive.

I want to emphasize this in relation to the farmers' stake in full employment.

The full-employment bill will not cure all the headaches in the present agricultural system. Even full employment itself, with all that it will mean to improve the lot of the farmer, will not automatically take care of such pressing agricultural problems as soil conservation, of balanced production, of monopoly farming—to mention just a few of the most urgent problems.

A comprehensive agricultural program designed to correct the old ills and to promote new methods must accompany full employment if the American farmer is to share in the fullness of American life.

Such a comprehensive program, designed to secure to the farmer the full benefits of an economy of full production must be based on the proposition that agriculture is an integral and vital part of the total economy, not a stepchild of the American system.

Although as I have said, the passage of the full employment bill will not solve the postwar problems of American agriculture, it will, for the farmer as for the rest of us, provide a blueprint for the kind of economy in which general prosperity, with an ever-increasing standard of living for all, is possible.

I have heard the full employment bill compared, as far as farmers are concerned, with support prices for agricultural products. Support prices, as you know, put a floor un-

der the prices of farm products. The full employment bill will put a floor under the whole economy.

If the United States does achieve the full employment envisioned by the study of the Bureau of Agricultural Economics with a national income of \$150,000,000,000 in 1950, the cash income of farmers would be about \$17,000,000,000, assuming a slight decrease in prices from present levels.

If, instead of full employment, we were to have another depression comparable to that of 1929-32, farm cash income would drop to about \$6,500,000,000. Net income would be \$3,000,000,000 as against \$11,400,000,000 under full employment.

These figures alone make clear the farmers' stake in full employment in the postwar period when the increased technological improvement in farm operation and the increased speed of the impact of depressions on farmers constantly tend to bring the farm and urban populations of the country closer together to share in the total economy, whether it be one of acute depression or of full employment.

#### LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board, or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U. S. Code, title 44, sec. 140, p. 1938).

Printing and binding for Congress, when recommended to be done by the Committee on Printing of either House, shall be so recommended in a report containing an approximate estimate of the cost thereof, together with a statement from the Public Printer of estimated approximate cost of work previously ordered by Congress within the fiscal year (U. S. Code, title 44, sec. 145, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on Printing, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U. S. Code, title 44, sec. 133, p. 1937).

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To the Vice President and each Senator, 100 copies; to the Secretary and Sergeant at Arms of the Senate, each, 25 copies; to the Secretary, for official use, not to exceed 35 copies; to the Sergeant at Arms, for use on the floor of the Senate, not to exceed 50 copies; to each Representative, Delegate, and Resident Commissioner in Congress, 68 copies; to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 25 copies; to the Clerk, for official use, not to exceed 50 copies; and to the Doorkeeper, for use on the floor of the House of Representatives, not to exceed 75 copies; to the Vice President and each Senator, Representative, Delegate, and Resident Commissioner in Congress there shall also be fur-

nished (and shall not be transferable), 3 copies of the daily RECORD, of which 1 shall be delivered at his residence, 1 at his office, and 1 at the Capitol.

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Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized book dealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by book dealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U. S. Code, title 44, sec. 72a, Supp. 2).

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The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expense of such printing, the current Congressional Directory. The money derived from such sales shall be paid into the Treasury and accounted for in his annual report to Congress, and no sale shall be made on credit (U. S. Code, title 44, sec. 150, p. 1939).

#### RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD is located in Statuary Hall, House wing, where Mr. Ralph L. Harris is in attendance during the sessions of Congress to receive orders for subscriptions to the RECORD at \$1.50 per month, and where single copies may also be purchased. Orders are also accepted for the printing of speeches in pamphlet form.

#### PRINTING DOCUMENTS AND REPORTS

Documents and reports of committees with the evidence and papers submitted therewith, or any part thereof ordered printed by Congress, may be reprinted by the Public Printer on order of any Member of Congress or Delegate, on prepayment of the cost thereof (U. S. Code, title 44, sec. 162, p. 1940).

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#### CHANGE OF RESIDENCE

Senators, Representatives, and Delegates who have changed their residences will please give information thereof to the Government Printing Office, that their addresses may be correctly given in the RECORD.







resolution (positive law).

FAO CONFERENCE. Sen. Willis, Ind., described the accomplishments of the Quebec conference (pp. 10684-7).

LEAVE ALLOWANCES. Sens. Downey, Taylor, and Hart were appointed Senate conferees on S. 1036, which provides for payment of leave to Army and Navy officers who return to Federal employment (p. 10654).

Reps. Ramspeck, Randolph, and Rees were appointed House conferees on the bill (p. 10729).

SUGAR; ALCOHOL. Received a resolution of the 5th Dist. of Kans. Federation of Women's Clubs recommending that the Government restrict the use of sugars for alcoholic beverages (p. 10651).

PROPERTY REQUISITION. Both Houses received from the President WPB's report on operations under the Property Requisition Act. To Military Affairs Committees. (pp. 10650, 10703.)

COLORADO RIVER-RIO GRANDE WATER TREATY. Agreed to Sen. Downey's (Calif.) request that Engineer Alba's (Mexico National Irrigation Commission) report on this treaty be printed as S. Doc. 98 (p. 10654). Sen. Downey inserted his letter to Secretary of State Byrnes on the subject (pp. 10654-5).

NOMINATIONS. Received the nominations of H.E. Gaston and R.T. Stevens to be members of the Export-Import Bank Board and Chester C. Davis to be a member of the OWMR Advisory Board and confirmed the nomination of Kenneth C. Royal to be Under Secretary of War (p. 10695).

#### HOUSE

FOOD AND AGRICULTURE ORGANIZATION. Rep. Hope, Kans., reported on the Quebec FAO Conference, discussed the functions of the Organization, and inserted statements on the program (pp. 10703-9).

FULL EMPLOYMENT. Rep. Gossett, Tex., criticized H.R. 2202, the full-employment bill, as "economically...psychologically...and philosophically unsound" (pp. 10715-8).

Rep. Patman, Tex., spoke in favor of, and gave his interpretation of, this bill (pp. 10718-29).

COMMITTEE ASSIGNMENT: EXECUTIVE AGENCIES. Rep. Gore, Tenn., was appointed to replace Rep. Voorhis, Calif., (resigned) on the Select Committee to Investigate Acts of Executive Agencies Beyond the Scope of Their Authority (pp. 10696-7).

ADJOURNED until Mon., Nov. 12 (p. 10729).

#### ITEMS IN APPENDIX

PRICE CONTROL. Extension of remarks of Rep. Bennett, Mo., criticizing "OPA policy of cost absorption" by retail business and including a Missouri Grocer article on the subject (pp. A5149-50).

Extension of remarks of Rep. Pittenger, Minn., criticizing OPA's policy of having lumber retailers absorb price increases (pp. A5138).

FULL EMPLOYMENT. Extension of remarks of Rep. Short, Mo., opposing the full-employment bill and including correspondence on the subject (pp. A5160-1).



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued November 9, 1945, for actions of Thursday, November 8, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed bill to liberalize GI Bill of Rights (retained provision of loan guarantee by Veterans' Administration). Senate continued debate on reorganization bill, discussing Donnell amendment providing for approval of plans by joint resolution. Sen. Willis and Rep. Hope reported on FAO conference. Sent to conference bill to pay military leave to returning servicemen. Rep. Flannagan introduced pink-bolt worm bill (had been initiated by USDA). Rep. Hays introduced bill to construct county agricultural buildings. Sen. McKellar introduced bill to preserve status, etc., of Army officers detailed to USDA.

SENATE

1. GI BILL AMENDMENTS. Passed with amendments H. R. 3749, to amend the Servicemen's Readjustment Act of 1944 (pp. 10664-84). The bill permits veterans to apply for loans within 10 years after the war (present law limits this to 2 years after separation or 5 years after the war, whichever is earlier; House version limits it to 6 years after separation but not longer than 8 years after the war). It liberalizes and clarifies the guarantee provisions but retains the basic principles of the existing law (House version provided for approval of loans by the lending agencies rather than Veterans' Administration). Another provision permits VA to pay 4% on the amount originally guaranteed (present law provides for payment of interest for the first year on the part guaranteed). It extends the maturity limitation from 20 to 25 years generally and in the case of farm realty to 40 years; and removes restrictions which preclude national banks, Federal savings and loan associations, D. C. banks, trust companies, building and loan associations, and insurance companies from participating. The present provision that loans be made at "reasonable normal value" would be amended by striking out "normal". The reference to payment of delinquent indebtedness and taxes would be made to apply to farms and business as well as homes. The bill broadens the law "so that loans can be made for every ordinary farming purpose." It makes clear the right of the Secretary of Agriculture to determine the basic eligibility of a veteran applying for loans under the Bankhead-Jones Act, by eliminating necessity of referring each case to VA for that determination. Another provision permits refinancing of indebtedness considered by the Soldier and Sailors' Civil Relief Act of 1940. The bill also liberalizes the education and rehabilitation features of the GI law.

2. GOVERNMENT REORGANIZATION. Continued debate on the reorganization bill, S. 1120 (pp. 10653, 10655-6, 10664, 10687-94). Most of the debate was on an amendment by Sen. Donnell, Mo., to provide for approval of reorganization plans by joint



out for some rather progressive measures that are anathema to the Republican Old Guard, and could hardly be expected to sit silently by as the machine creaked and bumped along in the old ruts.

No; I do not think Mr. Johnston is the best choice for their purposes.

Rather, if I may, I would like to offer the suggestion that their best man for the post is Herbert Hoover, whose credentials as a member of the Old Guard have never been challenged.

Personally, I was shocked—and I know many good Republicans were also—to see a former President of the United States, a senior statesman of the party, given such a brush off and so lightly consigned to the dust bin.

It was positively insulting, and there was no excuse for it, even on the narrowest grounds of self-interest.

The Republicans, I say, cannot afford to ignore Herbert Hoover and his clique, for if and when the voters decide to return to the Republican fold, Herbert Hoover will be the symbol of the party.

And in light of his experience, he would make the best Republican Secretary of Commerce since Herbert Hoover. If the opposition wishes to survive and preserve some semblance of party unity, it just has to play ball with the great engineer, always loyal to himself and his party. He could help create jobs, too, for no man in history has done so much to promote the selling of apples and the general distribution of applesauce.

And I ask you, What is the point in passing over Hoover and coming to rest—in fact, coming to a dead stop—on Alf Landon?

Believe it or not, Alf Landon is proposed as Secretary of the Interior. His qualifications are, I suppose, that he comes from the interior, and I am sure it is fervent prayer of millions that he will remain there. More circumspect Republicans have never forgiven him for the terrible debacle of 1936, and here they are saddled with him again. No wonder so many in the party are confused and disgruntled.

And not only is the party to be saddled with the little "sunflower" from Kansas, but with his campaign manager as well, John D. M. Hamilton, who is to be Postmaster General, and dispense all patronage.

If that does not send cold chills down many a spine, I do not know what will. Mr. Hamilton is being rewarded, I presume, because he managed to carry two States for his boss in 1936. And, considering what he had to work with, I confess it was quite a feat.

But what about Herb Brownell? Is he not any good? Has he not some claim on Republican gratitude?

These amateur king-makers had better watch their step if they value their health and political hides. Brownell still sits in the driver's seat of the well-oiled Republican machine and does not intend to be pushed around. I hope no heads have to roll because of my colleague's rather aimless speculations.

Treason has to be an overt act and cannot properly be extended into the realm of pure phantasy, such as naming a Republican Cabinet for 1948. But I can well understand why Herb Brownell and Governor Dewey are so sore.

Now we come to an equally serious and tangled matter—Gen. Douglas MacArthur as Secretary of War. The general would probably make a good Secretary, but has he been consulted? Is this really the height of his ambition? Has the appointment been cleared with Colonel McCormick, Cissie Patterson, Cousin Joe, William Randolph Hearst, and Gerald L. K. Smith—staunch Republicans all, who insist that General MacArthur is a "natural" for the Presidency in 1948, the answer to their long and fervent prayers for "the man on a white horse"?

These people undoubtedly feel that to promise him appointment as Secretary of War is only a cheap political maneuver to dish the general out of the Presidency—and I fear they will regard my friend's open-handed generosity as actually a demotion for MacArthur, and they will not be disposed to put up with it.

I should think the Republicans had enough trouble without getting into such as these, which could so easily be avoided if they would only learn to keep their peace. I can certainly sympathize with their leadership—driven frantic, as it is, by so much back-seat driving.

Only backseat driving can explain the fact that in this hypothetical Republican Cabinet the most critical and influential post is given to a Democrat, Mr. Jesse Jones, who is proposed as Secretary of the Treasury. It is not so strange that a raid is made on the Democratic Party to get some real talent.

But it is strange that so many deserving Republicans were overlooked. Are none of them good enough to be Secretary of the Treasury? Even if they are not, I can think of a number of men of large affairs who have been pouring money down the Republican rat hole for years and certainly expect some slight return—Joe Pew, for example, or some of the Mellons and du Ponts, who together contributed almost \$200,000 to get some steam into the campaign for the little "man in the blue serge suit."

Are the Republicans now so rich that they can afford to insult such large contributors?

Is it wise, I ask, to kill these geese who lay the golden eggs?

And now we come to the true inwardness of the matter—to the fire that has caused all this smoke, all these headaches and heartburns.

Who do you suppose is going to be the next Republican Vice President, if any?

The Republican Party is filled with old and faithful wheel horses who have been doing their best for years to pull their battered Noah's Ark off the mud flats where it has been stuck so long. Each and every one of them is panting for the recognition they deserve. Yet the Vice Presidency goes to a newcomer, a comparative unknown—Henry Cabot Lodge, of Massachusetts.

I do not know the answer, but it must be the magic—the black magic—of the name.

And as chief in this realm of pure fantasy, this new and more wonderful Alice in Wonderland, we are offered—I must confess—an excellent choice, one to tickle the funnybone of millions.

I think the Cabinet that has been listed could be headed by only one man, one of the distinguished Members of the other House—Senator ROBERT ALPHONSO TAFT, of Ohio. No one has worked harder and with greater effect to return the party to the principles of Harding, Coolidge, and Hoover. His record on this score is unimpeachable, and he can be trusted to carry on, come what may. He is not one of those to change with every shifting wind. If he goes off on the starboard tack, he stays there as a matter of principle, even if it means going on the rocks. He lays the straightedge of his opinion against all problems and, once set, everybody knows that you simply cannot budge him, and he made up his mind about most things long ago.

For their purposes, as I say, the Republicans could have made no better choice, though I should add a word of caution that there is much grumbling about it among the more restless rank-and-file and considerable annoyance among the Hoover, Landon, Dewey, Bricker, Vandenberg, Warren, and Stassen crowds.

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

Mr. PRICE of Illinois. I yield.

Mr. THOM. I might say there is very strong sentiment in Ohio for former Governor Bricker for the Presidency, and I am surprised that the gentleman from Illinois has put him out of the clear and not even mentioned him for the Presidency.

Mr. PRICE of Illinois. He is just one of many. But this, I presume, can be put down merely to envy of Senator TAFT and what my colleague calls his all-American cabinet. As you can see, it is certainly all-something, and I hope the Republicans go through with this slate.

We Democrats could not ask for more.

And just to help the Republicans along and show my good faith, I am even willing to contribute a slogan to their campaign:

"Join the hodge-podge lodge,  
And go daft  
With TAFT."

#### EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD and include a statement from the mayor of Antwerp, Belgium.

#### FULL EMPLOYMENT BILL

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. GOSSETT] is recognized.

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

#### H. R. 2202, SO-CALLED FULL EMPLOYMENT BILL

Mr. GOSSETT. Mr. Speaker, I requested this time on last Tuesday at the conclusion of a speech by my friend the able and distinguished gentleman from Texas [Mr. PATMAN]. At that time I stated it was my intention to reply to an address he had just concluded, in behalf of H. R. 2202, the so-called full employment bill which bears his name and which has sometimes been referred to as



the Murray-Patman full employment bill. Let me say that I have the very highest regard for my colleague from Texas, and in the things to be said I do not intend to reflect in any way on his integrity, character, or patriotism. I do not believe him to be the father of this bill that bears his name.

In his address of last Tuesday, my distinguished friend from Texas implied that all opposition to this bill was partisan in character, that opponents of this legislation have substituted name calling for argument, that opponents of this bill were, in fact, against full employment, and that a righteous concern for our Nation's sacrifices in war requires full support of his bill.

In view of these erroneous assertions and implications, in view of my membership on the House Committee on Expenditures in Executive Departments, which committee has been hard at work on this legislation for some 2 months, because of widespread discussion and misunderstanding of this legislation, and because of its great importance, I feel it my duty to speak briefly at this time, concerning this measure.

Mr. Speaker, our committee's consideration of this bill has been full, fair, and nonpartisan. Our sole concern is the general welfare of this country. To ask a man, do you favor full employment, is an insult both to his intellect and character. All of us favor full employment. We are for full employment just like we are for God, home, and country. Ninety-nine percent of those who now lambaste our committee and demand immediate and favorable action on H. R. 2202 have never read the bill and have no idea what the bill means. That patriot who cried, "Oh, liberty, liberty, what crimes are committed in thy name" was by no means a fool. Many of those who profess to be great humanitarians do their cause untold harm. Those who believe in American democracy, as I am sure do all Members of this body, would not want full employment for today if it meant no employment for tomorrow.

Mr. Speaker, H. R. 2202 is an unemployment bill. The title of H. R. 2202, as well as the title of S. 380, heretofore passed by the Senate, is in the following language:

To establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

Again, section (e) on page 3 of H. R. 2202 is as follows:

To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment.

This bill by its express provisions and by its clear implications commits this Government to a positive guaranty of full employment to all persons at all times. For this Government to assure full employment is, of course, to guarantee full employment. Would anyone contend for a moment that Government assurance is not a Government commitment and a Government guaranty?

This bill not only guarantees full employment, but provides for a complete inventory of the national resources and employment prior to the beginning of each fiscal year, and then for Government appropriations sufficiently large to provide jobs for those who might be unemployed in the following year.

Mr. Phil Murray, president of the CIO, in a frank statement supporting this bill, said, among other things:

I am sure this bill is not the last word, but the first. We in the CIO regard the Murray-Patman bill as minimum legislation.

In other words, this bill is simply the ground work for gigantic and comprehensive over-all Government planning and expenditures. If enacted and if carried out according to its provisions and implications, this bill would require regimentation and would result in bureaucracy far greater than that ever known heretofore in this country, even in time of war. Full employment, as guaranteed in this bill, if at all possible, is possible only within a completely regimented economy. Full employment, as guaranteed in this bill, is possible only under some form of totalitarianism. This bill, as written, is a highway into national socialism.

To become more specific, Mr. Speaker, I am opposed to H. R. 2202 because it is economically unsound, psychologically unsound, and philosophically unsound.

First, a few observations concerning the economics of the proposed bill. None of the experts testifying in behalf of this bill cared to discuss the national debt, or the effect of this legislation thereon. None of them would even estimate how large a debt we might safely carry without impairing the credit and solvency of this Government. They all stick to glittering generalities. All agreed, however, that even in normal times we would have millions unemployed. Assuming a minimum average of 3,000,000 unemployed, to provide 3,000,000 additional Government jobs would probably cost not less than \$3,000 per job per year, or a total of \$9,000,000,000, as a conservative estimate.

We all know that henceforth the interest on our national debt will run between five and six billion dollars per year. We all agree further that henceforth and forever we must maintain the strongest military establishments on the face of the earth, which will entail great expense. Again, we have a sacred obligation to our returning veterans, both able and disabled, which we cannot and will not seek to evade. If we should add this guaranteed full employment cost onto our other current financial obligations, there would be no escape from extensive deficit financing. The only possible way to meet such staggering obligations would be through inflation. Like my good friend from Texas, I abhor the prospects of continuous or extended inflation. We all know the perils and penalties of such inflation. The time might well come, and soon, in this America of ours, unless we proceed with caution and wisdom, in which one could not carry enough currency in a tow sack to pay for a package of cigarettes. No financial Houdini can escape the stern realities of debt. We cannot afford an

annual minimum of \$9,000,000,000 added onto our other fixed obligations.

Again, Mr. Speaker, this bill is psychologically unsound. Even the threat of its enactment is now hurting our reconversion program. Farmers and businessmen all over America are crying for help. Crops are rotting in the field and shops remain idle. Some of this is due to the widespread illusion held out by this bill that come or go what may, a benevolent government will take care of you. This bill may be, as some of its sponsors contend, just a pious declaration of principles. To pass laws saying we favor full employment or that we believe a man has a right to seek useful employment is a ridiculous and dangerous quibble with words. Whether or not this bill means what it says, it will certainly create the impression throughout this country that our Government is going to guarantee every person a job. Certainly our Government should be the last institution on earth to deal in hypocrisy and false promises.

Again, were it possible to guarantee every person a job, to guarantee everyone security from hunger and want, would such be desirable? Would not such guaranteed security rob the average American of his finest attributes, initiative, thrift, resourcefulness, self-reliance, pride in achievement? To empty a man's backbone, even if you fill his stomach, is to do him an irreparable injury. Moral and spiritual values are, after all, our greatest source of strength and security.

Most opponents of this bill believe, of course, in government planning. They believe such planning should be far sighted, rather than shortsighted. They believe that we should have all the security possible within the framework of a virulent and solvent democracy, but under the inevitable planning and regimentation envisioned by many of the proponents of this bill, the individual would certainly become just a pawn of a totalitarian government. Moral and spiritual decay would then precede total economic collapse.

Finally, Mr. Speaker, the entire philosophy of this bill is repugnant to our concepts of democratic government and to our ideals of freedom. In this country we should never permit anyone needlessly to suffer from conditions for which they themselves are not responsible. Even under our veterans laws we deny pensions to disabled veterans whose disability is the result of their own wrongdoing. Still, under this bill, our government would guarantee to every person a job, regardless of their wrongdoing. Our Government does not owe every man a job. If such a program were undertaken, the question would then arise, what kind of a job, under what conditions, at how much pay. Many of us conceive a proper course for this Government to be an avoidance of extremes. We must have planning, to be sure, we must have regulations, to be sure, but to carry planning and regulations to the extreme would be to change our philosophy of government. The true function of government is to write the rules of fair plan and then to enforce those rules as an impartial referee. We should not



have so many rules and regulations that it would require a coach and referee for every player on the team.

Of course, we have a great many people in this country who would like to see democracy destroyed. We have a lot of others who simply don't care what happens to anyone else so long as it doesn't happen to them. It's a sort of depravity which becomes fatal when widespread. It's the Louis XIV philosophy of "after us, the deluge," or "to the devil with future generations." It is the spirit of "eat, drink, and be merry, for tomorrow ye may die." Since the beginning of time such a spirit has meant death and destruction to both men and nations.

The fact that democracy has disappeared, or practically disappeared, everywhere else in the world except in this land of ours, should put us all the more on guard. That brings me back to the name-calling that has grown out of debates on this legislation. My colleague from Texas condemns those who referred to this as communistic legislation. A member of the President's Cabinet who testified for this bill in glittering generalities and who refused to discuss its details or to roughly sketch a blueprint of its commitments and operations, referred to the opponents of this legislation as coming largely from the Union League Club. He also referred to them as "intellectuals." In his speech of last Tuesday, the gentleman from Texas told us of his farming background. He, along with the Cabinet member, wished to classify the opponents of this bill as members of our false aristocracy. If the gentleman wishes to compare antecedents, I am willing. He didn't come from any farther back in the country than did I. In fact, some of my folks haven't got to town yet. All of my forbears have been farmers and laborers. All of us have been poor. We have all lived on the wrong side of the tracks, so to speak. We have all belonged to the have-not classes of America. We have had no money, but we have had what is of greater value—pride and confidence in American citizenship. For myself, I have known hunger in days gone by. Most of the opponents of this bill would prefer going hungry in the future than seeing American democracy sold down the river for a mess of pottage.

Since some of the gentlemen have tried to classify and catalog both proponents and opponents of this legislation, I should like to observe that while many able, sincere, patriotic gentlemen are wholeheartedly for this bill, I have not heard of a pink or a red individual or organization in this Nation that is not enthusiastically supporting this legislation. The pinker and redder they are the louder they cry for its enactment. That makes me all the more suspicious of the purposes and intentions of some of those who are so anxious for the enactment of this bill.

Mr. Speaker, I loathe and fear communism, fascism, nazism, and many other isms. We do not want them stealing into this Government through the back door or through any of the windows. We do not want them coming in surreptitiously under the guise of guar-

anteed full employment or any other cloak that might conceal their real identity.

The gentleman from Texas concluded his remarks on Tuesday by a reference to the terrible casualties of World War II. The only real sacrifices made in this war were by those who served in the armed forces and their families. For many of them the war will never end. These sacrifices were made in the defense of American institutions and ideals. They were made in the destruction of barbarian regimes that had no respect for God or man. These sacrifices should make us love America more and cause us to serve America better. Let us work to preserve in peace the things we fought to preserve in war. In all the things we do here let our only concern be for the peace, prosperity, and happiness of the American people. Let us examine with care any proposed legislation that would make revolutionary changes in the American way of life. Otherwise, gentlemen, we will wake up one sad morning to find that American democracy was just a glorious experiment.

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

Mr. GOSSETT. I yield to my chairman, the gentleman from Alabama.

Mr. MANASCO. I compliment the gentleman. I think he has made one of the finest statements on this so-called full employment bill. I think the people are entitled to know some of the provisions of this bill. There are several things about this bill that disturb me. I think if the bill is passed in its present form it would wreck our system of private enterprise. I think it will enslave the workingmen of this country, contrary to the opinion of a lot of people. But I want the gentleman's opinion on this so-called Federal budget. Do you not think that if the President is transmitting his budget to the Congress in January, which would not take effect until July, at the beginning of the next fiscal year, if he were to predict that 4,000,000 or 6,000,000 or 8,000,000 people would be out of work in November of the following year that that statement in itself would not accelerate or precipitate a depression, but it would cause all the people of industry to reduce their inventories and it would scare purchasers and they would start tightening up their belts immediately, and immediately it would throw millions of Americans out of work. Then the Federal Government under this bill would have to take those people and put them on Federal public works projects. Anybody knows that when you get a man on a Federal project it is almost impossible to get him off it.

Mr. GOSSETT. I agree with the gentleman fully and share his views on this bill. I yield to my colleague, a member of the committee.

Mr. HENRY. I should like to ask the gentleman from Texas if he as a member of the committee heard any members of the President's Cabinet or any proponents of this bill claim that the bill in and of itself would achieve full employment?

Mr. GOSSETT. No, they rather denied that it would.

Mr. HENRY. Then my second question is, Do you consider the title of the bill an honest title?

Mr. GOSSETT. If the title of the bill is an honest title, I certainly think you could not pass any more dangerous and pernicious piece of legislation.

Mr. HENRY. Then my third and last question is: Reference was made to paragraph (e) on page 3 of the bill. Do you not consider that an unlimited pledge on the part of the Federal Government to make expenditures and investments to whatever extent may be necessary to create full employment.

Mr. GOSSETT. That is unquestionably a guaranty of jobs to everybody to be paid for out of the Federal Treasury, regardless of deficit financing or the effect on the national economy.

I yield to the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. I congratulate the gentleman from Texas on his very remarkable address, which was one of the best I have ever heard made on the floor of the House. I think it is timely. I think it is both the challenge and the answer to the question which is before this Congress at this time. I congratulate the gentleman.

Mr. GOSSETT. The gentleman is most kind and generous. His praise is appreciated.

I yield to the gentleman from California.

Mr. PATTERSON. Do you mean to cast aspersions on the gentleman from Texas [Mr. PATMAN], and the Senate Members who voted favorably on this bill and the 100 Members of this House who are coauthors of the bill, as having something the matter with their intellectual ability and also as not being true Americans, along with the President of the United States and most of his Cabinet members?

Mr. GOSSETT. I tried to take care of that in original statement. My answer to that is, "God forgive them; they know not what they do."

Mr. PATTERSON. In other words, you include the President of the United States? In other words, you say that the President of the United States knows not what he does when he favors this bill?

Mr. GOSSETT. I do not think he has studied this bill or knows what this bill will do. He, like all of us, is for full employment.

Mr. PATTERSON. I think he has just as much idea as you do.

Mr. GOSSETT. I yield to the gentleman from Alabama [Mr. MANASCO].

Mr. MANASCO. As a matter of fact, the President and the majority leader never have come out for any particular bill. The President's letter is in our committee file and it will be in the hearings. He said he just wanted some legislation. He did not say he was for H. R. 2202, S. 380, or H. R. 4181.

Mr. GOSSETT. The gentleman is correct and I appreciate his contribution.

Mr. PATTERSON. Did not the Senate pass the bill over to us?

The SPEAKER pro tempore (Mr. ZIMMERMAN). The time of the gentleman from Texas has expired.

Mr. JUDD. Mr. Speaker, I ask unanimous consent that the gentleman from



Texas [Mr. Gossett] may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JUDD. I would like to ask the gentleman if it is not true that of all of us who sat in the committee hearings for 5 or 6 weeks and listened to extensive testimony for and against and have given the bill most study, there were only 2 Members out of the 15 Members present yesterday who favored this bill as it is written.

Mr. GOSSETT. I think the gentleman is correct. I would not want to make a positive assertion, but I think that is correct.

Mr. JUDD. By a vote of 8 to 7, the committee voted to instruct a subcommittee to, in effect, strike out everything after the enacting clause and bring in an entirely different bill. So that instead of approval of the original bill, as our action has been represented to be, it was in reality a disapproval of that bill. Is that not a correct statement?

Mr. GOSSETT. The gentleman is quite correct. The gentleman's interpretation of that is just as mine. The committee most thoroughly disapproved of H. R. 2202.

Mr. JUDD. I am saying that because I was one of those who voted to appoint the subcommittee, in the hope that we could get something that will be wholly honest and candid and will make clear to the people, if there are those who do not know it already, the fact that Congress recognizes fully that it has an obligation to do everything within its power, consistent with its other obligations, to create a sound national economy, with the highest possible level of employment. Congress always has recognized that and it does today. That kind of a bill I am for. But this bill contains pledges and guaranties and uses such words as "assure," which no witness was able or willing to define so that I could know just what it involved. Some of us who voted for the subcommittee to prepare a new bill, could not possibly approve the language in the present bill. I wanted that to go into the RECORD.

Mr. GOSSETT. I thank the gentleman.

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

Mr. GOSSETT. I yield.

Mr. HALE. I think the gentleman is making an extremely valuable and able speech. I wanted to testify my personal gratitude to him. I also wanted to inquire what value a piece of legislation of this kind can have in an intelligent reconversion program.

Mr. GOSSETT. I think it would be obstructive of an intelligent reconversion program. I think it is already hurting the reconversion program.

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

Mr. GOSSETT. I yield.

Mr. RUSSELL. I want to compliment my colleague from Texas on the masterful speech he has just made and tell him that I thoroughly agree with him. I want to ask the gentleman this ques-

tion: Throughout the history of the universe, does the gentleman know of any countries which have ever made a success out of full employment—I do not mean to insinuate that that full employment was paid by adequate compensation, but just full employment, outside of Communist Russia and Nazi Germany? Is there any country throughout the history of the world that has ever made a success in guaranteeing full employment, outside of those two countries, under those two regimes?

Mr. GOSSETT. Nazi Germany and Communist Russia are the only two countries of which I know that ever had full employment, and I would not say they have made a success of it. One of my friends back from Russia recently said he did not see a smile on the face of a single worker in the Soviet Union.

Mr. RUSSELL. Is it not a fact that under those two regimes, as I heard the very worthy gentleman who now occupies the Speaker's chair say, after a visit to those countries, especially the one that is still existing under that system of government that has guaranteed full employment it was only a form of slavery.

Mr. GOSSETT. I thank the gentleman for his contribution.

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

Mr. GOSSETT. I yield.

Mr. MANASCO. We are being urged and high-pressured by every known method to report this bill out. At the same time, many of the proponents of this bill are urging the Military Affairs Committee to make further studies of the disposition and use of the atomic bomb. Does not the gentleman think that a bill of this type, which in all probability would change our system of government for years and years to come, should be studied very carefully by our committee? Some men say words mean nothing, but I have seen many Executive orders issued, where the use of a single word would change the entire meaning of the Executive order. Does not the gentleman think that we should give a lot of study before we report back to the full committee, and that then the full committee should do a lot of studying on this matter?

Mr. GOSSETT. I think this bill as written, according to its express provisions and implications, would be just about as dangerous as the atomic bomb.

Mr. MANASCO. It would remove any necessity for the Congress of the United States, would it not?

Mr. GOSSETT. It would probably eliminate the Congress within a very few years. Legislative bodies are surplusage in totalitarian regimes.

Mr. MANASCO. Personally, I think that is the intention of some of the people who are back of this bill. I do not refer to any Member of Congress, but some of the backers of the bill.

Mr. GOSSETT. I agree with the gentleman fully.

The SPEAKER pro tempore. The time of the gentleman from Texas has again expired.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent that the gentleman

from Texas may proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. The gentleman has made a splendid address. I should like to ask him if there is very much practical difference between the doctrine that the Government owes everybody a job and the doctrine that the Government owes everybody a living?

Mr. GOSSETT. I see no substantial difference.

Mr. CURTIS. And that is not what has made us a great Nation, is it?

Mr. GOSSETT. Not at all. Quite the contrary is true.

The SPEAKER pro tempore. The time of the gentleman from Texas has again expired.

#### EXTENSION OF REMARKS

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD and to include therein an editorial from the New York Herald Tribune of November 4, 1945, entitled "The Responsibility of Victory."

#### PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today, following the gentleman from Texas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore (Mr. ZIMMERMAN). Under the previous order of the House the gentleman from Texas is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 20 minutes.

#### FULL EMPLOYMENT BILL, H. R. 2202

Mr. PATMAN. Mr. Speaker, if the gentleman from Texas [Mr. Gossett] is correct, the sponsors of this legislation from the President on down are public enemies No. 1, they are the worst people on earth, they are communistic, they are trying to destroy the Government of the United States, they are trying to enslave the people; in fact, they are the bad men of the world. I am glad the gentleman made the speech because it shows that even people who have heard testimony about the bill for weeks do not comprehend what the bill is all about. I am glad to know that the gentleman from Alabama [Mr. Manasco] and the gentleman from Texas [Mr. Gossett] as demonstrated by their statements, do not yet understand this bill. I am going to tell them something about it and insert a copy of the bill so anyone can read its exact provisions and determine for themselves that it is being misrepresented.



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

Mr. PATMAN. Not until I have made my statement; then I shall be pleased to yield to anyone who wants to ask me a question, stay here as long as anyone wants to stay and do my best to answer all questions.

Mr. MANASCO. I just wanted to make it clear at that point that some of the proponents likewise do not seem to know anything about the bill.

Mr. PATMAN. The gentleman from Texas [Mr. GOSSETT] even inferred that I was not the author of the bill. For his information I may say that this bill was carefully studied for a period of months and whether it is to my credit, or my responsibility, or my fault, I sat in on the framing of this bill and some of my language appears in it.

#### COCONSPIRATORS TO DESTROY COUNTRY

Every word in the bill was written by Members of the Senate and of the House, it was written right here on Capitol Hill in the offices of the Senators and the Representatives. The bill was introduced in the Senate and also introduced in the House. One hundred and sixteen of us who are House Members are coconspirators in this great conspiracy to destroy our country, 116 of us are authors of this bill and the others, along with myself, are what the gentleman from Texas would have you believe are such bad men. I am not asking them to share the responsibility, I am willing to bear it all, but I just want you to know that there are some other bad men in the House besides myself.

#### WHAT IS H. R. 2202?

I want to call your attention to this bad bill, this H. R. 2202. What is it? It is to establish a national policy and program for assuring continuous full employment in a free competitive economy. Communism? No; we hate communism, we are against it; that is the reason we do not want the kind of government that Russia has. The people over there, if they are suffering, it is because they do not have a free-competitive economy, a free-enterprise system. We want to preserve what we have. You cannot do it and have these disastrous booms and depressions every few years and after every war.

This bill is Government planning, that is what it is. What is the object of this legislation that is so destructive?

The Congress hereby declares that it is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce, and in the development of the natural resources of the United States.

Does that sound communistic?

Next:

All Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and who do not have full-time housekeeping responsibilities freely to exercise this right.

#### EVERY FASCIST AGAINST BILL

We have fixed the policy. That policy does not sound communistic. Where is there any communism in it? May I say

that the gentleman from Texas [Mr. GOSSETT] said that all Communists were for this bill. I will add, too, I do not say every person who is opposing the bill is a Fascist, but every Fascist is fighting this bill. Every Fascist in America is opposing this legislation.

The bill states further:

In order to carry out the policies set forth in subsection (a) and (b) of this section, and in order to (1) promote the general welfare of the Nation—

Is that communistic?—

(2) Foster and protect the American home and the American family as the foundation of the American way of life—

Is that communistic?—

(3) Raise the standard of living of the American people—

Is there anything bad about that?—

(4) Provide adequate employment opportunities for returning veterans—

Is there anything bad about that?—

(5) Contribute to the full utilization of our national resources; (6) develop trade and commerce among the several States and with foreign nations; (7) preserve and strengthen competitive private enterprise, particularly small business enterprise—

Is that communistic or bad?—

(8) Strengthen the national defense and security; and (9) contribute to the establishment and maintenance of lasting peace among nations, it is essential that continuing full employment be maintained in the United States.

You know that you seldom reach a goal of 100 percent. Suppose the city of Wichita Falls said, "We want a 100 percent Christian city or a 100 percent sanitary city here in Wichita Falls," would the gentleman from Texas [Mr. GOSSETT] say that is hypocrisy because they will never have a hundred percent Christian citizenship or a 100 percent clean city in Wichita Falls? The people should be commended for working toward these desirable goals, they should be commended for putting down a stake and saying: "We are going to work to that goal and try our best to do it."

We will not have 100 percent perfection, no. We have a law against murder. It does not stop all murders. No. We still have murders. We have laws against theft. Will that stop stealing? No. We will always have stealing.

We will never have 100 percent full employment, maybe, but that does not keep us from working to that end, to give people not money out of the Treasury, but work, and any inference that this is money out of the Treasury is a wrong inference. There is no purpose here in H. R. 2202 to give money to people for not working or for working either, for that matter.

#### JOB OPPORTUNITIES

This is to provide job opportunities for people who are able to, anxious, and willing to work, an opportunity not to be on the Government dole but an opportunity to work for a decent living. That is all this bill asks for.

Now, let us see what this awful board that is going to revolutionize our system of government must do. This Joint Committee on the National Budget will be composed of Members of the House and

Senate. All right. What will they do? They will have meetings. These so-called communistic Members of the House will meet and they will meet for the purpose of carrying out this bill. What will be their function?

I will read from page 9 of the bill:

It shall be the function of the joint committee (1) to make a study of the national budget transmitted to Congress by the President in accordance with section 3 of this act; and (2) to report to the Senate and the House of Representatives, not later than March 1 of each year, its findings and recommendations with respect to the national budget, together with a joint resolution setting forth for the ensuing fiscal year a general policy with respect to such national budget to serve as a guide to the several committees of Congress dealing with legislation relating to such national budget.

That is the part that destroys our country. That is the part that the gentleman says is repugnant to our ideals of freedom. That is the part that is going to enslave the people. All right.

I turn over to page 10. Who is going to pay this enormous amount of money that is going to break our Government and throw us into bankruptcy?

The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman.

There is where you are going to break your Government. You are going to appropriate so much money here, but all the cost of the legislative branch is about 1½ cents per person per year in the United States including salaries of Members and all other legislative expenses. You are going to break the Government by taking the money out of that huge fund to pay the expenses of this joint committee. That is the bad organization that is proposed here that is of such an atomic nature that is calculated to destroy our country.

#### NO GUARANTY OF JOB

The gentleman mentioned one thing that I want to comment on. May I say here that the gentleman said that this bill guarantees a job. I take issue with him. I will ask him, in the extension of his remarks, to cite one word in this bill where it guarantees any person a job. There is no job provided for any particular person. It is not contemplated. It is intended to cultivate a climate, an atmosphere, for business institutions and free enterprise whereby they will employ people and give opportunities not to be idle but to work and make a livelihood for themselves and for their families.

On page 12 this bill is going to destroy the country. It says:

Nothing in this act shall be construed as calling for or authorizing—

(a) The operation of plants, factories, or other productive facilities by the Federal Government.

Where is the man who says that it takes over all business? It says here it cannot take over any business.

(b) The use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower.

Where is the person who says it makes you work, like Russia and other coun-



tries? It says here, "You shall not do that."

(c) Any change in the existing procedures on appropriations.

It allows us to take a few pennies out of the House fund and the Senate fund to pay the expenses of that committee; that is all. It does not take money from any other source. It does not increase our national debt.

(d) The carrying out of, or any appropriation for, any program set forth in the National Budget, unless such program shall have been authorized by provisions of law other than this act.

This bill does not take from the Treasury of the United States one penny on earth, except House and Senate funds, and I challenge any Member of the House to put in his remarks any statement in this bill to the contrary. He cannot do it.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I will yield when I have completed my statement.

Mr. H. CARL ANDERSEN. The gentleman challenged any person to contradict him. Will he yield for that purpose?

The SPEAKER. The gentleman said he would yield when he had completed his statement.

Mr. H. CARL ANDERSEN. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. H. CARL ANDERSEN. The gentleman challenged anybody here—

Mr. PATMAN. Yes; to put in his remarks in the RECORD. The gentleman can put his remarks in the RECORD to answer that, and I hope he will.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. No; I do not want to yield. That is the reason I said I hope that any person who takes issue with me will put in his remarks in the RECORD a statement that will contradict it, if he can. But I say that he cannot. But wait until I get through with my main statement and then I will yield anyway.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I hope the gentleman will not insist on breaking into my speech until I have finished my statement.

The SPEAKER. The gentleman from Texas declines to yield.

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. PATMAN. That is not very good sportsmanship.

Mr. H. CARL ANDERSEN. Mr. Speaker, in order to show the gentleman from Texas that I am a better sport than he is, I withdraw my point of order.

Mr. PATMAN. I will withdraw my remark and apologize to the gentleman for making that unkind remark.

The SPEAKER. The gentleman from Minnesota withdraws the point of order.

Mr. PATMAN. There is no personal feeling in this matter between me and any person in the world. I am not falling out with them because they take another view. I do not do that. I have tried lawsuits for a long time, and I know how to

differ with people and not get mad at them. I am not mad at people because they take the other view, not at all, but I am just explaining my side.

#### ARE WE GUILTY OF HYPOCRISY?

The gentleman from Texas [Mr. Gossett] said:

Certainly our Government should be the last institution on earth to deal in hypocrisy and false promises.

Think about these false promises I have read to you. Are they not terrible? Are you not surprised that Members of Congress would believe anything like that?

#### SECURITY FROM HUNGER OR WANT

Again—

And I am reading from the gentleman's statement—

were it possible to guarantee every person a job, to guarantee everyone security from hunger and want, would such be desirable?

Question mark. In other words, he is questioning whether or not that would be in the interest of the country if you could give everyone security from hunger and want. I say that if you can give them an opportunity to work and provide themselves with security against hunger and want it is a desirable thing, and there should not be any question mark after it, none; but there is a question mark after this.

The gentleman says further:

Would not such guaranteed security rob the average American of his finest attributes, initiative, thrift, resourcefulness, self-reliance, pride in achievement?

You mean to say because a person is given an opportunity to work in a ditch for a dollar a day or any other sum to provide himself against hunger and want that that would destroy his initiative? Why, certainly the very asking of the question answers itself. He would still want to do better. I think the gentleman's whole argument is just as logical as those statements there.

I want to say something about something else that has been said here in this debate, about planning. I want to say, too, that we planned against this war. I am glad the gentleman mentioned about the planning in World War II. You know, we had vision, our military leaders had vision, and by recommending to Congress good things just as we want done here in times of peace this Congress was able to appropriate money to make it possible for us to spend money and use materials and save human lives. That was vision. All right, let us have vision in time of peace. Suppose we had had the vision of the people who were against any kind of preparedness, we would be under Jap domination and German domination and control today; but by reason of somebody having vision this country was saved, and where there were 15,200,000 men and women in the armed services of this Nation, an average of 35,000 from each and every congressional district, out of that number, representing a major part in this World War, we came out—we lost lots of lives, yes, but compared with other nations, few. There were 250,000 men lost. Had it not been for the lack of vision on the part of a lot of people who were disturbing this

country and keeping it in an isolationist mood we would not have lost half that number.

So let us not put our heads in the sand when we are looking forward after the greatest war in all history, when we know history teaches us, and if we do not draw upon the experiences of the past and the knowledge of the past we are not sensible people, when we know that after every war we have had in this country there has been a boom and there has been a bust, there has been an inflation and there has been a deflation. I will yield to any Member who says it has never occurred after any war. No member will ask me to yield because it has always occurred. Knowing that to be true, as sensible people are we going to sit idly by and do nothing to stop it? We will not have the sense that our people expect us to have if we do not try to do something calculated to stop these horrible examples of the past that we know have always occurred. Then shall we be called communistic because we do it? Is President Truman a Communist? Was President Franklin D. Roosevelt a Communist? Was Tom Dewey, the Republican candidate, a Communist last fall when he came out for full employment? Was Herbert Hoover a Communist when he came out for full employment? You are calling a lot of people Communists when you condemn them because they are trying to draw upon the experiences of the past and prevent these horrible things from happening in the future.

#### DODO BIRD

This is Government planning. I know that at one time there was a bird they called the dodo bird. It could fly very rapidly through space, but it always flew backward. The reason was that it did not care where it was going. It was not interested in seeing where it was going, but it was only interested in seeing where it had been. Now, we do not want to be dodo birds. We can see back into the past. We should try to provide against the disasters that overtook us in the past because we have the knowledge. In order to provide against them, we must plan against them. This is what this bill is, to draw upon the experiences of the past and try to help the people in the future and try to prevent the horrible things from happening that have always happened after every war.

#### REGIMENTATION

We are told that this bill is regimentation. Where is the regimentation? Are these few Members of the House and Senate getting together here in the Capitol backed up by a small amount of money from our contingent funds going to regiment the country? That is what our enemies say. But it is not a very logical argument and certainly is not supported by any kind of reason. All we want is this legislation, and President Truman expressed it in my words when he said that all we want is a policy, a legislative policy, a statement by Congress to the effect that we are going to prevent, if possible, booms and busts after this war and that we are going to prevent inflation and thus prevent deflation. That is what this bill proposes to do, to stop inflation as well as defla-



tion. Next is to write into the language of the bill provisions that will permit that legislative policy to be carried out. I agree 100 percent with that.

#### COMMITTEE CAN INTRODUCE OWN BILL

If the members of that committee have pride of authorship and want to introduce another bill, they are welcome to do so. I do not care. It often happens that after authors of bills popularize them other Members seek the authorship. All I want is some kind of legislation written. I am thinking of this country and of its future and of its people. I am thinking of what they are liable to have to go through if they have to go through what they have always had to go through after every war in the history of our country. Are we going to stand for that? Why should we? Are we going to sit here and say we cannot do a thing about it? Panics are man made. Depressions are man made. Let men now provide against panics and against depressions. That is what this bill proposes to do. Further, it proposes a goal for us to work toward, to do our best—not to guarantee a job. There is not a word in this bill to that effect and there never will be. It is not to do that, but to make plans and provisions whereby employment opportunities will be offered, not to idlers, not to loafers, not to convicts, not to people who violate the law necessarily, but to give law-abiding citizens who just want an opportunity even with their hands to work and earn money for their livelihood, for themselves and their families. Where is there any communism about that? That is the question. Where is there any communism in that? I venture to say that before this bill passes the House of Representatives 95 percent of the Members of the House will vote for it. I know there is a great deal of misunderstanding, just as was expressed by the gentleman from Texas [Mr. Gossett] and the gentleman from Alabama [Mr. Manasco], which shows they have not given the study and serious thought to this comprehensive measure that was contemplated. If they will just do that, we will have no trouble about getting the bill out.

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

Mr. PATMAN. In just a moment I will.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include H. R. 2202 and certain statements and excerpts.

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

There was no objection.

Mr. PATMAN. Mr. Speaker, I also ask unanimous consent to extend my remarks in the Appendix in two particulars and to insert therein certain statements and excerpts.

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

There was no objection.

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

Mr. PATMAN. I yield.

Mr. MANASCO. The gentleman referred to a misunderstanding on the part of the gentleman from Texas [Mr. Gos-

sett] and the gentleman from Alabama. I want to make this statement. I have heard your statement and the statements of all the proponents. After hearing all those statements I do not think anyone could come out understanding the bill just exactly like the gentleman does. The gentleman does not think that the word "assure"—

Mr. PATMAN. The statement has been made—does the gentleman admit the word "guarantee" is not in the bill?

Mr. MANASCO. Why, certainly.

Mr. PATMAN. The gentleman admits it is not in there?

Mr. MANASCO. Certainly.

Mr. PATMAN. Now, we start from there.

Mr. MANASCO. What the gentleman wants us to do is to get the committee together and get some dictionary to find out what the word "assure" means.

Mr. PATMAN. Why quibble about words when people are unemployed. There will be millions of veterans unemployed. This Congress is vulnerable. Are we going to send men to war to face death, and then let them come back and not even provide employment opportunities for them, if it is within our power?

Mr. MANASCO. If you do not mean you are going to assure everybody a job out of the Federal Treasury, why do you not suggest that we strike that section from the bill?

Mr. PATMAN. There is no section in there that provides that. It does not appropriate a dime of money. You cannot give men Government jobs out of the Treasury without appropriating money.

Mr. MANASCO. That is right.

Mr. PATMAN. All right. The gentleman admits there is no money provided. You cannot give anybody a job out of the Treasury unless you appropriate money. Therefore, this is a planning bill. This will bring back to Congress a plan to prevent deflation and to prevent inflation, the planning committee paid out of the contingent fund of the two Houses.

Mr. MANASCO. We lead people to believe that it will provide jobs out of the Federal Treasury.

Mr. PATMAN. The gentleman certainly cannot mislead the people. The people are intelligent and have honest minds. They make mistakes like everyone else, but they correct them. The mass mind is both intelligent and honest.

Mr. MANASCO. I have not made any effort to mislead them.

Mr. PATMAN. People are well informed and they will continue to be well informed. By just putting out the phrase that you are going to give 100 percent employment, you are not misleading the folks.

Mr. MANASCO. If that is what you have in mind, there is no need to pass any legislation, because the President already has all the authority he has under this bill.

Mr. PATMAN. I am glad the gentleman mentioned that. I take issue with him. That is incorrect. If the President were to come here with a recommendation of that kind, do you know what the critics would say? They would

say, "Turn back 2 years to the appropriation bill." There this House and the Senate wrote in specific language abolishing the only power that the President had to do what the gentleman suggests, and told him in so many words to leave that subject alone until the Congress had authorized it. This has got to be done in order to give him that power. Secretary Vinson fully covered that point in his testimony.

Mr. MANASCO. In other words, the Congress itself was the enemy of the country 2 years ago?

Mr. PATMAN. There was no issue up at that time. Our boys were fighting. We were thinking about the war. We were not thinking about unemployment. It was put in there and nobody in particular paid any great attention to it. If the gentleman's views prevailed, it would be put in there today.

Mr. MANASCO. But now, of course, we want to kid these poor boys who are coming back.

Mr. PATMAN. You cannot kid these boys. If you think you can, you are mistaken again.

Mr. GOSSETT. Mr. Speaker, will the gentleman yield to me?

Mr. PATMAN. Yes; I yield to my colleague.

Mr. GOSSETT. The gentleman made a speech the other day, and in his speech again today, and used an expression that I do not think he means. The gentleman said, "Words do not mean anything."

Mr. PATMAN. Oh, I did not intend to say that words do not mean anything. But as far as this bill is concerned it is not a question of words. It is a question of legislative policy. I do not care what kind of words you use to express it. Use any words you want to, just so you create a legislative policy and a plan to carry out that policy.

Mr. GOSSETT. Mr. Speaker, will the gentleman yield for one further question?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. GOSSETT. The gentleman would not argue that the word "assure" as used in the title and also in the body of the bill does not mean "guarantee," would he?

Mr. PATMAN. I hope it means "to assure," to create a climate, to give the man who wants to work with his hands or his brain an opportunity to earn a living. The purpose and object of this bill is to create an atmosphere for free competitive American enterprise to give people jobs.

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

Mr. PATMAN. I yield.

Mr. HENRY. I heard the distinguished gentleman refer to the costs involved in this bill in terms of pennies. I also notice that the gentleman in reading the bill inadvertently slipped over subparagraph (e) on page 3. Would he explain just what that paragraph means if it does not talk about expenditures?

The SPEAKER. The time of the gentleman from Texas has expired.



Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

Mr. PATMAN. May I call the gentleman's attention to the fact that he inadvertently overlooked something himself? But I quote from page 3, subparagraph (e):

To the extent that continuing full employment cannot otherwise be achieved, it is the responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment.

Mr. HENRY. What does that mean?

Mr. PATMAN. Wait a minute. Let us read a little further:

Such investment and expenditure—

I am talking now of this part the gentleman did not read. Listen. I helped write this; this is a part of my own language. I know it is there; I put part of it in there myself—

Such investment and expenditure by the Federal Government shall be designed to contribute to the national wealth and well-being, and to stimulate increased employment opportunities by private enterprise.

Does not the gentleman like that language? Why, certainly; it is fine language.

Mr. HENRY. How much of a pledge is that in dollars and cents?

Mr. PATMAN. Dollars and cents? We do not know, we might want—

Mr. HENRY. It is unlimited, is it not?

Mr. PATMAN. No; it is sharply limited; for you cannot get a penny until you go to Congress and present your plan; and the Congress of the United States has got to approve that plan and authorize the expenditure of that money. There is not a dollar of money provided in this bill to get people to work or not to work.

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

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. MICHENER. It seems to me there is just one point in all this discussion. First, the gentleman from Texas has suggested that this bill outlines a laudable objective. My question is this: If this bill were enacted as the gentleman advocates, would it authorize appropriations to carry out and effectuate the objective?

Mr. PATMAN. The gentleman asks a very fine logical question there; it is an intelligent question. The gentleman would infer from what has been said here that it would authorize appropriations. I do not mean to say that the gentleman does not always ask intelligent questions, but from what has been said here you would think that this bill would authorize it. The answer is found on page 12, section 8:

#### INTERPRETATION

SEC. 8. Nothing in this act shall be construed as calling for or authorizing—

(c) any change in the existing procedures on appropriations; or

(d) the carrying out of, or any appropriation for, any program set forth in the national budget, unless such program shall have been authorized by provisions of law other than this act.

Mr. MICHENER. Then it is not the intent—

Mr. PATMAN. It is not the intent to authorize a dime or a penny; it is not the intent to give any person a particular job. The intent of this is planning, using a little vision and seeing if we cannot prevent what has happened after every war in the history of the civilized world. Is it wise, sensible, or sane for people to sit idly by and say we should not try to stop the disaster that has always overtaken the people after every war, and this was the greatest of all wars?

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

Mr. PATMAN. I yield to the gentleman from Nebraska?

Mr. CURTIS. It seems to be the philosophy of this bill is only the philosophy of the Fascists and the Communists; and I was somewhat surprised when the gentleman stated that every Fascist in America was against this bill. I would like to have him name some of them.

Mr. PATMAN. The Committee on Constitutional Government represents a lot of them. There is this fellow Gannett, a big chain newspaper publisher and his working partner, this fellow Pettingill, a renegade Democrat, and this fellow McClure, who spent 2 years over in Italy studying fascism under Mussolini, who is working with them, and Edward Rumley, their wheel horse, an ex-convict who was convicted for dealing with the enemy—Germany—in World War I.

Mr. CURTIS. Which Gannett does the gentleman refer to?

Mr. PATMAN. The chain newspaperman of Rochester, N. Y., I believe.

Mr. CURTIS. Will the gentleman identify the other men?

Mr. PATMAN. Pettingill, who used to be a Member of this House.

Mr. CURTIS. The gentleman classifies him as a Fascist?

Mr. PATMAN. Yes, I do; the No. 1 Fascist in America.

Mr. CURTIS. Name some more.

Mr. PATMAN. This fellow McClure, who studied fascism 2 years under Mussolini. Get your Who's Who in the library and look into his biography. You will find there where he brags about it. He likes it. There is all that bunch of fellows who are with him fighting this bill. The Communists are not sincerely for the bill. The Communists are for confusion. They do not want jobs. They want so much misery and distress that they can get into power through "bum's rush" tactics.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

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

There was no objection.

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

Mr. PATMAN. I yield to the gentleman from California.

Mr. DOYLE. As coauthor of this bill I have heard this debate from start to finish and I would like to have some of the gentlemen who have referred to

the coauthors or to those who support this bill as Communists to be more specific. I am not in that class and I rather resent being referred to in that category. I just want to ask a question. The distinguished gentleman from Texas spoke against the bill. Let me ask if it is not a fair interpretation of the express language of the bill itself, referring to section 2, subdivision (a), and subdivision (e) on page 3, and subdivision (f) on page 3, that the only time this bill would come into play would be after private enterprise has failed?

Mr. PATMAN. After giving private enterprise everything it wanted and then if they fail we would build post offices, we would improve rivers and harbors, we would go on to useful public works—not leaf raking—and we would do it through a coordinated program. We would not throw it all in one year. The object of this bill is coordination.

Mr. DOYLE. May I compliment the gentleman on his speech, and I would like at the same time to throw out the challenge to any opponent of the bill to point out to me where a fair reading of the sections I have referred to causes them to conclude differently than I do; in other words, that this bill will not come into play under any circumstances unless the system of free enterprise in our great Nation fails in the matter of full employment.

Mr. PATMAN. There are a lot of people, you know, who are against everything. They are for everything that is good, but they are against what is proposed to remedy a situation. They are against the evils, but they are against the measures that are proposed to correct the evils. It is the same situation the isolationists assumed before the war.

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

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. MANASCO. On the subject of coordination and holding back works projects, would the gentleman give the President or the Board authority to withhold appropriations to build post-office buildings under the terms of this bill?

Mr. PATMAN. Not unless the Congress told him to do that. The object of this is to have the Board report to the Congress. This committee might say, "Mr. President, we have got too much money in circulation. You better stop building these post offices." The President could not do that. He would say, "If the Congress authorizes me to do it I will do so."

Mr. Speaker, this committee would report to the Congress its findings and say, "We want the Congress to pass a joint resolution suspending the building of those buildings until they are needed," and if the Congress voted for it I say the President should have the power to do it.

Mr. MANASCO. I thought the gentleman said this bill would authorize that.

Mr. PATMAN. The gentleman has misinterpreted or misunderstood what I said.

Mr. MANASCO. That is open to discussion on both sides.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?



Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman from Texas issued a challenge to anyone in the House to show where money out of the contingent funds of the House and Senate which might be expended in connection with this bill had no connection whatsoever with the Treasury of the United States. As a member of the Appropriations Committee I would like to ask the gentleman if the money in the contingent funds of the House and Senate grows on trees?

Mr. PATMAN. No. I will answer that. Of course, the money comes from the Treasury to the contingent fund of the House and the Senate. But in connection with that statement I said that the entire cost of the entire legislative branch of the Government of the United States as set up by the Constitution of the United States amounts but to 1½ cents per person per year, and this legislative branch that is supported by so little money is certainly not going to bankrupt this Nation by taking part of this money to set up that joint committee. That is the point I attempted to make, but I certainly did not intend to say that this is not Treasury money. It is Treasury money, but the amount is insignificant compared to the \$7,000,000,000 a month war cost, or a public debt of \$262,000,000,000.

AN EXACT COPY OF H. R. 2202

For the information of the Members, I am inserting herewith a full and complete copy of H. R. 2202. A careful reading of this bill will disclose that it cannot contemplate any of the bad things its opponents charge. Our opponents are giving excuses for not supporting it; they are not giving good reasons.

It is as follows:

H. R. 2202

A bill to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government

*Be it enacted, etc.,* That this act may be cited as the "Full Employment Act of 1945."

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that—

(a) It is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce, and in the development of the natural resources of the United States;

(b) All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and who do not have full-time housekeeping responsibilities freely to exercise this right;

(c) In order to carry out the policies set forth in subsections (a) and (b) of this section, and in order to (1) promote the general welfare of the Nation; (2) foster and protect the American home and the American family as the foundation of the American way of life; (3) raise the standard of living of the American people; (4) provide adequate employment opportunities for returning veterans; (5) contribute to the full utilization of our national resources; (6) develop trade and commerce among the several States and with foreign nations; (7) preserve and strengthen competitive private enterprise,

particularly small business enterprise; (8) strengthen the national defense and security; and (9) contribute to the establishment and maintenance of lasting peace among nations, it is essential that continuing full employment be maintained in the United States;

(d) In order to assist industry, agriculture, labor, and State and local governments in achieving continuing full employment, it is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditure;

(e) To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment; and

(f) Such investment and expenditure by the Federal Government shall be designed to contribute to the national wealth and well-being, and to stimulate increased employment opportunities by private enterprise.

THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

SEC. 3. (a) The President shall transmit to Congress at the beginning of each regular session the National Production and Employment Budget (hereinafter referred to as the "National Budget"), which shall set forth in summary and detail, for the ensuing fiscal year or such longer period as the President may deem appropriate—

(1) the estimated size of the labor force, including the self-employed in industry and agriculture;

(2) the estimated aggregate volume of investment and expenditure by private enterprises, consumers, State and local governments, and the Federal Government, required to produce such volume of the gross national product, at the expected level of prices, as will be necessary to provide employment opportunities for such labor force (such dollar volume being hereinafter referred to as the "full employment volume of production"); and

(3) the estimated aggregate volume of prospective investment and expenditure by private enterprises, consumers, State and local governments, and the Federal Government (not taking into account any increased or decreased investment or expenditure which might be expected to result from the programs set forth in such Budget).

The estimates and information herein called for shall take account of such foreign investments and expenditure for exports and imports as affect the volume of the gross national product.

(b) The extent, if any, by which the estimated aggregate volume of prospective investment and expenditure for any fiscal year or other period, as set forth in the National Budget in accordance with paragraph (a) (3) of this section, is less than the estimated aggregate volume of investment and expenditure required to assure a full employment volume of production, as set forth in the National Budget in accordance with paragraph (a) (2) of this section, shall for the purposes of this title be regarded as a prospective deficiency in the National Budget. When there is a prospective deficiency in the National Budget for any fiscal year or other period, the President shall set forth in such Budget a general program for encouraging such increased non-Federal investment and expenditure, particularly investment and expenditure which will promote increased employment opportunities by private enterprise, as will prevent such deficiency to the greatest possible extent. The President shall also include in such Budget such recommendations for legislation relating to such program as he may deem necessary or de-

sirable. Such program may include, but need not be limited to, current and projected Federal policies and activities with reference to banking and currency, monopoly and competition, wages and working conditions, foreign trade and investment, agriculture, taxation, social security, the development of natural resources, and such other matters as may directly or indirectly affect the level of non-Federal investment and expenditure.

(c) To the extent, if any, that such increased non-Federal investment and expenditure as may be expected to result from actions taken under the program set forth in accordance with subsection (b) of this section are deemed insufficient to provide a full employment volume of production, the President shall transmit a general program for such Federal investment and expenditure as will be sufficient to bring the aggregate volume of investment and expenditure by private business, consumers, State and local governments, and the Federal Government, up to the level required to assure a full employment volume of production. Such program shall be designed to contribute to the national wealth and well-being, and to stimulate additional non-Federal investment and expenditure. Any of such programs calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private concerns under contracts awarded in accordance with applicable laws, except where the performance of such work by some other method is necessary by reason of special circumstances or is authorized by other provisions of law.

(d) If the estimated aggregate volume of prospective investment and expenditure for any fiscal year or other period, as set forth in the National Budget in accordance with paragraph (a) (3) of this section, is more than the estimated aggregate volume of investment and expenditure required to assure a full employment volume of production, as set forth in the National Budget in accordance with paragraph (a) (2) of this section, the President shall set forth in such Budget a general program for preventing inflationary economic dislocations, or diminishing the aggregate volume of investment and expenditure to the level required to assure a full employment volume of production, or both.

(e) The programs referred to in subsections (b), (c), and (d) of this section shall include such measures as may be necessary to assure that monopolistic practices with respect to prices, production, or distribution, or other monopolistic practices, will not interfere with the achievement of the purposes of this act.

(f) The National Budget shall include a report on the distribution of the national income during the preceding fiscal year, or such longer period as the President may deem appropriate, together with an evaluation of the effect upon the distribution of the national income of the programs set forth in such Budget.

(g) The President may from time to time transmit to Congress such supplemental or revised estimates, information, programs, or legislative recommendations as he may deem necessary or desirable in connection with the National Budget.

PREPARATION OF NATIONAL BUDGET

SEC. 4. (a) The National Budget shall be prepared in the Executive Office of the President under the general direction and supervision of the President, and in consultation with the members of his Cabinet and other heads of departments and establishments.

(b) The President shall transmit to the several departments and establishments such preliminary estimates and other information as will enable them to prepare such plans and programs as may be needed during the ensuing or subsequent fiscal years to help



achieve a full employment volume of production.

(c) The President may establish such advisory boards or committees composed of representatives of industry, agriculture, labor, and State and local governments, and others, as he may deem advisable for the purpose of advising and consulting on methods of achieving the objectives of this act.

#### JOINT COMMITTEE ON THE NATIONAL BUDGET

SEC. 5. (a) There is hereby established a Joint Committee on the National Budget, to be composed of the chairman and ranking minority members of the Senate Committees on Appropriations, Banking and Currency, Education and Labor, and Finance, and seven additional Members of the Senate, to be appointed by the President of the Senate; and the chairmen and ranking minority members of the House Committees on Appropriations, Banking and Currency, Labor, and Ways and Means, and seven additional Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation of the Joint Committee shall reflect the relative membership of the majority and minority parties in the Senate and the House of Representatives.

(b) It shall be the function of the Joint Committee—

(1) to make a study of the National Budget transmitted to Congress by the President in accordance with section 3 of this Act; and

(2) to report to the Senate and the House of Representatives, not later than March 1 of each year, its findings and recommendations with respect to the National Budget, together with a joint resolution setting forth for the ensuing fiscal year a general policy with respect to such National Budget to serve as a guide to the several committees of Congress dealing with legislation relating to such National Budget.

(c) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

(d) The Joint Committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpoena, or to testify when summoned, under authority of this section.

(e) The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistance as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and establishments.

(f) The expenses of the Joint Committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman.

#### RATE OF EXPENDITURES

SEC. 6. (a) The President shall review quarterly all Federal investment and expenditure for the purpose of ascertaining the extent to which the current and anticipated level of non-Federal investment and expenditure warrants any change in the volume of such Federal investment and expenditure.

(b) Subject to such principles and standards as may be set forth in applicable appropriation acts and other statutes, the rate of Federal investment and expenditure may be varied to whatever extent and in whatever manner the President may determine to be necessary for the purpose of assisting in assuring continuing full employment, with due consideration being given to current and anticipated variations in savings and in investment and expenditure by private business, consumers, State and local governments, and the Federal Government.

#### AID TO COMMITTEES

SEC. 7. The heads of departments and establishments shall, at the request of any committee of either House of Congress, furnish such committee with such aid and information with regard to the National Budget as it may request.

#### INTERPRETATION

SEC. 8. Nothing in this act shall be construed as calling for or authorizing—

(a) the operation of plants, factories, or other productive facilities by the Federal Government;

(b) the use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower;

(c) any change in the existing procedures on appropriations; or

(d) the carrying out of, or any appropriation for, any program set forth in the National Budget, unless such program shall have been authorized by provisions of law other than this act.

(e) the disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information.

#### VIEWS OF PRESIDENT TRUMAN ON FULL EMPLOYMENT

The following statement on full employment is from the message of the President of the United States to the House of Representatives on Thursday, September 6, 1945:

##### 5. FULL EMPLOYMENT

I am confident that, with the cooperation of American industry, labor, and agriculture, we can bridge the gap between war and peace.

When we have reconverted our economy to a peacetime basis, however, we shall not be satisfied with merely our prewar economy. The American people have set high goals for their own future. They have set these goals high because they have seen how great can be the productive capacity of our country.

The levels of production and income reached during the war years have given our citizens an appreciation of what a full production peacetime economy can be.

They are not interested in boom prosperity—for that only too often leads to panic and depression. But they are interested in providing opportunity for work and for ultimate security.

Government must do its part and assist industry and labor to get over the line from war to peace.

That is why I have asked for unemployment compensation legislation.

That is why I now ask for full-employment legislation.

The objectives for our domestic economy which we seek in our long-range plans were summarized by the late President Franklin

D. Roosevelt over a year and a half ago in the form of an economic bill of rights. Let us make the attainment of those rights the essence of postwar American economic life.

I repeat the statement of President Roosevelt:

"In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second bill of rights under which a new basis of security and prosperity can be established for all—regardless of station, race, or creed.

"Among these are:

"The right to a useful and remunerative job in the industries, or shops, or farms, or mines of the Nation.

"The right to earn enough to provide adequate food and clothing and recreation.

"The right of every farmer to raise and sell his products at a return which will give him and his family a decent living.

"The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad.

"The right of every family to a decent home.

"The right to adequate medical care and the opportunity to achieve and enjoy good health.

"The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment.

"The right to a good education.

"All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.

"America's own rightful place in the world depends in large part upon how fully these and similar rights have been carried into practice for our citizens. For unless there is security here at home there cannot be lasting peace in the world."

I shall from time to time communicate with the Congress on some of the subjects included in this enumeration of economic rights.

Most of them, in the last analysis, depend upon full production and full employment at decent wages.

There has been much discussion about the necessity of continuing full employment after the war if we hope to continue in substantial degree the prosperity which came with the war years. The time has come for action along these lines.

To provide jobs we must look first and foremost to private enterprise—to industry, agriculture, and labor. Government must inspire enterprise with confidence. That confidence must come mainly through deeds, not words.

But it is clear that confidence will be promoted by certain assurances given by the Government:

Assurance that all the facts about full employment and opportunity will be gathered periodically for the use of all.

Assurance of stability and consistency in public policy, so that enterprise can plan better by knowing what the Government intends to do.

Assurance that every governmental policy and program will be pointed to promote maximum production and employment in private enterprise.

Assurance that priority will be given to doing those things first which stimulate normal employment most.

A national reassertion of the right to work for every American citizen able and willing to work—a declaration of the ultimate duty of Government to use its own resources if all other methods should fail to prevent prolonged unemployment—these will help to avert fear and establish full employment. The prompt and firm acceptance of this bedrock public responsibility will reduce the need for its exercise.



I ask that full employment legislation to provide these vital assurances be speedily enacted. Such legislation should also provide machinery for a continuous full-employment policy—to be developed and pursued in cooperation among industry, agriculture, and labor, between the Congress and the Chief Executive, between the people and their Government.

Full employment means full opportunity for all under the American economic system—nothing more and nothing less.

In human terms, full employment means opportunity to get a good peacetime job for every worker who is ready, able, and willing to take one. It does not mean made work, or making people work.

In economic terms, full employment means full production and the opportunity to sell goods—all the goods that industry and agriculture can produce.

In Government terms, full employment means opportunity to reduce the ratio of public spending to private investment without sacrificing essential services.

In world-wide terms, full employment in America means greater economic security and more opportunity for lasting peace throughout the world.

These goals and the machinery to carry them out are set forth in legislation now pending before the Congress on which extensive public hearings have been held. The country justifiably expects early action along these lines.

#### STATEMENT OF SECRETARY VINSON

I am inserting herewith a statement that was made by the Secretary of the Treasury, the Honorable Fred Vinson, before the House Committee on Expenditures in the Executive Departments on the full employment bill, October 31, 1945. This statement is so clear, concise, logical and unanswerable, I am inviting the Members' attention to it, and I hope they carefully read every word the Secretary said:

It is as follows:

The war has taught us many things about our economy.

It showed that when the people of the United States set their minds on doing a big job that job will be done, and the whole resources of this great country will be mobilized for its accomplishment. Winning the war was, obviously, all important. So we did our best to call into service every human and material resource which the country had at its command and put it to use either directly for the war effort or for the maintenance of the civilian economy.

The war also revealed the tremendous productivity inherent in our economy. Our gross national product increased from \$89,000,000,000 in 1939 to \$199,000,000,000 in 1944. Some of this, of course, represented an increase in prices; but the product of the country, expressed in real terms, increased by about 75 percent.

We learned other important facts about our economy too, in winning the war. We discovered that as a consequence of our all-out effort, unemployment disappeared. There were more employment opportunities than people seeking work. The job sought the man, rather than the man the job.

We discovered that as a result of the effective use of our resources during the wartime period, the real standard of living of the civilian population was higher in 1944 than it had been before the war, despite the fact that nearly one-half of our production was for war purposes.

The No. 1 problem which confronts the people of the United States here at home right now is how to apply the economic lessons of the war to the peace. Now at first glance, it might appear that there would be hopeless disagreement in this country on

how this can be done. But a more careful study will convince thoughtful men that there are important fundamentals upon which all can agree.

In fact, there are two fundamentals upon which the American people already are agreed. The first is that our economic problems must be solved within our system of free enterprise. The second is that the most important of these problems is to maintain full employment.

Mass unemployment is the source of most of our social and economic evils; it is the greatest menace to economic security in this country. We cannot periodically condemn 10,000,000 unemployed to bear this burden. We cannot declare these men and women industrial surplus and dispose of them in that way. That is not the American way of doing things.

I do not subscribe to the pessimistic view that unemployment is inevitable and that any effort to prevent it is a threat to free enterprise. Our people want to keep the economic system under which this country achieved leadership. They know it offers the best hope of continued economic progress and higher standards of living. They will never abandon this system so long as they can cherish this hope. The only threat to free enterprise in this country can come from mass unemployment. Our task is to remove this threat by meeting the problem.

And, let me make this clear: Unemployment is not the fault of business. Businessmen do not want to stop production or to lay off men. They know that profits come from production. So long as they can find markets they are prepared to employ labor and to produce goods. It is only when the demand falls off, when goods cannot be sold, that they close down or reduce their force. Give American business the markets, the demand for the output, and we will witness a new miracle of production that will surpass everything we have seen before. Unemployment is not the fault of business. On the contrary, business like labor is the victim of depression.

It is equally clear that unemployment is not the responsibility of business. When demand falls off, businessmen have no alternative; they must cut production. If they persist in producing goods for which there are no markets, they will incur losses that may force bankruptcy. In general, when businessmen produce efficiently, when they sell at fair prices, and when they pay good wages, they have done all they can do and they are entitled to profits from production. Business cannot assume the responsibility on unemployment.

Now, the fact is that somewhere there must be a responsibility on unemployment. There can be no vacuum, no void of responsibility on the most important domestic problem confronting the American people. When we face the issue we must admit that all of us have a responsibility to see that our economic system works; to see that there are opportunities for jobs for men and women willing and able to work. This is a responsibility of all the people, and we must look to the Government, acting for all the people, to meet this responsibility.

There is nothing revolutionary in recognizing this responsibility. In every deep depression the Government has found it necessary to deal with unemployment. In 1921, during the crisis of that year, President Harding called the Conference on Unemployment, which met under the chairmanship of Herbert Hoover. In 1931 in the midst of an even greater crisis, Congress passed the Employment Stabilization Act, establishing a board composed of the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of Labor. The whole experience of the 1930's is concrete evidence that the Government must deal with the problem and that it cannot abdicate this responsibility.

During depression we are conscious of the need for Government action, but as soon as we have prosperity we seem to forget it. In 1928, in the midst of the great boom, Senator Wesley Jones, of Washington, introduced a bill for a reserve of public works to be constructed during depression. The bill was killed, according to the Senate committee report on S. 381, because it was deemed unwise to mention depression before a Presidential campaign. That same year Senator WAGNER introduced the employment stabilization bill. It was a bill to provide for the advanced planning and regulated construction of public works, for the stabilization of industry, and for aiding in the prevention of unemployment. This bill, which could have been so helpful when the crash came in 1929, lay dormant for three vital years. It was only in the midst of the deepest depression of our history, when it was too late to take measures that might have prevented the catastrophe, that we realized what should have been done. When the bill was finally passed in 1931, it was in emasculated form.

The Employment Stabilization Act did not provide for a comprehensive program on unemployment. It was not concerned with many types of measures that can be taken to prevent a great depression. It dealt exclusively with the planning and timing of public works as a means of providing employment during depression. It was enacted during a great crisis when public works could do no more than alleviate the mass unemployment that already existed. This could be done under the act, and this was done as far as possible.

As a matter of fact, John Garner put a bill through in 1932 authorizing expenditure of \$2,200,000,000 for public works. This bill followed the principles established in the Employment Stabilization Act. The money was to be used only for the construction of public works previously approved by Congress or the Executive, except for \$70,000,000 for post offices in the smaller communities. The bill was vetoed by President Hoover. In 1933 Congress passed another bill authorizing \$3,300,000,000 for public works. The construction so authorized was undertaken through the PWA.

The Employment Stabilization Act never contemplated the submission of a national budget with recommendations to deal with prospective depressions. It only provided for plans to arrange the construction of public works in a manner which would assist in the stabilization of employment. The timing of public works is a useful part of a program for dealing with prospective unemployment. But by itself, it is entirely inadequate. Under any circumstances, it would not be possible to do anything now under this act, for these functions, which had been consolidated with those of the National Resources Planning Board, were abolished by Congress in 1943.

The full employment bill is a logical development of the act of 1931. It recognizes the continuing responsibility of Government to see that there are enough job opportunities. It provides for a national budget that will show the amount of production necessary to maintain full employment, and it requires estimates to be made of the prospective demand for this production. Such a national budget will be transmitted by the President to Congress each year and will be considered by a joint congressional committee which will report to the Senate and the House of Representatives its findings and recommendations with respect to the national budget.

This procedure seems to me the common-sense and dollar-wise way to deal with the problem of unemployment—through prevention rather than through relief. The first step is to get the facts and place them before those who have the responsibility for dealing with the problem.

The argument has been made that if the National Budget calls attention to a prospec-



tive deficiency or excess of demand, depression or prosperity will start at once. The evidence does not bear out this view. We don't get prosperity or depression merely by predicting it. If we could, we would never have had the crisis of 1929 to 1933. Businessmen were assured time and time again that prosperity was just around the corner. Businessmen act on the prospects for demand for their products from their customers. When demand falls off they stop production. A national budget that recognizes a prospective deficiency in opportunities for employment and carries recommendations for dealing with the problem can give increased confidence to businessmen to continue with their investment, their production, and their employment.

In spite of the oft-repeated statement that the Government cannot make accurate estimates of the type required by this bill, I want to go on record as stating that the Government is in a position to make reasonably good estimates. In dealing with the tax and savings programs during the war we had to make estimates of prospective income and expenditure. From these estimates we developed a program to reduce and limit over-all expenditure to the available supply of consumer goods. Nobody claims that the statistical data we now have are perfect. They can and will be improved under this bill. Estimates on the National Budget will be made after consultation with business on the basis of data provided by business.

I have seen some doubt cast as to the competence of the Government to prepare a national budget on the ground that the Government has not done very well in estimating its expenditures and receipts. I should like to comment briefly on the receipts side of this criticism, since the estimate of receipts is a statutory responsibility of the Treasury Department. In the 6 years before the war, from 1935 to 1940, the average error between estimated and actual tax receipts averaged about 6 percent. In 4 of these 6 years, the error was 5 percent or less. Now this is not a bad record, because it is more difficult to estimate tax receipts than it is to forecast business conditions. We estimate tax receipts by starting with an estimate of business conditions. An error of 6 percent in tax receipts is probably comparable to an error of 3 percent on national income.

It is the estimate of national income and its components, that is significant for purposes of the proposed National Budget. An error of 3 percent would represent a difference of not more than 1,500,000 jobs from the number actually employed. In dealing with the problem of preventing mass unemployment, an error of 3 percent could not impair the usefulness of the National Budget. In practice, the problem will not be the elimination of minor errors of estimate; the real problem will be to see whether a deficiency in demand is developing in the construction, equipment, and durable goods industries which generally precedes a great depression. The National Budget will be submitted annually, but quarterly reports will be made to Congress taking account of changing conditions.

The National Budget will compel the attention of Congress and the executive departments to the problem of employment. But it would be a serious mistake to assume that the submission of a budget can of itself prevent mass unemployment. The responsibility of the Government does not end there. The important thing is to take the positive steps that will facilitate and encourage an expansion of consumption and private investment whenever this becomes necessary to prevent a great depression.

There is no reason for assuming that the remedy that will be recommended, when a deficiency in employment opportunities appears, will be Government spending. There will be times when changes in our tax policy

will be needed to help maintain employment and production. There will be times when changes in credit policy will be needed. There may be times, of course, when because of a decline in private construction, the proper remedy will be an expansion of public construction. We should be ready to proceed promptly with the construction of necessary and useful public works whenever there is a falling off in private construction.

This bill is not a spending bill. It does not authorize any expenditure. Whatever legislation may be recommended in the National Budget in connection with the maintenance of employment will go to Congress and will be subject to the same procedures as now. In fact there will be the additional opportunity of having the joint congressional committee on the National Budget give to the Congress its report on the policies that should guide Congress in dealing with legislation relating to the National Budget.

In addition to the specific criticisms of the bill which I have discussed, there are certain broad objections offered by some—and apparently believed by many more. I call these objections the Union League Club objections because they find their most enthusiastic supporters in the stuffy environs of the most exclusive clubs. But they deserve to be held up to critical and public analysis where their merits can be evaluated.

The most pervading of these Union League Club arguments is the defeatist attitude with respect to our economic system. Mr. William L. Kleitz, vice president of the Guaranty Trust Co. of New York City, for example, told the Senate Banking and Currency Committee that depressions are inevitable under the free-enterprise system. Such depressions, of course, will be only minor inconveniences to Mr. Kleitz. I should like to put myself on record as dissenting from the view that the free-enterprise system makes such periods of unemployment necessary for those less able to bear them. I have greater faith in the vigor of the free-enterprise system than that, and I know that you gentlemen have also.

It is a false dilemma which gives us the choice between full employment and a free society; and those who tell us that depressions are the price we pay for freedom, are doing no favor to the cause of freedom. The system of private enterprise has enabled the United States to outproduce every other country in the world, and to win this most destructive of all wars with a minimum loss of American lives and a maximum reliance on the products of industry. I am sure that the system of free enterprise will also enable us to win the peace, if its friends will stop insisting that it must produce depressions to realize its natural destiny.

The second of these Union League Club arguments is that a full-employment policy is expensive and that relief is cheaper. For example, Mr. Rufus Tucker, the chief economist of the General Motors Corp., told the Senate Banking and Currency Committee that the taxpayers "may (he said only 'may') have a moral obligation to keep any citizen from starvation," but that this obligation can often be fulfilled more cheaply in other ways than by providing jobs. I am sure that you will agree with me that this is an excessively narrow view of the problem. Ignoring altogether its callous disregard of the feelings of the unemployed, it errs even on the side of expense, for it treats only the symptoms of unemployment and makes no attempt to effect a cure. It is like the view taken by a doctor who prescribed that a poor patient should wear a truss all through his life because the doctor feels that an operation would be unduly expensive or bothersome.

Lastly, some of the club intellectuals believe that a pool of unemployed helps to keep labor in its place, and is conducive to the profitable operation of the enterprises with which they are connected. Naturally, these

persons seldom express their opinions for the records.

In addition to the three broad currents of opposition to the full employment bill which I have just mentioned, there are other persons whose opposition is based on the honest belief that the adoption of some policy or policies which they particularly advocate will result in the attainment of the objective of continuing full employment. To the extent that these people are right, there is room for the consideration and adoption of their policies within the broad framework of the full-employment bill.

Finally, I want to emphasize again that this bill is in complete accord with our system of free enterprise. It does not authorize the Government to operate any plants or factories or productive facilities. It does not authorize the use of any compulsory measures in determining where people are to be employed. Every businessman remains free to run his business as he always has. The Government's sole function is to exercise the necessary foresight in dealing with prospective developments that affect employment and to take such measures as are authorized by law to prevent a deficiency or excess in demand. The whole spirit of this legislation is not to coerce industry but to provide an environment in which industry can realize its enormous potentialities for production and employment.

The full employment bill makes no assumption with respect to the general character of our economic problems at any particular time. The bill specifically provides that the National Budget shall make recommendations for the control of inflation whenever this shall be necessary as well as recommendations for achieving and maintaining full employment. There is nothing inflationary in this bill.

Some opponents of this bill have leveled most of their attack on an alleged promise to provide every man and woman with a job. The bill does not do this. It merely recognizes the Government's responsibility to see that there are enough opportunities for productive work to employ all men and women willing and able to work. The chance to earn a living is so fundamental a human right that it cannot be denied by quibbling or by the equivocal use of words. In a modern industrial society the opportunity to work is the very basis of the inalienable and God-given rights of life, liberty, and the pursuit of happiness.

There is no class of sectional interest in this bill. It is truly a national bill to promote the general welfare by protecting the national economy. Of course, it is in the interest of labor to have an adequate demand for our production so that there will be sufficient jobs for all men and women willing and able to work. But it is no less in the interest of agriculture and industry. The farmers of this country know that unemployment in American industry means low prices and the accumulation of surplus crops. They know that a sound postwar farm program must start with plenty of jobs and good wages in industry so that our workers can consume the foods and materials which our farmers can produce in abundance and businessmen know what depression means to them—reduced output, losses and even failures. The maintenance of production and the profits of business depend upon an adequate demand for output. Such a demand requires the prevention of mass unemployment.

Some people seem to think we cannot afford full employment. There is a confusion of thought here. It is unemployment that we cannot afford. The unemployment of the 1930's cost us in lost income far more than the war; and this cost was not distributed among all the people on an equitable basis. It was concentrated in large part on the unemployed worker and the depressed farmers,



We cannot afford another depression like that.

If we put our full resources to work, we can increase our production of consumer goods by 50 percent above the 1940 level and our production of capital goods, including construction, by more than 100 percent above the 1940 level. This chart, based on a Commerce Department study when Jesse Jones was Secretary, shows in more detail what full employment means to business. My own review of the facts, when I was Director of War Mobilization and Reconversion, has convinced me that we can and must increase consumption by 50 percent and expand construction and investment by 100 percent above prewar levels. We cannot let one-fourth of our resources go to waste. As Secretary of the Treasury, I say that it will be much harder to balance our budget and to service our national debt if we drift into another great depression.

There is no doubt in my mind that we can prevent mass unemployment if we decide to deal intelligently with this problem. I have said it before and I shall say it again, "Depressions, like wars, are not acts of God. Man makes them. If we make them, we can unmake them. We must create, in peace, a new prosperity and a greater opportunity for jobs than has existed before."

We shall not solve the problem of unemployment by ignoring it. We must not repeat the error of 1921 and 1931 of trying to deal with this problem when it is too late. This is a bill that should be enacted promptly. In my opinion, it is an urgent bill, not because we need it to deal with mass unemployment now, but because we need it now to deal with the threat of depression when it does come.

I want to read one paragraph on this point:

"When business again declines men will be laid off and the problem of unemployment may again become serious. It will then be too late for any measures except relief for the unemployed unless we now address ourselves to the task of preventing, or at least reducing, these extreme fluctuations of business activity. Prevention as contrasted with relief is possible only through foresight."

This is a statement as timely now as when it was made by the committee headed by Owen D. Young and appointed by Herbert Hoover as Chairman of the President's Conference on Unemployment in 1921.

In my opinion the full employment bill enables us—yes, requires us—to deal with the problem of unemployment while there is still time, before it is too late.

I speak for the President of the United States when I tell you that he regards full-employment legislation as the basic framework upon which a large share of our efforts to solve the central problem of full production and full employment must rest. He is most anxious that the legislation be enacted at the earliest possible moment.

#### SECRETARY WALLACE'S STATEMENT ON FULL EMPLOYMENT

October 30, 1945, the Honorable Henry A. Wallace, Secretary of Commerce, testified before the Committee on Expenditures in the Executive Departments of the House of Representatives, in support of the full employment bill, H. R. 2202, and I urge the Members of the House who have any doubt about the objects or intentions of this legislation to carefully read Secretary Wallace's statement. It is as follows:

Mr. Chairman and members of the Expenditures Committee, I am glad to be here and to have the opportunity of discussing with you this problem of full employment.

In the newspapers and magazines, and on the air, and in the proceedings here in Congress, I have noticed an almost universal agreement that full employment is the No. 1

postwar objective for this country. I have seen this conviction growing for 2 or 3 years now, but, even so, I am a little surprised at how nearly unanimous we are now. There are some differences of opinion, really rather slight, in respect to definitions and statistics. There is considerably more disagreement about ways and means. But hardly anybody is willing today to take a position that full employment opportunity is undesirable or even that it is not substantially attainable in a free economy.

Most of us feel very definitely that it will be sheer folly to risk another major depression if we can find any possible way of avoiding it. Some people have forgotten how close we came to real disaster in the early 1930's, but most of us remember quite clearly and realize that mass unemployment simply will not be tolerated again. This free and self-reliant people simply will not stand for another great depression—not after seeing with their own eyes the production and employment they can achieve if they get together and decide what they want to do.

In addition to this general realization that unemployment on any considerable scale would be a deadly threat to our institutions, and especially to our free-enterprise system, I think there is also a healthy and correct appreciation of the fact that world peace depends in large part on our success in maintaining full employment here.

So there we are, and the problem is how to go about the job of maintaining the condition of full employment opportunity. I have approached this legislation, H. R. 2202, in this spirit. As you know, I have been thinking about the problem for a good many years, and especially since about 1938. Then last winter this bill came along and it matched my ideas of how to attack the job very well. I therefore wholeheartedly endorsed it.

The end of the war came sooner than most of us expected. It brought the need for immediate consideration and adoption of a program for governmental and private action to get us out of the war economy—a program to get us through the transition period and into peacetime condition where a man who is able and willing to work will have a real opportunity to earn a living.

I feel strongly that this bill is the necessary first step and that it is needed as the first step toward working out the kind of a long-range program we want, and is also urgently needed for a successful transition.

I hope it will be passed as promptly as orderly procedure will permit, especially since some of the factors that are operating toward recovery are strictly temporary, and it will take some time to get our longer-range machinery functioning.

As I look around and read the papers and the reports and contemplate the management-labor conference that is coming up in a few weeks, I am more and more impressed with the urgency of the situation. The difficulties that are so prominent in the headlines have their roots, I believe, in fear of the future—in lack of confidence in our ability to create and maintain a condition where workers and employers alike will have enough opportunities to earn their livings whether in the form of wages or in profits.

I hope I can share with you some of this feeling of urgency. The Director of Mobilization and Reconversion has estimated that unemployment may reach eight millions in the first quarter of 1946, even allowing for several million withdrawals from the labor force. It will reach some such numbers because our economic machinery simply can't operate quite fast enough to build up peacetime employment as rapidly as demobilization of war industry and of the armed forces will proceed.

There will be a turning point, perhaps in March or April, from which we can move in one of two directions. We can recover, perhaps rather rapidly, if we have industrial and

economic peace and confidence in the future. The recovery might even be too fast or too hectic; prices might get out of hand before production comes up to meet the demand and then we would have an inflationary boom that surely would end in another collapse. So I think we must have a unified, coordinated economic program to keep us on the highway even if we do get into a boom late next year.

On the other hand, it is by no means certain that we shall snap out of this critical period. It depends upon a whole set of economic and social factors, including among other things industrial peace, social tolerance, and general confidence. Confidence is essential to the other conditions. I am not now talking about vague, unreal, or visionary things at all; I am talking straight bankers' language, based on economic realities, when I use the term confidence.

If, when the turning point comes, a wave of fear should sweep the country, then it is quite possible that conditions would not improve but would get worse and we would sink into stagnation and depression.

It is by no means certain that the accumulated backlog of demand and the presence of accumulated purchasing power, will actually pull us out of the critical period if there should be widespread lack of confidence in the ability of management and labor to get together and in the ability of the Government to do its part. Here again confidence in the future is the key.

Now this turning point is coming along very soon and I urge as strongly as I can that we take appropriate action in time. By appropriate action I mean such legislation and administrative measures as will demonstrate that we take our responsibilities seriously, that we are working as hard as we can on the job, and that we intend to succeed. For such action, H. R. 2202 is the necessary first step. I want to explain why I think this in more detail.

There are three elements in the problem as I see it. First we must have confidence in the future and that confidence must be justified—not mere unthinking optimism.

Second, in order to create such confidence we must have better coordination in Government—better administration and better legislation in matters that affect the economic activity of the country. This economy is now so large and so complex, it is so closely tied to the economic and political development of the rest of the world, and the Federal Government necessarily will occupy and affect such a large part of our total economy—that we simply cannot afford to muddle along and take a chance on another collapse.

We must modernize our administrative and legislative procedures. We must coordinate our handling of expenditures for public investment and for public services, our regulatory activities, and our necessary revenue-raising measures. We must coordinate our fiscal activities, the control of credit and the handling of the tremendous debt structure. We simply cannot any longer work at cross purposes in these various fields—all of them fields where the Federal Government of necessity will have a major impact for good or ill on the workings of our private economy.

So I note that a general understanding that we are going to coordinate our governmental job better than we have done in the past is a positive requirement for general confidence in where the country is going.

In the third place, confidence will not be justified and coordination will not be effective unless we move promptly to the development of a program for legislative and administrative action. Everybody has ideas about what the Government should or should not do. It is amazing how some people say in one breath, "keep the Government out of business—let business alone," and in the next



breath propose a series of actions that they want the Government to take. But it will be necessary for us to take various forms of action, and my point is that we have no assurance of success except by bringing together the various measures that affect the economy in the various ways I have suggested, unless we construct a reasonably unified and coordinated and complete program.

So there we have three elements or stages in our attack on the central problem—confidence, coordination, and a program. If this bill had not been proposed, and if we were sitting here analyzing the situation, we might well write up such a set of specifications.

As I examine H. R. 2202 it fits these specifications very well.

First it states the central objective—full employment opportunity in a free competitive economy—in terms that are generally understood and widely agreed upon. This objective is unquestionably first in the hearts of almost all our people—all, I think, except a few who have special axes to grind. The mere recognition of this great national objective in plain and simple terms is to step in the right direction toward the necessary confidence.

Next the bill recognizes clearly and simply the responsibility of the Federal Government toward this objective. There can be no possible question but that the people of the United States will hold their Federal Government responsible for the attainment of their great central objective. They will hold their elected representatives and their duly designated administrative officials responsible, and they will form their own judgment as to how well we have discharged our obligation. If we fail, or in the degree to which we fail, they will be the judge of how well we have provided the necessary leadership and how wisely we have directed the resources of the Federal Government toward our declared objective.

The actual language of the bill is properly clear and definite on this recognition and responsibility. It says in plain English that the responsibility is to assure the existence at all times of sufficient opportunities.

Finally, the bill sets up a procedure in the executive branch and in Congress that seems to me very well adapted to the formulation and constant improvement of a program for economic action to move toward and maintain the objective of full employment opportunity in a free competitive economy. The procedure set forth is very simple and very businesslike. It is closely parallel to the well-established procedures that have been found necessary in the successful conduct of a private corporation with its president and its board of directors. The bill calls upon the President to submit annually a statement of the situation and of where the country seems to be headed as respects employment and production; and a program for administrative action that he proposes to take in the circumstances thus described; and a program of recommended legislative action.

The making of such an annual statement and preparation of such a program and its revision as situations develop and conditions change would be a powerful influence toward better administration in the executive branch. It would compel the various agencies to consider their own requirements and intentions in the light of the total. It would compel an accounting at periodic intervals of the success of their work. It would be a powerful device in the direction of efficiency as well as effectiveness throughout the whole Federal executive establishment.

The bill finally sets up improved machinery in Congress for the same purposes of coordination and unification of effort. This is a natural development in our legislative history and there can be no question but what it is badly needed to cope with the tremendous problems that will confront the Senate and the House in the future and that

I think will be simply unmanageable under current procedures. The machinery set up in the bill is very simple—the joint committee of the Senate and the House large enough to include the heads of the major committees concerned but not large enough to be unwieldy. This committee is directed to receive the President's National Budget message and program and to consider it, calling witnesses or utilizing its own staff as may be found necessary or convenient; and then to report a joint resolution to the Senate and the House for public debate, revision and adoption as the agreed upon statement of the situation and of governmental needs and intentions.

I can think of nothing more healthy and more conducive to a rational and prudent approach to these complex problems of the future by the Members of the Senate and the House and by the various committees. It is not another complication—it is a simplification. It would strengthen the hand of every standing committee. It is not too much to say that such a procedure would enable these committees to do their jobs in the face of legislative requirements of the future.

So it seems to me that the H. R. 2202 matches the specifications for the kind of basic legislation we need as the first step toward a program for full employment opportunity in a free competitive economy. It sets up the objective; it states the responsibility of the Federal Government; and it establishes a procedure that is well adapted for the purpose.

It is the minimum that we must have to start with in order to provide the confidence which is the essential basis of a healthy private enterprise and to make possible the coordination of effort toward the unified objective and to equip us with the procedure under which the Administration and the Congress can develop step by step an economic program for unified action toward the agreed-upon objective.

Whatever the Congress finds it wise to adopt in the way of basic legislation for this purpose, I will do my best to help make that legislation work. But I hope you will give us in the administration a clear and definite authorization to do our job, such as H. R. 2202.

I don't know what modifications or amendments you are considering, if any, but I definitely hope you do not weaken the bill. Let me emphasize again the underlying importance of confidence throughout the business world, both to employers and to labor. It is confidence alone that will give us the healthy flow of purchasing power which is the lifeblood of the private-enterprise system. It is confidence alone that will activate the accumulated savings and get them used to satisfy accumulated needs and wants.

The way to build this general confidence is to state in clear and simple legislation written in plain English that we are going to do the job; that we do recognize the responsibility and that our responsibility is to assure opportunities for our workers and our businessmen and our farmers and our professional people to earn a decent living. Any weakening of this commitment would tend to defeat the purpose.

Let us tell the people that we really mean it. Let us also tell them that we recognize the difficulty of the task; that we recognize that in order to discharge this responsibility we must set up new and improved procedures in the executive branch and in the legislature and that we must go on from there to work out a practical program of unified action.

Let me describe a little more specifically what sort of a program of positive action we can work out under H. R. 2202.

I want to say to begin with that I firmly believe a program can be worked out that will provide sufficient employment opportunity in a free competitive economy, without departing from our traditional concepts of individual liberties, including private en-

terprise; and this can definitely be done without imposing tax burdens or other fiscal practices that would defeat the purpose. Specifically, I believe it can be done without jeopardizing the integrity of our fiscal system.

It can be done without continuing deficits in the Federal Treasury if we want to do it that way. The money we need to balance expenditures can be obtained by taxation rather than by borrowing if that is the policy that seems wise to Congress in the future. Such tax revenues, of course, would have to be obtained from sources where it would not reduce private expenditures so much as to be self-defeating. If we take a dollar of taxes out of the active flow of purchasing demand, we reduce somebody's expenditure and somebody's sale at the cash register by the same dollar. So if we decide to raise enough revenue to balance the Government's expenses, it is perfectly clear that we will have to hunt around and find sources of revenue that will not cripple or strangle the active flow of purchasing demand at the cash register.

The bill you are considering does not specify any single policy in this respect, and I think this is wise. We have yet to solve the problem of finding and taxing idle dollars without reducing unduly the profit incentive. We do know that when a dollar is saved it is withdrawn from the flow of active purchasing power and nobody can make any money out of it until it is spent or invested or until somebody else spends or invests a dollar that had previously been saved. We do not know exactly how much private enterprise will want to borrow and invest nor exactly how much it should and can borrow and invest year by year without getting ahead of its market. We do not know whether the amount that business will want to borrow and invest will be equal to the amount that individuals want to save and lend.

If private business doesn't care to invest year by year as much as individuals want to save, then it is simple arithmetic to figure out that somebody else will have to provide the outlet for the people's savings. Otherwise, the total flow of active purchasing power at the cash register will not stay up where it ought to be and full employment and full production will not be maintained.

If this should turn out to be the case—if business doesn't provide the opportunities for useful investment of the people's savings—then I expect the people will see no reason why they should not provide their own outlet. I expect they will provide such outlet for themselves through their Government by investing the money in useful public projects.

This would add up to what we are accustomed to term a deficit in the Government budget, although in private business strictly comparable operations are not termed deficits when they are balanced by additions to the capital account. A manufacturer does not write off a new factory during the year in which it is built. There is no more reason why the Government should write off a dam or a highway in a single year.

In all these matters it is clear that the future holds many uncertainties and therefore I think the Government's budgetary policy should be left for future Congresses to determine under the conditions they face in the future. We have just come out of a long period of fiscal disturbance and perhaps we still face several years of extraordinary fiscal requirements. The bill specifies that taxation and revenue raising shall be considered as a part of the program as, of course, they should be. That is as far as I think we should go at this time.

President Truman on September 6 submitted an extensive list of items on which he felt that governmental action is needed in order to steer a steady course through the reconversion period and into a satisfactory



postwar economy. He said, "The major objective, of course, is to reestablish an expanded peacetime industry, trade, and agriculture, and to do it as quickly as possible." Then he listed the major fields of action for the consideration of Congress in line with his constitutional duty—and as you know legislation for full employment was among the items.

As I look down the President's list of far-reaching, needed measures, many of which are not yet even in draft form as far as I know, and as I contemplate these extensive areas of needed action, many of which are not covered at all or are very inadequately covered—I am impressed again and again with the sheer impossibility of handling these complex problems unless we first equip ourselves with the machinery set up in H. R. 2202. In addition, at the risk of unnecessary repetition I say again that the whole success of this or any other program for the critical time that lies immediately ahead as well as for the long range—I say that the whole success of such a program depends on creating and justifying a feeling of confidence throughout the land.

The President's list in his message of September 6 contained 21 main headings and I hope you have noted how each item relates to and affects the others and how therefore we should consider them each in relation to the whole of our activity—and therefore how urgently we need the bill which you have before you.

Now what is the difference between such a listing of items and a program for action under the full-employment bill?

The difference is that in constructing the program, specific measures for action on each item would be proposed or described and their effects would be estimated and their relations to other parts of the program would be set forth. Then the joint committee would consider the report and the recommended measures and the estimates. They would change such parts as they found needed change and then report the joint resolution for debate on the floor of each House. The joint resolution would be debated, fully and freely and publicly, and adopted by a record vote. Finally, the specific measures contained in the final program would be drafted and considered by the various standing committees.

In this manner we would work out a program, the parts of which would fit together. As conditions changed and the success of each measure was proved out or disproved in practice, revisions would be made from time to time to improve the result.

It is very closely parallel to the well-established techniques of management in business. A scientific management approach to a business problem usually contains three steps: (1) setting the objectives, (2) allocating the responsibility, and (3) setting up procedures to discharge the responsibility. The procedures begin by setting tasks and quotas; then a coordinated set of processes or machines or operations would be designed and placed in action. Finally—just as a corporation publishes a quarterly report on its operations—there would be a periodic check of the results whereby the performance could be measured and the efficiency of the whole program could be gaged. This is what, as I read it, is done by H. R. 2202.

Summarizing briefly, I am in favor of H. R. 2202 because I believe it is an essential step in creating and justifying the confidence that is essential to the successful operation of our private enterprise system.

I favor the bill because it would set up a procedure for better coordination in the executive branch and in the Congress and I feel that such better coordination is absolutely necessary in dealing with the huge and complex problems of the postwar world.

I favor the bill because it is the only practical way I see whereby we can construct and

operate a unified program of governmental action on the scale that clearly will be necessary in the future.

For these very reasons, I would be strongly against any attempts at weakening or watering down this legislation. Such weakening would strike at the very foundation of our work—it would tend to weaken the confidence which is its essential objective. I think we must say clearly and plainly and flatly that we are going to do this job.

Likewise, I would view with strong disfavor attempts to limit or restrict the action programs and measures which future Congresses may find desirable under the circumstances that then exist. I think we should leave the future Congress entirely unfettered to use whatever means they find necessary or desirable under the Constitution.

I would also view as very weakening or restricting any attempt to divide the joint committee, or to limit its scope of consideration, or to relieve it of the necessary duty of reporting its findings back in the form of a joint resolution for open debate in each House and before the people of the country.

Finally, I have said and would emphasize again that a positive program of action is necessary, and that it can be constructed without doing violence to our traditions and our institutions, and without ruining the financial soundness of the country—provided that we agree on the objective of the program, and that we face the responsibility squarely, and that we adopt procedures that will make it possible for us to discharge that responsibility.

All these things add up to my strong support of H. R. 2202. I believe firmly that we can accomplish this task—I see that we must accomplish this task—and I urge that our time is limited and that the need is great.

Give us a good strong legislative authorization and let us get to work.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 5 minutes.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

#### AMERICAN PRISONERS OF WAR SHOULD HAVE BEEN DEMOBILIZED LONG AGO

Mr. REES of Kansas. Mr. Speaker, I am glad to observe through the press releases the War Department finally decided to discharge men from the armed forces who were captured and incarcerated in the prison camps of the Nazis and the Japanese. Of course, they should have been discharged long ago. They certainly performed their share of service. To keep men on active service after they had suffered the punishments in the prison camps of the enemy was about the most unreasonable and inexcusable thing the War Department could do. These American prisoners of war did not even accumulate points while in prison. I have been trying for several months to convince Army officials that these, of all servicemen, were entitled to be discharged.

Let me call your attention to another thing that seems manifestly unfair and that is that boys who served in prison camps of either the Nazis or the Japanese, are given no credit toward promotions. Men who served long periods of time in the prison camps came out with the same rank as they had when they were captured. For example, a second lieutenant from my State was captured

by the Japanese more than 3 years ago. He has been released and is discharged as a second lieutenant. His friend, who was a second lieutenant 3 years ago, served for a considerable period of time in the Pentagon. He is now a lieutenant colonel. I am not criticizing the lieutenant colonel, not for 1 minute, but I do feel that men who have been required, through no fault of their own, to serve in the prison camps of either the Nazis or the Nipponese are certainly entitled to a little more consideration, not only with regard to discharges but also with respect to rank as members of our armed forces.

#### PAYMENT OF ACCUMULATED OR ACCRUED LEAVE TO CERTAIN MEMBERS OF THE MILITARY AND NAVAL FORCES

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1036) to provide for the payment of accumulated or accrued leave to certain members of the military and naval forces of the United States, who enter or reenter civilian employment of the United States, its Territories or possessions, or of the District of Columbia, before the expiration of such leave, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. RAMSPECK, Mr. RANDOLPH, and Mr. REES of Kansas.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. DOUGLAS of California, for 10 days, on account of official business.

To Mr. WASIELEWSKI, for 1 week, on account of official business.

#### ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p. m.) the House, under its previous order, adjourned until Monday, November 12, 1945, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Thursday, November 8, 1945)

The Committee on the Merchant Marine and Fisheries will meet, in executive hearing, on Thursday, November 8, 1945, at 10 a. m., to consider H. R. 2633 and H. R. 3802, bills for the refund of frustrated voyages.

##### COMMITTEE ON RIVERS AND HARBORS

(Tuesday, November 13, 1945)

The Committee on Rivers and Harbors will meet Tuesday, November 13, 1945, at 10:30 a. m., to begin hearings on the following stream pollution abatement bills: H. R. 519, H. R. 587, and H. R. 4070.

##### COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, November 14, 1945)

The Committee on Immigration and Naturalization will hold hearings on



Wednesday, November 14, 1945, at 10:30 a. m., in room 446, Old House Office Building, to consider H. R. 3976, H. R. 4109, H. R. 4179, and private bills.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHN J. DELANEY: Committee on Rules. House Resolution 393. Resolution providing for the consideration of H. R. 4421, a bill to increase the permanent authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the permanent authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointment in the Regular Navy and Marine Corps, and for other purposes; without amendment (Rept. 1189). Referred to the House Calendar.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 394. Resolution providing for the consideration of H. R. 2788, a bill to amend title 28 of the United States Code in regard to the limitations of certain actions, and for other purposes; without amendment (Rept. 1190). Referred to the House Calendar.

Mr. MANSFIELD of Texas: Committee on Rivers and Harbors. House Joint Resolution 265. Joint resolution to provide for proceeding with certain river and harbor projects heretofore authorized to be prosecuted after the termination of the war; without amendment (Rept. 1191). Referred to the Committee of the Whole House on the State of the Union.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 4457) for the relief of Larren N. Harris, and the same was referred to the Committee on Pensions.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 4618. A bill to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization; to the Committee on Foreign Affairs.

By Mr. FLANNAGAN:

H. R. 4619. A bill for protection of cotton and cottonseed production from the pink bollworm, and for other purposes; to the Committee on Agriculture.

By Mr. LEMKE:

H. R. 4620. A bill to amend an act entitled "An act to establish a uniform system of

bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. SAVAGE:

H. R. 4621. A bill to establish a Veterans' Job Act and integrated national program for assuring maximum work opportunities and careers for veterans in a free competitive economy through the concerted efforts of industry, agriculture, labor, foreign trade, private agencies, State and local governments, and the Federal Government; to the Committee on World War Veterans' Legislation.

By Mr. VINSON:

H. R. 4622. A bill repealing the profit-limitation provisions of the act known as the Vinson-Trammell Act, as amended and supplemented; to the Committee on Naval Affairs.

By Mr. BAILEY:

H. R. 4623. A bill to eliminate the income limitation for eligibility for pension for non-service-connected disability in the case of persons who have a service-connected disability; to the Committee on World War Veterans' Legislation.

By Mr. BOYKIN:

H. R. 4624. A bill to extend temporarily the time for filing applications for patents, for taking action in the United States Patent Office with respect thereto, for preventing proof of acts abroad with respect to the making of an invention, and for other purposes; to the Committee on Patents.

By Mr. HAYS:

H. R. 4625. A bill to authorize a program for the construction of county agricultural buildings through assistance in planning and financing such projects in counties where agriculture is a predominant industry thereby providing centralized housing and facilities for Federal, State, and local offices engaged in administering agricultural and related programs concerned with the welfare of the farm population; to the Committee on Agriculture.

By Mr. KILDAY:

H. R. 4626. A bill relating to the application of section 251 of the Internal Revenue Code to prisoners of war and others in the Philippines during Japanese occupation; to the Committee on Ways and Means.

By Mr. MILLS:

H. R. 4627. A bill relating to sales of surplus property to veterans; to the Committee on Expenditures in the Executive Departments.

By Mr. REED of Illinois:

H. R. 4628. A bill to amend section 332 (a) of the Nationality Act of 1940; to the Committee on Immigration and Naturalization.

By Mrs. ROGERS of Massachusetts:

H. R. 4629. A bill to establish a veterans' job act and integrated national program for assuring maximum work opportunities and careers for veterans in a free competitive economy through the concerted efforts of industry, agriculture, labor, foreign trade, private agencies, State and local governments, and the Federal Government; to the Committee on World War Veterans' Legislation.

By Mr. VINSON:

H. R. 4630. A bill to incorporate the Reserve Officers of the Naval Services; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 4631. A bill to establish a veterans' job and integrated national program for assuring maximum work opportunities and careers for veterans in a free competitive economy through the concerted effort of industry, agriculture, labor, foreign trade, private agencies, State and local governments, and the Federal Government; to the Committee on World War Veterans' Legislation.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 4632. A bill for the relief of Mrs. John W. Evans; to the Committee on Claims.

By Mr. DWORSHAK:

H. R. 4633. A bill for the relief of John B. Clausen; to the Committee on Claims.

By Mr. GATHINGS:

H. R. 4634. A bill for the relief of Claud Cathcart; to the Committee on Claims.

H. R. 4635. A bill for the relief of J. R. Mahon; to the Committee on Claims.

H. R. 4636. A bill for the relief of W. B. Lacy; to the Committee on Claims.

H. R. 4637. A bill for the relief of T. L. Truitt; to the Committee on Claims.

H. R. 4638. A bill for the relief of B. E. Truitt; to the Committee on Claims.

By Mr. HERTER:

H. R. 4639. A bill for the relief of C. LeRoy Phillips; to the Committee on Claims.

H. R. 4640. A bill for the relief of Gladys Hastings; to the Committee on Claims.

By Mr. SAVAGE:

H. R. 4641. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on Claims.

H. R. 4642. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on Claims.

H. R. 4643. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on Claims.

H. R. 4644. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on Claims.

H. R. 4645. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on Claims.

H. R. 4646. A bill for the relief of the Department of Labor and Industries of the State of Washington; to the Committee on Claims.

By Mr. THOMAS of Texas:

H. R. 4647. A bill for the relief of Albert R. Perkins; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII:

1312. Mr. GRAHAM presented a petition of 53 members of the Grace Evangelical and Reformed Church of Harmony, Pa., protesting the passage of H. H. 3293, to provide for the national security, health, and public welfare, which was referred to the Committee on Ways and Means.



Like farming, like teaching, like a professional career, it symbolizes the spirit of independence which built this country. The very foundations of this democracy are rooted in small business. Without it this Nation as we have known it would cease to exist.

For the past several weeks, national attention has been focussed on the problems of big business and of big labor as represented by our great industrial corporations and our great labor unions. Today, we intend to look into the problems of small business and hear the story of the man who is in the middle—the man who may possibly be caught between the demands of big business and big labor and asked to carry the burden of financing such price and wage increases as are given to either side in this current wage and price dispute which has made headlines for the past few weeks.

The Office of Price Administration is under a mandate from Congress and the President to "hold the line" on prices.

The Congress and the President are under a self-imposed mandate to do everything within their power to speed industrial reconversion, to maintain purchasing power, and to provide maximum employment for all.

For every manufacturing firm in this country which provides jobs for labor there are 15 firms which distribute the products of these factories in some form or other. For every man or woman employed in a factory there are 5 persons employed in distributing or servicing these products.

Approximately 1,250,000 persons are employed in the manufacture, distribution, and servicing of automobiles in this country.

Only about one-third of these, 398,000, are employed in the direct production of cars.

The remainder are engaged as follows:

Wholesaling.....	72,000
Retailing and repair work.....	389,000
Service stations and affiliated retailing.....	335,000

Like the Army, the automobile business requires its production units and its services of supply. As in the case of the armed services, more persons are required to distribute and service the goods than are required to produce them. I mention this to show that only a relatively small percentage of those employed in this business are in the car factories. Many more persons are affected by the problem of car prices than just the manufacturers and their employees.

For every man employed in an automobile factory there is another man employed in selling, servicing, or repairing automobiles. More than 350,000 working people depend in normal times on the automobile dealers of this country for employment. Computed in terms of affected workers, the health and well-being of the automobile dealers of the country is just as important to their employees as is the continuance of car manufacturing to the workers employed in direct car production.

The only reason we do not stop to consider these facts is that there are only a few large car manufacturers and one or two large labor unions concerned in their problems and disputes as against 30,000 individual car dealers and their thousands of unorganized employees. Their problems are no less critical for that reason, however.

The House Small Business Committee has had extended contacts with the retail automobile dealers of this country dating back as far as January 1942. This committee professes to have some knowledge of this group's problems.

In 1942, the Government froze more than 600,000 passenger cars in dealers' hands and the entire trade was threatened with bankruptcy. Realizing the plight of the dealers, this committee explored their situation in a series of hearings and, upon the facts developed, prepared and helped to secure passage of the Murray-Patman Act in cooperation with the Senate Small Business Committee

under the able leadership of Senator MURRAY.

No bill passed in the history of Congress ever did more for a single industry in such a short space of time. Automobile dealers have told us—the members of the committee—that the passage of that measure meant the difference between absolute ruin and the saving of 75 percent of the dealers of this Nation. More than 30,000 dealers were, as a result of this act, able to survive the hard days of this war which rationing and cessation of passenger-car production imposed upon them. About one-fourth, or 10,000 of them, however, were forced to close their doors.

I shall not attempt to review that act in detail. Most of those present are fully aware of its provisions. Briefly, it provided that full retail value to the dealers for the cars they were holding in stock at the time of the freeze would be assured to them by the Government. When cars were carried for more than 1 month, a monthly increment was added. Likewise, under the act, the Reconstruction Finance Corporation was authorized to assist materially with loans.

The widespread nature of the retail automobile business makes it particularly important that the Government give the utmost consideration to firms in this line. Their prosperity or failure can have a marked effect upon the health of almost every community in the Nation. It has been said that before the war there was a dealer at every crossroads in the United States. That is almost literally true. Every Member of Congress recognizes what a force for good business these dealers are in every community. In normal times, these dealers are at the forefront of every progressive move in their home communities. They constitute the active, forward-looking citizens to whom we look for much of the home-town leadership in this difficult reconversion period.

As I understand the present situation which we are about to investigate, these dealers are not looking for a hand-out from the Government. They are merely asking for the privilege of being permitted to start doing business again under the same trade-discount provisions that prevailed before the war.

They tell us that the Office of Price Administration's proposal to reduce their traditional discounts will prevent their reopening their establishments, will jeopardize their existing investments, and will force many of them to go out of business permanently after having held on by a slender thread of hope during wartime.

It is the purpose of this hearing to find out to this committee's satisfaction the validity of these complaints. In order to do this, we propose to hear, first, from the dealers and their accredited representatives. After that, we propose to give an equal opportunity to representatives of the Office of Price Administration to explain the position of that agency on this matter. After that, if necessary, we are prepared to seek testimony from the manufacturers or from any other persons having a legitimate interest in this situation.

This committee is in full accord with the need for curbing inflation and the avoidance of any undue rise in the cost of civilian products to the ultimate consumer. On the other hand, it feels that the time has come for a greater realization and a keener appreciation on the part of Government, industry, and labor of the importance of the role of the small distributor in the American scheme of things. This hearing is held in that specific frame of mind.

I should like to caution all those who expect to appear before us as witnesses today and thereafter that we are not going to be very patient with those witnesses who deal solely in generalities. We are here to learn facts and not to deal in theories. That is the reason I have taken so much time in outlining our reasons for holding these hearings.

We expect both the dealers and the representatives of OPA to provide us with solid factual information as a basis for any state-

ments made. If a witness cannot support his testimony with that kind of evidence, we shall feel obliged to ask him to step down and make way for the next witness.

The charge has been made that the proposed OPA order to reduce dealers' discounts will work an undue hardship upon the dealers. That is the subject of these particular hearings and it is upon that point alone that we expect concrete evidence from both the dealers and from OPA.

Before calling the first witness for the dealers, I should like to point out that a great many Members of both the House and the Senate have asked permission to appear at these hearings and express their personal views and the views of their constituents upon this question.

Due to the fact that so many dealers have come such a long way to attend these hearings and are incurring considerable expense in remaining here in Washington for that purpose, I am going to take the liberty of reading the names of those Members who have asked that they be heard and their interest in this matter recorded for the record. Later, when a more convenient time can be arranged, we are willing to set aside a special day to hear from all interested Members. I have been assured that this will be satisfactory to those Members who have expressed such a keen interest in this particular hearing.

### Doctors in the Service

#### EXTENSION OF REMARKS

OF

#### HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 8, 1945

Mr. JUDD. Mr. Speaker, enclosed is another of the many letters I received from highly trained physicians who are continuing to rot professionally because of nothing to do in the service, while their colleagues in civilian practice here are overwhelmed with work and patients are unable to get adequate medical care.

I repeat his question, "Can our country afford such waste? If not, when do we get action?"

OCTOBER 18, 1945.

HON. WALTER JUDD,  
Representative from Minnesota,  
House of Representatives,  
Washington, D. C.

MY DEAR DR. JUDD: After finishing a letter to Senator DOWNEY I am impelled to write a short note to you as a doctor Member of the House. The first time I remember seeing you was when you spoke at the Students Volunteer Convention in Buffalo in 1932 and the second was when you spoke in the Congregational Church in Rochester, Minn., in 1939, I believe, while I was a fellow at the Mayo Foundation. I have followed your career from afar, and especially after you entered the House, being pleased to see at least one doctor enter the political arena where so many are needed.

You have guessed, no doubt, about what I want to speak to you—the shameful manner in which redeployment of doctors to the States where they are needed so desperately is going forward. At least so it appears to us ensconced here high in the Alps twiddling our thumbs and taking one special tour after another to Bad This and Bad That and Switzerland, the Riviera, Italy, and where else?

Confusion is to be expected in such a huge undertaking, so much is granted. But there



appears to be more than confusion, and some of us wonder if there is not something sinister about the whole mess as far as doctors are concerned. With 62,000 of us in uniform out of 160,000 or so total in the United States, why is not some energetic program undertaken to actually get more of us back where we could alleviate the acute shortage instead of getting "the run around" here as we have lately. The matter has been just this evening clinched in our minds in this General Hospital that has been overseas as a unit for about 14 months or more. Our delegate from the officers with high points here returned from Frankfurt this evening with the very heartening news that the doctors with less than 80 points will probably go home next March. Those with more may go sooner.

Now let me cite some line and verse for you to explain why such a report is so alarming to us who have had nothing but misleading information from the start about this program. When I returned from Bremen recently—about a month ago—several of us were assured definitely that we would be on orders home not later than October 3, and that it was merely a matter of the mechanics of the Army until such was done. October 3 arrived and a call was placed to Paris to the officer responsible for our redeployment and we were sweetly reminded that that particular officer had gone "home last week." So his successor was contacted and he assured us that he knew absolutely nothing about our case but would look into it. The office was in process of moving to Frankfurt but he would look into it and for us please to call back in a couple of weeks. This blow was taken standing up by our men, and they called back at the appointed time, only to be informed that they still knew nothing about it all and suggested we call back in a couple of weeks and maybe somebody would know something or other. This week our delegate went to Frankfurt and this evening returned here with the above report that we would perhaps return next March.

Now the strange part of it all is that our enlisted men are being redeployed fairly rapidly, leaving the high-point officers high in the Alps here. Most of our officers are veterans with many more points than the average enlisted score. Why are doctors being held here where they are doing absolutely nothing, while less essential enlisted men are being sent home by transport which is allegedly so scarce?

Is there such a need at home for drivers, helpers, carpenters, electricians, clerks, chemists, etc., that they are being sent home with lower point scores than doctors? We certainly, as officers, would be the last to begrudge the enlisted men their chance when it comes in turn, and we are all for them, even if they are out of turn, if the system is confused enough to permit that. But here comes the suspicion of a sinister purpose back of all this delay, delay, in the redeployment of doctors home. Is somebody among the planners and experts on what is good for the American people trying thus to hamstring the program of private medical care there by holding us as hostages until the situation becomes unbearable there and the people demand Government intervention in their medical care? Judging by the number of bills before the legislatures and Congress now, one could believe such possible, and 62,000 of us in uniform are powerless to ameliorate the situation while held as hostages. Now that is conjecture and has been expressed before by others, but it begins to take better shape when considered in the light of the planned confusion in the redeployment of doctors from this theater. There are a thousand excuses why doctors cannot be gotten home. But is it a matter of safety of the Nation's health, or not? If so, then who is committing the seditious crime against the people by not getting the trained men home to avert the disaster. Transportation can always be found for perfectly aw-

ful USO shows and for Hollywood glamour boys on their way home to discharge, as in the case of four of them whose names just appeared in the press during the past month; but not for the doctors—they are not needed badly enough, apparently, and so must commit professional hara-kiri by continued enforced idleness and professional decay. What about our future patients? Will the Army take the responsibility for our decay? Not on your life, for that is our problem and the people's problem. That is why I feel justified in taking the problem to you in Congress, our only court of appeal against a system which is against the public good.

When Wally Ritchie of Saint Paul, whom you perhaps know and whom I knew as fraternity brother, was discharged several weeks ago a great to-do was made about it, since he was the first medical officer of this war to be discharged on points, a fact which I should think would bring shame to the War Department, to admit that they had postponed to so late such a program of returning essential professional men to where they could be used for the national interest.

In a large general hospital such as this one, our professional disaster has been less by far than that of the poor fellow out in the field units. I have talked with many of them who spend half an hour a day caring for the medical needs of a couple of hundred men, and the rest of their time they are forced to invest in traveling to far and near places such as Denmark or Paris. There is a shocking amount of professional decay going on which bodes no good in the light of the alleged continuing doctor shortage in the post-war years until the training schedule has caught up with the need of young recruits to the profession.

One more point and then I shall quit: Have you gentlemen in Congress been aware of the impending ruin to the Medical Reserve Corps of the Army? All I know is what I hear and that is not promising. I have yet to talk to a single medical officer who plans to have anything whatsoever to do with the corps after the war, and can you blame them? They entered this service for the good of their country, realizing full well that they were probably laying the profession wide open to the invasion by planners and social experts who would use every opportunity to discredit private enterprise in our profession when the situation due to our enforced absence became bad enough. It appears they may achieve their purpose if we are held as hostages much longer, considering the long obituary notices in the Journal of the American Medical Association, and the fine trickle of doctors actually returning to their practices.

My wife writes that I am due home just any day now, and so she feels hardly justified in writing. Meantime she has been lulled into a false sense of well being by the clever propaganda put out by certain types of public relations men who have caused the public to ease its clamor for the return of the doctors because of the alleged imminent return of them home. Large in this scheme loomed the Green project by which some of us were to fly home. It would be interesting to know just how many actually returned via that scheme, and how many, as some of our own high-point doctors, are still taking tours all over Europe to keep from going crazy. Of course, many have fallen into such a state of coma that they don't even tour, but vegetate in their quarters day after day with absolutely nothing to do. I was astonished the other day to hear the chief of a service in a general hospital state that he would just have to go to school again after getting home, and so he had given up the idea of trying to keep abreast of medicine meantime. That was a mature specialist in internal medicine speaking, who is on the staff of Bellevue in New York. What about the battalion surgeon then?

Well, what is the sense to it all, anyway? Is there something sinister or is it just Army "snafu"; the answer lies with the people—whether they will or not tolerate continuation of such shameful waste of professional talent which will take years to replace after the war is over. Can our country afford such waste? If not, when do we get action?

Sincerely yours,

Captain, Medical Corps.

## The Full Employment Bill

### EXTENSION OF REMARKS

OF

## HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 30, 1945

Mr. SHORT. Mr. Speaker, Mr. F. C. Fay, president of the Southwestern Sash & Door Co., at Joplin, Mo., is a successful businessman. He is a good American with sound sense, who has employed men and paid them without Government funds.

Recently he has written me two letters so chock full of keen insight and unanswerable argument that I want to insert them in the RECORD, that they might receive the widest distribution.

If the wild-eyed radicals, crackpots, and screwballs who yell and shout would take time to read these two letters, we would have less confusion in Washington.

Under leave heretofore granted to extend my remarks, I include these communications from Mr. Fay, which are enlightening, constructive, and if followed, will be most helpful to our State and country:

SOUTHWESTERN SASH & DOOR Co.,

Joplin, Mo., August 18, 1945.

The Honorable DEWEY SHORT,  
House of Representatives,

Washington, D. C.

DEAR SIR: If the amendment to the Fair Labor Standards Act is enacted, making 75 cents per hour the minimum pay for all workers, it will mean that in order to do this there must be far less spread between skilled and unskilled workers' pay. In competitive business any company must pay all overhead out of gross profit, and there is a definite limit to how high that expense can go if companies are to operate at a profit and if they do not operate at a profit, they cease doing business. Competitive conditions not only control prices, but they control pay; and no fixed minimum pay can be right under changing conditions unless that minimum pay is low enough to be workable during poor years. A company can only pay so much of their total overhead in pay roll; therefore the more unskilled pay goes up, the more skilled pay goes down or the company goes broke. We resent putting more premium on the shiftless, indigent, and lazy people, when to do so it means taking it away from the thrifty, studious, hardworking people who deserve it most.

Furthermore it would mean that older people would cease to be employees, as companies would only take the cream of workers. It would mean you couldn't afford to employ young people and train them, but instead would tend to employ, where possible, people who are already trained. A person with defects physically would be on the out as far as employment is concerned.



It seems to us that Congress must recognize that there is a limit to the burden that any operation can carry whether it be a small company, a large corporation, a city, a county, State, or Federal Government, if we are to keep America and American people and institutions on a sound economic basis.

During wartimes many companies are broke and done for, many of them unnecessarily, many unavoidable. Many that are operating are making plenty and prices are so high now, in spite of controls, that ridiculously high wages can be paid; but laws made to apply now can be disastrous later under normal conditions. What are we to do in the next depression with all this debt and Congress now figuring out ways to add billions and billions to that already top-heavy debt? Most businessmen feel that the next depression will make the last one look like a boom, due to the wasteful spending policies of the Federal Government in the past 13 years.

It is hoped that you will give the above every consideration when reaching conclusions on legislation that is to be enacted.

Respectfully yours,

SOUTHWESTERN SASH & DOOR CO.,  
F. C. FAY, *President*.

SOUTHWESTERN SASH & DOOR CO.,  
Joplin, Mo., September 5, 1945.

The Honorable DEWEY SHORT,  
*House of Representatives,*  
Washington, D. C.

Subject: The Murray-Wagner full-employment bill.

DEAR SIR: Let's try to look at this bill from a common sense practical viewpoint. During the period of this World War, it is unquestioned by anyone that the people have ahead of them the largest pent-up demand for goods in history due to the fact that so many things were not produced for civilian consumption during the war period. Again we have the largest savings in history with which to buy this avalanche of goods and services which undoubtedly can be produced. The above are accepted as facts by every thinking person.

The above being undisputed facts, then if private enterprise cannot employ the employables of this country during the post-war period, it is only common sense to assume that never again in history will private enterprise be able to employ employables.

Therefore if it is necessary to do additional governmental deficit financing during the immediate postwar period, it is practical to assume that the Government must forever do deficit financing and if they do that, it is only a question of how many years the United States of America can remain solvent.

Yours very truly,

SOUTHWESTERN SASH & DOOR CO.,  
F. C. FAY, *President*.

## Rural Health

### EXTENSION OF REMARKS OF

HON. FRANK W. BOYKIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 8, 1945

Mr. BOYKIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a speech delivered at a meeting of the Alabama Farm Bureau Federation by Dr. B. F. Austin, health officer, State of Alabama, at Biloxi, Miss., on October 31, 1945:

Alabama is so predominantly rural that any discussion of public health in this State will necessarily deal largely with the rural aspects of this important subject.

We are a people who believe in slogans, catch phrases, and mottoes. Everyone is familiar with the frequently advertised slogans such as "The pause that refreshes," "Good to the last drop," "Drink a bite to eat," "L. S. M. F. T.," and the products thus advertised. In our effort to capture the fancy of a slogan-minded people your health department has one motto which we hope every Alabama citizen will consider as personal and will exercise his utmost effort to support. It is: "The health of your State depends upon the state of your health." The more you analyze the words in this statement the more significant they become. If we can repeat this motto often enough that every Alabamian will recognize his part and assume that responsibility we can confidently look forward to great improvement in the health of our people.

It is evident that while the health problems of city dwellers are by no means neglected, the main task of Alabama's far-flung public-health agencies is the safeguarding of the health of the State's rural population. Thomas Jefferson on more than one occasion expressed the opinion that democracy would survive in the United States as long as the country remained predominantly agricultural. If agriculture should ever have to play second fiddle to industry, however, he was not so sure. "The mobs of great cities add just as much to the support of pure government," he wrote, "as sores do to the strength of the human body. I think we shall be virtuous as long as agriculture is our principal object. When we get piled upon one another in large cities, as in Europe, we shall become as corrupt as in Europe."

However much we may say in praise of a predominantly rural population as a factor in keeping democracy alive and in praise of its other advantages there is no doubt that certain problems assume greater seriousness among rural people than among city dwellers. One of them certainly is in the protection of the people against certain diseases.

The presence of the Negro as a considerable segment of the Alabama population has profoundly affected our health status. With nearly 70 percent of her population classified as rural and containing more than one Negro for every two white people, Alabama is, to an unusual degree, enjoying the benefits and suffering from the disadvantages brought by ruralization and the Negro.

This State's peculiar status with regard to both rural population and the Negro adds greatly to its health problem. There are numerous diseases, some of them taking high rank as killers and others adding greatly to the burdens of poverty, ignorance, and personal inefficiency, to which the members of one or both of these groups are particularly susceptible. The Negro whooping cough death rate, for example, is about two and one half times as high as the white rate. The tuberculosis death rate is about three times as high among Negroes as among white people. Malaria kills more than twice as many Negroes in proportion to population as white people. The Negro death rate for syphilis is about seven times the white rate. More than two and one-half times as many Negroes succumb to pellagra in proportion to population as white persons. Higher Negro death rates are also found for pneumonia, diarrhea, and enteritis (under 2 years) and the conditions associated with childbirth. The Negro stillbirth rate is considerably higher than the white rate, and the death rate among Negro babies is markedly higher than among white babies.

Furthermore the rural death rates for typhoid fever, scarlet fever, whooping cough, diphtheria, malaria, influenza, measles, typhus, pellagra, diarrhea, and enteritis (under 2 years) are persistently higher than the urban rates for these same conditions.

The increased mortality and presumably the greater prevalence of these forms of ill-

ness among our rural population have a public health significance and also a social significance not apparent on the surface. Some of these diseases, like scarlet fever, whooping cough, and diphtheria, play little part in society's advancement except insofar as they affect the health and personal fortunes of their victims. Others, however, like malaria, typhus, and pellagra, tend to act as a brake upon the social, economic, and educational advancement of our people as a whole while making complete or partial invalids of their immediate victims.

If we leave the vital statistics for a moment and turn our attention to a disease that plays an almost insignificant role in the mortality tables but a vastly important role in the progress, prosperity, and happiness of our people, we find one of the most potent reasons why rural health is so important in Alabama.

The disease to which I refer is hookworm which kills very few Alabamians but is constantly robbing thousands of them of the physical energy and mental alertness without which individual or social progress is impossible. I need hardly emphasize that this vampire disease, which is really an invasion of the human body by blood sucking parasites, is almost entirely confined to our rural areas, where there are few modern methods for the sanitary disposal of body wastes and where shoeless feet frequently come into direct contact with hookworm infested soil.

Your attention is called to the fact that rural conditions per se are not entirely and directly responsible for the greater prevalence of certain diseases in rural areas. It is unfortunately true that certain social conditions, which have an important bearing upon health, are more unfavorable in the country than in the urban areas. For one thing there is a more serious lack of medical care than in the city. You can hardly expect the best of health conditions in any community where there are enough physicians, nurses, dentists, pharmacists and hospitals to adequately meet the medical care needs of the people. Unfortunately, in a State like Alabama, a large proportion of the population is not served by public water supplies and commercial graded dairies and therefore does not benefit from the careful supervision of them.

Fully aware of the peculiar health problems due to Alabama's being essentially a rural State and containing an unusually large percentage of Negroes, your State department of health is devoting particular attention to the solution of those problems. Much has been accomplished. But much still remains to be done.

The people of Alabama take justified pride in her health record. While we are handicapped because of the existence of several preventable diseases and other factors common to our southland we are not sitting complacently by and lamenting that climate, poverty, nature, and other phenomena have been unkind to us. On the other hand much has been done to rid our great State of many preventable diseases and other handicaps peculiar to the Southern States. I am delighted to direct your attention to some of the activities and wonderful accomplishments in the health field.

We who are engaged in public health work fully realize that credit for Alabama's health fame does not all go to paid public health workers by any means. First of all, we commend the medical profession as a whole for its excellent contributions to health promotion in our State.

Alabama's unique system of health work and enviable record is accomplishments in this field were made possible because of the dream of a great Alabama physician, a statesman, humanitarian, and scholar—Dr. Jerome Cochran, of Mobile. It was through his persevering, unselfish efforts that the medical association of the State of Alabama first un-



dertook to lay the foundation for our successful health system. Later the Alabama Legislature by official action designated the medical association of the State of Alabama as the State board of health. It has functioned efficiently and satisfactorily for 70 years.

We who constitute your paid public-health workers are also mindful of the outstanding contributions made to health work by our governing bodies. We are quite cognizant of the fact that little could have been accomplished by the relatively few paid public-health workers if it had not been for the legislation passed by State, county, and municipal governing bodies. The governors, legislators, county, and municipal officials have not only enacted laws but have wisely appropriated public moneys for the employment of efficient specialists in the public-health profession and payment of other expenses incident to the services rendered. Furthermore, the law enforcement and judicial officer of cities, counties, State, and Federal Government have cooperated in a magnificent way to assure success in our health program. We therefore pay tribute to the official of the United States, State, counties, and cities because of the splendid way in which they have promoted Alabama's health.

We also realize that the intelligent cooperation of an informed public has done much to place our great State on the forefront in the battle against preventable diseases. Furthermore, we acknowledge the definite contribution made to the health of our State by such voluntary organizations as the American Red Cross, Alabama Tuberculosis Association, Field Army of the American Cancer Society, Alabama Crippled Children's Society, National Foundation for Infantile Paralysis, all civic clubs, parent-teacher associations, extension services, women's clubs, and others.

I shall not burden you with statistics but will use some comparative figures of deaths caused by a few diseases in 1917 and 1944. I chose 1917 because that is the year Alabama embarked upon an ambitious program to organize county health departments in the State on a full-time basis. Our first full-time county health department was organized in 1914 in Walker County, with Dr. Carl A. Grote serving as health officer, and sponsored by the United States Public Health Service in cooperation with the State and county officials. This was one of the very first county health departments organized in the United States of America. It was in 1917 when the late Dr. S. W. Welch became State health officer and began to interest the Federal Government and the Rockefeller Foundation to make financial contributions to Alabama's health program.

Let us consider some of our accomplishments in reducing the number of deaths caused by a few preventable diseases. Perhaps the most outstanding of these is typhoid fever. In 1917 there were 989 Alabamians who died of this disease. Last year there were only 16. At the same time deaths caused by diarrhea and enteritis under 2 years fell from 1,560 in 1917 to 295 in 1944. Malaria caused 530 deaths in 1917 and only 41 in 1944. Tuberculosis, although still one of our great killers has lost much of its prominence as such. In 1917 there were 2,914 Alabamians who succumbed to this disease while in 1944 there were 1,239. Pellagra killed 1,073 Alabama residents in 1917 and 98 in 1944. Diphtheria caused 191 deaths in 1917 and 59 in 1944. Smallpox once a great scourge has not caused a death in Alabama since 1932 although a man died last year of pneumonia contracted while he had smallpox.

I give you these facts to illustrate what has been accomplished but that is not all. These reductions in deaths did not just happen. It was planned and the people of Alabama responded. There were several factors entering into the picture. Laws were passed requiring public water supplies to be safe-

guarded, milk and food regulations were enforced, persons were vaccinated to prevent smallpox, diphtheria and typhoid fever, sanitary disposal of human excreta was provided and enlightened public cooperation was experienced.

The only deadly disease that has increased steadily since 1917 is cancer. There were 781 deaths in the State that year from this ailment and 2,083 in 1944. This increase is due partly to the fact that more of us are reaching the cancer age. We are living longer to die of malignancies. Better diagnosis is now available and more persons are consulting their physicians for cancer. A motto of the field army of the American Cancer Society is, "Fight cancer with knowledge." Efforts are made to make a cancer-conscious population and prevent cancer fear. You need to remember that quacks using salves and ointments cannot cure cancer and will only prolong the time when proper treatment is instituted.

Recent State legislation and that now pending in the Congress are going to add much to Alabama's health. Provision is made by State legislation to receive Federal funds and use State and local funds to match for the purpose of building hospitals in areas not now furnished with these institutions. These hospitals are not to be built as charity institutions by the Federal and State governments but these agencies are to contribute funds to aid local nonprofit hospital associations in constructing and equipping hospitals and health centers. Hospitals will include general and tuberculosis hospitals as well as nursing homes for the chronically ill.

It is firmly believed that the construction of these hospitals and health centers will induce well-prepared young physicians to locate in communities where they are now urgently needed. This will make hospital facilities and medical care more readily available to all our population. The reestablishment of the 4-year medical school will inevitably provide a greater number of physicians for Alabama within the next few years, and with modern facilities to aid in their practices there is little doubt that many of them will locate where the hospitals are.

Remember, "The health of your State depends upon the state of your health."

#### LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board, or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U. S. Code, title 44, sec. 140, p. 1938).

Printing and binding for Congress, when recommended to be done by the Committee on Printing of either House, shall be so recommended in a report containing an approximate estimate of the cost thereof, together with a statement from the Public Printer of estimated approximate cost of work previously ordered by Congress within the fiscal year (U. S. Code, title 44, sec. 145, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on Printing, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U. S. Code, title 44, sec. 133, p. 1937).

#### DISTRIBUTION OF THE CONGRESSIONAL RECORD

To the Vice President and each Senator, 100 copies; to the Secretary and Sergeant at Arms of the Senate, each, 25 copies; to the Secretary, for official use, not to exceed 35 copies; to the Sergeant at Arms, for use on the floor of the Senate, not to exceed 50 copies; to each Representative, Delegate, and Resident Commissioner in Congress, 68 copies; to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 25 copies; to the Clerk, for official use, not to exceed 50 copies; and to the Doorkeeper, for use on the floor of the House of Representatives, not to exceed 75 copies; to the Vice President and each Senator, Representative, Delegate, and Resident Commissioner in Congress there shall also be furnished (and shall not be transferable), 3 copies of the daily RECORD, of which 1 shall be delivered at his residence, 1 at his office, and 1 at the Capitol.

#### GOVERNMENT PUBLICATIONS FOR SALE

Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized book dealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by book dealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U. S. Code, title 44, sec. 72a, Supp. 2).

#### CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expense of such printing, the current Congressional Directory. The money derived from such sales shall be paid into the Treasury and accounted for in his annual report to Congress, and no sale shall be made on credit (U. S. Code, title 44, sec. 150, p. 1939).

#### PRINTING DOCUMENTS AND REPORTS

Documents and reports of committees with the evidence and papers submitted therewith, or any part thereof ordered printed by Congress, may be reprinted by the Public Printer on order of any Member of Congress or Delegate, on prepayment of the cost thereof (U. S. Code, title 44, sec. 162, p. 1940).

#### RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD is located in Statuary Hall, House wing, where Mr. Ralph L. Harris is in attendance during the sessions of Congress to receive orders for subscriptions to the RECORD at \$1.50 per month, and where single copies may also be purchased. Orders are also accepted for the printing of speeches in pamphlet form.

#### PRINTING OF CONGRESSIONAL RECORD EXTRACTS

It shall be lawful for the Public Printer to print and deliver, upon the order of any Senator, Representative, or Delegate, extracts from the CONGRESSIONAL RECORD, the person ordering the same paying the cost thereof (U. S. Code, title 44, sec. 185, p. 1942).







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued December 6, 1945, for actions of Wednesday, December 5, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed UNRRA-appropriation measure. House began debate on UNRRA-authorization bill. House committee reported full-employment bill. Senate made Federal-pay-bill its order of business.

SENATE

1. UNRRA APPROPRIATIONS. Passed as reported H.J.Res. 266, providing \$550,000,000 additional for UNRRA (pp. 11636-43). Agreed to committee amendments to strike out the language requiring surplus agricultural commodities, as determined by the Secretary of Agriculture, to be utilized in filling UNRRA requirements for food and agricultural commodities, and to strike out the "free press" provision.  
Sens. McKellar, Glass, Hayden, Tydings, Russell, Overton, Brooks, Bridges, Gurney, and Ball were appointed conferees (p. 11643).
2. PHILIPPINE REHABILITATION. Passed with amendments S. 1610, to provide for rehabilitation of the Philippines (pp. 11644-50).
3. FEDERAL-PAY BILL. Agreed to Sen. Downey's (Calif.) motion to make S. 1415, the Federal-pay bill, the next order of business (pp. 11631-2, 11650-1).  
obtained consent
4. MISSOURI VALLEY AUTHORITY. Sen. Langer, W.Dak., to submit his views on S. 555, the MVA bill (S.Rept. 639, pt. 2) (p. 11632).
5. MISSISSIPPI RIVER COMMISSION. Commerce Committee reported favorably the nomination of Col. Clark Kittrell to be a member of the Mississippi River Commission (p. 11652).

HOUSE

6. UNRRA AUTHORIZATION. Began debate on H.R. 4649, to increase appropriation authorization for UNRRA from \$1,350,000,000 to \$2,700,000,000 (pp. 11659-98).  
Rep. Stefan, Nebr., discussed development of a new non-profit organization to furnish food to relatives and friends in foreign countries and inserted



farmers' organizations' letters favoring foreign relief (pp. 11666-8).

Rep. Douglas, Calif., commended UNRRA's food-distribution and school-lunch program in Italy and elsewhere (pp. 11678-81, 11684-6).

Rep. Rabaut, Mich., discussed dairy products, wheat, and cotton as related to UNRRA's program (p. 11682).

Rep. Gordon, Ill.; discussed estimated food needs as predicated on the next agricultural-production crop year. (pp. 11686-7).

Rep. Flood, Pa., commended the UNRRA relief program and discussed farm-production programs in foreign countries (pp. 11688-90).

Rep. Sadowski, Mich., commended shipments to Poland of food, farm equipment, fertilizers; seed, and farm animals (pp. 11695-6).

7. FULL EMPLOYMENT. The Expenditures in the Executive Departments Committee reported with amendment S. 380, the full-employment bill (p. 11704).

8. SURPLUS PROPERTY. Rep. Rich, Pa., spoke urging that the Surplus Property Administrator be given "the power to dispose of...surplus property" (p. 11658).

#### BILLS INTRODUCED

9. SMALL BUSINESS. S. Res. 199, by Sen. Murray, Mont., to increase the limit of expenditures of the Senate Small Business Committee by \$187,000. To Audit and Control Committee. (p. 11633.)

10. PERSONNEL. H. J. Res. 284, by Rep. Tolan, Calif., to amend the Employees' Compensation Act for the purpose of making the 100-percent earning provisions effective as of Jan. 1, 1942. To Judiciary Committee. (p. 11705.)

#### ITEMS IN APPENDIX

11. FOREIGN LOANS. Extension of remarks of Rep. White, Idaho, opposing loans to Britain; criticizing some publications, which he inserted, for supporting the loans; and including some statistics on lend-lease and British resources (pp. A5683-6).

12. TURKEYS. Extension of remarks of Rep. Angell, Oreg., including Frank Barton's Portland, Oregonian article, describing the Oregon turkey crop (p. A5687).

13. FARM ORGANIZATIONS; FARM PROGRAM. Extension of remarks of Rep. White, Idaho, commending farm organizations and including Idaho Farmers Union resolutions favoring surplus-commodity disposal to farm cooperatives, establishment of a Columbia Valley Authority, and agriculture on a parity with other industries, and opposing the Springston dam which will "flood...farm land" (pp. A5687-9).

14. COLUMBIA VALLEY AUTHORITY. Rep. Angell, Oreg., inserted Richard Heuberger's favoring, and Robert Sawyer's opposing, Sunday Oregonian articles on this subject (pp. A5691-5).

15. FOREIGN RELIEF. Extension of remarks of Rep. Pittenger, Minn., favoring foreign relief but criticizing UNRRA administration (pp. A5700-1).

16. PRICE CONTROL. Rep. Lane, Mass., inserted some correspondence favoring price control to avert inflation (p. A5707).

#### BILL APPROVED BY THE PRESIDENT

17. ACCOUNTING. H. R. 4350, to provide for the liberalization of the existing law



parent reluctance to speed up discharges of servicewomen, I have found it necessary to introduce this legislation. The hypothetical basis upon which servicewomen are being discharged today—approximately 1 servicewoman to every 10 servicemen—is a ridiculous formula and should be discontinued immediately.

Recent statistics show that there are about 75,000 Women's Reserves in the United States Navy, and approximately 70,000 Wacs in the United States Army. It is obvious that the rate of discharge since the end of the war has been too slow.

Mr. Speaker, many services now performed by women in the armed forces that are really needed can be carried on by women or men qualified under civil service. If any servicewomen want to continue in the jobs they now hold where such jobs are necessary, or if they want to qualify for other civil-service positions, they will have the advantage of veterans' preference for such positions, but they certainly will not be compelled to stay on the job as is now being done. I think there are a number of assignments held by servicewomen that are not now required since the war is over. For example, I do not think it is necessary to keep hundreds of women in service, namely, in Washington, whose chief responsibility is that of driving automobiles for Army officers. Now that hostilities have ceased, surely most of them can drive their own cars. If not, then there are plenty of ex-servicemen who will be glad to handle the job.

The bill which I have introduced provides that some of the Women's Reserves shall be retained in order to assist in work at hospitals and in connection with the discharge of servicemen at separation centers. I believe that these activities are most vital at the present time, and with respect to them the Army and Navy should not be placed under any handicap whatsoever. However, after such important work is completed, I will further advocate that servicewomen so engaged shall be discharged at the earliest possible date.

The dictatorship governments of the world regimented their womanhood into their military machines. During wartime it might have been necessary for us to follow such procedure. I shall, however, actively oppose a national policy of the United States, if such proposal is submitted, which provides for the retention of servicewomen as a part of our military machine in time of peace.

#### ISLAND OF RHODE ISLAND PROPOSED AS IDEAL FOR PERMANENT HOME OF UNITED NATIONS ORGANIZATION

The SPEAKER. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 15 minutes.

Mr. FOGARTY. Mr. Speaker, there has been a great deal of discussion about a site for the permanent home for the United Nations Organization. The committee which will recommend a definite site is now meeting in London. It is not yet known for a certainty that the permanent home of this great hope of man-

kind will be located in the United States. However, a national publication in which many of us have a great deal of confidence, on Monday of this week, expressed the belief that the committee would recommend that the permanent home of the United Nations Organization be located on the eastern coast of the United States. This expression of opinion leads me to tell you about the ideal spot for locating this great international organization.

I am aware of the efforts being made by officials of Boston, Philadelphia and other cities to bring the headquarters of the United Nations Organization to the United States. I know these cities are sincere in their offers to provide a home for the great organization whose purpose is permanent peace among all men. I am confident that all these cities, although fervent in their hope that they will be permitted to provide a haven for UNO, are more concerned with providing for this great institution the best that is available. For that reason I suggest that it would be far more purposeful of Boston, Philadelphia, and the other cities on the eastern seaboard if the officials of these cities would lend their support to the suggestion which I have already made—that the permanent home of the United Nations Organization be located on the "Isle of Peace."

The very name of this beautiful isle suggests that here mankind's great hope could find the atmosphere in which to do its best work. The Organization would commence its deliberations under the most magnificent of auspices. Nature and history combine to provide an enthusiasm which will help in great measure to enable the representatives of peoples all over the world to work out a formula that will provide for us, for our children and our children's children, an era of peace and prosperity, an era marked by the cooperation of all peoples, an era which will prove that it is possible for man to live with his brother, an era which will witness the outlawing of armed aggression as an instrument of national policy.

Such an era is a lot to expect. It sounds like a dream of utopia. It can be had if we are willing to strive hard enough to achieve it. The success or failure of our efforts in that respect will be determined in a large measure by the men and women who will come here to represent the various peoples of the earth when the United Nations Organization has become a real fact—when it is set up and operating in the home which it is to have for its deliberations.

Because there is to be so great a reliance on the deliberations of these national representatives, it is no more than fitting that we provide for their work the very best we have to offer.

For this reason I ask your support of my suggestion that the permanent home of the UNO be established on the Isle of Peace. Here there is all the beauty of Mother Nature coupled with historical tradition which will fortify any man in his fight for real democracy. Taking up arms for freedom long before 1776, the early settlers of the Isle of Peace struck

the blows which echoed throughout the Colonies and resulted in the later establishment of the Continental Congress. Bloody battles were fought on this Isle of Peace, bloody battles which foretold the courage and bravery of the Minute Men of Cambridge and their brothers throughout the Colonies in America's first fight for freedom and democracy.

The Isle of Peace was early recognized as a haven for the members of all religion. First visited by the Vikings who left their monuments which still stand as evidence of this island's relations with the rest of the world, the Isle of Peace has provided refuge for the oppressed of many lands.

Her lush green fields inviting rest and recreation; the blue waters of the Atlantic providing at once the soothing tranquility of the sea and a challenge to all men brave enough to go down to the sea and fight her storms, the Isle of Peace possesses beauty to be found nowhere else in America.

Here there are miles of ocean front where the mighty—and sometimes violent—Atlantic batters at the granite cliffs which serve as a shield along part of Newport shore line. Here are deep, quiet harbors where vessels, from cabin cruisers to the largest carrier or battleship afloat can find a safe anchorage.

Here are the most beautiful beaches on the eastern shore to provide relaxation and surcease from the cares of the day. Here is the cliff walk, extending for 10 miles along the very edge of the sea. Here are mile after mile of beautiful country lanes and roads inviting every visitor to explore the magnificent features of an island which cannot be duplicated anywhere in the world.

This beautiful land was called the Isle of Aquidneck by the Narragansett Indians. Its name means peace. By early English navigators, overcome by its beauty, it was called the Island of Rhodes and from this island the State of Rhode Island and Providence Plantations takes its name.

The first spot in the New World to pronounce and maintain religious liberty, Rhode Island was also the first spot in the New World to promulgate a bill of rights protecting individual liberty. As early as 1663 Rhode Island had obtained a charter, unique in the then known world, which provided as its purpose "that a most flourishing civil state might live and best be maintained with full liberty in religious concerns."

Here is a background of freedom and democracy which will serve as a splendid foundation upon which to build the future peace and security of the nations of this world. Here is the ideal environment wherein men and women dedicated to peace can work out the many and varied problems which will beset their paths. With a tradition rich in culture the island of Rhode Island offers to the United Nations Organization its best hope for complete success.

Permit me to explain very briefly why I believe this most beautiful spot is ideal for this purpose.

We can all agree that our United States is the ideal location. Then why the



island of Rhode Island any more than another place? In brief, because the island of Rhode Island offers every facility which can be provided by other cities and areas in the country—and the island of Rhode Island has none of the disadvantages under which these other locations must suffer.

A short ride by automobile, boat, train, or plane from all the principal civic centers on the eastern coast and the Middle West—this beautiful island can provide the maximum of political and mercantile contacts, all manner of educational facilities, every form of entertainment, and yet it provides within itself the optimum of peace and tranquillity. Its climate has been characterized by Dr. Ellsworth Huntington, of Yale, as the best in the United States. The Boston Herald termed it better than California or the Riviera, and Dr. William C. Rives, of Washington in 1910 referred to the remarkable natural healthfulness of Newport's climate.

Newport has always been a great naval base. It has been proposed as the summer Capital of the United States. Scarcely any international figure has come to our country who has not enjoyed the cool breezes wafted in off the Atlantic to cool the hills and fields of Newport. It has been for several generations the summer playground of the United States. In the three winter months of the year the average temperature is not below 32°.

Millions have been spent in erecting elaborate estates. These mansions, which contain from 18 to 113 rooms, are now available to the United Nations Organization for offices, libraries, or living quarters. Several have already been tendered to the executive committee at London. In addition, there are acres and acres of land available for new buildings. Hence, there will be no need for delay while buildings are erected, while facilities are installed. In Newport, R. I., the United Nations Organization will find a progressive community, proud of its history, conscious of its obligations as host to this great international organization. There will be nothing lacking in Newport's endeavor to accommodate the men and women from all the great nations of the world. These representatives of other lands will find in Newport the exemplification of everything grand, everything fine. In short, they will find the ideal American city. They will learn at a glance why we Americans are so proud of our homeland.

I ask your assistance. We want the United Nations Organization in my Rhode Island. If this organization is to come to the United States I think you will want it housed in the finest spot in America. I am sure you would not want the organization encumbered and inconvenienced by all the handicaps it will find in the big cities—cities which lack adequate office space, adequate housing, adequate educational facilities, adequate recreational facilities even to care properly for their present populations. It is my sincere belief that you would prefer Newport for the United Nations Organization. We want each of you to come to Rhode Island. I hope you can come to our beautiful State to see what we

have to offer to the United Nations Organization. I hope you will see this great international organization in operation in our State, then I know you will agree with the late Richard Washburn Child who said of Newport:

Places have flavor. Some have a past. Some give forth a sense of permanence and peace—of creative yesterdays and a creative future. Some make life personal, so that all human beings are invested with an absorbing aliveness; in contrast to those where modern life has made cardboard figures of humanity. Newport is a place where persons are persons "on their own."

The island geography and the Gulf Stream make the climate like Bermuda. Autumn lingers deliciously until the New Year's egg-nog. We have the eternally whimsical sea and the over-luxuriant land. We sail, we fish, we swim, we play tennis. Folks drop in for tea, and the affairs of the Nation are discussed. Newport is so constantly and intimately in touch, through brains, American and foreign, with the world! And yet we do see the sky, and the mist, the rain, the garden, the rainbow and the sunset.

#### EXTENSION OF REMARKS

Mr. CURLEY (at the request of Mr. FOGARTY) was given permission to extend his remarks by including an address by Archbishop Cushing of Boston at the memorial mass of the One Hundred and First Infantry veterans at the Cathedral of the Holy Cross.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOEVEN, for the balance of the week, on account of illness.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1580. An act to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization; to the Committee on Foreign Affairs.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 684. An act for the relief of Ida M. Raney;

S. 779. An act for the relief of Mrs. Alan Sells and the estate of Alan Sells;

S. 998. An act for the relief of Gregory Stelmak;

S. 1017. An act for the relief of Charlie B. Rouse and Mrs. Louette Rouse;

S. 1117. An act to authorize the Secretary of the Navy to convey Casa Dorinda Estate in Santa Barbara County, Calif., to Robert Woods Bliss and Mildred B. Bliss; and

S. 1122. An act for the relief of Charles Bryan.

#### ADJOURNMENT

Mr. KELLY of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Thursday, December 6, 1945, at 12 o'clock noon.

#### COMMITTEE HEARINGS

COMMITTEE ON THE CENSUS  
(Thursday, December 6, 1945)

The Committee on the Census will hold a hearing at 10 a. m. on Thursday, De-

ember 6, 1945, on H. R. 4781, in room 1414, New House Office Building.

COMMITTEE ON IMMIGRATION AND  
NATURALIZATION

(Thursday, December 6, 1945)

The Committee on Immigration and Naturalization will have an executive meeting on Thursday, December 6, 1945, at 10:30 a. m., in room 446, Old House Office Building.

COMMITTEE ON THE JUDICIARY

(Friday, December 7, 1945)

The Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary has scheduled a hearing to begin at 10 a. m. on Friday, December 7, 1945, on the bill, H. R. 4779, to enable debtor railroad corporations, whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structure without further proceedings under section 77 of the Bankruptcy Act, as amended. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON INVALID PENSIONS

(Tuesday, December 11, 1945)

The Committee on Invalid Pensions will have an executive meeting on Tuesday, December 11, 1945, at 10:30 a. m., in room 247, Old House Office Building.

#### EXECUTIVE COMMUNICATIONS, ETC.

854. Under clause 2 of rule XXIV, a letter from the Attorney General, transmitting a report (list No. 1) reciting the facts and pertinent provisions of law in the cases of two individuals whose deportation has been suspended for more than 6 months by his immediate predecessor, Attorney General Biddle, and a report (list No. 2) of the cases of 145 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; was taken from the Speaker's table and referred to the Committee on Immigration and Naturalization.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTINGTON: Committee on Expenditures in the Executive Departments. S. 380. An act to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government; with amendment (Rept. No. 1334). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk



## EMPLOYMENT-PRODUCTION ACT

DECEMBER 5, 1945.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WHITTINGTON, from the Committee on Expenditures in the Executive Departments, submitted the following

### R E P O R T

[To accompany S. 380]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Employment-Production Act, 1945".

#### POLICY OF THE UNITED STATES

SEC. 2. Congress hereby declares that it is the continuing policy of the United States—

(a) By means of—

(1) preserving and encouraging the American economic system of free competitive enterprise and fostering the investment of private capital in trade, agriculture, commerce, and in the development of the natural resources of the United States;

(2) aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business, and to promoting continuous growth in the quality and quantity of facilities of production;

(3) encouraging individual initiative;

(4) avoiding competition of government with private business enterprise;

and  
(5) adopting sound fiscal policies and maintaining the credit of the United States;

and thereby creating under, and in a manner consistent with, the American system of free competitive enterprise, the maximum opportunity for employment (including self-employment), to attain and maintain a high level of employment (including self-employment), production, and purchasing power.



(b) By means of investigating and determining the causes of economic fluctuations, and providing for continuous study of economic conditions and economic trends, to make provision for diminishing such fluctuations and avoiding the causes thereof.

(c) By means of—

(1) encouraging State and local governments to plan and adopt sound programs of public works for their normal needs in normal times, capable of acceleration and expansion when widespread unemployment in the State or in any substantial portion thereof exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

(2) planning and adopting programs for loans by the United States, consistent with a financially sound fiscal policy, for use when widespread unemployment in the United States or in any substantial portion thereof exists or threatens;

(3) planning and adopting a program of sound public works, consistent with a financially sound fiscal policy (such works to be performed, except as otherwise authorized by law, by private enterprise under contract), for the normal needs of the United States in normal times, capable of acceleration and expansion when widespread unemployment in the United States or in any substantial portion thereof exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

to stimulate private enterprise in the periods in which widespread unemployment exists or threatens so as to stimulate and promote employment (including self-employment), production, and purchasing power in a free competitive economy, thereby aiding and assisting employables (including self-employed) in such periods to secure employment, and to aid in removing or preventing inflationary or deflationary conditions in periods in which such conditions exist or threaten.

#### ECONOMIC REPORT OF THE PRESIDENT

SEC. 3. (a) The President shall submit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the "Economic Report") on economic conditions affecting employment in the United States or in any considerable portion thereof, on the extent to which the policies declared in section 2 are or are not being achieved, and on the extent to which the various programs and activities of the Federal Government are, and the extent to which they are not, contributing to the achievement of such policies.

(b) If at the time of submitting the Economic Report, high levels of employment, production, and purchasing power are not being maintained or are threatening to decline, the President shall include in the Economic Report, in addition to the matter required to be included under subsection (a), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which then-existing legislation may be utilized for attaining high levels of employment, production, and purchasing power, and of the plans therefor and means of financing the programs thereunder, and his recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation) as he deems necessary for attaining such high levels.

(c) If at the time of submitting the Economic Report widespread unemployment exists in the United States or in any substantial portion thereof, the President shall include in the Economic Report, in addition to the matter required to be included under subsections (a) and (b), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which such unemployment may be alleviated under then-existing legislation, and of the plans therefor and means of financing the programs thereunder, and his recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation) as he deems necessary for alleviating such unemployment and attaining high levels of employment, production, and purchasing power.

(d) If at the time of submitting the Economic Report inflationary conditions exist or threaten, the President shall include in the Economic Report, in addition to the matter required to be included under subsection (a), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which such conditions may be alleviated under then-existing legislation, and his recommendations for such further legislation (including recommendations for the reduction

or suspension of public outlays) as he deems necessary to alleviate such conditions and to prevent them from recurring.

(c) The President may, from time to time, transmit to Congress, such supplemental or revised reports, or such supplemental recommendations, as he deems necessary to achieve the policies declared in section 2.

(f) The Economic Report, and any supplemental or revised reports or recommendations, when submitted to Congress, shall be referred to the Joint Committee on the Economic Report (created by section 5).

COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the "Council"). The Council shall be composed of three members who shall be appointed by the President and each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policies declared in section 2, and to formulate and recommend national economic policy to promote employment and production under the American system of free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman, and the Council shall annually select one of the members as vice chairman, who shall act as chairman in the absence of the chairman.

(b) The Council is authorized to employ, in the District of Columbia, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this Act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ, in the District of Columbia, such other officers and employees as may be necessary for carrying out its functions under this Act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

(c) It shall be the duty of the Council—

(1) to assist and advise the President in the preparation of the Economic Report;

(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, to analyze and interpret such information in the light of the policies declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policies, and to compile and submit to the President studies relating to such developments and trends;

(3) to appraise the various programs and activities of the Federal Government in the light of the policies declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policies, and to make recommendations to the President with respect thereto;

(4) to formulate and recommend to the President national economic policies for promoting the American system of free competitive enterprise, avoiding economic fluctuations or diminishing the effects thereof, and for maintaining a high level of employment (including self-employment), production, and purchasing power;

(5) whenever in the opinion of the Council high levels of employment, production, and purchasing power are not being maintained or are threatening to decline, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which then-existing legislation may be utilized for attaining high levels of employment (including self-employment), production, and purchasing power, and to include in such report its recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation in a manner consistent with sound fiscal practices) as it deems necessary for attaining such high levels;

(6) whenever the Council determines that widespread unemployment exists in the United States or in any substantial portion thereof, to make a report to the President on what, in its judgment, are the causes thereof,



and on the extent to which such unemployment may be alleviated under then-existing legislation, and to include in such report its recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation in a manner consistent with sound fiscal practices) as it deems necessary to alleviate such unemployment and to attain a high level of employment (including self-employment), production, and purchasing power;

(7) whenever in the opinion of the Council inflationary conditions exist or threaten, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which such conditions may be alleviated under then-existing legislation, and to include in such report its recommendations for such further legislation as it deems necessary to alleviate such conditions and to prevent them from recurring;

(8) to make and furnish, when requested by the President, such studies, reports thereon, and recommendations with respect to matters of Federal economic policy as he may request.

(d) The Council shall make an annual report to the President not later than January 1 of each year (beginning with the year 1947) and shall also make interim reports quarterly (following January 1, 1947).

(e) The President is requested to make available to the Joint Committee on the Economic Report, if it desires, the various studies, reports, and recommendations of the Council which have been submitted to the President.

(f) In exercising its powers, functions, and duties under this Act—

(1) the Council may constitute such advisory committees, and may consult with such representatives of industry, agriculture, labor, consumers, and other groups, as it deems advisable;

(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

(g) To enable the Council to exercise its powers, functions, and duties under this Act, there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

SEC. 5. (a) There is hereby established a joint committee of the Senate and House of Representatives, which shall be known as the Joint Committee on the Economic Report (in this section called the "joint committee"), and which shall be composed of the chairman and ranking majority party members, and the two ranking minority party members, of the Senate and House Committees on Appropriations, of the Senate Committee on Finance, of the House Committee on Ways and Means, and three other Members of the Senate to be appointed by the President of the Senate, and three other Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee—

(1) to make a continuing study of matters relating to the Economic Report;

(2) to study means of coordinating programs under existing laws relating to loans, public works, and other outlays in order to further the policies of this Act; and

(3) as a guide to the several committees of Congress dealing with legislation relating to the Economic Report, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The

joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

(e) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman, and shall not exceed \$100,000 for each fiscal year.

#### INTERPRETATION

SEC. 6. Nothing in this Act shall be construed as calling for or authorizing—

(1) any change in the existing procedures on appropriations, or authorizations of appropriations;

(2) the carrying out of, or any appropriation for, any program set forth in the Economic Report; or

(3) the disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information, without the consent of the firm or person affected.

Amend the title so as to read:

An Act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy.

#### HISTORY OF LEGISLATION

On January 6, 1945, the President transmitted a message to Congress in which he set forth the necessity for "full employment" after the war, and indicated what a program of full employment would require. On January 22, there was introduced in the Senate the bill (S. 380) to develop plans for such a program. A similar, although not identical, bill (H. R. 2202) was introduced in the House on February 15, 1945. Still another bill (H. R. 4181) was introduced in the House on September 25, 1945.

The bill (S. 380) was reported to the Senate on September 22, 1945, with a committee amendment striking out all after the enacting clause and inserting a substitute. The substitute was further amended on the Senate floor. During consideration of the bill by the Senate, the Committee on Expenditures in the Executive Departments, on September 25, 1945, began hearings on the two House bills (H. R. 2202 and H. R. 4181). After the Senate bill had been amended and passed by the Senate, and referred to the committee on October 1, 1945, it was added to the bills on which the committee was then holding hearings, so that thereafter such hearings were conducted not only on the two House bills, but upon the Senate bill as well. From their beginning the hearings extended over a period of approximately 6 weeks. At the conclusion of the hearings, a subcommittee was appointed to consider the bills and instructed to prepare a substitute. The subcommittee, after careful review of the provisions of all of the bills, and consideration of the implications of such provisions, formulated a substitute for the Senate bill, and recommended the adoption of such substitute by the full committee.



The full committee, after considering the substitute in executive session for 4 days and adopting various amendments thereto, have reported the Senate bill with an amendment striking out all after the enacting clause and inserting in lieu thereof such substitute as so amended. The committee has also reported to the House a committee amendment to the title of the bill.

#### GENERAL STATEMENT

All are agreed that high levels of employment in the United States must be maintained. All are not agreed on how this objective is to be achieved. Both the Senate bill and the two companion House bills adopted the theory that the maintenance, not only of high levels of employment, but of continued "full time" employment—called full employment—is the responsibility of the Federal Government; and that it is also the responsibility of the Federal Government to assure at all times sufficient opportunities for employment to enable all Americans able and willing to work to exercise their right to continued full-time employment.

The committee substitute unqualifiedly rejects this theory, under which employment through private enterprise would be perfunctory, and the guaranty would really rest on Federal investment and expenditure—a gigantic and unworkable proposal contemplating improvised expenditures and unwholesome Federal concentration. The adoption of such a theory not only would inevitably entail continued deficit spending, but would also destroy the system which has made this Nation strong and great—the system of free competitive enterprise, under which the highest standard of living in history has been attained. The committee substitute recognizes that the way in which to achieve and maintain high levels of employment is to preserve and encourage the American system of free competitive enterprise, to aid in the development and maintenance of conditions favorable to stimulating new business, to encourage individual initiative and individual self-reliance, to avoid Government competition with private business, and above all to adopt sound fiscal practices and maintain the credit of the United States.

The Senate and House bills declare a policy, but the declaration is perfunctory inasmuch as the assurance, guaranty, or right of employment is, under those bills, really based upon Federal investments and expenditures. The provision in the Senate bill against deficit spending is nullified by the concluding limitation that the goal of full employment will not be interfered with. Private enterprise would thus be prevented not only by uncertainty, but by the Government guaranty of jobs for all, from maintaining the production necessary to high levels of employment. It has been said that neither the Senate nor the House bill provides for a single job. The fact is, however, that they commit the Government to a policy of Federal expenditure and investment that will lead to unbalanced budgets in guaranteeing employment. Citizens will be misled. The vice in the bills is a commitment to Federal expenditures to guarantee or assure employment.

The substitute declares the continuing policy of promoting employment, production, and purchasing power under the private enterprise system, and the declaration means that private enterprise shall not be hampered by uncertainty or by the guaranty of Federal expenditures and investments, but shall be given an opportunity to do

the job. It provides a long-range policy to promote and stimulate employment.

It is time for a reaffirmance. It is time for a declaration that really means something. It is either private enterprise or stateism. A declaration at this time is imperative if private enterprise is to function. The declaration must be sound. It must not be hampered with guaranties or assurances that would destroy.

On the other hand, the substitute is constructive and announces sound policy and program. It promotes high levels of employment through the private enterprise system, and by sound public works and loans stimulates and stabilizes construction. Such works contemplate that the benefits will exceed the costs. It encourages the States and other political subdivisions to plan and adopt public works to stabilize local and area employment, for the States now have surpluses, while the Federal Government has the highest debt in history.

Moreover, the substitute provides that before the Government embarks upon other outlays, there shall be careful studies as to the cause and need for the outlays, with recommendations and authorizations. Congress will therefore have the opportunity, before any other or further commitments are made, to take a look at the proposals for additional expenditures and investments by the Federal Government. Experience has demonstrated that spending will not promote either stabilized high levels of employment or prosperity.

The substitute is a constructive measure for the long-range solution of the problem of unemployment. Congress has not only planned, but has adopted sound public works and made provision for loans to stabilize and stimulate employment. Future provisions will depend upon further and thorough investigations and concrete recommendations by the Executive before any authorizations are made.

Government assurance or guaranty of full employment not only would mean Government regimentation of our economy and the destruction of the American free competitive enterprise system, but would be peculiarly unfortunate at the present time when there is a scarcity of labor and when the savings, civilian demands, and productive capacity of the American people will provide for a high level of employment under their own free enterprise. Federal expenditures should only be made for the proper functioning of the Government and to stimulate and stabilize employment in the United States or in a substantial portion thereof.

The committee substitute further recognizes that unless the slogan "full employment" is deceptive—unless it means something different from what it says and implies—"full employment" never has been and never will be maintained under our system of free competitive enterprise except in wartime under huge deficits. High levels of employment, yes, but only if an atmosphere exists in which continued maximum utilization of our productive capacity can be achieved, with the resultant high levels of purchasing power. The right to work is not synonymous with the right of freedom. Only in the case of the latter is it the function of Government to assure and guarantee. In the case of the former the function of Government is to promote employment, and not assure or guarantee it.

Even those who advocate full employment admit that it is merely a goal, and most admit that it is misleading because of the fact that there will always be seasonal and frictional employees—and they are essential to our economy. All say that the most that can be expected



is high levels of employment, and, furthermore, that private enterprise must provide substantially all of the jobs, that employment as a result of public works and loans will be small compared with employment by private enterprise. The committee substitute rejects the slogan "full employment" and the assurance and guaranty of full employment, and substitutes therefor the promotion of high levels of employment—which under the substitute is synonymous with the promotion of the fullest sustainable employment under the private enterprise system.

By making provision for investigations and studies of the causes of economic depressions and inflations, and for the recommendation by the President of legislation to prevent these fluctuations, upon the advice and counsel of outstanding experts exceptionally qualified to interpret economic developments and trends and to formulate national economic policy to promote high levels of employment and production under the American system of free competitive enterprise, the substitute contemplates that means will be devised for stabilizing employment, production, and purchasing power at high levels.

The substitute further provides that in periods in which widespread unemployment exists or threatens, Government can stimulate private enterprise by (1) accelerating and expanding the normal public works of the Government, to be performed by private enterprise under contract and to be consistent with a financially sound fiscal policy; (2) encouraging the States to accelerate and expand their normal works programs; and (3) making available appropriate loans, thereby aiding and assisting employables to secure employment. Conversely, it is contemplated that when inflationary conditions exist or threaten, the normal public works and other outlays will be reduced or suspended.

The acceleration of public works was provided for—although too late to have the effect intended—by the Federal Employment Stabilization Act of 1931. Since that time loan programs of one kind or another have become a fixed policy of the Federal Government, and so the bill contemplates such programs in addition to acceleration of public works. Both programs must be consistent with a financially sound fiscal policy.

The Senate bill, as well as the two House bills, provided for an annual Production and Employment Budget, in which the President was to estimate, for a period ending 18 months after the transmission of the Budget, the number of employment opportunities needed for "full employment," and to recommend a general program for assuring continuing "full employment." Since the committee substitute rejects the theory upon which the Senate bill was conceived, it contains no provisions for such a budget. Moreover, budgets contemplate previous authorizations and commitments, and the bill specifically provides that shall not be construed as authorizing appropriations for any program.

It does, however, provide for an annual economic report by the President to Congress (the first such report to be transmitted in 1947) on economic conditions affecting employment and on the extent to which the policies of the bill to encourage private enterprise and individual initiative, etc., are or are not being achieved. The weight of the testimony at the hearings was that the present unemployment would be temporary and would probably be absorbed within a year

by high production, civilian needs, and the utilization of savings. Hence the first report is postponed to 1947. If at the time of submitting the economic report for any year, widespread unemployment exists or threatens, the President is to give his opinion as to the causes thereof, to include recommendations for such legislation as he deems necessary, and to include recommendations for means of financing the proposed legislation. The President may recommend outlays in addition to those for public works and loans. Conversely, if at the time of submitting the report, inflationary conditions exist or threaten, the President is to give his opinion on the causes thereof, and to include recommendations for legislation for alleviating such conditions and preventing them from recurring.

The economic report is to be referred to a joint committee of the Senate and House of Representatives, created by the substitute (and also provided for in the other bills), to be known as the Joint Committee on the Economic Report. This committee is directed to study the report and, as a guide to the several legislative committees dealing with legislation relating to the economic report, to file a report with the Senate and House with respect to each of the main recommendations made by the President.

It was testified at the hearings that in dealing with previous economic depressions the President had not been fully and properly advised. In order that the President may have the best advice that it is possible to secure, the committee substitute creates in the Executive Office of the President a Council of Economic Advisers, consisting of three members, each of whom is to be, by reason of his training, experience, and attainments, a person exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policies of the legislation, and to formulate and recommend national economic policy to promote employment and production under the American system of free competitive enterprise. The compensation provided for the members—\$15,000 per annum—being the same as that paid to members of the President's Cabinet—will make their office one of equal dignity with a Cabinet office.

Although this committee is averse to creating additional offices, it is of the opinion that more adequate provision than now exists should be made for dealing with the problem of unemployment. Billions of dollars would be expended under the Senate and House bills, and the committee was of the opinion that the small, and limited, expenditures provided for the Council and the joint committee would promote efficiency in dealing with this problem.

It is made the duty of the Council to assist and advise the President in the preparation of the economic report, to gather timely and authoritative information concerning economic developments and trends, to appraise the various programs of the Federal Government in the light of the policies declared, and to make studies for and recommendations to the President with respect to the foregoing. The Council is to make an annual report to the President (beginning in 1947) and interim quarterly reports thereafter. The substitute provides that the President be requested to furnish to the Joint Committee on the Economic Report, at its request, the various studies, reports, and recommendations of the Council which have been submitted to the President.



The appropriation for the Council of such sums as may be necessary is authorized, with the important exception that not more than \$345,000 is authorized to be appropriated in any year for the salaries of the members and employees of the Council. Similarly, a limit of \$100,000 a year is placed upon the expenses authorized for the Joint Committee on the Economic Report.

Finally, the substitute provides that it is not to be construed as calling for or authorizing (1) any change in existing procedures on appropriations, or authorizations of appropriations, or (2) the carrying out of, or any appropriations for, any program set forth in the economic report, or (3) the disclosure of trade secrets or other confidential information without the consent of the firm or person affected.

## EXPLANATION OF PROVISIONS

### SHORT TITLE

The first section of the committee substitute provides that the legislation may be cited as the "Employment-Production Act, 1945."

### POLICY OF THE UNITED STATES

Section 2 declares that it is the continuing policy of the United States, by certain specified means which will have the effect of creating the maximum opportunities for employment, to attain and maintain a high level of employment (including self-employment), production, and purchasing power. The means thus specified are—

(1) Preserving and encouraging the American system of free competitive enterprise, and fostering investment of private capital;

(2) Aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business, and to promoting continuous growth in the quality and quantity of facilities of production;

(3) Encouraging individual initiative;

(4) Avoiding competition of Government with private business enterprise; and

(5) Adopting sound fiscal practices and maintaining the credit of the United States.

It is also declared to be the continuing policy of the United States, by means of investigating and determining the causes of economic fluctuations, and providing for continuous study of economic conditions and economic trends, to make provision for diminishing these fluctuations and avoiding their causes.

It is further declared to be the continuing policy of the United States, by certain specified means (a) to stimulate private enterprise in the periods in which widespread unemployment exists or threatens so as to stimulate and promote employment, production, and purchasing power, thereby aiding and assisting employables in such periods to secure employment, and (b) to aid in removing or preventing inflationary or deflationary conditions in periods in which such conditions exist or threaten.

The means thus specified are—

(1) Encouraging State and local governments to plan and adopt sound public-works programs for their normal needs in normal

times, capable of expansion when widespread unemployment exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

(2) Planning and adopting programs for loans by the United States consistent with financially sound fiscal policies, for use when widespread unemployment exists or threatens; and

(3) Planning and adopting sound public-works programs of the United States, consistent with financially sound fiscal policies, for normal needs in normal times, capable of expansion when widespread unemployment exists or threatens, and capable of reduction when inflationary conditions exist or threaten. These public works are to be performed, except as otherwise authorized by law, by private enterprise under contract.

#### ECONOMIC REPORT OF THE PRESIDENT

Section 3 of the committee substitute directs the President to submit to the Congress within 60 days after the beginning of each regular session, commencing with the year 1947, an economic report on economic conditions affecting employment in the United States, and the extent to which the policies declared are or are not being achieved, and on the extent to which the various programs of the Federal Government are or are not contributing to the achievement of such policies.

If at the time of submitting the economic report high levels of employment, production, and purchasing power are not being maintained or threaten to decline, or widespread unemployment exists or threatens, the President is to include in the economic report a statement of what in his opinion are the causes thereof, a statement of the extent to which then-existing legislation may be utilized for correcting the situation, and recommendations for such further legislation as he deems necessary. The recommendations for further legislation may include recommendations for outlays, in addition to loans and public works and are required to include recommendations for means of financing the proposed legislation.

If at the time of submitting the economic report inflationary conditions exist or threaten, the President is to include in the report a statement of what in his opinion are the causes thereof, a statement of the extent to which such conditions may be alleviated under then-existing legislation and his recommendations for such further legislation as he deems necessary to alleviate such conditions and prevent them from recurring.

The President is authorized to transmit to Congress from time to time such supplemental reports as he deems necessary to achieve the policies of the bill.

The economic report and any supplemental reports, when submitted to Congress, are to be referred to the Joint Committee on the Economic Report.

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

Section 4 of the committee substitute creates in the Executive Office of the President a Council of Economic Advisers to be composed of three members to be appointed by the President. Each member



is to be a person who, as a result of training, experience, and attainments, is exceptionally qualified, among other things, to analyze and interpret economic developments and to formulate and recommend national economic policies to promote employment and production under the American system of free competitive enterprise. Each member is to receive a salary of \$15,000 per annum.

The Council is authorized to employ, in the District of Columbia, such officers and employees as may be necessary. Specialists and other experts may be employed without regard to the civil-service laws and the Classification Act.

It is made the duty of the Council—

(1) To assist and advise the President in the preparation of the economic report;

(2) To gather timely and authoritative information concerning economic developments and trends and to analyze and interpret such information, and to compile and submit to the President studies relating thereto;

(3) To appraise the various activities of the Federal Government in the light of the policies declared, for the purpose of determining the extent to which such activities are contributing or are not contributing to the achievement of such policies, and to make recommendations to the President with respect thereto;

(4) To formulate and recommend to the President national economic policies for promoting the American system of free competitive enterprise, avoiding economic fluctuations, and for maintaining a high level of employment, production, and purchasing power; and

(5) To make and furnish, when requested by the President, such studies, reports thereon, and recommendations with respect to matters of Federal economic policy as he may request.

In order to assist the President in the preparation of the economic report the Council is required, in periods when high levels of employment, production, and purchasing power are not being maintained or are threatening to become deflationary, or when widespread unemployment exists or threatens, to make a report and recommendations to the President similar to that required to be made by the President in the economic report. Similar provisions apply in the case of periods when inflationary conditions exist or threaten.

The Council is required to make an annual report to the President not later than January 1 of each year (beginning with the year 1947) and also to make interim quarterly reports.

The President is requested to make available to the Joint Committee on the Economic Report, if it desires, the various studies, reports, and recommendations of the Council, which have been submitted to the President.

In exercising its powers the Council is authorized to create advisory committees and to consult with representatives of industry, agriculture, labor, consumers, and other groups; and the Council is directed to utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies.

To defray the expenses of the Council, such sums as are necessary are authorized to be appropriated, with one exception. Under this exception not more than \$345,000 for any fiscal year may be appro-

riated for the salaries of members and of officers and employes of the Council.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

Section 5 of the committee substitute establishes a joint committee of the Senate and House of Representatives, to be known as the Joint Committee on the Economic Report. The joint committee is to be composed of the chairman and ranking majority party members and the two ranking minority party members of the Senate and House Committees on Appropriations, of the Senate Committee on Finance, of the House Committee on Ways and Means, and three other Members of the Senate to be appointed by the President of the Senate, and three other Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee is to reflect the relative membership of the majority and minority parties of the Senate and House.

It is the function of the joint committee—

(1) To make a continuing study of matters relating to the economic report;

(2) To study means of coordinating programs under existing laws relating to loans, public works, and other outlays in order to further the policies of the bill;

(3) Not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and House, containing its findings and recommendations with respect to each of the main recommendations made by the President in the economic report, and from time to time to make such other reports and recommendations as it deems advisable.

The joint committee is authorized to hold hearings and to employ experts, consultants, and other assistants, and to make such other expenditures as it deems necessary. The cost of stenographic service to report hearings before the joint committee is not to exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

The expenses of the joint committee are limited to an amount not greater than \$100,000 for each fiscal year.

#### INTERPRETATION

Section 6 of the committee substitute provides that nothing is to be construed as calling for, or authorizing, (1) any change in the existing procedures on appropriations or authorizations of appropriations; (2) the carrying out of, or any appropriation for, any program set forth in the economic report; or (3) the disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information, without the consent of the firm or person affected.

#### AMENDMENT OF TITLE

Since the committee substitute has eliminated the concept of "full employment" and assurance of full employment, the committee adopted an amendment to the title of the bill in order to have the title conform to the provisions of the committee substitute.



# MINORITY REPORT

## ANALYSIS OF S. 380

(Figures and letters refer to sections and subsections)

If and when S. 380 is passed by the House, it will be entitled: "An act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy" (sec. 6).

### POLICY

The declared policy of the bill is to preserve and encourage the American economic system of free, competitive enterprise and to foster the investment of private capital (sec. 2 (a) (1)), in order to create the maximum opportunity for employment (sec. 2 (a) (5)) by determining the causes of our economic ills (sec. 2 (b)) and pointing out possible means of diminishing the severity of such ills (sec. 2 (b)).

The economic sickness which causes unemployment, it is proposed to alleviate, perhaps cure, by encouraging State and local governments to plan for and adopt some program of public works (sec. 2 (c)); by United States loans (sec. 2 (c) (2)) (to whom is not pointed out); by planning and adopting a program of sound public works (sec. 2 (c) (3)), to be carried on, preferably by private enterprise, or, if necessary, by the Federal Government.

Another purpose is (sec. 2 (c) (3)) to stimulate private enterprise and to aid in removing or preventing inflationary or deflationary conditions in periods in which widespread unemployment exists or threatens (sec. 2 (c) (3)).

### MACHINERY OF PROCEDURE

To carry out the policy so declared, the bill provides for the appointment of a Council of Economic Advisers to the President, consisting of three members, to be appointed by him (without the consent of the Senate), at an annual salary of \$15,000 each (sec. 4 (a)).

The Council is authorized to employ in the District, without regard to civil-service laws, and to fix the compensation of such specialists and experts as may be necessary (sec. 4 (b)), and to employ, subject to the Classification Act of 1923, such other officers and employees as may be necessary (sec. 4 (b)) at a cost of not to exceed \$345,000 annually (sec. 4 (g)).

### DUTY OF COUNCIL

It shall be the duty of the Council to assist and advise the President in the preparation of the economic report (sec. 4 (c) (1)), and to recommend remedies for the economic ills which cause unemployment (sec. 4 (c) (4-7)).

The Council's report shall be made to the President annually, not later than January 1, beginning with the year 1947 (sec. 4 (d)).

#### DUTY OF THE PRESIDENT

The President is required to submit the economic report of the Council to the Congress within 60 days after the beginning of each regular session, beginning with the year 1947 (sec. 3 (a)), and if, at the time of submitting the report, "high levels of employment, production, and purchasing power are not being maintained or are threatening to decline" (sec. 3 (b)), the President shall include in the report a statement "of what, in his judgment, are the causes thereof, a statement of the extent to which the existing legislation may be utilized" to cure the ills, and a statement of plans and means "of financing the programs" recommended, together with his recommendations for further legislation, for additional outlays for loans and public works, all for the purpose of attaining "high levels" of employment (sec. 3 (b)).

The same procedure is to be followed if, at the time of submitting the report, widespread unemployment exists (sec. 3 (c)).

If, at the time of submitting the economic report, inflationary conditions exist or threaten, the President shall outline the cause, prescribe a suggested remedy (sec. 3 (d)).

The President may also transmit supplemental or revised reports at any time (sec. 3 (e)).

The economic report transmitted by the President to the Congress "shall be referred to the Joint Committee on the Economic Report" (sec. 3 (f)).

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

The bill calls for the establishment of a new joint committee consisting of the chairman and ranking majority members and the two ranking minority members of the House and Senate Committees on Appropriations, on Finance and Ways and Means, and three other Members of the Senate and of the House to be appointed by the President of the Senate and the Speaker of the House. The party membership shall reflect the relative membership of the majority and minority parties (sec. 5 (a)).

It shall be the duty of the joint committee to make a continuing study of the matters relating to the economic report (sec. 5 (b) (1)).

It is authorized to hold hearings (sec. 5 (d)); to employ experts and assistants; to procure printing and binding (sec. 5 (d)); to utilize the facilities of Federal departments (sec. 5 (d)); and to spend not more than \$100,000 annually (sec. 5 (e)).

#### INTERPRETATION

The act is not to be construed as calling for or authorizing (sec. 6)—

(1) Any change in the existing procedures on appropriations, or authorizations of appropriations;

(2) The carrying out of, or any appropriation for, any program set forth in the economic report; or

(3) The disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information, without the consent of the firm or person affected.



## S. 380 SHOULD BE DEFEATED

From the foregoing, you will note that, if the bill becomes law, it will call for the creation at Federal expense of an Economic Council, which will only duplicate the service rendered by existing Government agencies.

The Council will report to the President, a function now performed by existing Government agencies and Cabinet officers.

The President will be required to report and to make recommendations to the Congress—a procedure which he now follows.

His report, instead of being considered by the Congress, as at present, will be referred to the new joint 22-man committee. After that committee has considered and digested it, if it does digest it, and has spent \$100,000 in the process, it—the joint committee—will report back to the Congress.

That report will then undoubtedly be split up and referred by the Speaker to the appropriate present standing committees of the House for action. (Senator Barkley (Congressional Record, September 28, 1945, p. 9287): "It might go to half a dozen different committees in the two Houses.")

The Congress then, on March 1, 1947, will find itself, as to a legislative program, where it would be under the procedure which today prevails.

The hearings have not been printed and, with unseemly haste, those opposing this bill were this noon advised that the dead line for a minority report was midnight today, December 5; hence, this brief minority report.

## PROPOSED LEGISLATION AND ITS SPONSORS

The original so-called full-employment bill, we were told, had as its sponsors 117 Members of the House.

Director of the Budget Smith, Director of Reconversion Snyder, Secretary of Commerce Wallace, Secretary of the Treasury Vinson, Secretary of Labor Schwollenbach, Representatives Patman and Outland; Nathan E. Cowan, legislative director of the CIO; and Lewis G. Hines, national legislative representative of the AFL, appeared before the committee and, in effect, asked the committee to report out H. R. 2202.

The public generally understood that it was a bill which would, through the expenditure of public funds if necessary, provide regular, full-time, remunerative jobs for all who might be unemployed. That misunderstanding was due to the misleading title of H. R. 2202 and the fraudulent propaganda put out in its support.

While some of the witnesses appearing in support of the bill denied that it could be so construed, as just stated, the public generally, and in particular members of labor organizations, believed that, if it was adopted and put into effect, each and every individual who for any reason was unemployed would be provided with a job.

The weight of the testimony was that there would shortly be 8,000,000 individuals unemployed. The legislative representative of the CIO, reading the statement of Philip Murray, president of the CIO, likewise estimated the number of unemployed at 8,000,000, and testified that an adequate remunerative annual wage would be at least \$3,075.

That would require an expenditure of \$24,000,000,000, and no witness was able to enlighten the committee as to where that amount was to be obtained.

The original bill, while paying lip service to private enterprise, was framed upon a theory of deficit Federal spending.

Those advocating H. R. 2202, realizing that the committee was not disposed to report that bill out, centered their efforts upon the reporting of a bill.

According to the Associated Press, their reasoning was summed up by Representative Patman, one of the authors of the original bill, who said:

We are not concerned too much with just what kind of legislation the committee drafts, just so it doesn't keep the measure bottled up any longer.

We have 116 cosponsors in the House of my bill and all we need to do is get something to the floor so we have a target to shoot at.

Evidently following the New Deal theory that, as always, we were now confronted by a crisis, and something—good or bad—requiring the expenditure of public funds should be done, the committee finally gave its support and has ordered reported the committee's substitute for—

S. 380

If you have read thus far, you have an analysis of S. 380, and a statement of the situation preceding the committee's action.

This apparently innocuous bill should be rejected.

It is not a bill designed to create a single job for the unemployed, unless the three \$15,000-per-annum jobs, the jobs created by the expenditure of the \$445,000 authorized by the bill, are to be given to the unemployed.

At its best, the bill can only be construed as a planning measure, a new version of the discarded National Resources Planning Board.

The Congress has already appropriated or authorized the appropriation of more than \$107,000,000 for the planning of public works.

The President now has authority, and it is his duty, to advise Congress annually, and as often as he may desire, on the state of the Union, and to submit to Congress a program to promote the general welfare.

Not so long ago, the Congress gave the President 10 additional secretaries. He has at his command experts and specialists, hundreds of assistants and agents, upon whom he may call for information.

Creating an Economic Council but duplicates the service supposed to be rendered to the President by the members of his Cabinet, their assistants, the almost innumerable experts and specialists in the various departments.

If the spending of Federal funds to provide jobs for the unemployed is the objective, the answer is that November 18, 1945, Maj. Gen. Philip B. Fleming, Federal Works Agency Administrator, reported that he had planned for the expenditure, during the coming year, of \$5,000,000,000.

In addition, we have planning and spending agencies, such as those for the construction of highways and bridges; for flood control; for rivers and harbors; for airports; for post-office buildings; for reclamation.



In addition, approximately \$3,500,000,000 have already been appropriated or authorized for the construction of future public works.

Each of the foregoing has been given, or Congress will give to it, any funds needed for additional planning.

As long ago as October 19, 1932, realizing that bureaucracy had expanded beyond all limits, that Federal expenditures must be brought within control, Candidate Roosevelt pledged this country to a reduction of current Federal Government operations of at least 25 percent.

He pointed out that "needless bureaus and bureaucrats have been retained at the expense of the taxpayers," and he asked to be assigned the task of reducing the number of Federal employees, bureaus, and agencies.

Both major political parties are pledged to a like program. This Congress has expressed its desire for a reorganization of the executive department, which will reduce the number of Federal agencies, lessen governmental expense.

There is throughout the country a demand for the streamlining of Congress, a feeling that Congress now has too many committees.

In view of the fact that we are about to adopt a reorganization bill designed to end duplication of service, to lessen the number of bureaus and agencies; that we wish to simplify congressional machinery by lessening the number of committees, it seems decidedly inconsistent to at this time create a new agency involving the expenditure of \$490,000 per annum, when the only accomplishment of the new agency and committee will be a duplication of the service already available.

The bill should be defeated.

Respectfully submitted.

CLARE E. HOFFMAN.  
RALPH E. CHURCH.  
JOHN S. GIBSON.  
ROBERT F. RICH.

## SEPARATE VIEWS

We, the undersigned members of the committee, have voted to report the foregoing legislation to the House for the reasons and with the reservations which we here express:

1. We believe that adherence to the democratic process required us to vote to report legislation out of the committee so that the full membership of the House could have the opportunity to pass upon the subject matter involved.

2. We believe that when our free-enterprise system encounters a period of failure to serve the economic needs of a free people, as it has from time to time in the past and doubtless will from time to time in the future, legitimate and effective emergency measures designed to prevent crisis, chaos, and collapse must be undertaken by the Federal Government in order that the system may be preserved and the interests and welfare of all our people may be protected. We believe that the obligation of the Federal Government to defeat disintegration within our Nation is as positive and inescapable as its obligation to defeat aggression from without, and in neither case is its obligation sufficiently recognized and assumed by a mere declaration of policy.

3. The integrity of the national debt, the Nation's obligations to its war veterans, the necessity of maintaining adequate means of national defense, and the necessary costs of the operation of the Government necessitate a volume of revenue from taxation which, in an economy committed to mass production, cannot be achieved without the constant maintenance of a high level of income-creating purchasing power, widely distributed among the people. This we believe can normally be achieved by the operations of private enterprise in a truly competitive economy. But we believe the freedom itself of private enterprise must be expected, from time to time, to produce abnormal disturbances of the economic system, and we believe that before such a disturbance can develop into a collapse of income-producing and tax-supporting purchasing power, it is the obligation, and should not be deemed merely a policy, of the Federal Government, in the interest of all the people, to undertake measures to effect the earliest possible economic recovery. We believe that employment and adequate wages are indispensable conditions to such a recovery.

4. Because the proposed legislation fails to give to the obligations of the Government adequate recognition and expression, we find it impossible to agree in all respects with the committee report.

CHARLES M. LAFOLLETTE.  
WILLIAM L. DAWSON.  
EDWARD J. HART.  
ALEXANDER J. RESA.





# Union Calendar No. 402

79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

## S. 380

[Report No. 1334]

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### IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1945

Referred to the Committee on Expenditures in the Executive Departments

DECEMBER 5, 1945

Reported with amendments, committed to the Committee of the Whole House  
on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

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## AN ACT

To establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Full Em-  
5 ployment Act of 1945".

6 FREE ENTERPRISE AND FULL EMPLOYMENT

7 SEC. 2. (a) It is the responsibility of the Federal Gov-  
8 ernment to foster free competitive private enterprise and the  
9 investment of private capital.



1        ~~(b)~~ All Americans able to work and seeking work are  
2 entitled to an opportunity for useful, remunerative, regular,  
3 and full-time employment, including self-employment in agri-  
4 culture, commerce, industry or the professions.

5        ~~(c)~~ In order to assure the free exercise of the oppor-  
6 tunity for employment set forth above and in order to ~~(1)~~  
7 foster free competitive private enterprise and the investment  
8 of private capital; ~~(2)~~ promote the general health and  
9 welfare of the Nation; ~~(3)~~ foster the American home and  
10 American education as the foundation of the American way  
11 of life; ~~(4)~~ raise the standard of living of the American  
12 people; ~~(5)~~ provide adequate employment opportunities for  
13 returning veterans; ~~(6)~~ develop trade and commerce among  
14 the several States and with foreign nations; ~~(7)~~ maintain  
15 expanding markets for agricultural products and assure  
16 expanding income for agricultural enterprises; ~~(8)~~ contribute  
17 to the economic development of underdeveloped areas of the  
18 country; ~~(9)~~ encourage and strengthen competitive small  
19 business enterprises; ~~(10)~~ strengthen the national defense  
20 and security; and ~~(11)~~ contribute to the establishment and  
21 maintenance of lasting peace among nations, the Federal  
22 Government has the responsibility, with the assistance and  
23 concerted efforts of industry, agriculture, and labor and  
24 State and local governments and consistent with the needs  
25 and obligations of the Federal Government and other essen-

1 tial considerations of national policy, to assure continuing full  
2 employment, that is, the existence at all times of sufficient  
3 employment opportunities for all Americans able to work  
4 and seeking work.

5 (d) To that end the Federal Government shall, in coop-  
6 eration with industry, agriculture, labor, State and local  
7 governments, and others, develop and pursue a consistent and  
8 carefully planned economic program with respect to, but not  
9 limited to, taxation; banking; credit, and currency; monopoly  
10 and monopolistic practices; wages, hours, and working con-  
11 ditions; foreign trade and investment; agriculture; education;  
12 housing; social security; natural resources; the provision of  
13 public services, works, and research; and other revenue, in-  
14 vestment, expenditure, service, or regulatory activities of  
15 the Federal Government. Such program shall, among other  
16 things—

17 (1) stimulate, encourage, and assist private enter-  
18 prises to provide, through an expanding production and  
19 distribution of goods and services, the largest feasible  
20 volume of employment opportunities;

21 (2) stimulate, encourage, and assist State and local  
22 governments, through the exercise of their respective  
23 functions, to make their most effective contribution to  
24 assuring continuing full employment;

25 (3) provide for an income for the aged sufficient



1 to enable them to maintain a decent and healthful  
2 standard of living; and promote the retirement from  
3 the labor force of the older citizens; and

4 (4) to the extent that continuing full employment  
5 cannot otherwise be attained, provide, consistent with  
6 the needs and obligations of the Federal Government  
7 and other essential considerations of national policy,  
8 such volume of Federal investment and expenditure as  
9 may be needed, in addition to the investment and ex-  
10 penditure by private enterprises, consumers, and State  
11 and local governments, to achieve the objective of con-  
12 tinuing full employment. Federal investment and  
13 expenditure, whether direct or indirect, or whether for  
14 public works, for public services, for assistance to busi-  
15 ness, agriculture, home owners, veterans, or consumers,  
16 or for other purposes, shall be designed to contribute  
17 to the national wealth and well-being and to stimulate  
18 increased employment opportunities by private enter-  
19 prises. Any such Federal investment and expenditure  
20 calling for the construction of public works by the Fed-  
21 eral Government shall provide for the performance of  
22 the necessary construction work by private enterprises  
23 under contract, except where the performance of such  
24 work by some other method is necessary by reason of  
25 special circumstances or is authorized by other provisions

1 of law; and all such work shall be performed in accord-  
2 ance with all applicable laws, including laws relating  
3 to labor standards: *Provided*, That any program of  
4 Federal investment and expenditure for the fiscal year  
5 1948 or any subsequent fiscal year when the nation is  
6 at peace shall be accompanied by a program of taxation  
7 over a period comprising the year in question and a  
8 reasonable number of years thereafter designed and  
9 calculated to prevent during that period any net in-  
10 crease in the national debt (other than debt incurred  
11 for self-liquidating projects and other reimbursable  
12 expenditures); without interfering with the goal of full  
13 employment.

14 (e) It is the policy of the United States to discharge  
15 the responsibilities herein set forth in such a manner as will  
16 contribute to an expanding exchange of goods and services  
17 among nations and without resort to measures or programs  
18 that would contribute to economic warfare among nations.

19 THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

20 SEC. 3. (a) The President shall transmit to Congress  
21 at the beginning of each regular session the National Pro-  
22 duction and Employment Budget (hereinafter referred to  
23 as the "National Budget"); which shall set forth—

24 (1) for the ensuing fiscal year and such longer  
25 period as the President may deem appropriate, an esti-



1       mate of the number of employment opportunities needed  
2       for full employment, the production of goods and services  
3       at full employment, and the volume of investment and  
4       expenditure needed for the purchase of such goods and  
5       services;

6       ~~(2)~~ current and foreseeable trends in the number  
7       of employment opportunities, the production of goods  
8       and services, and the volume of investment and expendi-  
9       ture for the purchase of goods and services, not taking  
10      into account the effects of the general program provided  
11      for in paragraph ~~(3)~~ hereof; and

12      ~~(3)~~ a general program, pursuant to section 2, for  
13      assuring continuing full employment, together with such  
14      recommendations for legislation as he may deem neces-  
15      sary or desirable. Such program shall include whatever  
16      measures he may deem necessary to prevent inflationary  
17      or deflationary dislocations or monopolistic practices  
18      from interfering with the assurance of continuing full  
19      employment.

20      ~~(b)~~ The National Budget shall include a review of  
21      the economic program of the Federal Government during the  
22      preceding year and a report on its effect upon the amount  
23      of the national income and upon the distribution of the  
24      national income among agriculture, industry, labor, and  
25      others.

1       (c) The President shall transmit quarterly to Congress  
 2 a report on economic developments, together with such modi-  
 3 fications in the National Budget and such legislative recom-  
 4 mendations as he may deem necessary or desirable.

5       (d) When the National Budget and the quarterly re-  
 6 ports thereon are transmitted to the Congress, they shall  
 7 be referred to the Joint Committee on the National Budget  
 8 hereinafter established.

9                               PREPARATION OF NATIONAL BUDGET

10       SEC. 4. (a) The National Budget shall be prepared  
 11 under the general direction and supervision of the President,  
 12 and in consultation with heads of departments and estab-  
 13 lishments.

14       (b) The President shall consult with industry, agricul-  
 15 ture, labor, consumers, State and local governments, and  
 16 others, with regard to the preparation of the National  
 17 Budget, and for this purpose shall establish such advisory  
 18 boards, committees, or commissions as he may deem desirable.

19                               JOINT COMMITTEE ON THE NATIONAL BUDGET

20       SEC. 5. (a) There is hereby established a Joint Com-  
 21 mittee on the National Budget, to be composed of fifteen  
 22 Members of the Senate, to be appointed by the President of  
 23 the Senate; and fifteen Members of the House of Representa-  
 24 tives to be appointed by the Speaker of the House of Repre-  
 25 sentatives. The party representation of the Joint Committee



1 shall as nearly as may be feasible reflect the relative mem-  
2 bership of the majority and minority parties in the Senate  
3 and the House of Representatives.

4 ~~(b)~~ It shall be the function of the Joint Committee—

5 ~~(1)~~ to make a continuing study of matters relating  
6 to the National Budget and to consult with the President  
7 with respect thereto;

8 ~~(2)~~ to make a study of the National Budget trans-  
9 mitted to Congress by the President in accordance with  
10 section 3 of this Act; and

11 ~~(3)~~ as a guide to the several committees of Con-  
12 gress dealing with legislation relating to the National  
13 Budget, not later than April 1 of each year to file  
14 a report with the Senate and the House of Representa-  
15 tives containing its findings and recommendations with  
16 respect to each of the main recommendations made by  
17 the President in the National Budget.

18 ~~(c)~~ Vacancies in the membership of the Joint Com-  
19 mittee shall not affect the power of the remaining members  
20 to execute the functions of the committee, and shall be filled  
21 in the same manner as in the case of the original selection.  
22 The committee shall select a chairman and a vice chairman  
23 from among its members.

24 ~~(d)~~ The Joint Committee, or any duly authorized sub-  
25 committee thereof, is authorized to sit and act at such places

1 and times, to require by subpoena or otherwise the attendance  
2 of such witnesses and the production of such books, papers,  
3 and documents, to administer such oaths, to take such testi-  
4 mony, to procure such printing and binding, and to make  
5 such expenditures as it deems advisable. The cost of steno-  
6 graphic services to report such hearings shall not be in excess  
7 of 25 cents per hundred words. The provisions of sections  
8 102 to 104, inclusive, of the Revised Statutes shall apply in  
9 case of any failure of any witness to comply with any sub-  
10 pena, or to testify when summoned, under authority of this  
11 section.

12 (e) The Joint Committee is empowered to appoint and  
13 fix the compensation of such experts, consultants, technicians,  
14 and clerical and stenographic assistants as it deems neces-  
15 sary and advisable, but the compensation so fixed shall not  
16 exceed the compensation prescribed under the Classification  
17 Act of 1923, as amended, for comparable duties. The com-  
18 mittee is authorized to utilize the services, information,  
19 facilities, and personnel of the departments and establish-  
20 ments.

21 (f) The expenses of the Joint Committee shall be paid  
22 one-half from the contingent fund of the Senate and one-half  
23 from the contingent fund of the House of Representatives  
24 upon vouchers signed by the chairman or vice chairman.



## 1 INTERPRETATION

2 SEC. 6. Nothing contained herein shall be construed as  
3 directing or authorizing—

4 ~~(a)~~ the operation of plants, factories, or other pro-  
5 ductive facilities by the Federal Government;

6 ~~(b)~~ the use of compulsory measures of any type  
7 whatsoever in determining the allocation or distribution  
8 of manpower;

9 ~~(c)~~ any change in the existing procedures on  
10 appropriations; or

11 ~~(d)~~ the carrying out of, or any appropriation for,  
12 any program set forth in the National Budget, unless  
13 such program shall have been authorized by provisions  
14 of law other than this Act.

15 *That this Act may be cited as the "Employment-Production*  
16 *Act, 1945".*

## 17 POLICY OF THE UNITED STATES

18 SEC. 2. Congress hereby declares that it is the con-  
19 tinuing policy of the United States—

20 (a) By means of—

21 (1) *preserving and encouraging the American*  
22 *economic system of free competitive enterprise and*  
23 *fostering the investment of private capital in trade, agri-*  
24 *culture, commerce, and in the development of the natural*  
25 *resources of the United States;*

1           (2) aiding in the development and maintenance of  
2           conditions favorable to stimulating new business, and  
3           especially small business, and to promoting continuous  
4           growth in the quality and quantity of facilities of  
5           production;

6           (3) encouraging individual initiative;

7           (4) avoiding competition of government with private  
8           business enterprise; and

9           (5) adopting sound fiscal policies and maintaining  
10          the credit of the United States;

11          and thereby creating under, and in a manner consistent with,  
12          the American system of free competitive enterprise, the maxi-  
13          mum opportunity for employment (including self-employ-  
14          ment), to attain and maintain a high level of employment  
15          (including self-employment), production, and purchasing  
16          power.

17          (b) By means of investigating and determining the causes  
18          of economic fluctuations, and providing for continuous study  
19          of economic conditions and economic trends, to make provision  
20          for diminishing such fluctuations and avoiding the causes  
21          thereof.

22          (c) By means of—

23               (1) encouraging State and local governments to plan  
24               and adopt sound programs of public works for their nor-  
25               mal needs in normal times, capable of acceleration and ex-



1        *pansion when widespread unemployment in the State or in*  
2        *any substantial portion thereof exists or threatens, and*  
3        *capable of reduction when inflationary conditions exist or*  
4        *threaten;*

5            (2) *planning and adopting programs for loans by*  
6        *the United States, consistent with a financially sound*  
7        *fiscal policy, for use when widespread unemployment*  
8        *in the United States or in any substantial portion thereof*  
9        *exists or threatens;*

10           (3) *planning and adopting a program of sound*  
11        *public works, consistent with a financially sound fiscal*  
12        *policy (such works to be performed, except as otherwise*  
13        *authorized by law, by private enterprise under contract),*  
14        *for the normal needs of the United States in normal*  
15        *times, capable of acceleration and expansion when wide-*  
16        *spread unemployment in the United States or in any*  
17        *substantial portion thereof exists or threatens, and capable*  
18        *of reduction when inflationary conditions exist or*  
19        *threaten;*

20        *to stimulate private enterprise in the periods in which wide-*  
21        *spread unemployment exists or threatens so as to stimulate*  
22        *and promote employment (including self-employment), pro-*  
23        *duction, and purchasing power in a free competitive economy,*  
24        *thereby aiding and assisting employables (including self-*  
25        *employed) in such periods to secure employment, and to*

1 aid in removing or preventing inflationary or deflationary  
2 conditions in periods in which such conditions exist or  
3 threaten.

4 *ECONOMIC REPORT OF THE PRESIDENT*

5 *SEC. 3. (a) The President shall submit to the Congress*  
6 *within sixty days after the beginning of each regular session*  
7 *(commencing with the year 1947) an economic report (here-*  
8 *inafter called the "Economic Report") on economic condi-*  
9 *tions affecting employment in the United States or in any*  
10 *considerable portion thereof, on the extent to which the*  
11 *policies declared in section 2 are or are not being achieved,*  
12 *and on the extent to which the various programs and activi-*  
13 *ties of the Federal Government are, and the extent to which*  
14 *they are not, contributing to the achievement of such policies.*

15 *(b) If at the time of submitting the Economic Report,*  
16 *high levels of employment, production, and purchasing power*  
17 *are not being maintained or are threatening to decline, the*  
18 *President shall include in the Economic Report, in addition*  
19 *to the matter required to be included under subsection (a),*  
20 *a statement of what, in his judgment, are the causes thereof,*  
21 *a statement of the extent to which then-existing legislation*  
22 *may be utilized for attaining high levels of employment, pro-*  
23 *duction, and purchasing power, and of the plans therefor and*  
24 *means of financing the programs thereunder, and his recom-*  
25 *mendations for such further legislation (which may include*



1 recommendations for outlays in addition to loans and public  
2 works, and which shall include recommendations for means  
3 of financing the recommended legislation) as he deems neces-  
4 sary for attaining such high levels.

5 (c) If at the time of submitting the Economic Report  
6 widespread unemployment exists in the United States or  
7 in any substantial portion thereof, the President shall in-  
8 clude in the Economic Report, in addition to the matter  
9 required to be included under subsections (a) and (b), a  
10 statement of what, in his judgment, are the causes thereof,  
11 a statement of the extent to which such unemployment may  
12 be alleviated under then-existing legislation, and of the plans  
13 therefor and means of financing the programs thereunder,  
14 and his recommendations for such further legislation (which  
15 may include recommendations for outlays in addition to  
16 loans and public works, and which shall include recom-  
17 mendations for means of financing the recommended legisla-  
18 tion) as he deems necessary for alleviating such unemploy-  
19 ment and attaining high levels of employment, production,  
20 and purchasing power.

21 (d) If at the time of submitting the Economic Report  
22 inflationary conditions exist or threaten, the President shall  
23 include in the Economic Report, in addition to the matter  
24 required to be included under subsection (a), a statement  
25 of what, in his judgment, are the causes thereof, a statement

1 of the extent to which such conditions may be alleviated under  
2 then-existing legislation, and his recommendations for such  
3 further legislation (including recommendations for the re-  
4 duction or suspension of public outlays) as he deems neces-  
5 sary to alleviate such conditions and to prevent them from  
6 recurring.

7 (e) The President may, from time to time, transmit  
8 to Congress, such supplemental or revised reports, or such  
9 supplemental recommendations, as he deems necessary to  
10 achieve the policies declared in section 2.

11 (f) The Economic Report, and any supplemental or  
12 revised reports or recommendations, when submitted to Con-  
13 gress, shall be referred to the Joint Committee on the  
14 Economic Report (created by section 5).

15 COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

16 SEC. 4. (a) There is hereby created in the Executive  
17 Office of the President a Council of Economic Advisers  
18 (hereinafter called the "Council"). The Council shall be  
19 composed of three members who shall be appointed by the  
20 President and each of whom shall be a person who, as a result  
21 of his training, experience, and attainments, is exceptionally  
22 qualified to analyze and interpret economic developments, to  
23 appraise programs and activities of the Government in the  
24 light of the policies declared in section 2, and to formulate  
25 and recommend national economic policy to promote em-



1 *ployment and production under the American system of free*  
2 *competitive enterprise. Each member of the Council shall*  
3 *receive compensation at the rate of \$15,000 per annum. The*  
4 *President shall designate one of the members of the Council*  
5 *as chairman, and the Council shall annually select one of*  
6 *the members as vice chairman, who shall act as chairman*  
7 *in the absence of the chairman.*

8       *(b) The Council is authorized to employ, in the District*  
9 *of Columbia, and fix the compensation of, such specialists*  
10 *and other experts as may be necessary for the carrying out*  
11 *of its functions under this Act, without regard to the civil-*  
12 *service laws and the Classification Act of 1923, as amended,*  
13 *and is authorized, subject to the civil-service laws, to employ,*  
14 *in the District of Columbia, such other officers and employees*  
15 *as may be necessary for carrying out its functions under this*  
16 *Act, and fix their compensation in accordance with the*  
17 *Classification Act of 1923, as amended.*

18       *(c) It shall be the duty of the Council—*

19             *(1) to assist and advise the President in the*  
20 *preparation of the Economic Report;*

21             *(2) to gather timely and authoritative information*  
22 *concerning economic developments and economic trends,*  
23 *both current and prospective, to analyze and interpret*  
24 *such information in the light of the policies declared in*  
25 *section 2 for the purpose of determining whether such*

1     *developments and trends are interfering, or are likely to*  
2     *interfere, with the achievement of such policies, and to*  
3     *compile and submit to the President studies relating to*  
4     *such developments and trends;*

5             *(3) to appraise the various programs and activities*  
6     *of the Federal Government in the light of the policies de-*  
7     *clared in section 2 for the purpose of determining the*  
8     *extent to which such programs and activities are con-*  
9     *tributing, and the extent to which they are not con-*  
10    *tributing, to the achievement of such policies, and to make*  
11    *recommendations to the President with respect thereto;*

12            *(4) to formulate and recommend to the President*  
13    *national economic policies for promoting the American*  
14    *system of free competitive enterprise, avoiding economic*  
15    *fluctuations or diminishing the effects thereof, and for*  
16    *maintaining a high level of employment (including self-*  
17    *employment), production, and purchasing power;*

18            *(5) whenever in the opinion of the Council high*  
19    *levels of employment, production, and purchasing power*  
20    *are not being maintained or are threatening to decline,*  
21    *to make a report to the President on what, in its judg-*  
22    *ment, are the causes thereof, and on the extent to which*  
23    *then-existing legislation may be utilized for attaining high*  
24    *levels of employment (including self-employment), pro-*  
25    *duction, and purchasing power, and to include in such*



1       report its recommendations for such further legislation  
2       (which may include recommendations for outlays in ad-  
3       dition to loans and public works, and which shall include  
4       recommendations for means of financing the recommended  
5       legislation in a manner consistent with sound fiscal prac-  
6       tices) as it deems necessary for attaining such high levels;

7               (6) whenever the Council determines that wide-  
8       spread unemployment exists in the United States or in  
9       any substantial portion thereof, to make a report to the  
10      President on what, in its judgment, are the causes thereof,  
11      and on the extent to which such unemployment may be  
12      alleviated under then-existing legislation, and to include  
13      in such report its recommendations for such further  
14      legislation (which may include recommendations for out-  
15      lays in addition to loans and public works, and which  
16      shall include recommendations for means of financing  
17      the recommended legislation in a manner consistent with  
18      sound fiscal practices) as it deems necessary to alleviate  
19      such unemployment and to attain a high level of employ-  
20      ment (including self-employment), production, and pur-  
21      chasing power;

22              (7) whenever in the opinion of the Council infla-  
23      tionary conditions exist or threaten, to make a report  
24      to the President on what, in its judgment, are the causes  
25      thereof, and on the extent to which such conditions may

1        *be alleviated under then-existing legislation, and to in-*  
2        *clude in such report its recommendations for such further*  
3        *legislation as it deems necessary to alleviate such condi-*  
4        *tions and to prevent them from recurring;*

5            *(8) to make and furnish, when requested by the*  
6        *President, such studies, reports thereon, and recommenda-*  
7        *tions with respect to matters of Federal economic policy*  
8        *as he may request.*

9        *(d) The Council shall make an annual report to the*  
10       *President not later than January 1 of each year (beginning*  
11       *with the year 1947) and shall also make interim reports*  
12       *quarterly (following January 1, 1947).*

13        *(e) The President is requested to make available to the*  
14       *Joint Committee on the Economic Report, if it desires, the*  
15       *various studies, reports, and recommendations of the Council*  
16       *which have been submitted to the President.*

17        *(f) In exercising its powers, functions, and duties under*  
18       *this Act—*

19            *(1) the Council may constitute such advisory com-*  
20        *mittees, and may consult with such representatives of*  
21        *industry, agriculture, labor, consumers, and other groups,*  
22        *as it deems advisable;*

23            *(2) the Council shall, to the fullest extent possible,*  
24        *utilize the services, facilities, and information (including*  
25        *statistical information) of other Government agencies*



1 as well as of private research agencies, in order that  
2 duplication of effort and expense may be avoided.

3 (g) To enable the Council to exercise its powers, func-  
4 tions, and duties under this Act, there are authorized to be  
5 appropriated (except for the salaries of the members and  
6 the salaries of officers and employees of the Council) such  
7 sums as may be necessary. For the salaries of the members  
8 and the salaries of officers and employees of the Council,  
9 there is authorized to be appropriated not exceeding \$345,000  
10 in the aggregate for each fiscal year.

11 JOINT COMMITTEE ON THE ECONOMIC REPORT

12 SEC. 5. (a) There is hereby established a joint com-  
13 mittee of the Senate and House of Representatives, which  
14 shall be known as the Joint Committee on the Economic  
15 Report (in this section called the "joint committee"), and  
16 which shall be composed of the chairman and ranking ma-  
17 jority party members, and the two ranking minority party  
18 members, of the Senate and House Committees on Appro-  
19 priations, of the Senate Committee on Finance, of the House  
20 Committee on Ways and Means, and three other members  
21 of the Senate to be appointed by the President of the Senate,  
22 and three other members of the House of Representatives to  
23 be appointed by the Speaker of the House of Representatives.  
24 The party representation on the joint committee shall reflect

1 *the relative membership of the majority and minority parties*  
2 *in the Senate and House of Representatives.*

3 *(b) It shall be the function of the joint committee—*

4 *(1) to make a continuing study of matters relating*  
5 *to the Economic Report;*

6 *(2) to study means of coordinating programs under*  
7 *existing laws relating to loans, public works, and other*  
8 *outlays in order to further the policies of this Act; and*

9 *(3) as a guide to the several committees of Con-*  
10 *gress dealing with legislation relating to the Economic*  
11 *Report, not later than May 1 of each year (beginning*  
12 *with the year 1947) to file a report with the Senate and*  
13 *the House of Representatives containing its findings and*  
14 *recommendations with respect to each of the main recom-*  
15 *mendations made by the President in the Economic Re-*  
16 *port, and from time to time to make such other reports*  
17 *and recommendations to the Senate and House of Repre-*  
18 *sentatives as it deems advisable.*

19 *(c) Vacancies in the membership of the joint committee*  
20 *shall not affect the power of the remaining members to execute*  
21 *the functions of the joint committee, and shall be filled in the*  
22 *same manner as in the case of the original selection. The*  
23 *joint committee shall select a chairman and a vice chairman*  
24 *from among its members.*





1           (2) *the carrying out of, or any appropriation for,*  
2           *any program set forth in the Economic Report; or*

3           (3) *the disclosure of trade secrets or other informa-*  
4           *tion, the publication of which might have a harmful*  
5           *effect upon the firm or person supplying such informa-*  
6           *tion, without the consent of the firm or person affected.*

Amend the title so as to read: "An Act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy."

Passed the Senate September 28 (legislative day, September 10), 1945.

Attest:

LESLIE L. BIFFLE,

*Secretary.*



## **AN ACT**

To establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

---

OCTOBER 1, 1945

Referred to the Committee on Expenditures in the  
Executive Departments

DECEMBER 5, 1945

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







79TH CONGRESS }  
*1st Session* }

HOUSE OF REPRESENTATIVES }

REPORT  
No. 1342

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## CONSIDERATION OF S. 380

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DECEMBER 6, 1945.—Referred to the House Calendar and ordered to be printed

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Mr. SABATH, from the Committee on Rules, submitted the following

### REPORT

[To accompany H. Res. 449]

The Committee on Rules, having had under consideration House Resolution 449, reports the same to the House with the recommendation that the resolution do pass.





## House Calendar No. 262

79<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. RES. 449

[Report No. 1342]

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IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 1945

Mr. SABATH, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for the consideration of S. 380, an Act to establish  
5 a national policy and program for assuring continuing full  
6 employment and full production in a free competitive econ-  
7 omy, through the concerted efforts of industry, agriculture,  
8 labor, State and local governments, and the Federal Gov-  
9 ernment.. That after general debate, which shall be con-  
10 fined to the bill and continue not to exceed one day, to be  
11 equally divided and controlled by the chairman and ranking  
12 minority member of the Committee on Expenditures in the



1 Executive Departments, the bill shall be read for amend-  
2 ment under the five-minute rule. It shall be in order to  
3 consider without the intervention of any point of order the  
4 substitute amendment recommended by the Committee on  
5 Expenditures in the Executive Departments now in the bill,  
6 and such substitute for the purpose of amendment shall be  
7 considered under the five-minute rule as an original bill.  
8 At the conclusion of such consideration the Committee shall  
9 rise and report the bill to the House with such amendments  
10 as may have been adopted and the previous question shall  
11 be considered as ordered on the bill and the amendments  
12 thereto to final passage without intervening motion except  
13 one motion to recommit.





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## RESOLUTION

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Providing for the consideration of S. 380, an Act to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

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By Mr. SABATH

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DECEMBER 6, 1945

Referred to the House Calendar and ordered to be printed







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued December 14, 1945, for actions of Thursday, December 13, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Both Houses agreed to reorganization-bill conference report; ready for President. House debated full-employment bill; Rep. Manasco discussed status of seasonal agriculture and canning employment; Rep. Lanham urged reduction of Federal personnel; Rep. Murray urged inclusion of agricultural employees and criticized CCC administration. Senate committee reported UNRRA-authorization bill. Senate debated Federal pay bill.

SENATE

1. REORGANIZATION BILL. Both Houses agreed to the conference report on this bill, H.R. 4129 (pp. 12117-25, 12144-6). (For provisions see Digest 220.) The Senate had received the report earlier in the day. This bill will now be sent to the President.
2. FEDERAL-PAY BILL. Continued debate on this bill, S. 1415 (pp. 12125-40). Sen. Downey, Calif.; submitted, but later withdrew, an amendment which would repeal the pay raises provided in the Federal Pay Act of 1944 and provide for a 40% increase in the June 30, 1945, scale for that part not exceeding \$1200 and for a 30% increase for that part over \$1200 (pp. 12127-36). Sen. Byrd, Va., submitted amendments (for himself and Sens. Hickenlooper, Iowa, and Hart, Conn.) which provide for an increase in the June 30, 1945, scale as follows: 36% for that part not exceeding \$1200; plus 18% for that part between \$1200 and \$4500; plus 9% for that part exceeding \$4500 per annum (pp. 12137-40).
3. UNRRA AUTHORIZATION. The Foreign Relations Committee reported without amendment H.R. 4649, the UNRRA-authorization bill (S.Rept. 350) (p. 12115). (For provisions see Digest 216.)
4. PUBLIC LANDS. Passed without amendment S. 1471, to provide for the transfer to the Tex. Rural Communities the property comprising the FSA Mexia Colony project in Limestone County, Tex. (p. 12140).
5. NOMINATION. The Banking and Currency Committee reported favorably the nomination of Lynn U. Stambaugh to be a member of the Export-Import Bank Board of Directors (p. 12141).



HOUSE

6. FULL-EMPLOYMENT BILL. Began debate on this bill, S. 380 (p. 12146-208). Rep. Monasco, Ala., discussed the seasonal employment in agriculture and in the canning industry (p. 12153). Rep. Lanham, Tex., urged reduction of Federal employment (pp. 12188-9). Rep. Murray, Wis., urged inclusion in this bill of rural, FSA, AAA, and PCA employees and criticized CCC administration (p. 12192).
7. FEDERAL SEED ACT. Received this Department's proposed legislation to amend the Federal Seed Act so as to include sugar beets under the Act, to require records of vegetable seeds transported in interstate commerce, to require marking content of imported seed and provide penalties for violations, and to provide for expansion of the seed-testing programs. To Agriculture Committee. (p. 12209.)
8. RECLAMATION. The Irrigation and Reclamation Committee reported without amendment H.R. 4932, to amend the Boulder Canyon Project Act so as to provide for settlement of veterans on reclamation lands (H.Rept. 1437) (p. 12209).
9. VETERANS; UNEMPLOYMENT COMPENSATION. Received a United Automobile, Aircraft, and Agricultural Implement Workers Union (N.Y.) petition opposing the effect on veterans of the prohibition against payment of unemployment compensation to persons involved in industrial disputes. (p. 12210).

BILLS INTRODUCED

10. LUMBER EXPORTS; HOUSING. S. 1682, by Sen. Bushfield (S. Dak.), H.R. 4986, by Rep. Beall (Md.), H.R. 4987, by Rep. Bender (Ohio), H.R. 4988, by Rep. Cunningham (Iowa), H.R. 4989, by Rep. Gross (Pa.), H.R. 4990, by Rep. Henry (Wis.), H.R. 4991, by Rep. Jensen (Iowa), H.R. 4992, by Rep. Short (Mo.), and H.R. 4993, by Rep. Talle (Iowa), to prohibit the exportation of logs, lumber, and certain lumber products until the housing and other construction requirements for lumber are being currently met. To Senate Commerce and House Ways and Means Committees. (pp. 12116, 12210.)
11. SURPLUS LUMBER. H. Res. 456, by Rep. Landis, Ind., providing for an investigation with respect to the handling and disposition of surplus lumber. To Rules Committee. (p. 12210.)

ITEMS IN APPENDIX

12. MARKETING; WAGES. Sen. Tunnell, Del., inserted Sen. Guffoy's (Pa.) recent address before a farmers' conference at Altoona, Pa., advocating increased wages for low-income industrial groups as a means of expanding farm markets (p. A5893).
13. LABOR. Speech in the House by Rep. Robison, Ky., supporting H.R. 32, the anti-racketeering bill, which he states will outlaw stopping of farm trucks enroute to market, destruction of farm products, and other unfair practices in labor disputes (p. A5896).
14. MINERALS. Rep. Morrison, La., inserted a recent American Magazine article by Eugene Holman (pres., Standard Oil Co., N.J.) "We Will Have Plenty of Oil," pointing out potential supplies of oil, coal, and natural gas (pp. A5903-4).
15. SURPLUS PROPERTY. Rep. Slaughter, Mo., inserted Mayor Gage's (Kansas City, Mo.) letter claiming that there is discrimination against local government agencies in the administration of the Surplus Property Act (p. A5905).
16. FOREIGN RELIEF. Rep. McCormack, Mass., inserted Archbishop Cushing's (Boston)



Let no one tell you that it is not a tremendous job, and if the President is to succeed he must have as advisers the best minds that are available. In my opinion, Secretary of State Byrnes and Secretary of the Treasury Vinson, members of the President's Cabinet, should certainly be able to render outstanding service to the President in connection with this great task. Then there is the Comptroller General, Hon. Lindsay Warren, who knows as much about the executive branch of the Government as any man I have ever come in contact with. All three of these gentlemen have served on reorganization committees that I have been a member of.

I took the liberty of sending to Mr. Warren a copy of this bill as finally agreed upon and asked him to go over it carefully and let me have his reaction. Mr. Warren was a member of the 1932 Reorganization Committee. He was a member of the committee that considered the 1937 and 1929 bills. For the information of the House I include as part of my remarks the letter I received from Mr. Warren. It follows:

COMPTROLLER GENERAL OF  
THE UNITED STATES,  
Washington, December 11, 1945.

HON. JOHN J. COCHRAN,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. COCHRAN: I have complied with your request and have carefully gone over H. R. 4129 (reorganization bill) as agreed upon by the Senate and House conferees. In my opinion, this is the best and strongest measure on reorganization that has ever been passed by the Congress. It is a much better measure than the unlimited, but unconstitutional, authority granted to President Hoover, and to the unlimited authority given to President Roosevelt in the early part of his administration. It is vastly superior to the compromise act of 1939. The present measure clearly shows the close study that has been given it by the committees and conferees, and it refutes the statement we often hear made that Congress does not carefully consider the language and effect of legislative proposals. The interests of not only the departments and agencies of the Government, but of the people at large, are adequately protected by the detail listing of standards and limitations with which the bill guides and controls the President in his exercise of the powers granted.

It is my opinion that when the bill becomes a law, the President will be given the opportunity to do a magnificent job for efficiency and economy in government.

With best wishes.

Sincerely,

LINDSAY C. WARREN,  
Comptroller General of the United States.

In conclusion let me say that your conferees reached an agreement with the Senate that enabled us to bring back to you a bill which as the report shows is generally similar to the bill as was passed by the House. We have performed our duty and I for one anxiously await recommendations from the President that will not only increase the efficiency of the executive branch of the Government but will also provide for economy.

Mr. BLAND. Mr. Speaker, when the bill H. R. 4129 was pending in the House, I offered an amendment which sought to exempt the Maritime Commission from the operation of the bill. The amendment was defeated.

I thought that it should have been adopted, and explained that the amendment would exempt the Maritime Commission.

I explained that under the Shipping Act of 1916 and the Intercoastal Shipping Act of 1933, the United States Maritime Commission has broad regulatory powers over carriers by water engaged in carrying commerce between the United States and its island possessions. These functions are similar to and patterned after the functions which are exercised by the Interstate Commerce Commission. For example, the Commission enforces a statutory prohibition against the granting of rebates or using other discriminatory or unfair methods by carriers so that shippers and competing carriers may be protected from unjust treatment. Common carriers by water are required to file for the Commission's approval their agreements and schedules concerning rates, competition, and pooling and are forbidden to indulge in such unfair practices as false billing, false weighing, giving of preferences, allowing persons to obtain transportation at less than regulatory rates and unjust insurers not to give competing carriers favorable rates of insurance. The Commission is also empowered to determine whether rates are unjustly discriminatory between shippers or ports or unjustly prejudicial to exporters. It may enforce just and reasonable regulations relating to handling, storing, and delivering property. It may suspend filed rates and in their place fix just and reasonable maximum or minimum rates. It may prescribe just and reasonable classifications, tariffs, regulations, or practices.

In the field of foreign shipping the Commission is charged with determining whether or not conference agreements filed with the Commission are just and reasonable.

Under the Shipping Act, 1916, the Maritime Commission has broad regulatory authority over persons carrying on the business of forwarding or furnishing wharfage, dock, warehouse, or other terminal facilities in connection with common carriers by water.

The duties are very similar to those performed by the Interstate Commerce Commission and are far more important because here we are dealing also with conferences in which foreign shippers participate and we may need to protect American commerce. I ask the adoption of the amendment.

When the bill was considered in the Senate, it exempted the Maritime Commission from the provisions of the bill.

Conferees were appointed and, as chairman of the Committee on the Merchant Marine and Fisheries, I, joined by other members of my committee, sought to have the House conferees accept the Senate amendment. We attempted to convince the House conferees to accept the Senate amendment for the following reasons:

The Maritime Commission conforms to the principle of exception set out in the report of the Senate Judiciary Committee on this bill, in that it is an independent establishment—an arm of Congress—

exercising quasi-judicial powers and powers legislative in character. Whenever privately owned and operated transportation systems and public utilities are regulated in this country it is by this form of agency—the Commission form. The Interstate Commerce Commission regulates interstate domestic transportation. The Maritime Commission regulates ocean transportation. The execution of the policy of the Merchant Marine Act is committed by Congress to the hands of the Maritime Commission, the policy of the Merchant Marine Act, which must be consistent over a long period of years to be effective. Its members are appointed by the President with the advice and consent of the Senate. These appointments are made with the purpose of maintaining the Commission independent from political influence and are staggered so that only one term ends in any one year. Not more than a majority of the commissioners may belong to any one political party, thus the Commission is kept free from the changing policies or direct influences of a particular administration. Its functions are among others quasi judicial—or judicial—and legislative in the matter of regulation of ocean carriers. It may award damages or "reparation" for past injuries and may prescribe rates or practices for the future legislative functions. It reports directly to Congress and is required to make direct recommendations for legislative change if it finds such change desirable. The Supreme Court, in *Humphrey's Executor v. United States* (295 U. S. 602), in describing another independent establishment, at page 625, states:

Thus, the language of the act, the legislative reports, and the general purposes of the legislation as reflected by the debates, all combine to demonstrate the congressional intent to create a body of experts who shall gain experience by length of service—a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government.

The Maritime Commission is, as the Supreme Court said in *Humphrey's Executor* against United States, supra, "charged with the enforcement of no policy except the policy of the law." The policies which it applies are determined by Congress in the Merchant Marine Act, 1936.

Ocean transportation was first effectively regulated by Congress when it established the United States Shipping Board in 1916 as an independent agency, of which the Maritime Commission is a direct successor. The agency continued independent until the present time, except for a short period from 1933 to 1935, when the Shipping Board was placed under the Department of Commerce as a bureau. It is generally recognized that the short period when it was not independent was an unhappy one in which there was confusion of policy and consequent damage to the merchant marine. That experience was one of the reasons for reestablishing the Shipping Board as an independent agency under the form of the Maritime Commission in the Merchant Marine Act,



1936. The administration of that act by the Commission as an independent agency has been recognized as successful and there is no demand from the maritime industry, from shippers, or from the public to impair the independence of the Commission or to have it placed in an executive department, where functionally it does not belong.

The Interstate Commerce Commission, under the act of 1887, was originally placed in the Interior Department and within a year thereafter the Secretary of the Interior himself recommended that it be made an independent agency, and Congress made it an independent agency forthwith and it has remained such ever since.

The conferees failed to accept the views advanced by the members of the House Committee on the Merchant Marine and Fisheries, and filed a conference report which does not exempt the Maritime Commission from reorganization.

The Committee on the Merchant Marine and Fisheries met today, considered the conference report, and decided that it would acquiesce in the report, and would appoint a special subcommittee to cooperate in working out a reorganization which would be in the best interest of the merchant marine, in the promotion of commerce, in the building of trade, in saving money for the taxpayers, and in carrying out the objectives of the legislative. The committee hopes in this way to be constructive and the committee will welcome every opportunity to help in carrying forward the program of the President and to help the committee in charge of the pending legislation.

The committee will not resist the adoption of the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

#### CORRECTION OF ROLL CALL

Mr. H. CARL ANDERSEN. Mr. Speaker, on roll call 202 I am listed as not having answered to my name. I was in the Chamber and answered "Present." I ask unanimous consent that the permanent RECORD and the Journal may be corrected accordingly.

The SPEAKER. Without objection, the permanent RECORD and the Journal will be corrected accordingly.

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that the special order I had for today may be transferred to Monday, December 17.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in connection with the reorganization bill and that my remarks be inserted just before the approval of the conference report.

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

There was no objection.

Mr. COCHRAN. Mr. Speaker, I make the same request, my remarks to follow those of the gentleman from Mississippi.

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

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the conference report just agreed to, before final action.

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

There was no objection.

#### EMPLOYMENT-PRODUCTION ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 449 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of S. 380, an act to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Expenditures in the Executive Departments now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommend.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from Ohio [Mr. BROWN], minority member of the Committee on Rules.

Mr. Speaker, this resolution provides for the consideration of a very important bill; consequently the Committee on Rules granted a request for a full day to be given over to general debate on the bill. It will be taken up under the 5-minute rule tomorrow.

I say this is an important bill and is urged by the President; moreover, it has been urged by many people who believe that we must and should provide full employment for the American laboring man. That was the title of the original bill. This bill does not include the word "full" employment but aims to carry out the recommendations made to provide full employment.

About 5 months ago the various representatives of industry, aided by some gentlemen here in Washington, proclaimed to the world that there would be from eight to ten million unemployed as soon as the war ended and the war plants closed. Knowing something about what was going on in the way of propaganda by large and even some

small industries, I came to the conclusion that those reports were made for the purpose of scaring the laboring men and the returning soldiers so that when they came back they would be ready to accept any and all employment or work at much lower wages than they were entitled to receive and in many instances on which they and their families could not exist. So I gave the matter some study and made an investigation. A few weeks thereafter I made a speech over the radio, not here on the floor of the House because at times anything I say is not taken seriously by certain people who, however, should give some consideration and pay attention to good advice that is given. In my radio speech I called attention to the fact that there was no danger of great unemployment and I am greatly pleased and gratified to know that I was right. In fact there is a shortage of labor now in nearly every section of our country. You can take the newspapers, scan over the want ads and you will find hundreds upon hundreds of advertisements asking for labor of all kinds.

I hope that all the industries and all the employers will obtain all the needed labor they require; on the other hand, I hope that all the employees, all of the wage earners and all of the American people will be able to obtain positions and receive a pay that they can live and exist on.

This bill is brought in as Senate bill 380. That means, the Senate having passed this bill, that it came to the House and was referred to the Committee on Expenditures in the Executive Departments that has worked hard and held hearings for many, many days. The President and many of us thought that they were slow in proceeding with their deliberations and action. But later we learned that that committee, in their desire to bring in a bill that could be approved by the House, a bill that would aim to do what the President recommended, namely, provide full employment naturally, for the purpose of bringing about harmony and an approval of their work, deliberated for many weeks, and finally recommended a bill which is embodied in the Senate bill. So today we will not consider the Senate bill but will consider instead the House bill which has been substituted for the provisions of the Senate bill.

Some of my friends of labor thought that the Senate bill should have been adopted as reported, with few amendments. Others again differed. Of course, honest men will differ. They cannot always agree on all points. So I was originally for the bill that was recommended by the President, as reported. I cannot help but feel that the committee has done a splendid piece of work by trying to harmonize and bring in proper provisions, though perhaps not as urged originally for full employment, but the aims of the bill seem to me to be toward bringing about full employment. In view of the various viewpoints on the part of many honest and sincere men and women who advocated the bill H. R. 2202—if I am not mistaken, that was the number—I feel that they have been given an opportunity, and that they them-



selves came to the conclusion that perhaps in the interest of obtaining early legislation they recommended that the rule be granted on the Senate bill 380 as amended by the House committee. But in view of the fact that they still feel that some of the provisions should be changed and made stronger, the Committee on Rules granted an open rule. It is not one of those wide rules that would permit any and every amendment, such as was granted on the Smith-May-Arends-Connally bill, whether germane or not, but it is an open rule that will permit, when the bill is read under the 5-minute rule, the offering of amendments that some Members feel should be embodied in this bill. I hope that if any of those amendments will improve the bill they will be adopted.

In view of the fact that legislation is after all a compromise, we, in this instance, I feel, should recognize that we cannot at all times have our way and must yield to the judgment and convictions of other well-meaning and honest men. Of course, I know there are some people who dislike any kind of a bill that would provide for any organization or anything that may aid the cause of labor, but this bill is not a bill merely to aid the cause of labor, it is just as much a bill in the interest of industry as it is for labor. I have no fault to find with the provisions because after all we must recognize and should realize that it is for the best interests of our Nation that both industry and labor should be aided and should cooperate. I hope that by the adoption of this bill and by other sane legislation we can bring about, and we should try to bring about, the elimination of the strife that is now existing.

Of course, industry wants to make all the money it can. They have acquired enormous surpluses; they have made tremendous profits and still they want to increase their great profits and wealth, but when it comes to granting a little increase to the wage earners so that they can exist, not to accumulate great wealth but to earn sufficient money to decently and properly provide for themselves and their families, immediately there is a hue and cry that they are demanding exorbitant increases in wages, when in fact, when we take into consideration that during the war thousands of these men were working overtime and were obtaining a high wage, and that today they are not working overtime but are working shorter hours, and that the envelopes that they bring home to their wives—I hope all of them do, although they are not very fat—the wives find it mighty hard to get along on the reduced portion they contain, because the wages they are bringing home are less in many instances by 30 to 35 percent, this notwithstanding the fact that the cost of living has been going up and up. Only this morning I observed in the newspaper that the cost of living has gone up 39 percent. I say to those who give out that information that the cost of food, the cost of living outside of the rents, because they were holding down the price, has gone up by 55 to 60 percent.

In view of these conditions I feel that it will inure to the benefit of industry if

they would be fairer than they have been and show a disposition to do justice to the men who have not been enriched by the war and who have not accumulated a substantial bank account. There is no real opposition to the bill. I know it will be fully explained by the chairman of that committee, who has devoted a great deal of time to its consideration, as have the many able members of his committee.

They have had the bill before them, as I stated, and heard evidence and studied it. They have heard the arguments pro and con. Naturally, they are bound to be in a much better position concerning a knowledge of the provisions of the bill than I am. Consequently, in order that they may have as much time as possible in general debate, I shall conclude my remarks.

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

Mr. SABATH. Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may need.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, this rule makes in order the consideration of S. 380, a bill allegedly for the purpose of providing full employment. The rule provides that general debate upon this measure shall be confined to 1 day. Actually this bill is not S. 380, but instead is an entirely new bill written by the House Committee on Expenditures in the Executive Departments. That committee labored for many weeks in the consideration of this legislation and has brought in a very much divided report. I see here that a minority report has been filed on the measure, and also a statement of separate views has been filed. So that the committee in reporting this measure has been very much divided, just as it was divided in its consideration.

This bill, as I have read it, and as I heard it discussed before the Committee on Rules, is filled with pious platitudes but actually does nothing as far as assuring full employment is concerned except to provide a few choice political plums for some of the favored few. Actually this bill gives to the President and to the Congress no authority which the President and the Congress do not already have. The bill simply provides for the creation of a Council of Economic Advisers to the President. Three of these councilors would be appointed, each to receive \$15,000 a year, with a total of \$345,000 to be appropriated for the use of the Council. Of course, that, as many of you understand, I am sure, is simply the first year's appropriation. A little later on, after this new Council is created, there will be many reasons why, as the gentleman from North Carolina so well knows, the Council will need greatly increased funds.

If this measure becomes law, a new agency of Government will be created by a Congress which has pledged the people to materially reduce the number of Fed-

eral employees and the number of governmental agencies.

This bill also provides for the creation of a new joint congressional committee by a Congress which recently established another joint congressional committee to study and find methods by which the present number of committees in Congress may be drastically reduced. In other words, by this legislation we set up a new governmental agency downtown and a new committee up here on Capitol Hill. To do what? Well, to just do the very things the Government already has the right to do; to study, if you please, all of the various factors entering into employment, or the lack thereof, in this country, and to then report to the whole Congress for all of us to do something about it.

This bill actually does not guarantee full employment. It just talks about lifting the level of employment—or the need for a high level of employment. Of course, everybody in America I have ever heard say anything about the subject, regardless of political party, regardless of economic position, are all for a high level of employment. Everyone wants that. That is a desirable situation. But I am not at all certain legislation of this type will be of any benefit in getting it.

I think that most of my listeners know that sometimes there is a great interest in getting any kind of a bill out on the floor of the House. So this bill was reported. I believe most of you know that the real reason why this measure is here is because there is a belief in administration circles that if any kind of a measure is adopted—and it is one of those "any kind" of measures, as the distinguished chairman of the Rules Committee so ably pointed out just a few minutes ago—if any kind of a measure is adopted, then the bill will go to conference between the House and Senate; and the conference committee, which, of course, will be controlled by administration forces, will move to substitute the Patman bill, which is very broad in its implications and very definite in its commitments; the Patman substitute bill, which was defeated in the Committee on Expenditures in the Executive Departments at the time this particular measure was adopted. So I believe that in the consideration of this bill we should not overlook all of these different factors.

I urge every one of you to read the committee report on this measure. I am sure it will be quite interesting. I believe you will be interested in comparing the original bill, S. 380, which appears here as stricken out, with the provisions of the new bill substituted by the House committee.

Mr. CHURCH. The original S. 380 is not shown in the bill.

Mr. BROWN of Ohio. Not the original S. 380 as introduced in the Senate, but rather the bill which was passed by the Senate and sent to the House. The conference would revolve around whether the original Senate bill is to be accepted, whether this House version of the bill is to be considered and adopted, or whether some entirely different measure is to be substituted for both of them.



I yield to the gentleman from California, as I promised.

Mr. OUTLAND. The gentleman has stated that in his opinion the present bill is merely a pious expression and does not accomplish anything towards solving the problem. Would the gentleman be willing to go along and support a strong bill that does accomplish some good?

Mr. BROWN of Ohio. I certainly would not support any measure that obligated the United States Government to guarantee full employment, because it is something that this Government cannot do. Neither can the gentleman, neither can the Congress guarantee full employment. And I want to say further to the gentleman if he would go along with some of us in this Congress and vote for measures that would provide the right kind of economic climate here in America we would be doing more toward assuring full employment than any other thing that might be done or accomplished by this Congress.

Mr. OUTLAND. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. OUTLAND. Does the gentleman believe that the people of this country should wait until we get into another depression before we try to do something to solve our difficulties?

Mr. BROWN of Ohio. No; I do not believe that; nor do I believe in the passage of a lot of wild-eyed legislation, some of which has been proposed and supported by the gentleman from California, that will bring on and guarantee that such a depression will come. I hope we can have the good sense and sufficient judgment not to enact legislation on this floor which will bring on another depression, for if we get a balanced budget, and a little common sense, and get away from deficit spending another depression will not be necessary in this country.

Mr. OUTLAND. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield further.

Mr. OUTLAND. If the gentleman will check the record of the vote on the bill, S. 380, in the other body he will notice that many members of his own party voted for it. They do not seem to take the same view the gentleman does.

Mr. BROWN of Ohio. Oh, yes; the bill, S. 380, as passed by the other body was not anything like the proposal the administration submitted to the Congress; and you now have the administration coming here asking us to pass just anything to save face for the time being and, if you please, to send the bill to conference where they can work their will with their own tools.

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

Mr. BROWN of Ohio. I yield to my colleague from Ohio.

Mr. JENKINS. Is it not true that this bill does not do anything definite except appoint two commissions?

Mr. BROWN of Ohio. It appoints three commissions at \$15,000 a year, and creates a new joint committee.

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

Mr. BROWN of Ohio. I yield.

Mr. HOFFMAN. Talking about the full employment bill, we have several

million not working now simply because they do not want to work, despite the fact many jobs are available.

Mr. BROWN of Ohio. I understand we have three or four millions of people who are not now working. I also notice the advertising columns of our newspapers are full of ads offering employment and asking for workers. Seemingly, industry is unable to get them.

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

Mr. BROWN of Ohio. I yield.

Mr. MARCANTONIO. I simply wish to make an observation, that the bill as passed by the Senate may be designated as a mere prayer. The bill reported to the House by this committee can be described as a left-handed prayer.

Mr. BROWN of Ohio. I would describe it, if the gentleman from New York will permit, as a sort of pious platitude.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I am puzzled about this whole thing. I thought the New Deal had solved the problem of unemployment long ago. We were told it had. Were it so sure of its cure, would it be here now suggesting a new remedy for unemployment?

Mr. BROWN of Ohio. I presume it is here because there is a desire on the part of some to mislead the people just a little further and just a little longer, and to convince them something is being done for them, when, in fact, nothing helpful is being done.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. The bill S. 380, which this rule makes in order, was introduced in the Senate in February 1945, if I remember correctly. A like bill was introduced into the House at the same time by the gentleman from Texas [Mr. PATMAN]. Extensive hearings have been held on both bills. Finally, S. 380 passed the Senate after being materially amended. After further hearing, and after the receipt of a letter, addressed to the majority leader by the President, demanding action on the part of the Expenditures Committee, that committee has reported S. 380 with one amendment; that is, the Expenditures Committee struck out everything after the enacting clause in the Senate bill and proposes a new bill as a substitute. Apparently there is no opposition to considering the Senate bill and the House substitute in the House immediately following action on this resolution.

When the House goes into the Committee of the Whole for this consideration, the House amendment to and substitute for, the Senate bill will be read under the 5-minute rule as an original bill, that is, all germane amendments to the substitute will be in order and a vote will come on the substitute before any action is taken on the Senate bill. If the substitute prevails, then the Committee's work is done. If the substitute, as amended, is voted down, then the bill

as it passed the Senate will be under consideration and subject to amendment.

That is, both the House bill and the bill as it passed the Senate will be before the Committee. There is a broad field for action and this rule does not contain limitations which are sometimes objectionable.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Does not the resolution go even further and permit the introduction of other amendments that might entirely change either the original Senate bill or the House bill, so that we may come out of the Committee with an entirely different bill from what is presented here?

Mr. MICHENER. Maybe I did use clumsy language. All I wanted to say was to impress on the membership that full opportunity will be given to amend the Senate bill or the House bill in the discretion of a majority of the committee operating under the 5-minute rule.

Mr. Speaker, more misinformation has been given to the public about S. 380 and its predecessors than any other legislative proposal in recent years. The people have been led to believe that if Congress would pass a bill providing that there should at all times be full employment for everybody in our country, that that objective could easily be obtained and made possible, merely by the waiving of a legislative wand expressing the hope in the form of a resolution or bill declaring a policy. A declaration of policy has no vitality unless implemented by law. The original bill does not assure full employment. The Senate bill does nothing of the kind. The House substitute is just like the other two in this respect. The people, however, have listened to propagandists who have adopted the slogan "the full employment bill." I am receiving mail from certain organizations asking me if I am opposed to full employment and indicating that anyone voting against the administration-endorsed bill is opposed to full employment of all of our people. Nothing is further from the truth. The measure now before us does not insure full employment. No bill has been introduced or considered by a committee or by Congress that would guarantee full employment at all times. The people have been fooled if they think otherwise.

All are agreed that there should always be as near full employment as possible in our country. To tell the people that the Government is going to furnish jobs, at fixed union wages, to everybody all the time, is to promise a financial and economic impossibility. I yield to none in the efforts I will make to assure legislation that will, in keeping with the American way of life, provide proper employment for those who are unemployed through no fault of their own.

I am opposed to socializing America and ruining the free enterprise system. We have done pretty well as far as we have gone. Our country is the envy of the world today, and it is sheer folly to



abandon what we have and try some communistic, or Fascist scheme that has never worked anywhere it has been tried. Yes, I am for full employment, but I am opposed to the method suggested by that group which evidently feels that there is no limit to our financial resources. I still cling to that philosophy which advocates self-help, rather than help yourself, the Federal Treasury is bottomless. There is still room for the words "economy, industry, and thrift" in the American vocabulary. Let us get down to earth, face facts as they are, and appreciate that the world and the Federal Treasury do not owe all of the people a like living regardless of personal endeavor and individual effort.

This bill is going to pass the House in some form. It will go to the Senate and then to the conference committee where the final bill will be written. Much depends upon the conferees. I not only hope, but believe that the House conferees will be men of such integrity, such courage, such ability and, last but not least, such tenacity that the position taken by the House will not be lightly abandoned and will be insisted upon. Compromise is a two-way street. Too often there appears to be an upper House and a lower House in the conference committee.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, we are here allegedly considering S. 380 under this resolution. In the beginning we had before us H. R. 2202. Now, what we really have before us is an abortion. No one knows exactly what is meant by the measure which was finally reported out of committee. I hold in my hand a book containing hearings entitled "The Full Employment Act of 1945." What a travesty. This book is almost the size of the Sears, Roebuck catalog, and I am sure it will not prove as useful.

This is all very confusing. The Rules Committee in its report says: "We have before us Senate bill 380." The book containing the committee hearings indicates that we are considering H. R. 2202. What are we considering? Who knows?

Those who were the most vocal and bitter opponents of the full employment bill are now the chief proponents of this misconception. I know Christmas time is approaching, and that it is in order to give presents, but I heard someone say, some time ago, "Beware of Greeks bearing gifts." This package is nicely wrapped with a beautiful ribbon around it, and all the other trimmings, but what do you have inside the package? A dud.

In discussing this bill today no one will have to get permission to speak out of order, because the whole thing is out of order, and it will be difficult to determine what the score is.

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

Mr. BENDER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Did not the gentleman offer an amendment to amend the title of the bill?

Mr. BENDER. Of course.

Mr. HOFFMAN. What was that?

Mr. BENDER. It is in the RECORD. Frankly, this is not a full-employment bill. This bill creates three jobs at \$15,000 a year and the only purpose of it is to save face for the administration. They wanted a bill; any kind of a bill. It is a collection of words, and as the gentleman from Ohio says, pious phrases that mean absolutely nothing.

Mr. PATRICK. Mr. Speaker, will the gentleman, for whom I have great admiration, yield?

Mr. BENDER. Yes; I yield to my good friend.

Mr. PATRICK. I want to ask the gentleman if the proposed law which carries his apprehension were to take the shape he feels it should take, whose face could it possibly save?

Mr. BENDER. The administration's. All we have here is the title "Full employment bill." And no more.

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

Mr. BENDER. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman has been a very valuable member of the committee. The gentleman has stated that this pending bill is an abortion, and charged bad faith, and the gentleman has also called this bill a fraud; is that not correct?

Mr. BENDER. That is absolutely correct.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. MCGREGOR].

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

Mr. MCGREGOR. Mr. Speaker, we are today considering S. 380 as amended—the so-called full employment bill. I am frankly disappointed that this bill does not give specific recommendations that will truly endeavor to solve the unemployment problem. In my opinion, this bill, as amended, is a conglomeration of words—or merely reading material—which will not give employment. I was hoping among other things the bill would give full recognition to the sad plight of the aged people who are seemingly the forgotten group of our Nation.

Recently, we passed legislation that granted a gift of over a billion dollars to citizens of foreign nations. Is it not time we considered the American people? We talk about giving our returning soldiers jobs. Where are these jobs going to be found if we continue to force our aged people to work in order that they may have the bare necessities of life? The younger groups must have jobs in order to again be established in civilian life. Is it not a better plan to permit our older people to retire in order to give their places to the younger class? Thousands upon thousands of our aged people are innocent victims of circumstances. Their savings are gone, due to conditions which were beyond their control.

I urge, Mr. Speaker, that we immediately take definite action to give recognition and assistance to our aged people in

this way give to our returning veterans the jobs to which they are justly entitled.

Mr. BROWN of Ohio. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I get no great satisfaction out of going through the motions of considering a bill all day today and probably tomorrow that is admittedly a gesture toward the problem that was posed to the committee here and on the Senate side. I quite appreciate that it offers only a brief statement of policy, a method of achieving an objective within the framework of the free-enterprise system, the creation and authorization of an economic report, a committee of economic advisers, and a joint committee to whom all this material must ultimately be referred. The bill is so loosely drawn that it occurred to me on examination it could have been compressed within two or three pages.

I expect on tomorrow to offer a substitute which may or may not commend itself to the good graces of the Members.

I agree with what the gentleman from Ohio said a moment ago that employment is the fruit of production, and that production, after all, is the result of an economic condition and an economic atmosphere that is conducive to production. This only scratches the surface. The substitute I propose to offer tomorrow would call for the creation of a Commission on National Inventory to consider not only the items that are presented in this bill but to consider, in fact, every item and every factor in our economy that will have some bearing upon it.

Unemployment is a result, not a cause. It is the result of the imperfect operation of our industrial machine or our farm economy. If our economic machine functions normally, we have no especial difficulty in this field. When it is out of gear, our problems become acute.

But what makes the economic machine break down? Scores of answers have been made to that question over the years. In the main, we do not have comprehensive knowledge of all the factors that are involved. After all, I believe we have to know just what the condition and the position of the country is.

Within 3 or 4 weeks, if you notice the newspapers, you will observe that all the stores will start holding what they call E. O. Y. sales, meaning "end of the year" sales. The purpose, of course, is to reduce their stocks and to prepare for the making of a new inventory. They must count the goods on the shelf and the cash in the bank, and ultimately render a report to the stockholders. The annual inventory and resulting balance sheet is in the nature of a picture of the business with its assets, liabilities, difficulties, and prospects. If that is good business for business, why is it not good business for the biggest business in the world—our Government?

It seems to me it is the responsibility of this Congress to report to the stockholders, known as the citizens of this Republic, so that they may know precisely where we stand. I think we ought to have an over-all picture. We ought to know something about balancing the Budget even though it is on a cyclical basis. I think we ought to have a clear



expression now of what our commitments and indebtedness are. Is there a single Member of this body or any other body that knows to what we are committed today? We have been freely authorizing such obligations as the Bretton Woods agreement, we have been freely authorizing and appropriating for UNRRA. We are going to have a loan proposal in here one day soon, and then in turn there will follow other suppliant countries for our largesse. The Committee on Appropriations after the first of the year will be grinding out enormous appropriations. It is a fair question to ask you, Is there anybody in this Congress, or in the whole country for that matter, who has an adequate idea of the inventory position of the United States?

Our national resources have been depleted. We have been taking copper out of the ground. We have been expending the fertility of our soil. We have been dissipating the iron-ore resources in the Mesabi and the Vermilion Ranges of northern Minnesota. Is there a single soul today who has any notion as to what an inventory of the United States of America would show?

Then, in addition, there is this whole question of credits. There are surpluses that are not moving as expeditiously as they should. It is only in proportion as we get a picture that we can set up incentives by way of appropriate and intelligent tax legislation, appropriations of money, the determination of an amortization program for our whole debt structure, the field of research, the utilization of the patents that our experts are bringing from Germany and elsewhere at the present time, and the development of new processes in industry.

All those I think are indispensable if we are going to take a look at this plant that we call the United States of America and then develop an atmosphere and out of that atmosphere get production which in turn becomes the source of employment.

Finally, it seems to me that this Congress could create one new agency that I would like to call the "Office for the Demobilization of Defeatism." If there is any indispensable ingredient in this whole economic picture it is the dispersion of the defeatist attitude that you find in a good many sections of the country that feel that the apple-seller days are coming back again. What a shameful confession to make on the part of a single intelligent citizen of a great Republic that has been untouched by the shells and the bombs and the destructive instrumentalities of World War II.

I have said so often when I hear people talking about defeatism that it reminds me of the man who went into a restaurant, got a napkin around his neck, and, when the waiter came, said, "What kind of soup have you?" The waiter said, "Ox tail." The man said, "Why go back that far?" It is about time that defeatism is demobilized in this land.

Now, Mr. Speaker, the substitute which I propose to offer is not revolutionary or startling.

I have tried to compress and simplify and to deal with unemployment as one problem in our national economy.

The Inventory Commission which it proposes, is independent, as distinguished from the Council of Economic Advisers in the pending bill. The bill places the council of three advisers in the office of the President. We now have a Budget Bureau in the office of the President, doing precisely that kind of advising, with a staff of 587 employees in Washington and in the field, which is exclusive of the 144 persons that were transferred to the Budget Bureau from the Office of War Information.

Its purpose is to do nothing more than look at this huge and complex industrial and agricultural plant, which we call the United States of America, see where it is, see what it has promised, see what its obligations are, what resources in men, money, machinery, and methods it has available to go ahead and then see what must be done within the structure of our free competitive enterprise system to make it go forward.

The language as I propose to offer it when the bill is read for amendment is as follows:

That (a) Congress hereby finds that—

(1) Recurring economic depressions, with the resulting poverty and unemployment, are not inevitable and unavoidable;

(2) The effective operation of the national economy depends upon the same factors and controls as those affecting all industry.

(3) Periodic, comprehensive inventories and accountings of the existing plant, together with intelligent appraisal, based on such inventories and accountings, of the potentialities for the immediate future are indispensable to the efficient and successful operation of any industrial enterprise;

(4) A periodic, comprehensive inventory by the United States of all of the facilities and conditions affecting the national economy is indispensable, not only to an intelligent appraisal of the potentialities of such economy for the immediate future but also to the efficient, stabilized operation of the national economy.

(b) It is hereby declared to be the policy of the United States, by making provision for such periodic national inventories and for appraisals based thereon, to determine the causes of economic depressions, with their resulting poverty and unemployment, to prevent them from recurring, and to stabilize the national economy at a high level of production and employment.

SEC. 2. (a) There is hereby created a commission, to be known as the "National Inventory Commission," which shall consist of 30 outstanding persons representative of industry, labor, agriculture, small business, finance, and the public, respectively, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of \$15,000 per annum. The Commission shall annually select a chairman and vice chairman from among its members.

(b) The Commission shall annually make a national inventory of the facilities and conditions affecting the national economy. Such inventory shall include, but shall not be limited to, inventory of—

(1) The natural resources of the United States;

(2) Financial commitments, both at home and abroad;

(3) Requirements for consumer and capital goods;

(4) The economic effects of cut-backs in war production;

(5) The problems of reconversion;

(6) State and local needs for highways, paving, schools, hospitals, and other public and community facilities;

(7) Backlogs of orders;

(8) The amount and distribution of savings;

(9) Foreign balances available for expenditure;

(10) The size, value, and productive potential of the industrial plant of the United States;

(11) The size, value, and productive potential of the farm plant of the United States, and the amount and distribution of indebtedness thereon;

(12) The size, value, and productive potential of small business;

(13) The housing requirements in the United States;

(14) The needs of veterans;

(15) Employment and unemployment, and its distribution by regions, States, and areas;

(16) Wage payments in the United States.

(c) The Commission shall, not later than January 1 of each year (beginning with the year 1947) submit the national inventory to the President, and shall append thereto such recommendations, within the framework of the free competitive enterprise system and with due regard for national solvency, as it deems advisable with respect to—

(1) Better functioning of the system of free competitive enterprise;

(2) Taxes;

(3) Cyclical balancing of the budget;

(4) Retention, abandonment, or modification of price controls, and rationing controls;

(5) Liquidation of emergency agencies of the Government;

(6) Cost of Government;

(7) Extension of social security;

(8) Administration of the public debt;

(9) Stimulation of risk capital;

(10) Revitalization of competition and removal of Government from competition with private business;

(11) Speculative accumulation of inventories;

(12) Reduction of building costs and stimulation of construction;

(13) Public works at the national, State, and local levels;

(14) Stimulation of invention and the development of new products;

(15) Utilization of foreign patents and processes to develop new enterprise;

(16) The use of Federal works programs not as relief but to stabilize and expand the construction industry;

(17) Stabilization of the national economy at a high level of production and employment.

(d) In carrying out the provisions of this act—

(1) The Commission is authorized to employ and fix the compensation of such specialists and other experts as may be necessary, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ such other officers and employees as may be necessary, and fix their compensation in accordance with the Classification Act of 1923, as amended;

(2) The Commission may conduct such hearings, investigations, and inquiries as it deems necessary;

(3) The Commission may constitute such advisory committees, and may consult with such representatives of industry, agriculture, labor, consumers, and other groups, as it deems advisable;

(4) The Commission shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies.

SEC. 3. As soon as practicable after receiving the national inventory from the Commission, the President shall transmit such inventory (including the recommendations made by the Commission) to the Congress, together with his own recommendations with



respect thereto. The national inventory and the President's recommendations, when transmitted to the Congress, shall be referred to the Joint Committee on the National Inventory (created by sec. 4).

SEC. 4. (a) There is hereby established a joint committee of the Senate and House of Representatives, which shall be known as the Joint Committee on the National Inventory (in this section called the joint committee), and which shall be composed of the chairman and ranking majority party member, and the two ranking minority party members of the Senate and House Committees on Appropriations, of the Senate Committee on Finance, of the House Committee on Ways and Means, and three other Members of the Senate to be appointed by the President of the Senate, and three other Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee—

(1) To make a continuing study of matters relating to the national inventory; and

(2) As a guide to the several committees of Congress dealing with legislation relating to the national inventory, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in connection with the national inventory, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize, the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

(e) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman, and shall not exceed \$100,000 for each fiscal year.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. OUTLAND].

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

Mr. OUTLAND. Mr. Speaker, I had not intended to ask for time on the rule today. I do so in order that I may ask a question or two of the gentleman who preceded me, the gentleman from Illinois [Mr. DIRKSEN]. I listened with considerable interest, as I always do, to the

statement of the gentleman from Illinois, especially when he stated that tomorrow he is going to offer a substitute, one which will be a bill providing for the taking of an inventory, an economic inventory, if I understood correctly. I should like to ask the gentleman the following question:

How does his program for taking inventory differ from the national and employment budget as reported in the original Senate bill? It seems to me that that budget would do everything desired by my friend from Illinois.

Mr. DIRKSEN. I will say to the gentleman from California that it would include a great many factors that are not even alluded to in the present bill or any other bill I have seen on the subject.

Mr. OUTLAND. The gentleman refers to such points as taxation in his statement. If he will turn to page 3 of the bill he will find other items there.

Mr. DIRKSEN. That is only one item.

Mr. OUTLAND. I was going to mention the other items for the gentleman's information.

Mr. DIRKSEN. That is fine. I would like to have them.

Mr. OUTLAND. The other items are taxation; banking, credit, and currency; monopoly and monopolistic practices; wages, hours, and working conditions; foreign trade and investment; agriculture; education; housing; social security; natural resources; the provision of public services, works, and research; and other revenue, investment, expenditure, service, or regulatory activities of the Federal Government.

Does the gentleman's bill include more than that?

Mr. DIRKSEN. Oh, infinitely more, I should say.

Mr. OUTLAND. I shall listen to it then with considerable interest. It would seem to me that this list is fairly comprehensive.

Mr. DIRKSEN. Yes, indeed.

Mr. OUTLAND. In my opinion and in the judgment of those of us who were co-sponsoring the original full employment bill, there were two basic things of value. The second of them was the machinery established. The first was policy. That policy was essentially in two parts: First, that every man and woman in America seeking work and able to work had the right to an opportunity for a job; secondly, that after every possible effort had been made by private industry to provide such employment, then in the last analysis, and in the last analysis only, the Federal Government had the responsibility of seeing that such opportunities were present. Does the substitute which the gentleman is going to offer include a statement of policy?

Mr. DIRKSEN. Well, in a way, yes; it contains a bit of a preamble.

Mr. OUTLAND. How much of a "bit of a preamble?"

Mr. DIRKSEN. Well, not too much. I think it is all compressed in about one paragraph.

Mr. OUTLAND. Does it state the right of job opportunity for the American people?

Mr. DIRKSEN. No; it is approached from a different angle, because I think that is only part of our whole economy,

Mr. OUTLAND. I agree with the gentleman, but it is an absolutely essential part. Referring now to the second point, does it take anything up so far as Government responsibility after and only after private industry has not provided such a job opportunity?

Mr. DIRKSEN. No; it does not. If the gentleman will indulge me an observation at this point, I think it is all-important whether or not we talk about employment first or whether we talk about production first. Jobs, after all, spring from production. In proportion as you develop the incentives for production, it occurs to me that the problem pretty well takes care of itself. Then, if within the framework of the free-enterprise system, we fail, then obviously we will do the thing we have done in every generation of the country's history, namely, supplement it with some kind of constructive public-works proposal on the Federal, State, and local levels.

Mr. OUTLAND. I thank the gentleman for that observation. I would say this, it is true in the recurring depressions in American history there has always come a time when there has been a necessity for some type of public works. The trouble is that in the past we have waited until the last minute and we have not planned in advance. Then we have had what the people have referred to as "boondoggling" or something similar because in advance there has not been sufficient planning as to what the responsibility of the Government is. We have waited until the catastrophe was upon us.

Mr. DIRKSEN. Will the gentleman yield at that point?

Mr. OUTLAND. I yield gladly.

Mr. DIRKSEN. I do not believe it can be said that the Congress has at any time been derelict in its devotion to public works. On examination, for instance, of bills that come from the Committee on Appropriations, notably that on independent offices and the deficiency appropriations, they show we have provided money for advanced planning and we have tried to keep it on a constructive basis.

Mr. OUTLAND. May I interrupt the gentleman at that point?

Mr. DIRKSEN. We have never wanted to plan the complete economy of the country. Therein lies the great difficulty.

Mr. OUTLAND. Yet, was it not true that at the one time when we did have an over-all planning body, the National Resources and Planning Board, the gentleman from Illinois helped lead the fight to abolish it?

Mr. DIRKSEN. Will the gentleman indulge me at that point?

Mr. OUTLAND. Gladly.

Mr. DIRKSEN. Frankly, I took considerable pride in bringing about the final dissolution of the Economic Resources Planning Board. The reason was that they were setting up so many tenuous and academic plans that went into every field of public works, many of which were not the proper province of the Federal Government. Since that was the personality that was reflected in the reports which came from that body, there was no choice, in my judgment, in the interest



of the solvency of the country, except to abolish the Planning Board.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, I yield one more minute to the gentleman from California.

Mr. OUTLAND. May I ask the gentleman this question? In case the program that he is going to advocate in his substitute bill tomorrow should prevail, would there not be a great deal that could be done by just such a planning board?

Mr. DIRKSEN. I do not minimize the fact that a planning board could have done a lot of good. But the point is, precisely where does it stop? If the gentleman took the trouble to examine the stack of volumes bound in gloss paper which is nearly that high, he would apprehend what I have in mind.

Mr. OUTLAND. I have read every volume of their reports. To me it represented the finest and most comprehensive program of democratic planning ever attempted in this country.

Mr. DIRKSEN. If the gentleman took the trouble to examine the volumes emanating from that body, he would realize the ultimate end would, of course, be the complete regimentation, in my judgment, of almost every function in the country and the ultimate dissolution of the private-enterprise system.

Mr. OUTLAND. Of course, I disagree with that particular point. May I ask if the gentleman is going to introduce a substitute bill to recognize employment and not only production? He says employment comes later. It seems they go together and that neither comes first. But when we discuss unemployment we are discussing human suffering. I for one want to go on record as anxious to prevent such suffering to the greatest extent possible. The original full employment bill was one long step in that direction—the committee substitute definitely is not.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

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

Mr. HOLIFIELD. Mr. Speaker, I had not planned on speaking on this matter, but I have been very much interested in the different remarks made this morning. I think it is well that we should look into this thing calmly. I can remember the depression that occurred between the years 1928 and 1932. I happened to be in the wholesale and retail business at that time. I could not sell my wares in my stores because the people did not have the money with which to buy.

I can go back farther. The gentleman from Ohio [Mr. BROWN] spoke of a balanced budget. I was also in business at that time. We had practically a balanced budget back in the early twenties, particularly in the latter part of the twenties, but that did not solve the problem either of full employment or full production. We had a wonderful demonstration during the war of the ability of the businessmen of this Nation, the workers and agriculturalists of this Nation to double our production. We

stepped up from possibly eighty billion to a one-hundred-and-fifty- or one-hundred-and-sixty-billion-dollar production and we had almost full employment during that time.

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

Mr. HOLIFIELD. I yield.

Mr. RICH. And the gentleman knows that the employer there was the Federal Government.

Mr. HOLIFIELD. I realize that.

Mr. RICH. It was the Federal Government which was spending the money for all the things that industry was creating, and look at the great deficit we have. How long can you continue that?

Mr. HOLIFIELD. I realize that, and I am not advocating at this time tremendous deficit financing. I say it is up to the businessmen, the laboring men, and the farmers of America to maintain full production. That means full employment. There is no reason why the people of America who want jobs should not have jobs. If our present system of operation, which is a planless system, and which has failed time and time again as our cycles of depression prove, if that fails to bring together the raw products, the machines and the men, we have got to plan a way out. I am not afraid of the word "planning." Planning has to be done or we will have a condition in this country like the nations in Europe who did not have any plans and who went into their cycles of depression, and fascism reared its ugly head. Many of us are very serious about this thing. We would like to see something done, and done within the scope of free enterprise.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SABATH. Mr. Speaker, this gives me a real opportunity to bring home some facts to the membership, especially to those gentlemen who have previously addressed the House.

The gentleman from Ohio [Mr. BROWN] and others would seem to think that we should do nothing; that this bill will not accomplish anything. That reminds me of 1929, 1930, 1931, and 1932, when we all recognized the danger that the country was faced with, when stocks started going down on the stock exchange, and efforts were made to close that gambling institution for 3 or 4 months so that people, whose stocks were posted as collateral, would not become bankrupt, and that the country would not be ruined.

I think there are some Members present who will remember a bill I introduced in 1931.

I introduced the Reconstruction Finance Corporation bill. I did not designate it "Reconstruction" because I did not want to offend the sensibilities of the Republicans; that is never my desire. Nevertheless, later on it became the Reconstruction Finance Corporation bill. At the time I advocated that bill to create such a corporation to help small business, and business in general, some of the Members on this side and especially the Assistant Secretary of the Treasury, Mr. Mills, thought the bill would not work. Finally, we did reach the point where a bill was considered. There was a great deal of criticism. I concede, of course, that the bill did not accomplish

what I aimed, to save the small people of the country from ruin, but had at that time President Hoover and the Republican Party taken advice from a Democrat and adopted the bill in 1931 instead of waiting until the election year of 1932—and I am giving you this in confidence—because Mr. Mills thought it would help the Republican Presidential campaign, things might have been very different. I warned them at the time that the country was fast approaching a crisis and to delay its passage would bring about bankruptcy and ruin to the Nation—the crash that everyone must remember. I pleaded that the Congress pass the bill before it was too late, to no avail. It was finally enacted in 1932. President Hoover vetoed it on the pretense that it would provide loans only to municipalities for self-liquidating projects. Unfortunately, the bill later did pass with certain amendments and only the railroads, insurance companies, and banks were aided; but the main group of people I aimed to help, the businessmen of this Nation, the small manufacturers and merchants, to obtain loans, were not aided.

The same thing applies to this bill. The purpose of this bill is to help the people and not industry as some gentlemen would like to have as its purpose. In view of that I believe we should learn by experience and although the bill may not be perfect, and I do not think it is, it is not a bill that I would recommend; but the President being misinformed as to eight or ten million people being thrown out of employment recommended this legislation in the interest of American labor and in the interest of our country. There is, however, no such danger of unemployment, if anything, as I have stated, there is a shortage of labor; consequently we do not have to go as far as he felt we should go. It really shows, however, that he has the interest of the country and the wage earner at heart.

Mr. Speaker, if the bill does not accomplish all that the President intended, it can be amended when it is taken up under the 5-minute rule. In conclusion let me again say to the President and to the membership that I do not fear any great unemployment and that the scare thereto was artificially created. Actually there will not be undue unemployment but the shortage of labor will continue as many of the industries ceased to operate some months ago, because, as they themselves stated, they made enough money during the year of 1945 and did not wish to pay increased income taxes as they would be obliged to pay if they continued to increase their production. The same situation applied to many businesses that made large profits during the year. They are aware that income taxes and excess-profits taxes will not be as great in 1946 and, therefore, it is but natural to assume that they will reopen, expand, and increase their business which will require additional labor. I repeat, Mr. Speaker, that the fears expressed concerning unemployment should cease.

Mr. Speaker, I move the previous question on the resolution.



The previous question was ordered.  
The resolution was agreed to.

#### GENERAL LEAVE TO EXTEND ON THE BILL

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members who speak in the Committee of the Whole today on the bill may have permission to revise and extend their remarks and include charts, newspaper articles, and other pertinent matter.

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

There was no objection.

#### EMPLOYMENT-PRODUCTION ACT

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 380), to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 380, the Employment-Production Act, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MANASCO. Mr. Chairman, I yield myself 15 minutes.

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

Mr. MANASCO. I yield to the gentleman from Pennsylvania.

Mr. RICH. Mr. Chairman, as a member of the Committee on Expenditures in the Executive Departments, may I say that the chairman of that committee who now has the floor and is about to speak has been most active, most energetic, honest, and careful in his dealings with the members of the committee. This committee has held hearings for several months on the pending bill. I beseech for the gentleman from Alabama [Mr. MANASCO], our chairman, the courtesy that is due a Member of the House of Representatives; he has been one of the best chairmen it has been my privilege to serve under.

Mr. MANASCO. I thank the gentleman.

Mr. Chairman, the Committee on Expenditures in the Executive Departments has held extensive and exhaustive hearings on the so-called full employment bill. We started hearings on September 25 on H. R. 2202. About a week later a bill was referred to our committee that passed the Senate, S. 380, the bill which we are considering today. A member of our committee, the gentleman from Indiana [Mr. LAFOLLETTE], introduced another bill, the number of which, I believe is H. R. 4181, on the same subject.

When we started hearings with reference to this matter there was quite a lot of pressure brought to bear to report a bill out immediately. Our committee—and the record will show this—made

every effort to get members of the Cabinet to appear before the committee and express their views. For reasons beyond their control they could not appear when we first started hearings. The first witnesses appearing before the committee were the authors and sponsors of the bills; then there was the Director of the Budget.

There is quite a division of opinion in our country as to the advisability of passing the so-called full employment bill. We felt that those people in the country who opposed the present bill, S. 380, and who opposed H. R. 2202, should be given an opportunity to be heard by permitting those people to appear before our committee. Of course, there were a lot of people who wanted us to go ahead and not hear anyone, just report the bill out. But many of us on the committee had fears as to what might result to our system of Government if the bills in their original form became law.

The bills in and of themselves are not dangerous; but the implementing legislation that would follow in order to assure every man in the United States a job is what many of us fear. We realized, as does everyone in this country, that every American who desires to work should have a job; but there is a difference of opinion as to how that job should be provided.

Mr. Chairman, there are many countries in the world today that have full employment. I think it would be interesting for the Members of Congress to make an investigation as to the condition of laboring men in a country like China, which has full employment, and Java. Many of the Asiatic countries have full employment. Anyone who has ever visited those countries or who has read about those countries would agree, I think, that the wages paid those people and the amount of goods and wares produced per man-hour cannot compare with the results produced by even the lowest paid physically handicapped worker in the United States.

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

Mr. MANASCO. I prefer to make a few remarks before I yield.

Those countries have full employment. The war period in this country has been cited as a period of full employment. Let us examine the facts. We had over 12,000,000 men in the armed forces who were taken out of the productive field. Those were the most able-bodied men in the United States. So I am wondering if we could fairly consider even our war period, when we had wives of war veterans, people beyond the retirement age, and children working in war industry—a full-employment period. Assuming that it was a period of full employment, how was it given? It was given by taxing the American people higher than they have ever been taxed before, and by borrowing over \$200,000,000,000, much of it from unborn generations. Of course, some people are not worried about paying that debt. We can pay the debt very easily by inflation. But I, for one, hope that every American who has been induced to loan his money to enable us to bring this war to a successful conclusion will get dollar for dollar value

for every dime he has invested, and I think we owe it to those people, and unborn generations of our country. Of course, you can give full employment by tax dollars or by borrowing money, but when the Federal Government borrows money or when it taxes people you are taking money that would ordinarily be used by private investors to give jobs to our people. We have had estimates, and you have seen them in the press, that by next year we will have between six and ten million people out of work. Of course, there is always a number of people out of employment who are changing jobs. We have seasonal employment in this country, and if you did not have some seasonal employment many of you would not eat. You have seasonal employment on the farms, in agriculture, and in the canning industry.

Mr. KNUTSON. And fishing.

Mr. MANASCO. Fishing, and many other industries. Without seasonal employment there would be no eating. I am wondering what would be the result if we undertook to guarantee 8,000,000 people a job next year out of the Federal Treasury. Under the provisions of both original bills the Federal works that would be performed under those bills must be done by private contractors, under existing law. I believe under the Walsh-Healy Act those workers must all be paid the prevailing wage. Let us assume that 8,000,000 people would be out of work next year; that they cannot get work in private employment or self-employment. Let us assume that the very barest minimum that many witnesses who appeared before our committee stated would be a decent living wage would be \$2,000. That would take \$16,000,000,000 out of Federal funds to give those people employment, and unless you give them useful employment that would be \$16,000,000,000 thrown away. You can give a man employment by counting trees, but if we give employment on Federal projects we want some worth-while Federal projects; projects that will increase our national wealth. If we give them jobs on worth-while projects, I have seen cost figures varying anywhere from \$1.46 to \$1.75 per person per dollar invested for labor, that is required to give jobs on public-works projects. Let us assume that it is a dollar. That would be another \$16,000,000,000 we would have to get up somewhere. I do not believe the people of this country are going to continue to loan their dollars to this Government with the same patriotic fervor they have been loaning it during the war period to give jobs to people.

We have certain commitments in this country that we just cannot overlook. We are obligated to pay compensation to men who gave parts of their bodies or their minds, and to the dependents of those who gave their lives to win this war. That is the highest obligation our country owes. It comes before the interest on the public debt. We owe to the men who come back to this country wounded in mind and body hospitalization, medical attention, and also worth-while job opportunities, and not leaf-raking jobs.



This is all based on the value of the dollar today. If you inflate the dollar and make it worthless, the compensation these boys will be paid will be worthless. We must keep that in mind. Unless we work out some sliding scale for our compensation we have to continue to have a dollar worth what it is now, and any of us knows it is worth much less than it was 4 years ago. But we cannot afford to let the value of that dollar be reduced.

If we recognize that obligation, the estimates show that it will take in the present dollar between \$3,000,000,000 and \$5,000,000,000 to carry out our present commitments. Unless we are foolish enough to stick our heads in the sand, it will take between \$8,000,000,000 and \$10,000,000,000 a year for national defense. It will take a little over \$6,000,000,000 a year to pay the interest on the national debt, interest that will go to help many people get by in their old age, interest that will be plowed back into loans to give other people jobs. And we have other Federal commitments. We are committing ourselves daily to public-works programs. It has been charged that Congress has not planned. I think that is an unfair statement. Every year we have had public works appropriation bills. We have just finished considering an appropriation bill to provide public works for jobs, for useful jobs. We have passed legislation creating the Export-Import Bank, to enable foreign purchasers to purchase American-made goods and give jobs in our system of free enterprise. We are discussing now loans to other countries. Some say they will be used to give jobs to Americans in producing goods for export. That is a debatable question, and I will not enter into it.

All our commitments, the lowest estimate I have seen, will amount to around \$24,000,000,000 a year out of the Federal Treasury. I am just wondering if we had not better be a little careful about coming out with some of these proposals.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MANASCO. Mr. Chairman, I yield myself 10 additional minutes.

Some of the witnesses appeared before our committee and stated that these bills did not guarantee every American a job. I want to read paragraph (e) of section 2 on page 3 of H. R. 2202, a bill commonly known as the Patman bill. It reads as follows:

To the extent that continuing full employment cannot otherwise be achieved, it is a further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment.

Witnesses who have appeared in behalf of the bill say that does not mean what it says. They say it did not mean to guarantee everybody a job. I want to read to you from the hearings before the Subcommittee on Banking and Currency on the bill S. 380, a statement made by one of the witnesses, Mr. Wolf, of the National Lawyers' Guild, on page 812 of the Senate hearings, and let you see what he thought this meant. Quoting from Mr. Wolf:

The dictionary defines "assure" as follows: "to make sure or certain, to inspire confidence by a declaration or promise."

This later gives us a real clue to the real basis for the objection. The promise by Congress for job opportunities will inspire confidence to the people of the country. They will rely on the assurance of their Government and they will expect those promises to be effectively implemented.

The word "implemented" is one of the words that scared me.

Continuing on page 812:

Those who are sincere in their desire for the achievement of a goal of full employment will have no reluctance about creating such expectations. They do not balk at the word "assure." Those who do object and who do balk do so because they are opposed to the whole concept of Government responsibility for full employment. They realize then there may be no legal redress against the Government if it fails in its promises if after this bill becomes law no legislative steps are taken to give effect to its declaration. Nevertheless, the American people will have redress at the polls in their orderly, powerful, and democratic way. A promise is a commitment and the public relies on its legislators to honor their commitments.

In the hearings on H. R. 2202, this question was asked many witnesses, but I just happened to pick this one out because he was a very fine witness representing a great labor organization, Mr. Hines, of the American Federation of Labor. I will say that he certainly did present his side of the case about as well as any of the proponents of either bill. This question was asked Mr. Hines on page 403 of the House hearings:

But after the President transmits the Budget, under the provisions of either one of these bills under consideration, it is still necessary for legislative committees to pass legislative authorizations for appropriations for specific projects and then it is still necessary for the appropriation committee and the Congress to make appropriations the same as we do now.

Mr. Hines answered that question as follows:

No; there is a difference, Congressman, between the Appropriations Committee under this or anticipated under this and the conditions at the present time. You would be under obligation in accordance with this bill to carry out the intent and the purpose of the bill, that is, it requires the President to make recommendations and requires the appropriations as necessary and recommended by the President to relieve unemployment.

In other words, he thought it was a commitment on the part of Congress and if we were to fulfill that commitment we would be forced to give 8,000,000 jobs.

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

Mr. MANASCO. I yield.

Mr. HENRY. Does the distinguished chairman of our committee agree with me that the plain and obvious meaning of paragraph (e), on page 3, of H. R. 2202 is an absolute, unlimited pledge on the part of the Federal Government to make expenditures and investments to such an extent as to guarantee full employment?

Mr. MANASCO. According to the witnesses who appeared before the committee, that is their opinion. I have just read their testimony. We will be held responsible if we do not carry out that commitment.

Mr. HENRY. Will the gentleman agree with me that the United States

Treasury is not equipped to make such an unlimited pledge?

Mr. MANASCO. I do not see how we could, when we owe around \$263,000,000,000.

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

Mr. MANASCO. I yield.

Mr. PATRICK. We want to get the position of those who are in opposition to this bill as quickly as we can. There are apparently two schools of thought. One theory is that it is absolutely milk sop and does nothing. So, we were cocked and primed for that. Now we come to the opposite proposition, that it does entirely too much and falls overboard on the other side. So we are at a loss to know which horn of the dilemma we are expected to meet. For once in my life I have labored with the hearings of a committee.

Mr. MANASCO. I believe you will agree that the proponents of the bill really mean that.

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

Mr. MANASCO. I yield.

Mr. HOLIFIELD. Not from the standpoint of argument or controversy, but in all seriousness, does the gentleman think we can meet a \$24,000,000,000 budget out of a \$60,000,000,000 or \$70,000,000,000 income per year?

Mr. MANASCO. I certainly do not.

Mr. HOLIFIELD. In other words, if we go back to the level of total production in this country, which was from \$40,000,000,000 up to possibly \$80,000,000,000, can we subtract this great increasing amount of taxes from that?

Mr. MANASCO. That is exactly the reason I say that unless you reduce the value of the dollar to where it amounts to nothing, you cannot afford to assure every American a job out of the Federal Treasury.

Mr. HOLIFIELD. I am not talking about that right now. I am asking this other question, if the gentleman will yield further. During this war I think we have subtracted about forty or fifty billion per year in taxes, but we have subtracted it out of a much larger total economy. In order to meet those obligations, which I think we all want to meet, is it not going to be necessary to operate our economy at around one hundred and twenty or one hundred and thirty billion, some amount above a hundred billion, in order to take out that amount of taxes and still leave in the hands of the people enough money to maintain the average standard of living?

Mr. MANASCO. Of course, we have been paying taxes of forty-five or fifty billion out of money we have borrowed from children who are not now living, unborn children.

Mr. HOLIFIELD. I realize that; but we still have to maintain a higher level of employment and a higher level of production than we did before the war in order to meet the taxes.

Mr. MANASCO. We certainly must. I think it can be done under our system of free enterprise. If our private enterprise system has been a failure, and the passage of either one of the original bills is an admission on the part of the Congress that our system has been a failure,



I cannot understand for the life of me how every country is coming to our door trying to borrow money that we have to borrow from unborn generations. I cannot understand why those successful systems—if they are successful—would not be coming to the National Capital today trying to loan us money.

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

Mr. MANASCO. I yield.

Mr. KNUTSON. The gentleman from California [Mr. HOLFIELD] mentions the possibility of a \$75,000,000,000 national income. National incomes increase and decrease in proportion to our prosperity. We cannot be prosperous if our people are being ground between the upper and nether millstones of taxes. If I understand the gentleman, he thinks we can work up an economy of prosperity in this country by taking in each other's washing. I do not believe it can be done.

Mr. MANASCO. Some of the witnesses who appeared before our committee stated that the main purpose was to create purchasing power. You can go down to the Bureau of Engraving and Printing today and print \$24,000,000,000 worth of money to purchase goods, but somebody has got to produce the goods.

Mr. KNUTSON. We have got to have created wealth.

Mr. MANASCO. Absolutely.

Mr. KNUTSON. Created wealth that comes from creative toil.

Mr. MANASCO. And I say you cannot have creative useful employment by putting people to counting trees.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MANASCO. Mr. Chairman, I yield myself five additional minutes.

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

Mr. MANASCO. I yield.

Mr. KNUTSON. I wish to take this occasion to compliment the chairman of this committee, the gentleman from Alabama, who has done a fine job.

The other body passed a bill that was perfectly cockeyed. It is surprising that anyone on the floor of the House should be for it; unfortunately there are. The gentleman from Alabama has pared it down to where it is at least respectable if innocuous.

Mr. PATRICK. Mr. Chairman, will the gentleman yield? I want to make a statement in reply to the gentleman from Minnesota.

Mr. MANASCO. I will yield in just a minute. I want to make one further statement, and I do not believe anyone can truthfully contradict it. The President of the United States under the original bill, S. 380, or under the provisions of the bill H. R. 2202, can do nothing more than he can do right now under our Constitution except assure jobs and create a joint committee. I believe no one can contradict that statement. He can submit a budget any day he wants to, he can transmit a message to the Congress any day he wants to under our Constitution.

In transmitting a message on the original bill the President had to look into a crystal ball. He states that 8,000,000 people would be unemployed in November

of next year and asked what Congress was doing about it. He looked into an almanac and said that crops were going to be infested with bugs in the summer of next year and we have got to do something to relieve the farmers.

A budget message would have had to be made up around September of this year to be transmitted to the Congress in January of next year for the fiscal year beginning July 1, 1946; and I do not believe any President of the United States would risk what might follow if he made a failure in his statement.

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

Mr. MANASCO. I yield.

Mr. PATRICK. Are we going to accomplish anything that we pledge? The Republican Party made this as a part of its platform, so did the Democratic Party. Now, the President is elected and he asks for it as a part of the policy of the Government. If the Republicans had elected their candidate he would no doubt be doing the same thing.

I say that whenever we commence to try to accomplish the thing we promised the people and the party that gets elected and its leader asks for it, we find the statement made that it is innocuous, but they oppose it, or they say it goes too far and they oppose it. How are we going to get the confidence of the people if we do not carry out the promises we make to them?

Mr. MANASCO. I challenge any fair-minded man to read the platforms of both political parties for the last 40 years and say anything but that if we had put into effect everything they promised to the American people, the country would have been destroyed long ago.

I think we have got to use some common sense.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield.

Mr. ROBSION of Kentucky. Constant reference has been made to the large national income, and the gentleman has pointed out that it has been due largely to exorbitant taxes and borrowed money. Does it not finally come down to this: Can we bring about prosperity in this country by taxing and borrowing? Or can we tax and borrow and spend ourselves into prosperity? Can it be done?

Mr. MANASCO. If you will read the hearings you will find charts placed there by the proponents of the original bill which show that through the thirties the Federal Government spent billions of dollars to prime the pump, but in 1939 there were still 9,000,000 Americans unemployed. I think that is very interesting.

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

Mr. MANASCO. I yield.

Mr. OUTLAND. I wish to make one observation, then ask the gentleman a question. The gentleman made the statement that the promises made by the political parties, both Democrat and Republican, had not been lived up to. That seems to me to be a very serious statement. If when election time comes around the people of America cannot

rely upon the promises of their two parties, then I think the republican system of government is in danger.

Mr. MANASCO. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, in reply to the gentleman, may I say that the American people are not as easily fooled, as a lot of people think, by campaign platforms. They usually take the platform with a grain of salt and expect their elected Representatives to use their best judgment in passing legislation to implement the program.

Mr. OUTLAND. The gentleman stated something about the machinery that is established and the fact that under the bill the President could do practically everything already. The question I am going to ask is one similar to what I asked the gentleman from Illinois [Mr. DIRKSEN] a few moments ago, namely, that while there is a certain amount of machinery in the committee substitute, the declaration of policy has almost entirely changed. It seems to me that part of the strength of the original bill lay in that declaration of policy which stated the right of job opportunity for all Americans able and willing to work and the responsibility of the Government for meeting that opportunity when private industry, and only after private industry had not done so. I wish the gentleman would comment on that.

Mr. MANASCO. I may say that you cannot do it under our system of free, competitive enterprise. Now, it can be done, of course. I have been criticized a great deal, but I am going to read something to you. I think we should just look at the history of some of this legislation. It might be interesting to read what happened in France in 1848, I believe it was, when the Second French Republic undertook to guarantee everybody full employment. The farmers started to come in and work on these projects, because it is a lot easier to work for the government than it is to work out in the sun, the rain, and so forth.

I want to read to you from the Constitution of the U. S. S. R. I am not throwing off on the Soviet people now. If they want communism, I am in favor of their having it. I want them to have the kind of government they want, but I do not want them telling us what kind of government we should have.

This is a section entitled "Fundamental Rights and Duties of Citizens," article 118, which reads as follows:

Citizens of the U. S. S. R. have the right to work; that is, are guaranteed the right to employment and payment for their work in accordance with its quantity and quality.

They are a little smarter than we are. We do not make any reference in our bills to either quantity or quality. All you have to do is to go out on a leaf-raking job.

I want to read another interesting article from this. Article 12 of that same constitution reads as follows:

In the U. S. S. R. work is a duty and a matter of honor for every able-bodied citizen in accordance with the principle: "He who does not work, neither shall he eat."



So that they take care of folks who go out and lean on shovels. We do not do that under our system and I want to see our system continued.

The American people are not going to stand by and let anyone starve to death.

You had full employment in Germany under the Nazi regime. Many of the Members of Congress, many of the members of the armed forces who are now in the galleries, went into the concentration camps and saw what happened to those people over there who had the courage to object to any of the ideologies of Adolf Hitler. I do not want to see that come to our country.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from California.

Mr. VOORHIS of California. Would not the gentleman agree with me that one of the primary reasons for the rise of Hitler to power was widespread unemployment in Germany?

Mr. MANASCO. I have read that in certain publications, but if that is true, the German people that we are ruling over today in our effort to convince them that nazism was wrong, would be over here in our country just like certain other groups are in here. I do not think that you can defend nazism in any way, although I did hear a boy who was a prisoner of war for 13 months say that when Hitler first started out he did a lot for his people. When you do a lot for your people they want more, more, and more, and in giving them more you have to give up your liberties. I am wondering if our liberty is not a little more precious than giving it up for more security.

Mr. Chairman, I have not had an opportunity to discuss the provisions of the bill that has been reported and that has been criticized so much. I know that this bill will be fully discussed later on.

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

Mr. MANASCO. I yield for just one little question.

Mr. HOLIFIELD. I want to point out to the gentleman that he has obtained quite a bit of applause on that side of the aisle, but he will find his votes for his bill, which I intend to support, on this side of the aisle.

Mr. MANASCO. I do not care where the applause comes from, so long as it is American applause. I have been condemned by every left-wing organization in the United States. Some of the most scurrilous attacks that have ever been made on anybody have been made on me. Yet I do not budge. I am still for a free America and I am going to continue to vote for a free America as long as I am a Member of Congress.

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

Mr. MANASCO. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Pause for station identification. I want to call the gentleman's attention to the fact that just two Members on that side applauded.

Mr. MANASCO. Of course, I am not looking for applause. I am not looking for any approval of my position. My position is honest. I know many men who are supporting this original bill are

honest in their opinion, just like I know there are millions and millions of people in this country who are honestly supporting different political parties from the party that I support. Every man in America is entitled to his own opinion. That is the reason I like this country. If I had lived in Nazi Germany and did not believe in the ideologies of Adolf Hitler, I would be placed in a concentration camp. I hope that situation will never happen in this country.

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

Mr. MANASCO. I yield.

Mr. SAVAGE. I wonder if the gentleman does not believe that we can have a high standard of living and full employment and still maintain a free America. The gentleman is talking about Germany and Russia.

Mr. MANASCO. I know what the gentleman's argument is. I have read every one of the arguments for the bill that have been made available to me. But it was human nature even in the WPA days to want to work for the Government. I saw farmers in my country quit their farms and go to work on WPA projects for \$36 a month. Why? Because they did not have to work hard for \$36. They worked about 3 days a week, and they did not have to work much in those 3 days. Not all Americans like to work like you do. I am one who does not like to work hard, and if I had some easygoing job from now on I might not be out here, and a lot of my neighbors would not be planting peas and beans to feed you.

Mr. HOLIFIELD. Even before the heyday of WPA in Alabama, how much did the workers, the farmers, get a day down there?

Mr. MANASCO. They did not get much. I have heard a lot of these people beating their chests for the under dog and the under privileged. I want to say something about that. I think I know as much about the under dog and the under privileged as any man in this House. I was born the son of a tenant farmer who had pellagra, and anybody knows that a man who has pellagra has it because of deficiency in his diet. My father lay flat on his back and my mother was keeping boarders to feed five hungry mouths, and yet I am accused of being a tool of Wall Street when I get up and protect a system that made it possible for a son of a tenant farmer to be a Member of Congress. I know something about work. I had a broken shoulder and a right eye that was injured in a coal mine while trying to work my way through school. I know something about being a union man. I have been on strike, and I am in favor of the right of American workers to strike. The only time I was fired in my life was for failure to break a union condition. If I had it to do over again today I would be fired again. I know something about the under privileged. I live in a house today that many of you men would consider a substandard house, and I am not ashamed of it. I am not ashamed of my background. I want the background of our American children improved; certainly I do. But I want it improved under a system that has made it possible for me and made it possible for some of

you, I am sure, to come from the humblest American homes and be Members of this great, free legislative body.

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

Mr. MANASCO. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. May I ask this question of the gentleman, for whom I have the greatest admiration. Could he not see the secret pleasure on the faces of his side, even though they did not applaud? I often see it when I am speaking.

Mr. MANASCO. I did not worry about the applauding. I did not mean to discuss a lot of matters here. I wanted to discuss the bill.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I rise in opposition to the pending bill, S. 380, reported with amendments by the Committee on Expenditures in the Executive Departments, of which I am privileged to serve. My views, and those of three of my colleagues on the committee, with respect to this particular bill are briefly set forth in the minority report. I should like here to reemphasize the basis for my opposition to the committee bill, as expressed in the minority report, and to outline my individual views on the underlying theory of government that gave birth to this proposed legislation.

The pending bill is our committee's recommendation, after rather extensive hearings and extended executive sessions, on proposed legislation purporting to represent a full employment program. The committee courageously rejected the theory of the Senate bill and the two companion House bills, H. R. 2202 and H. R. 4181, which theory would, as stated in the committee report, destroy the system which has made this Nation strong and great—the system of free competitive enterprise, under which the highest standard of living in history has been attained. In comparison with the legislation sponsored by the administration, the pending bill is indeed innocuous but, nonetheless, quite useless.

Last Friday the distinguished gentleman from California [Mr. OUTLAND] spoke somewhat at length in behalf of so-called full employment legislation. The burden of his remarks was with respect to the "natural rights of man" and the importance of the "right to work" in relation to all other human rights. I found myself in agreement with practically everything the gentleman had to say about the evils of unemployment—economically, politically, and morally. Depressions constitute a challenge to our democratic way of life, and it is for us to meet the challenge. There is no argument about that, and on that point I agree with the gentleman from California. But it does not follow, ipso facto, as the gentleman and other advocates of the program have concluded, that the proposed "full employment" legislation meets the challenge.

Mr. Chairman, the so-called full employment program advocated by the ad-



ministration, is embodied in H. R. 2202, H. R. 4181, and S. 380 as passed by the Senate. The proponents of the program utter grave warnings of the future for our system of government if the Nation again experiences an economic depression with widespread unemployment. They remind us of the lessons of history, that revolutionary doctrines take root and revolutionary movements grow in periods of economic discontent and unrest, in periods of hunger and want. They urge enactment of their program as protection against such development.

There is no doubt that communism and fascism, as opposed to our system of capitalism, will constitute a real threat to the continued existence of the American system of free enterprise, if we should find ourselves in the throes of economic stagnation. These lessons of history, particularly considering the strength of communistic doctrines in the United States even today, are not to be viewed lightly. While the proponents of the so-called full employment program profess, in the legislation they are here advocating, to protect this great Nation against such radicalism, the program they are advocating is itself as radical and as inimical to our principles of government as that advocated by the acknowledged enemies of the American system of free enterprise.

I do not question the good faith of the advocates of the program. I believe you are sincere. It unfortunately appears that the American system of free enterprise has more cause to fear its friends than its acknowledged enemies.

Mr. Chairman, the best way I know to describe the full employment program, as embodied in the bills submitted to our committee, is to say that it is one of the most fantastic schemes ever submitted to Congress. The proposed legislation in substance purported to guarantee "useful, remunerative, regular, and full-time employment" to all willing and able to work, and to that end committed the Federal Government to "such volume of Federal investment and expenditure as may be needed." As stated by one of the witnesses before our committee, "if this guaranty means anything, it means that anyone unable to find useful, remunerative, regular, and full-time private employment is entitled to demand employment by the Government." And it should be obvious that such an idea is a delusion, if we are to maintain a free economy.

It is indeed a cruel deception to lead the American people to believe that the Federal Government can keep such a promise and, at the same time, continue with the system of free enterprise which has enabled us to attain the highest standard of living in history. The secret of our strength and power, as so clearly demonstrated in this last war, lies in our individual self-reliance, our individual initiative and resourcefulness, our freedom as individuals to dream, to create, and to make dreams come true. These qualities make America what it is, and these qualities the American people wish to retain. But we cannot possibly retain them and adopt a program whereby the Federal Government must control

production and consumption. Only by a Government-planned and Government-controlled economy, in which the central government decides what shall be produced, where it shall be produced, the amounts to be produced, the price to be paid and quantities each may buy, where one shall work, what hours he shall work, and what he shall be paid can there ever be a guaranty of jobs.

Our committee recognized the program as a "gigantic and unworkable proposal," and the bill we have before us today, as reported by the committee, drastically revises the bill submitted to us by the Senate. The title of the bill has been changed from the Full Employment Act of 1945 to the Employment-Production Act, 1945. The change is a distinct improvement, and I should like to add that I am in full accord with that part of section 2 of the bill, which sets forth the policy of the United States for preserving and encouraging free competitive enterprise for the maximum employment opportunities.

But the bill adds nothing whatever for achieving the policy therein enunciated. It provides that 60 days after the beginning of each regular session of Congress the President shall submit an economic report to Congress and his recommendations. It cannot be denied that this provision adds nothing to what can now be done. As a matter of fact, it is the duty of the President to advise the Congress relative to the state of the Union and his constitutional right to make recommendations to the Congress. I cannot conceive of any President, as the responsible head of this great country, failing to advise the Congress with respect to an economic condition which may necessitate legislation.

The bill creates a Council of Economic Advisers to assist the President in the preparation of the Economic Report. The Council shall consist of three members at a salary of \$15,000, and a total expenditure of \$345,000 is authorized to be appropriated each year for the salaries of the Council and its employees. That, too, is entirely unnecessary. In each department of the Government there are innumerable economists, experts, and specialists of all kinds, and it is the duty of the members of the President's Cabinet to advise and assist him. The Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Labor themselves can constitute a council of economic advisers. All three are directly concerned with economic and employment conditions, and all three have in their respective departments, bureaus, and divisions which are engaged in studies of economic conditions. The creation of the proposed Council by this bill would mean a duplication of work, and this is the very thing we are seeking to eliminate by the reorganization bill we passed a few weeks ago.

The bill further provides for the creation of a joint committee of Congress to make a continuing study of matters relating to the Economic Report. Here, again, is a wholly unnecessary provision, representing an additional expense for the performance of services that would be performed by existing committees. Such a committee would only serve to

encumber an already cumbersome legislative machinery, to which we have been giving study for the purpose of reorganizing.

Mr. Chairman, the bill we have before us serves no useful purpose, and it should never have been reported and should be defeated. One of the most compelling reasons for our defeating the pending bill is to eliminate completely any possibility of the fantastic full employment legislation, as it is deceptively called, ever finding a place on our statute books. It must be realistically recognized that the enthusiastic proponents of that dangerous legislation will employ every parliamentary advantage to secure the enactment of their proposal. We should overwhelmingly defeat this bill and make it clear, once and for all, that we will have nothing to do with proposals which are inimical to our principles of government and system of free competitive enterprise.

There is much that can be done for encouraging the maximum production and the maximum employment, such as revision of the tax laws to encourage new enterprises, removal of wartime controls over industry, avoidance of Government competition with industry, elimination and avoidance of Federal Government control over matters local in character, and reduction in governmental expenditures. We have demonstrated to the world what this great Nation can do in production for war. We can and shall demonstrate what this great Nation can do in production for peace if we adhere to the principles that made this Nation great and courageously defeat such fantastic panaceas as has been proposed in the so-called full employment legislation.

Mr. COCHRAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, for months the committee has had this matter under consideration. It is difficult to get people to agree upon just what the language in any one of the bills means. I refer to the original House bill H. R. 2202, the Senate bill, the LaFollette bill, and also the substitute language for the Senate bill.

As you are aware the committee or a large majority of the committee was extremely hostile for many, many weeks. At times there was no indication that we would be able to report out any kind of a bill.

I think my view is well known. I am for liberal legislation in connection with this subject. I found, however, there was no chance for me to have my way, so I set myself to the task of trying to "smoothe the fur" of the members of the committee, in the hope that eventually we would be able to bring some kind of legislation to the floor so the House as a whole could consider the matter.

We had a great deal of trouble preventing the committee delaying any action until next year. We also had trouble closing the hearings, but finally succeeded. Then, it was upon my motion that a subcommittee was appointed to see if we could draft some kind of legislation that we might be able to report to this House.



The subcommittee realized full well just exactly what confronted us as far as the full committee was concerned. We knew that they would not accept the Senate bill as written nor the original Patman-Murray bill as written, nor would they accept the LaFollette bill as written, so we finally concluded that it would be necessary to strike out all after the enacting clause and substitute new language. After we reported to the full committee numerous amendments were offered and adopted. Even then we could not get a report from the full committee other than members agreeing to authorize a report reserving the right to support whatever amendments they desired on the floor. You have a bill here to be considered under a rule, that will permit the offering of a substitute as well as amendments.

The claim has been made that there are 125 or 150 Members of this House pledged to support what might be termed liberal legislation on this subject. I felt that when there was such a large number of Members of the House anxious to consider legislation we should give them an opportunity to do so.

As a member of the subcommittee that drafted this legislation, I was in the minority. I could not get what I wanted. In the end, however, we did succeed in putting language together that we felt the committee as a whole might accept. I will say for my colleagues on the subcommittee they did make some concessions to me, they were not many. I had to accept far less than I wanted. As I said, my objective was to get a bill to the floor. I received a great deal of encouragement and help when the President wrote a letter to the majority leader which was read, and appeared in the RECORD, in which he said he wanted some legislation and he was not thinking about any specific bill. I am not satisfied with the report of the committee but the bill is here, it is for you ladies and gentlemen to approach it as you desire. I reserve to myself the right to support such amendments as I feel may better express my own view.

This bill has been misunderstood. I receive just about as much mail as any Member of this House. I have received many letters referred to the full employment bill. As you read them you find they refer to the \$25 a week unemployment bill which has no connection whatsoever with this bill.

The claim has been made not only in the committee but on the floor that efforts are being made to guarantee everybody a job and that the legislation provided a job for everyone who wanted to work. Nothing could be further from the truth. Neither in the original bill, Mr. Patman's bill, the La Follette substitute, the Senate bill, nor this bill, can anyone find language providing jobs for everybody who wants to work. They do lay down standards, all the bills. The only jobs provided for in any of the bills are those to give the President the assistants he needs in having investigations made in order that he may send to the Congress such recommendations as he deems advisable.

We refer in this legislation to free enterprise, we offer a great deal of encour-

agement in the legislation for free enterprise, and we agree to lend what assistance we can to help do the job and to provide employment. There is no objection that from anybody. You are all willing to help business, large and small. But if the time comes, and I pray to God it will never come again when private industry cannot do the job, then I want to make some provision for the Government to step in and help do the job, and if that time comes business will want us to step in.

The bill reported by the committee will be fully explained by the gentleman from Mississippi [Mr. WHITTINGTON], and may I say now that I am obligated to the gentleman from Mississippi because of the tremendous amount of work he has done in connection with this legislation and the assistance that he gave me in the effort I had been making for weeks and weeks to get the legislation to the floor of the House.

We had witnesses come before the committee and tell us that President Hoover failed to meet the great crisis that confronted him because he did not have the proper information. We had the same and other witnesses tell us that President Roosevelt failed because he did not have the proper information.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COCHRAN. Mr. Chairman, therefore, we set up the machinery in order that the President may get the proper information. Suggestions were made that we should not create any new or additional positions but leave it up to the President's cabinet and the heads of agencies to supply him with the information. Well, if they failed to supply President Hoover and President Roosevelt with the information, it seems to me it would be a good idea to set up machinery in the White House providing for advisers to the President, three to receive \$15,000 a year. Aside from that we provide an authorization of \$300,000 a year for assistants to the advisory council. Then we provide in the bill for a joint committee of the two Houses to which any message upon the subject that the President sends down could be referred and to properly staff this committee we provide an authorization of not more than \$100,000.

Those are the jobs and the only jobs created under the terms of this bill or any other bill that has been introduced on the subject. It is the Congress in the end, if jobs are created, that will create the jobs. After they have been considered by the joint committee, the matter will be referred to the various legislative committees of the House and Senate for their consideration. It will be necessary for the legislative committees to bring in an authorization to carry out the recommendations of the President.

If authorizations are approved by both bodies, then it will be the job of the Committee on Appropriations to appropriate the money. I explain this to show those who contend this bill creates jobs that the only jobs it creates are the ones that will be necessary in the President's office and

the jobs that will be created by reason of the setting up of the joint committee of the two bodies.

Undoubtedly there will be a large number of amendments offered to this bill. I do not think there is a Member of this House that ever wanted to see or will ever want to again see the people of this country rake leaves. The reason that they raked leaves was that we had no advance planning to meet a situation that developed whereby millions of people in our country could not obtain employment. Do not forget that when you talk about private industry, that private industry did not hesitate in 1933 to appeal to the President and the Congress to save it from destruction. It was willing then to have the Government come to its rescue.

I want private industry to provide jobs for all. The more jobs, the more production and the more purchasing power. That is what will bring about prosperity, and when we do have prosperity we will be able, through the collection of taxes, to take care of the obligations of the Government. This bill does not limit recommendations to public works. The President can send down a recommendation of any sort he desires.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. COCHRAN. Mr. Chairman, I yield myself five additional minutes.

For instance, assume that we had not repealed the excess-profits tax. If the President came to the conclusion that private business would be greatly benefited if the excess-profits tax was repealed, he could send that recommendation down to the Congress. I just simply cite that as an example. There are many other things that he might be able to do other than provide for public works.

I do feel that there should be advanced planning ready to be put into execution in the event that we are faced with a situation that needs assistance from the Federal Government. I have no desire for the Federal Government to spend any more money than is necessary. The sooner we can reduce this public debt, the lower the interest charges will be. But I want to say that I feel that we should pass legislation and send to the President, before we recess for the Christmas holidays, the most liberal legislation that we can agree upon, that will give him the assistants to learn the conditions throughout the country so that he will be enabled to keep the Congress advised and make such suggestions as he deems necessary not only for the benefit of private industry, but for the benefit of all the people of the country.

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

Mr. COCHRAN. I yield to the gentleman from Illinois.

Mr. VURSELL. Does not the gentleman believe that probably the appropriations asked for are more than would be necessary, in view of the fact that the Government has a great deal of information, and it is available? Might it not be better to scale down, to begin with, the appropriation from \$500,000 to possibly \$250,000?



It looks like the creation of another large and expensive department of Government. Maybe it would not be necessary to have the appropriations quite so large.

Mr. COCHRAN. I will say to the gentleman that if I had no other complaint than that in reference to such an important bill as this, I would not even speak about it.

I will have more to say concerning this legislation when amendments are being considered.

Mr. CHURCH. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. LAFOLLETTE].

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

Mr. LAFOLLETTE. Mr. Chairman, under the authority which I obtained in the House this morning, I shall insert in the RECORD at the end of the remarks I am making now my statement before the committee in support of my proposed legislation, H. R. 4181, and that statement will be marked A. Immediately following it I shall insert the bill H. R. 4181, which will be marked B.

My reason for doing that is that if the parliamentary opportunity arises and I feel that it is psychologically sound and worth while to do so, and I do not get myself all tangled up in the parliamentary procedure, which I seem to have a facility for doing, I shall offer the bill H. R. 4181 as a substitute for the committee bill at the proper time tomorrow. The probability that I shall do so is so high that I think the Members ought to know about my proposed amendment, and I am inserting this bill and my supporting it so that Members may have an opportunity to read them.

I should like to discuss certain background conditions in this country with reference to the pending legislation generally. In the first place, I think it would not be amiss for me to tell the story that was told about the old Senator La Follette. I assure you that in telling you this story I do not consider myself fit even to look at the gentleman's shoes, let alone step into them, and I do not want any such idea to prevail in this House. Apropos of the vote that was cast yesterday in support of the amendment I offered, may I express my appreciation for the votes which I received from my Republican colleagues, but, as anyone could observe, the great mass of the votes came from the Democratic side of the aisle.

The story told about Old Bob is that while he was still in the Republican Party, and I believe when he was a Member of this House, he was running for renomination up in Wisconsin and the charge was made against him that he voted too often with the Democrats. He said, "Why, that is not so. The Democrats vote with me."

I think that could have been observed yesterday. That represents a cleavage which we find in our thinking in America. The gentleman from Utah got rather steamed up yesterday on his side of the aisle and pointed out that there was a cleavage. Since he is here, I do want to say to him concerning something I thought possibly was implied in

the remarks about him by a member of his own party that I want the gentleman from Utah to know that I admire him highly and I know he is not a Communist.

Now, gentlemen, some of the things that are tearing us apart in America today arise from the fact that presently we do not have an alinement of political parties which serves the people of this country who think pretty much in the same way. I do not know the solution to it completely. If any of you gentlemen saw a statement which I issued in good faith and which is not derogatory but contains my own thinking with reference to the Republican platform which has been developed here, you know it is my thinking that the Republican Party owes it to the people of America to become the radical party. It was the radical party when it came into being. It was radical and faced the greatest social and economic issue in the country, slavery, four-square. It came into existence because the Whigs were afraid to face it and the Democratic Party of that day had no intention of facing it. Now part of the misalignment we have is due to the question of names. If the Republican Party can become the radical party, it will get most of its strength from industrial areas and the North. I propose we ought to kind of change the names in some way. I do not quarrel with the gentlemen from the South because I know that sores that are created in wars last a long time. It is impossible psychologically, and psychology has a great deal to do with the way men act, for a man who went through the Civil War in the South or who is a descendant of a man who went through the Civil War, to vote for anybody who is called a Republican. I understand that. On the other hand, many of the people who vote Democratic and who live south of the Mason and Dixon's line think politically as the great majority of the people in the North apparently think who are Republicans.

A two-party system is designed to serve the people. I want to see the Republican Party win. I have certain definite ideas of its capacity to administer, and I have never heard even the most vigorous friends and protagonists of the late President say he was a good administrator. I think it is traditionally true and established that people who come into the Republican Party have administrative capacities. I believe this Government needs it very badly. But the purpose of political parties in a democracy is to serve as vehicles through which people can express their opposing views. Now, I have presented you with a situation where it is clear and evident that the people who vote Democratic and who are the descendants of the people who suffered invasion during the Civil War can never vote Republican even though they think Republican, or as the largest segment of that party thinks today.

Now you can either pass a law and change the names, which, of course, we are not going to do, or we can afford the people of America vehicles through which to express themselves by having the Republican Party become the radical party in America and the Democratic Party the conservative party, in which event there will be a crossing of that imaginary

line known as the Mason and Dixon's line. I think a great service would be rendered to the people of our country if we do that.

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

Mr. LAFOLLETTE. I yield.

Mr. JENSEN. Would the gentleman care to define the word "radical" as he uses it in relation to parties?

Mr. LAFOLLETTE. Yes, I think I will develop that. As a matter of fact, I used the word "radical" because I am getting very tired of the present-day concept of "liberal." When I grew up a liberal, in my book, was a person who took it as well as dished it out; who laid down a rule and then abided by it; who had intellectual and moral integrity; who thought that slander of his opponent was something he should not indulge in; who gave the other man the full chance to express his views, without impugning his motives in order to assure himself the same right. I find that many people who call themselves "liberal" today have those attributes of character which I think are not properly associated with the word "liberal" in its old sense. Therefore, because I do not like or respect many of the modern "liberals" I use the word "radical" instead.

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

Mr. LAFOLLETTE. I yield.

Mr. GRANGER. I suppose the gentleman heard the gentleman from Alabama [Mr. MANASCO] a few moments ago, who was applauded vigorously on your side, when he said that the platform did not mean anything. To be exact, he said if the two parties had observed all their platforms the country would have been broke long ago. I take a different view of that. If we have responsible party government—and that is what our country is—I do not think the gentleman would, and I certainly would not want to brush away our platform as mere words, and fool the American people.

Mr. LAFOLLETTE. I did not hear the gentleman from Alabama. I was in the gallery, and it is rather difficult to hear. I think I discussed a few minutes ago the underlying reason for that condition. It would serve the political parties much more, and would serve the people much more, if we could stay in line with our platform pledges. But the gentleman from Utah in his speech yesterday disclosed why his party finds that difficult, and I have attempted to discuss briefly what I thought were the underlying psychological reasons for that difficulty.

Mr. GRANGER. Will the gentleman yield further?

Mr. LAFOLLETTE. I yield; yes.

Mr. GRANGER. There is only one mistake I made yesterday. I said we had two parties over here. We have three parties. Some of us are sitting in between the two. We want to be good liberal Democrats and do the right thing for the people we represent, and yet we are stymied. We have got to either go to one extreme or the other. I believe the gentleman is talking sense when he says we have arrived at the time when the political parties need revamping, or that we should do away with these party labels and get into the place where we be-



long, and be politically honest and not fool anybody.

Mr. LAFOLLETTE. I think the gentleman is right. I had to give the gentleman the answer I gave, which I think is honest, because no one has ever heard me say that I am a paragon of virtue in following the platform of my party, or at least the leadership of my party in this body. I think I am entitled to say that after my Presidential candidate got through making his four speeches on the west coast in 1944, in which he came out against laws restrictive of labor, for the FEPC, for the advancement of social security, and the statement which would in effect approve this legislation for full employment, I found myself in line-up with his interpretation of that platform.

He did not win, and I do not want to have to speak as the gentleman from Utah was forced to speak now about two parties on my side of the aisle. I want only one. I think you still have one party over here on the Republican side. I try to make it what I think it ought to be and other gentlemen try to keep it what they think it ought to be, but unless I am a great deal more provoked than I have ever been before I do not intend to quarrel with the people who are more greatly in the ascendancy, but I do not intend to give up the fight to get them to think as I think, because I think my philosophy means the preservation of my country and the preservation of the democratic system, the ascendancy of the Republican Party is bound to follow, but as compared to the preservation of two-party democracy that is incidental.

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

Mr. LAFOLLETTE. I yield.

Mr. KNUTSON. The gentleman from Utah has brought up the subject of party platform several times. Perhaps the gentleman from Utah could tell us why, when the Democrats got into power in 1933, they completely ignored their pledge to the American people to balance the Budget and continued to violate that promise for 12 long years; yes, 13 long years.

Mr. LAFOLLETTE. If the gentleman from Utah please, I do not want to carry on that fight now out of my time; perhaps he can carry it on in some other way.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CHURCH. Mr. Chairman, I yield the gentleman from Indiana five additional minutes.

Mr. LAFOLLETTE. I will answer my friend from Iowa. I think, in the first place, that the Republican Party came into existence as the preserver and defender of the rights of minority people, and, in particular, people of black skin, and I think they still owe that obligation to those people now in order to preserve my party's tradition.

I believe the fight which is being made in Detroit by the auto workers under Walter Reuther represents an advancement towards the goal of what I believe is fluid, radical capitalism, as an alternative to totalitarianism, and I think it is one of the greatest fights being made on behalf of the American people today. The worker's job is capital, and it must

be reckoned with in the management of industry.

I think that in matters affecting commerce it is traditional with the Republican Party, if it was a descendant of Hamilton, and we are charged with that, that in matters affecting commerce, which affect the whole national interest, the Republican Party should abandon completely any arguments in favor of States' rights.

There are no such things as States' rights. There are rights of citizens who live within a State, and I would measure it by what services the local governments can render to the highest degree to those citizens and what services the Federal Government can render to the highest degree to those citizens, but we ought to abandon the idea of States' rights, because, actually, there is no State sovereignty. The man who speaks of State sovereignty speaks the language of totalitarianism. There is only individual sovereignty.

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

Mr. LAFOLLETTE. I yield.

Mr. JENSEN. Will the gentleman, then, explain why we have State governments?

Mr. LAFOLLETTE. Yes; I will.

Under the concept of the Declaration of Independence and the Constitution of the United States and the dignity of man, man is sovereign. He gives part of that sovereignty to varying degrees of government, to his county, to his State, to his Nation; but he always has the power to withdraw it or to delegate it. We have State governments to serve man in those areas embraced by the geographic boundaries of the State to do those things which in his State will serve him best—the State supreme court, the State educational system in places where the county courts or the county educational system does not serve him. But the State is not sovereign, the individual is sovereign; he is always sovereign. He can withdraw his sovereignty or he can extend his sovereignty.

Mr. JENSEN. The gentleman will admit that certain rights are left to the States.

Mr. LAFOLLETTE. No.

Mr. JENSEN. The States are close to the people. In effect, that is the fact.

Mr. LAFOLLETTE. The gentleman states it differently than I do.

Mr. JENSEN. And the State governments are closer to the people; hence, we have learned down through the ages, not only here but in every country in the world, that the closer the government is to the people the more effective and the more efficient is government.

Mr. LAFOLLETTE. Yes. Now, may I answer the gentleman from Massachusetts? The gentleman must appreciate, however, that my time is very limited.

Mr. JENSEN. I do. Because a government close to the people is more effective is why I think we should preserve States' rights—and I still contend there are such things as States' rights.

Mr. LAFOLLETTE. I believe the gentleman from Iowa is thinking the same way I do, but he is using terms that I believe are dangerous.

Let me repeat, there are no States' rights. There are rights of the people who live in the State of Iowa, but they themselves can delegate to the government of the State of Iowa those things which they think the State of Iowa will do better for them. They also have the right to withdraw from the State of Iowa and give to the Federal Government or to give to a government of the peoples of the world that degree of their sovereignty which they think will best serve them.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAFOLLETTE. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Did not the sovereignty of the States exist long before the Federal Government was established?

Mr. LAFOLLETTE. Yes; but man existed long before the State of Massachusetts, and man created the State of Massachusetts by delegation of his individual sovereignty—that part of it which was suitable for the State of Massachusetts in order to render the best service—but the State of Massachusetts did not create the citizens of Massachusetts, nor does not own the citizens of Massachusetts. The citizens of Massachusetts own the State of Massachusetts.

Mr. BATES of Massachusetts. During the Continental Congress the question of States' rights was one of the most important discussions in the whole debate, was it not, not only so far as the State of Massachusetts was concerned but so far as the Original Thirteen States were concerned, and they reserved those rights?

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. LAFOLLETTE. Mr. Chairman, of course, there was an argument about State rights in the Continental Congress and in the Convention which created the Constitution, because it is always true that people who have power to govern other people—government—hate to give it up, but the people of the State of Massachusetts determined that in order to have a full government—a government which could serve them better—they would delegate a part of their sovereignty to a new Federal Government so that they might be better served. The issue was not States' rights. The issue was, Shall the people determine that they can be better served in certain areas of their life by a government which had power over the State of Massachusetts? That is the constitutional answer, and it is the only answer that ties in and parallels with any idea of the innate dignity and honor of mankind, and from that premise I do not now yield, nor shall I ever yield, God giving me the strength to retain my intellectual, moral, and spiritual integrity.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. WHITTINGTON. Mr. Chairman, I yield myself 25 minutes.



Mr. GOSSETT. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

Mr. WHITTINGTON. Mr. Chairman, I think we might well turn aside from loose and extravagant statements, from at least one panacea that has been suggested, the sponsor of which did not think enough of to submit it to either of the Senate or House committees, and I think that we might turn aside from partisan and party politics to consider the question of employment before us, and that question is important. It is one of the most important and one of the most difficult of public problems.

I am in complete accord with the broad objectives of employment legislation, the ends desired, but the means are different and very difficult. There is continuous employment today in Russia, with a low standard of living. There was full employment in Italy and Germany. It resulted from planned economy. Who wants to follow in the footsteps of Italy and Germany? We more nearly approached full employment in the United States during the war with multiplied billions of deficits. Full-employment deficit spending contemplates control both of price and wage. I make the statement that there has never been absolute full employment, that there has never been a planned economy, without stateism or state socialism.

Employment is not the sole responsibility of the Government. Industry, agriculture, and labor have their responsibilities. It is the responsibility of Government to create sound, basic conditions for promoting employment in our free competitive enterprise system. Other sound policies, including fiscal agricultural policies, are important. They are even more important than the matter of spending, probably the most inefficient of all proposals for solving unemployment. Legislation to improve the causes of depression, the causes of unemployment, is more important than appropriations for spending.

I assert that the sound policy of government is to promote rather than to guarantee employment. The so-called Murray bill, S. 380, amended as introduced, and passed by the Senate, is substantially identical with H. R. 2202, known as the Patman bill. The LaFollette bill, H. R. 4181, is identical with the Patman bill, with some additions that are even more objectionable. I shall refer to these bills as the Senate and the House bills. They were considered by the committee, and the committee instructed a subcommittee to prepare a substitute, and that substitute, after being carefully considered and amended by the whole committee is the pending bill and I shall hereafter refer to that as the substitute.

There are three views in the committee. A small minority is opposed to any legislation. A few advocated changes in the substitute. The large majority of the committee supported the reporting of the pending bill as a constructive approach to what is probably the most

difficult problem that confronts the Government.

The Senate and the House bills adopted the theory that full employment is the responsibility of the Federal Government, and that it is also the responsibility of the Federal Government to assure at all times sufficient opportunity for employment to provide an adequate or remunerative wage for the employment of all citizens. That is the declaration. That is the first part of the Senate and the House bills. But that declaration is coupled with this statement, "and to the extent that continuing full employment cannot otherwise be achieved, it is the responsibility of the Federal Government to provide such volume of Federal expenditure and investment as may be needed to assure continuing full employment. That is the vice of the philosophy of the Senate and the House bills.

Your committee rejects that philosophy. Your committee states that the declaration in favor of the continuance of the system of private enterprise then becomes perfunctory and that the basis of the Senate and the House bills is the expenditure, without identifying, of Federal investments and Federal expenditures, a program that is so gigantic, a program that is so destructive of private enterprise that the perfunctory declaration in favor of private enterprise falls of its own weight.

That view was a view that was emphasized before the committee by many who favor the objectives of full employment. I refer to Mr. Beardsley Ruml, I refer to Mr. R. E. Flanders, and I refer to other witnesses who concurred that the very declaration with the word "full," with the word "right," and with the word "assurance," is destructive of the objectives. I share their views that it is utterly unwise to degrade the declaration of human rights by controversial terms that at once invite opposition.

There is a difference between the right to liberty, the right to freedom, and the right to work. The Senate and the House bills ignore private initiative, ignore the desire to work at one's own destiny, ignore whether a man is suited or qualified for a particular job, and deprive us in one bold stroke of any effort to work at our destiny by announcing at this time of all times that the Federal Government proposes to guarantee or assure the right of full employment to all no matter whether they are qualified or not to do the work.

Nor is that all. I invite your attention to the fact that the Senate and House bills provide for a national budget. It is a misnomer and deceptive. A budget contemplates authorization, a budget contemplates previous policies having been adopted by Congress. Yet we are told that under the Senate and House bills there is no authorization. Why the term "budget"? Those of us that have devoted much time to the study of this problem see in the retention of the national budget in these two bills a survival of this bill as it was originally written. As originally written, it embraced a modification of the Stabilization Act of 1931, which did pro-

vide for a budget as an amendment to the Budget and Accounting Act of 1921.

It has been said that the declarations and the provisions of the Senate and the House bills are innocuous. I challenge the statement. When did it become but the sounding brass and tinkling cymbal for the Congress of the United States to declare and give utterance to a policy? I assert under the language of the Senate and the House bills, improved somewhat by the Senate version, that the underlying philosophy is that our system of private enterprise will be hampered and will be destroyed by the declaration to the American people and by a deception to the average American citizen, that no matter whether he is qualified or not, deserving or not, whether he needs it or not, no matter whether in this period of transition he wants to work or not, it is not necessary for him to accept a job because his government will assure him employment. Now we reject that philosophy.

But I am not content merely to oppose. We have had ample demonstration today that to be critical is easy—to be constructive is difficult. We have had depressions. We have had great emergencies. Were we satisfied to do nothing? What was the program undertaken in the great depression of the early thirties? Were we satisfied with a do-nothing policy? The Stabilization Act of 1931 was passed and was intended to alleviate unemployment and to promote employment during the depression. That was during the administration of President Hoover. There are many Members of the House now who were here then. I was among the number then as I am among the number now who believes that employment is profoundly important. I recall that the Government cannot provide jobs for all. I have emphasized that full employment does obtain in socialistic states. It does obtain in Russia today. But I repeat there is a low standard of living. I have emphasized, and I call your attention to the fact, that the most ardent advocates of the so-called full employment legislation assert that the Government of the United States could not provide for more by public works and other expenditures than 10 or 15 percent of our total expenditure. All agree that the real job must be done by private enterprise. If that be true, why contradict and destroy private enterprise by this declaration and definite commitment. And I say definite. A declaration means something to me. A budget means something to me. After the national budget in the Senate and House bills, there was a provision for the joint committee to pass a joint resolution or to present it to the Congress. I assert that under the language, and certainly under the philosophy of those bills, after we had an emergency, that a concurrent resolution authorizing a lump sum appropriation to be disbursed by the Chief Executive would be in order. What is the philosophy of the substitute in the House bill? It is vastly different. It is sound.

It has been said that the President under the Senate and House bills could do just what those bills provide. There



is no declaration now as is contained in those bills for practically turning the Treasury inside out in order to guarantee every citizen all the time continuous full employment. What about the substitute? I believe it is time for a declaration. I think it is time for a sound declaration. We stand for employment. There is nothing more destructive than unemployment. I endorse the objectives of the bill, whether they are proclaimed by bishop or priest, whether they are proclaimed by minister or layman, or whether they are proclaimed by industrialist or worker. It is not right to deceive the American people. We have heard a lot about reconversion, about its being for the benefit of the employers. Frankly I do not know how an employer or the operator of a factory can reconvert from war to peace unless he provides for employment.

But what about the importance of this question? What did the Congress do? The only time that Congress has ever undertaken to make anything that approaches a constructive solution of this problem was when the Congress passed the Stabilization Act of 1931. It undertook to solve the problem by public works, by a budget for public works that had been authorized. There was a committee appointed to advise the President. That committee consisted of five members of his Cabinet. It functioned. The testimony shows that notwithstanding the Stabilization Act of 1931—it was proposed in 1928; it was too late; too long delayed; it was never given a fair chance. We embarked upon a policy of spending ourselves into prosperity very shortly after the adoption of the Stabilization Act. Experience showed that the President, whether that President was Hoover or Roosevelt, did not have sufficient or sound advice. It was President Hoover who stated, "Prosperity is just around the corner." The American people were misled. He depended upon a board of advisers, consisting of members of his Cabinet—able, capable, and distinguished Americans. In 1938, with the same sort of advisers, the same board of Cabinet advisers, the late President Roosevelt made a mistake, and you know we all but escaped the depths of another depression in 1938.

What about the substitute? How does it approach the solution of this problem? We have gone much further than in 1931, and we are providing now in advance. Let me say in this connection that all who know say that at present the few unemployed millions will be absorbed. I find no fault with the men who come back from across the sea because they do not go to work at once. It takes a little time in the transition, going from one factory to the other; but all who know say that the present unemployment, and unemployment for the next 12 months, will be absorbed, and for three reasons. In the first place, the people of the United States have the greatest amount of savings they ever have had. In the second place, the demand for civilian goods is greater than it ever has been. In the third place, we have the greatest productive capacity that our Nation has ever known. But after next year, and after the boom fol-

lowing the war, we should profit by our example in 1931, when we delayed from 1928 until 1931 passing the Stabilization Act; and we should pass a measure now that is sound.

Let me invite your attention to the substitute. It has been glibly said by those who evidently have not thought that the substitute is mere words. What about it? There are those who do not believe in our system of government. There are those within our borders who advocate state socialism. There are those who would destroy private enterprise. It is time for a declaration. The substitute proposes that we shall make a declaration. Was there ever a more important document in human history than the declaration known as the Declaration of Independence? The declaration here in the substitute is that we propose to promote employment by giving the free, competitive enterprise system, unhindered, unfettered, a chance to do the job.

The policy is declared in no uncertain terms. I read you the first paragraph of the pending substitute:

Section 2 declares that it is the continuing policy of the United States, by certain specified means which will have the effect of creating the maximum opportunities for employment, to attain and maintain a high level of employment (including self-employment), production, and purchasing power. The means thus specified are—

- (1) Preserving and encouraging the American system of free competitive enterprise, and fostering investment of private capital;
- (2) Aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business, and to promoting continuous growth in the quality and quantity of facilities of production;
- (3) Encouraging individual initiative;
- (4) Avoiding competition of Government with private business enterprise; and
- (5) Adopting sound fiscal practices and maintaining the credit of the United States.

To those who allege—whether they mean it or not—that we are deceiving the American people and those who toil, we say that in the last 12 years we have profited by experience.

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

Mr. WHITTINGTON. When I have finished my statement.

We say that the depression of the twenties was caused on account of commodity collapse. Whatever our shortcomings were we undertook to remedy them by agricultural legislation. The depression of the early thirties was caused by stock manipulation. Have we done nothing? We have guaranteed bank deposits, we have passed the Securities and Exchange Act, we have passed the Utilities Act, and other legislation in an effort to prevent depression. It is just as important to ascertain the cause of depressions and remove those causes, yes, more important, than it is to spend.

It is not fair to say we have never adopted any program for works. And so this substitute states that we encourage our States—not "we aid and encourage"—to at a time when their treasuries are full, not by providing grants, but we encourage the States when periods of

unemployment come to step up their public employment.

What have we done to provide for employment? We have adopted measures, we have adopted and planned programs of public works, we have provided for loans, loans to the suffering peoples of other nations, loans to our own people. RFC loans are available today to any applicant who can qualify. We have provided loans by the billions to our veterans; and we say now that it is our policy to step up these public works that have been adopted, highways, flood control, and other public works, whatever they are, in order to stimulate and in order to stabilize employment when there is depression.

We substitute for the so-called national budget a provision for a report by the President of the United States, give him an entire year to study the matter and we say to him without having made any commitment for the expenditure of a single dollar that we want him to ascertain what added legislation is necessary. We say to the President that if there is unemployment or if it is anticipated we invite him to submit his suggestions for any additional outlay or expenditures and for any other measures; and we say to him: "Mr. President, we invite you to submit with them a sound fiscal program to protect the credit of the United States." Is that an empty word? Does not that language mean something in times and days of deficit spending?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, we undertake to profit by our experiences under the Stabilization Act when we tried in 1931 to do our dead level best by public works to solve the problems of the early thirties.

We provide here not for a committee of the Cabinet, the members of which are thinking about political questions and are engaged in administration; we provide here for an advisory commission of three of the outstanding men of the United States, representing all segments of our population, familiar with our economic conditions, familiar with our industrial, our agricultural and our labor problems. We say to them: "We are placing you at the disposal of the President of the United States. We invite you to discuss the causes of these depressions, or of these inflations and give us the remedy, if it may need legislation. You submit your report to the President so that he will have the benefit of it." We will then profit by the experiences of the thirties when the President had to rely on the members of his busy Cabinet. We provide that those men shall be on a par with the Cabinet. They shall receive a salary of \$15,000 a year, the same amount paid members of the Cabinet.

We provide further that when they submit a report to the President of the United States they shall not merely be a planning board. Now, I know something about planning boards and I know about their defects. The defects in planning boards, whether State or Federal, are that they plan and plan for nothing except spending and at no time



were they required to submit measures by which to finance the plan. Whatever may be said about these economic advisers, we require in their report to the President that they shall submit a sound fiscal program and policy of financing any outlays for any works, or other programs.

We retain then the provisions that occur in the Senate and House bill which provide for a joint congressional committee. Whatever we may say about committees, whatever we may say about joint congressional committees, they are the only way by which we can function. We have to create a committee to make explorations of this kind and if we should confine it to one House it is difficult to say what the other might do.

We establish the policy of both Senate and House bills in providing for a joint committee to which the message of the President of the United States with respect to prospective employment, with respect to economic trends, with respect to economic conditions, with respect to the causes of any dislocation, shall be submitted by the advisory committee and the joint committee will in 2 or 3 months submit its report to the Congress of the United States for reference to the appropriate committees.

We have anticipated the argument that this will be nothing more than another commission. We have stipulated, after conferring as best we could with those who know, and we have provided a ceiling of \$300,000 for the expenses of this advisory council to devote its full time to the most important questions that ordinarily confront the Government. We have undertaken to provide it with an adequate staff. We say that there shall be no duplication. We say that the records statistics and investigations of the Government departments shall be available to them. We have provided the joint committee of the House and Senate with an adequate staff and we say, in response to the argument as to expenditures of money, that those expenditures shall be limited to \$50,000 in each House.

Is this problem worthy of further study? We rejected the Senate and House bills because we say there has been no study. After conferring with his Cabinet, as Hoover did in 1930, Hoover submitted a plan, and Roosevelt did the same thing in 1938. We have undertaken to be constructive. We say, "When you do submit it, if it means more outlays, if it means more expenditures, give us your tax program, give us your fiscal policy." It should be sound, of course.

Mr. Chairman, I believe that the substitute is a constructive approach to the problem of unemployment. I am unwilling to deceive the American people by assuring them at this time, of all times, when there are many who learned through the years to ask the Government to provide for them, when we are trying now to prevent the labor disturbances that obtain in our land, I can think of no more dangerous, I cannot think of a more destructive thing to do than to declare that at this time, whether men desire to work or not, whether they are on strike or not, it does not make any

difference, the Government will guarantee them jobs.

We reject the policy and we recommend a constructive approach that in my judgment will solve the problem. Abraham Lincoln in 1860 said, in substance, "A house divided against itself cannot stand." He also said, "This Nation cannot endure half slave and half free." Private enterprise must have a chance to do the job. It will promote employment. The substitute declares that it shall have a chance. We cannot endure half private enterprise and half state socialism. It must be one or the other. The conflict is on between competitive private enterprise and state socialism. America has arrived at the fork of the road. This generation must determine the way we are to go. The Senate and the House bills would implant the germs of national socialism in our economic system. We have destroyed the frontal attacks. Is it possible that the germs of the diseases that we have overcome will destroy the American system? Under private enterprise every citizen enjoys the privilege to shape his own destiny. The Government promotes his right to work out his own destiny, but at the same time the Government guarantees freedom. When the Government guarantees economic security it destroys thrift, self-reliance, self-denial, initiative, and self-respect. I believe that the trend toward communism in the rest of the world will be definitely checked in America, and I believe that our system of free enterprise will be preserved. We are either for or against that system. I am ready to stand up and be counted. It is time for a new declaration. We will not exchange the freedom transmitted to us by our forefathers for a mess of socialistic pottage.

We hear a lot about security. When Patrick Henry said, "Give me liberty or give me death," he was thinking of something dearer than mere security. He was thinking of something more important than work. He was thinking of liberty. The Pilgrim Fathers were not seeking security when they landed at Plymouth Rock. They were thinking of something more than mere security. They were thinking of the tyranny that they had left in the Old World and of the freedom and liberty they sought in the New. They sacrificed security under tyranny for liberty and freedom in America.

In the convention that adopted the Constitution there was much wrangling and there were many discussions. George Washington was the chairman. Just back of the chair was a painting of the sun as it appeared above the horizon. Differences often threatened to break up the convention. But when the Constitution was finally signed, Benjamin Franklin, 83 years of age, who had been a great stabilizing force in the convention, arose and said, "I have looked upon that painting again and again. I have wondered whether it is a rising or a setting sun, but now I know it is a rising sun."

For 156 years a rising sun has shown on America. It is for this generation to

see that this sun, that has brought to America the highest standard of living known to human history and that has seen America grow from a few struggling colonies along the Atlantic seaboard to the greatest and mightiest of all nations, does not set, and above all, it is for this generation to see that the light of freedom does not go out.

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

Mr. WHITTINGTON. I yield to the gentleman from California.

Mr. OUTLAND. I have listened with considerable interest to the gentleman's remarks, and I have seldom heard a more sincere speech in behalf of his belief. There were two things I wanted to comment upon briefly. One was, a few moments ago the gentleman used the phrase "whether a man wants to work or not." The original House bill and the original Senate bill definitely stated "all Americans able to work and seeking work." The phrase "seeking work" would effectively eliminate the cases the gentleman is concerned about, whether a man wants to work or not.

Mr. WHITTINGTON. I will answer that question—and I anticipated it and I do not quibble about words—by saying that I do not believe we ought to mislead the American people. There are still a few people who had rather not work.

I should say that the statement of the advocates of real employment—when I say "employment" I mean a high level of employment, as all thoughtful men who advocate employment have said that the goal is not full employment, that the goal is a high level of employment. May I say to the gentleman that whenever the word "employment" occurs in this substitute we mean a high level of employment. That is the level that economists and all advocates of real employment advocate. For my part, I share the belief of those who oppose the use of this controversial language that we ought not to degrade the fundamental human rights by the use of a term that is controversial and unnecessary.

Mr. OUTLAND. I said a moment ago that I thought the gentleman made an excellent statement in behalf of the philosophy in which he sincerely believes. But will the gentleman grant that there are others of us here who are just as anxious to prevent state socialism and who are just as anxious to preserve our freedoms, but we think it is not going to be done if we go through recurring depressions increasingly severe.

Mr. WHITTINGTON. Neither do I. I said in the beginning that I thought the matter of employment was one of the most important problems that could confront us. But it is time for us to analyze; it is time for us to think things through; it is time for us not to be misled; it is time for us to resist the boring from within; and it is time for us to know that those who said that it could not happen there may come to realize that it can happen here.

Mr. OUTLAND. May I say further that it seems to a great many of us, however, that the path down to these things which the gentleman fears, isms of any kind, comes through hunger and unem-



ployment, which came in Italy that way and which came in Germany that way. Unless we take adequate steps in advance, there may be danger of its coming here. For that reason, many of us are advocating the original full-employment bill.

Mr. WHITTINGTON. I want adequate, but I want sound steps. I do not want steps that will lead to a repetition of what happened in Italy and what happened in Germany.

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

Mr. WHITTINGTON. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman states here, and I am abbreviating:

Congress hereby declares that it is the continuing policy of the United States by means of preserving and encouraging the American economic system of free competitive enterprise, aiding in the development and maintenance of conditions favorable to stimulating new business, encouraging individual initiative, avoiding competition of government with private business enterprise, and adopting sound fiscal policies and maintaining the credit of the United States, and thereby creating under, and in a manner consistent with, the American system, the maximum opportunity for employment.

That is No. 1. Since the gentleman has gone into detail in enumerating these things, I am wondering why he left out preventing monopoly. That is one of the most dangerous things to our free enterprise system.

Mr. WHITTINGTON. That is a fair question. For my part, I have no objection to inserting the word "monopoly."

Mr. PATMAN. I just wondered why it was overlooked.

Mr. WHITTINGTON. There are other matters. That is important, and I have no objection to it. We have to handle the matter of employment, we have to handle the matter of taxes. We cover it by saying we shall undertake to ascertain the causes of inflation. Whether it is monopoly, a fiscal policy, or any other policy, I think our language here is broad enough to cover the matter the gentleman has in mind.

Mr. PATMAN. One other question. Where you mention high levels of employment, you follow it by saying "by means of encouraging State and local governments, planning and adopting programs for loans by the United States, and planning and adopting a program of sound public works."

It does not say anything there about maintaining a high level of employment, it says "to stimulate private enterprise in the periods in which widespread unemployment exists or threatens so as to stimulate and promote employment."

Mr. WHITTINGTON. Exactly so. I repeat what I said, that the word "employment" and the words "high levels of employment" and the word "maximum" are equivalent.

Mr. PATMAN. But the bill does not say that.

Mr. MANASCO. Mr. Chairman, I yield five additional minutes to the gentleman from Mississippi.

Mr. BENDER. The speech of the gentleman indicates that the original bill provided for state socialism. Am I correct in assuming that?

Mr. WHITTINGTON. I would say that I adopted the philosophy of witnesses who indicated that that was just exactly what it would do; that it was unsound, and would lead to a system that was destructive of my Government because the real basis for full employment would be Government expenditures, and I repeat it.

Mr. BENDER. Is the gentleman firm in that conviction?

Mr. WHITTINGTON. I usually say what I mean and mean what I say.

Mr. BENDER. How does the gentleman explain the President's position, the position of the Secretary of the Treasury, of Mr. Vinson, of Mr. Snyder, and Secretary Wallace, and Budget Director Smith, appearing before our committee and advocating the original full-employment bill?

Mr. WHITTINGTON. I explain it by saying in my judgment you did them a very grave injustice when you said all of these 1,163 pages of hearings here were a bunch of "bunk." I think those and other witnesses were entitled to consideration and you ought to give consideration to their constructive statements.

Mr. BENDER. The gentleman does not answer the question.

Mr. WHITTINGTON. The gentleman is unable to realize that I have answered it. I said I considered it answered.

Mr. BENDER. I understand the gentleman. The gentleman in making that statement implies that these gentlemen who appeared before our committee, and the President, by the way, took our committee to task for not acting more speedily on the bill, were advocates of state socialism.

Mr. WHITTINGTON. I have never charged any person with any sort of political advocacy. I am dealing with facts and I am dealing with the philosophy of the bill. Without referring to you and referring to any of the witnesses who testified, and we had many constructive statements, I said I reject that philosophy. I am in accord with those who believe that the philosophy of the Senate and House bills mean just what they say—and that is what I have said.

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

Mr. WHITTINGTON. I yield.

Mr. HOFFMAN. You did say a moment ago you were firmly convinced that H. R. 2202 followed the philosophy which would take us into state socialism, did you not?

Mr. WHITTINGTON. That is my objection to it, and I so stated.

Mr. HOFFMAN. Yes; and it is true that the gentlemen named by the gentleman from Ohio, the Secretary of the Treasury, Mr. Wallace, Mr. Vinson, Mr. Snyder, the Director of Reconversion, and Mr. Smith of the Budget, and Mr. Schwellenbach, each and every one of them without qualification endorse H. R. 2202?

Mr. WHITTINGTON. Yes, sir; I will say this, with all due deference, that those gentlemen said just as I say, that they were opposed to state socialism. They said to us in response to our questions that if there is any language in this

bill or in either of these bills that needs to be clarified to make it definite and certain that we are not going on the path of state socialism, they favored clarification of that language.

I now yield to the gentleman from Wisconsin [Mr. HENRY].

Mr. HENRY. I have a question to ask, but before I put it I would like to pay my respects and my compliments to the distinguished gentleman from Mississippi [Mr. WHITTINGTON], for the very able and patriotic service that he has rendered to our committee which reported out this substitute bill.

Mr. WHITTINGTON. I love to hear the gentleman say that, but what is the gentleman's question?

Mr. HENRY. My question is whether it is not true that in addition to dealing with matters of depression and unemployment this bill also deals with the question of inflation?

Mr. WHITTINGTON. Exactly so, sir, and I repeat in conclusion, that under the terms of this substitute instead of committing ourselves by the declaration to implement that policy by Federal investments and expenditures without any sort of limitation, we say in this substitute to the President, if we have not adopted sufficient policies, give us your recommendations and give Congress a chance to take a look at them and we say there shall not be expended a single dollar for any purpose for any kind of outlay until and unless the Congress has first affirmatively authorized that expenditure.

I now yield to my chairman, the gentleman from Alabama [Mr. MANASCO].

Mr. MANASCO. A moment ago the gentleman from Texas [Mr. PATMAN] took exception to the fact that we do not have any reference in the committee substitute to the prevention of monopoly. Do we not now have on the statute books all kinds of legislation dealing with monopoly?

Mr. WHITTINGTON. Unquestionably. I repeat what I said to the gentleman from Texas [Mr. PATMAN] if we find that that legislation ought to be amended we have provided that that legislation shall be amended by recommendation of the Congress to eliminate the causes of depressions. I think my chairman is absolutely right.

I now yield to the distinguished gentleman from Utah.

Mr. GRANGER. Following that, I suppose from what the gentleman has said, that we are to forget what everybody else said about this matter and accept his philosophy and his version of this thing? As I understand, he is the author of it and he does not want any amendments? There is no question about it but this is what is right?

Mr. MANASCO. Mr. Chairman, I yield to the gentleman three additional minutes.

Mr. WHITTINGTON. I have a high regard for the gentleman from Utah [Mr. GRANGER]. I have confined myself not to a discussion of politics or partisanship, but I have endeavored to confine myself to this bill. I accord the gentleman the right to his views. I have stated the views that actuated this committee. If my statements are not supported by



reason and by logic, if they are not supported by the course of history, if they are not supported by the very fact that under this system for 156 years our Government now enjoys the highest standard of living of any government in the world, reject them.

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

Mr. WHITTINGTON. I yield to the gentleman from North Carolina.

Mr. COOLEY. How many members of the gentleman's committee support his views?

Mr. WHITTINGTON. I repeat what I said, that four members of the committee filed a minority report, and that the vast majority of the members supported the bill.

Mr. COOLEY. But you are supported in your views by an overwhelming majority of your committee?

Mr. WHITTINGTON. Unquestionably, or the bill would not have been brought here.

Mr. HOFFMAN. Now, you say an overwhelming majority. Eight members signed the minority report.

Mr. WHITTINGTON. But four of them voted for reporting the bill. I repeat my statement, that as far as this particular substitute is concerned, a vast majority of all the members of the committee, except four or five, voted to report it.

Mr. HOFFMAN. And after those eight members had visited the White House, then they were for the bill?

Mr. WHITTINGTON. I repeat what I stated in the committee. Something was said about the President bringing pressure to bear. He said this matter was on the doorstep of the Committee on Expenditures. He said in a statement, "I ask that committee to report an employment bill." He never at any time, and I speak by his statement to the public, said that he wanted the committee to report the original Senate bill or the original House bill.

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

Mr. WHITTINGTON. I yield.

Mr. RICH. All the hearings that were had were on H. R. 2202?

Mr. WHITTINGTON. The hearings commenced on H. R. 2202. In a few days the Senate bill S. 380 came over. At the time the hearings began the LaFollette bill (H. R. 4181) was introduced, and the hearings were conducted on all three bills.

Mr. RICH. I congratulate the gentleman from Mississippi on the work he is trying to do on this bill. While I signed the minority report, if I could follow the bill as it was written by the gentleman from Mississippi and take that as the final result, I would vote for it. But I want to qualify that. If it is going to be amended by a lot of amendments that will be offered in the House, then I would vote against it. The gentleman has worked diligently on this matter.

Mr. WHITTINGTON. I want to say in this connection that the committee considered this bill for four long days. Many amendments were proposed, and among these, at least one amendment proposed by the gentleman from Pennsylvania [Mr. RICH] was adopted. Many

members of the committee proposed amendments which were adopted. I know of no legislation which has been more carefully presented to this House in a long time. If we profit by legislation that was enacted in 1931 but too late to be given a chance, no Member of the House, no Member of the Senate has submitted a philosophy or program that is more constructive than that contained in the pending bill.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTINGTON] has again expired.

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

Mr. HOFFMAN. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. GIBSON].

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. GIBSON. I yield.

Mr. PATMAN. All time has been against the original bill. I just wonder if the author of the original bill and those who are sponsors are not entitled to some time along about now.

The CHAIRMAN. The time is controlled by the chairman of the committee and the ranking minority member.

Mr. GIBSON. I am not going to yield for the gentleman to make a speech.

Mr. MANASCO. Mr. Chairman, we are going to yield the gentleman time. The proponents of the original bill will be given time, but the custom, as I understand it, is to give members of the committee who are either for or against the bill an opportunity to make their statements.

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] yielded 20 minutes to the gentleman from Georgia [Mr. GIBSON].

The gentleman from Georgia is recognized.

Mr. GIBSON. Mr. Chairman, in discussing this bill, I should like to take the skin off of it and let you look on the inside and see just what it is. I can tell you in plain language what it is and I hope some of you understand it. Its purpose is that of a political compromise, but it is what is known to some of us people in the South as a misconception—if you get the idea. Now, let us figure just a little bit what it says about itself. That is a pretty good way to take inventory. It starts off by saying:

Congress hereby declares that it is the continuing policy of the United States—

(a) By means of—

(1) Preserving and encouraging the American economic system of free competitive enterprise and fostering the investment of private capital in trade—

And so forth. The next clause reads:

By means of aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business—

And so forth. Third, and I want you to listen to this closely:

By encouraging individual initiative.

In the name of all that is holy and right, I ask you: Since when has this or any other legislative body been strong enough and broad enough to legislate

into the heart of the individuals of this or any other Nation individual initiative?

(4) Avoiding competition of Government with private business enterprise; and

(5) Adopting sound fiscal policies and maintaining the credit of the United States.

In other words, it takes up about 90 percent of its time apologizing for the statement that it is a bill to sponsor and foster free enterprise.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIBSON. I yield.

Miss SUMNER of Illinois. It goes on the theory that Congress can pass a miracle.

Mr. GIBSON. Yes; some have come to believe that it really can. As I say, 90 percent of the effort in drafting the bill is devoted to apologizing for defending and fostering free enterprise. If it had not been for the ingenuity of men like Henry Ford and other businessmen in this country, God knows where you and I would have been; I guess I would have perished.

But the most ridiculous thing in the whole bill outside of this one thing—it is like taking the beautiful pure maiden out and spending a whole afternoon telling her how you are going to protect her virtue and then when the sun sets behind the western clouds destroy all that you told her you would protect. The first 90 percent of the words tells how it loves free enterprises, how it cherishes, and how it means to nourish free enterprise. The next 10 percent says: "Look out! Oh, boy! Here I come! I am going to cut your throat." And it does not fail to do it.

As between this bill, this political compromise, if you please, and those other monstrosities that have been offered by various Members, I want to tell you that this is much the less harmful. There is no question about that. If I had to vote for one—which, thank God, I do not have to do—it would certainly be this instead of the others. But let me tell you what the strongest proponents of this bill have to say about it. They say it just does not do anything at all. I agree with them, with one exception; it sets up one more bureau at an expense of \$435,000 a year. That means a little bit to me, whether it does to you or not, and it means a little bit to the taxpayers of this Nation.

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

Mr. GIBSON. I yield to the gentleman from Missouri.

Mr. SHORT. It attempts to do one other thing, and that is to deceive and mislead the American people. It is a synonym for mockery and hypocrisy; it is a sham and a shibboleth, and a slogan that cannot do anyone very much harm, and God knows it cannot do them any good.

Mr. GIBSON. I thank the gentleman from Missouri for that contribution. It is well said.

Let me tell you this is one time in our lives, for God's sake, we should become realistic in approaching subjects pending before this House. It seems that this body has long since forgotten that there is such a power and force in existence as human psychology. I want to tell you



that the mere fact these things have been discussed by the Members of this body during these few months has done more to break down the morale of the people of this Nation and teach them to pull in their wings and say, "This gracious Government will take care of me, I do not have to work," than anything that could have been done to the American people.

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

Mr. GIBSON. I yield to the gentleman from Arkansas.

Mr. NORRELL. That being true, does the gentleman not think it is about time that this Government officially declare that it still believes in the free system of private enterprise?

Mr. GIBSON. If this bill does not cover that I think we ought to do that. It is time for this Congress to wake up, and I mean that literally, and get back to running the Government's business and, so help me God, let the businessmen of this Nation run their business before we bankrupt the world.

You hear men say, and, my God, it is pitiful to a man who has a brain to think with: "We must have some law that says that an American citizen has got the right to work." Just weigh that for a minute and think about it. We have to pass a law that an American citizen has got the right to work.

Let me tell you Members something. I was reared in a family of 10 and we had just 1 old gray mare to plow up the soil and till it. My father never had \$25 at one time in all his life. We got up at 4 o'clock in the morning, we went into the field at hard toil and into woods cutting cross ties or dipping turpentine before the stars ceased to shine. We ate a cold lunch out of a tin bucket and worked until the stars began to shine again as the sun hid itself behind the western horizon. Did we do that because the gracious Government said we had the right to work? We did not do it because of a right; we did it because it was a duty and in order to keep the wolf of hunger from stalking the door and leaving us as dripping skeletons as you people are going to leave this Nation if you keep on with this tomfoolery. We looked on work as a duty and not a right, but a privilege. My God, Mr. Chairman, it is a duty you ought to be willing to perform.

When this Congress gets through performing operations, I do not know, it may then become a right and a glorious one, to go out and do a day's toil, because miracles you are performing, and it may actually be just that when you get through, God knows.

Now, let us go on a little bit. I have heard some gentlemen stand up here today and say that we had to set this thing up so that the people would have money to pay taxes with, to pay the national debt, and so forth. Let us follow that reasoning a little bit. How many of you folks have ever gotten drunk to cure a bad cold? It is just about the same thing. You think you are well, but when you get over the shock you sink to depths to which that horrible disease had never carried you, and if you do not quit this tommyrot, this downright foolishness, in this body, you are going to sink the fiber of this Nation from the shock to a point

to which no depression we have ever had carried us.

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

Mr. GIBSON. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I take it the gentleman subscribes to the philosophy enunciated some years ago by a very wise gentleman when he said, "The Congress of the United States cannot legislate everybody rich, but the Congress of the United States can legislate everybody poor." This bill would go a long way in that direction?

Mr. GIBSON. This and other similar bills passed by this body has just about brought us to the skeleton stage in this Nation.

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

Mr. GIBSON. I yield to the gentleman from Ohio.

Mr. THOM. In New York City during the depths of the depression in the thirties there were more than 500,000 people unemployed. If the gentleman had been the mayor or an official in New York City, how would he have met that problem?

Mr. GIBSON. Well, that is kind of like asking—

Mr. THOM. No, no; that is the question at issue. Now let us have the correct answer.

Mr. GIBSON. In other words, the gentleman has gotten so grand and mighty in his position that he is going to ask the question and answer it, too. I give him the privilege, go ahead.

Mr. THOM. I will give the gentleman the chance.

Mr. GIBSON. I wish he would.

Mr. THOM. Go ahead now. I will give the gentleman all the time he wants.

Mr. GIBSON. Does the gentleman have any time to give?

Mr. THOM. The gentleman asked for it.

Mr. GIBSON. If I had been mayor of New York, I would have handled that problem, but I did not happen to be. I represent the Eighth Congressional District of Georgia in Congress, and this is my function and my job, and I am going to try to handle it without any dictation from the gentleman.

Mr. THOM. I assume the gentleman does not have any factories in his district, where there is unemployment; he has farmers. But what would he do in the city of New York under the circumstances I have set up? I want an answer.

Mr. GIBSON. If the gentleman wants an answer, I would let free enterprise make employment. How many people has the gentleman employed in his life? Tell me, please.

Mr. THOM. Free enterprise did not employ 500,000. Only when Government intervention came was there employment.

Mr. GIBSON. Excuse me now. How many people has the gentleman ever provided work for?

Mr. THOM. That is beside the issue. Mr. GIBSON. Very much so, I imagine. The gentleman has not done as good as Henry Ford, has he?

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

Mr. GIBSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In reference to the New York situation, the jobs were there, sir. The jobs were there, but the pickets would not let them through the line.

Mr. GIBSON. If that is not a satisfactory answer, the gentleman will just have to wait.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GIBSON. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I would like to answer the question asked by my colleague, the gentleman from Ohio [Mr. THOM]. It so happened that I was mayor of the city of Marion, a city of about 34,000 people, during the depression. Our city was in financial distress, to the extent that even some of our business people thought it might be necessary to place it in bankruptcy. We had the same distressed conditions in Marion as were present in Cleveland, precisely, yet in the midst of that depression we balanced our budget, we paid our debts, and we fed our people.

Mr. GIBSON. You did it by work, did you not? That is a very good answer.

Now I want to go on and discuss this proposition of the national debt. It has been said here today that we had to set up public works so people could get money to pay taxes to pay the national debt. Let us follow that cycle around and see where we are getting. How many people in this House—and answer this to your own soul, because my time is about out—will admit that out of every dollar that the Federal Government handles, irrespective of how it handles it, it deliberately wastes 40 cents? No man can disprove that statement. Oh, you are going to set up public works and hire people out of the Federal Treasury so that they can pay taxes and retire the national debt. All right. You spend a dollar, except it will grow to billions of dollars, and out of every dollar you send out you may average getting 10 cents back, and that is just about as good financing as I think this Government has been doing since it has been dabbling in business; in other words, we throw away one dollar to collect a dime back in taxes. But that is one of their arguments. This Congress cannot get away from the fact that the responsibility for this Government rests in the bosom of the membership of the House and the Senate. If you are serious about wanting to pay the national debt, then for God's sake quit throwing money at everything that will catch it. You know, and I know, that 50 percent of the appropriations made here are foolishly and unwisely made, and the money is absolutely thrown away so far as any value or benefit coming back to individuals or the Government is concerned. The worth of the dollar is what that dollar will produce. You cannot get away from it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. HOFFMAN. Mr. Chairman, I yield 10 additional minutes to the gentleman from Georgia.

Mr. GIBSON. You are talking about the Government running the business of this country. The Government operated



## FULL EMPLOYMENT BILL

the American railroads during the First World War at a net loss of \$1,922,000,000. It did not pay one penny of taxes into the Federal Treasury. During this World War, the businessmen, the men who built the railroads, the men who are responsible for free enterprise in this country, the men who have made it possible for you and me to be where we are today, operated the railroads. During this time they paid over \$4,370,000,000 into the Federal Treasury in taxes, save and exclusive of pay-roll taxes. They paid into the Federal Treasury over \$3,000,000 in taxes per day during the period of the war. They netted \$2,190,000,000 after paying those taxes. The difference in the efficiency of businessmen and that of the Government was above \$9,000,000,000 over that short period.

Let me get back to this theory and show you what I am talking about. A dollar is not worth anything at all within itself. It is worth only what the dollar will produce in material things, food or otherwise. If you as a farmer can take a dollar and produce five barrels of corn and I as a farmer can take a dollar and produce one barrel of corn, then your dollar is worth five of mine. What the Government can produce with \$10, free enterprise, businessmen, can produce with \$1. Do you people actually believe we are doing anything but destroying this country when we set the Government up in business throughout the length and breadth of this land?

Talk about this do-good business, helping the poor. I get so sick of that, I get so sick and tired of hearing it until I become nauseated. If you want to help the poor, let me tell you how to do it. Fall back to the fundamentals of this Nation and maintain the country that you and I were blessed to come up in. When I was 25 years old I was shoveling coal in a coal chute of a railroad at 18 cents an hour. Not by my ingenuity did I become a Member of this Congress? No. It was because the businessmen of this Nation had built a country, had built a democracy where poor men like me had a chance to climb. God knows I will spend my life and my energy to maintain that same Government so that my children may have the same right.

There seems to be a sentiment in this body that people should not suffer hardships, that you have to legislate them out. But let me tell you that hardships have built more men of national stature than opportunity ever did.

Mr. BENDER. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, earlier this afternoon in the course of the discussion on the rule, I indicated that tomorrow I will offer a substitute for the bill in the nature of an amendment to create a national commission on inventory. That amendment or substitute will be printed in the RECORD and will be available to all Members in tomorrow morning's RECORD.

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

Mr. MANASCO. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I do not know of a bill that has been more misrepresented and more misunderstood than the bill that has been called the full employment bill. It happens that I am not in favor of any other form of government except our own good American Government. I think it is the finest and best government on the face of the earth, a good parliamentary government where the people's will represents the established democracy of this country. I am opposed to all these "isms," like fascism, communism, and socialism. I do not want them to get started in this country at all. I want us to maintain the kind of country and economy that we have all lived under. Therefore, feeling that way, and the people who had to do with the writing of the bill feeling the same way, I believe I know something of what is behind this legislation. This bill was written commencing the last part of 1944 after the Presidential election when both Presidential candidates pledged themselves for full employment, both Mr. Dewey and Mr. Roosevelt. A group of people here in Washington, most of them Members of Congress, got together and commenced to write that bill. I had just a little part in it. I remember one of the meetings just before the bill was introduced in the Senate. That meeting was right here in the House wing of the Capitol. Our group met, and we went over it carefully. It was written right here in the Capitol of the United States. We are proud of it because it represents the language of Members of this body or of the other body. I am telling you that to let you know that it originated right here on Capitol Hill.

Now, let us see how bad this proposal is wherein we are trying to eliminate the bad things that have always happened after every major war in history. Let us study the past. Let us profit by the horrible examples of the past. Let us pass legislation or do what is necessary to prevent these horrible things happening that have not happened after just one war in history, but have happened after every war in history. I want you to take the hearings on this bill. Turn to page 670 and you will find a chart there representing the business booms and depressions since 1775. You will find that every 10 or 12 years we had a boom and then we had a bust. After the other war, there was no exception to that rule. After the other war, we had inflation, the ruinous type, the runaway type of inflation. After that we had ruinous deflation. Five hundred thousand small businessmen closed their doors. Because of something they did? No, because of an economic situation that the Congress of the United States could have prevented and failed to prevent. Why did 500,000 farmers lose their homes? Why were they foreclosed and put out in the cold? Because Congress did not study the past after the other war and try to prevent what has always happened after every major war.

Now, with the knowledge of the past and with the information that there has never been one single exception, there has always been a boom and a bust after very major war, do you not think as

sensible men and women that we owe to the people we have the honor to represent to draw upon that knowledge and information and try to do something to prevent what has invariably happened after every major war?

What is the proposal—this proposal that many in their extravagant claims and declarations say would absolutely change our form of government? Let us just analyze it briefly. What is it? It merely says that the President of the United States will set up an organization in the White House, just a little group of his Cabinet members, to study the future and see what the trends are. If it is inflationary, to make recommendations how to stop inflation. If it is deflationary, to suggest means to prevent deflation. How will this little group do that? They will make recommendations to the Congress on January 3 of each year when the new session commences. Then, where does it go? Does the Congress have to debate it? No. Our bill says it will go to a joint committee of the House and Senate. Composed of whom? Members of the Senate and Members of the House; men like Senator GLASS, Senator McKELLAR, Senator BRIDGES, and Senator GEORGE; over here, men like Mr. DOUGHTON of North Carolina, Mr. KNUTSON, Mr. CANNON of Missouri, and Mr. TABER. Men like that will be on this joint committee to which that report will be referred. Under the terms of the bill it will go to men like that. What do those men do? By March 1, they will submit a joint resolution to the House and Senate, containing recommendations of a general policy—or as a guide—as to what should be done to, as far as possible, maintain continuous employment during the next year. H. R. 2202 has the following provision:

(b) It shall be the function of the joint committee—

(1) To make a study of the National Budget transmitted to Congress by the President in accordance with section 3 of this act; and

(2) To report to the Senate and the House of Representatives, not later than March 1 of each year, its findings and recommendations with respect to the National Budget, together with a joint resolution setting forth for the ensuing fiscal year a general policy with respect to such National Budget to serve as a guide to the several committees of Congress dealing with legislation relating to such National Budget.

Suppose that committee submits this resolution to the House, and it says, "We are likely to have inflation. We have got to cut out this public works, this housing, and things like that. Too much public money is going out. We recommend that the Congress stop it just to stop inflation." We just debate it. Nothing to be done except debate. Then the Congress will adopt its policy, telling the committees that handle the respective bills, "Now, gentlemen, we are liable to have inflation, and we want to reduce it. Withdraw this authorization on public roads, or we want the Public Buildings and Grounds Committee to withdraw the housing appropriation. We want work done, but we do not want it done now. It is a bad time to do it."



Is there anything wrong about that? It is using parliamentary processes to try to protect the people that we have the honor to represent. No power to appropriate money; no authorization of any appropriation; cannot spend a dollar without this Congress voting for it. The fact that the Budget suggests it you know does not have much weight with Members of Congress who vote independently.

Now, what does the substitute bill provide? It provides a set-up in the Executive Offices to study the economic conditions. When do they report to Congress? By March 3. The substitute sets up the same kind of a joint committee, with the type of men I mentioned to you, that is stated in the original bill. They have until May 1 to report to Congress. What kind of report? Just like the report that committees file. That is exactly right.

One of the cornerstones of this legislation is in the original bill, which says that that joint committee will submit a joint resolution to Congress in order that that resolution may be discussed, and the Congress can agree upon the type of legislation it wants the respective committees to report to the House. That is left out entirely in the committee substitute. That is a cornerstone of this legislation that has for its goal full employment, yes. The preamble to the Constitution of the United States contains the phrase "to promote the general welfare" and we are trying to promote the general welfare all the time, but that does not mean that every act or deed of Congress or the individual Members thereof is promoting the general welfare; generally we are. The same way with full employment. Do we expect full employment, 100 percent? No; nobody expects it. We have never had it in the world. We never will have it. A million and a half people because of over age will not want to work, likewise people who are crippled, and people who go from one job to another just not wanting to work. We do not try to take care of them. We are saying we want to provide employment, if possible—that is our goal, that is our goal—to provide employment opportunities, if possible, to those who are able, and willing, and anxious to work. Where is there any dole in that? Where in that will you find a holding out of promises and false ideals to the idle people who do not want to work?

Mr. Chairman, we have the highest national debt in history. No country on earth ever had a higher debt than we have today, \$265,000,000,000. There is only one way that we can pay that national debt in good honest dollars, and that is with a high national income. There is only one way we can have a high national income, and that is with a high level of or full employment. That is what that means. So if you want repudiation of that debt by paying it with worthless money, vote against any effort to provide full employment and full production. It is only with those two that we can pay this national debt with honest dollars.

Is this such a violent and such an unreasonable proposal? Let me read you an excerpt from a statement made by a candidate for the Presidency in this

country in 1928 advocating this type of legislation—1928. Let me read it to you:

I wish to lay down the proposition that the very prerequisite, the very foundation of economic progress to our industrial and business employees is full and stable employment.

Full employment and stable employment.

A continued surplus of unemployed workers means decreasing wages, increasing hours, and fear for the future. To protect labor, to maintain its prosperity, to abolish poverty, we must so organize our economic system as to provide a job for all who have the will to work.

Herbert Hoover made that statement. He advocated this bill in 1928.

In 1931 a law was passed known as the Economic Stabilization Act, which was very similar to the amendment suggested by the gentleman from Mississippi [Mr. WHITTINGTON]. It was passed in plenty of time to stop the depression of 1932 if it had been workable, but it was not workable. To ask us how to take the same thing that failed before is, I think, asking too much.

Let me tell you another candidate for the Presidency who made a statement along these lines, President Roosevelt in 1944:

To assure the full realization of the right to useful and remunerative employment an adequate program must, and if I have anything to do about it, will, provide America with close to sixty million productive jobs.

If anyone feels that my faith in our ability to provide 60,000,000 peacetime jobs is fantastic, let him remember that some people said the same thing about my demand in 1940 for 50,000 airplanes.

Franklin D. Roosevelt, at Chicago, October 28, 1944.

Let me read you a statement from the other candidate who also was working on this problem and the people who were elected on the other ticket, the minority party ticket, asked the people to vote for them and to vote for their candidate on the basis of the statements he made in that campaign. Let me read you one by Thomas E. Dewey at Seattle, Wash., on September 21, 1944:

If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours. If there is one thing we are all agreed upon it is that in the coming peacetime years we in this country must have jobs and opportunity for all. That is everybody's business. Therefore, it is the business of the Government.

Thomas E. Dewey made that statement and upon the basis of that statement the people of this Nation were asked to vote for him for President. Now, suppose he had been elected, would we be assuming the same attitude about it?

Miss SUMNER of Illinois. Yes.

Mr. PATMAN. Here is what President Truman has said about this proposal.

A national reassertion of the right to work for every American citizen able and willing to work—a declaration of the ultimate duty of Government to use its own resources if all other methods should fail to prevent prolonged unemployment—these will help to avert fear and establish full employment. The prompt and firm acceptance of this bedrock public responsibility will reduce the need

for its exercise. I ask that full employment legislation to provide these vital assurances be speedily enacted.

Mr. Chairman, this thing has become more or less of a nonpartisan issue. Both sides advocated it in the election last year, both sides asked for the vote of the people on the basis of full employment. Now, then, one side has been elected. Will both sides carry out that one promise in common? Both sides promised it to the American people. Are we going to be true to our promises? Will we carry them out? Does a campaign promise mean anything? I think it does. So, since both sides promised that we would work to the end that we would do our dead level best to provide opportunities for work for those able, anxious and willing to work, are we going to keep that promise?

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

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. GROSS. When Dewey made that statement he was speaking for Thomas E. Dewey. It was not in the Republican platform and that is the thing that defeated him and no one on this side of the aisle is bound by what Dewey said.

Mr. PATMAN. That is refreshing. I did not hear anybody denounce it last year. I did not hear the gentleman denounce it. If he did I would like to know in which newspaper it was published.

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

Mr. PATMAN. I yield to the gentleman from California.

Mr. OUTLAND. I would like to ask the gentleman from Pennsylvania if he would say the same thing about the statement of Mr. Hoover?

Mr. PATMAN. You know, Mr. Hoover made that statement too.

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

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. JENKINS. Mr. Hoover, Mr. Dewey, and Mr. Roosevelt never advocated the setting-up of an organization like the gentleman advocates setting up in this bill.

Mr. PATMAN. How are you going to do it?

Mr. JENKINS. The gentleman should say that before he makes these bald statements.

Mr. PATMAN. If the gentleman is not for this, what is his plan?

Mr. JENKINS. The gentleman has misrepresented these other gentlemen.

Mr. PATMAN. I certainly have not. I have read exactly what they said. Nobody will say that they stated anything else.

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

Mr. PATMAN. I will yield to the gentleman to state in which newspaper he denounced those statements.

Mr. GROSS. There was also in that campaign and prior thereto, Pearl Harbor, when Roosevelt said: "Anyone who thinks we need a two-ocean Navy is dumb." Does the gentleman recall that too?



Mr. PATMAN. Of course, we have done too much fighting over dead issues already. I think we ought to look into the future. We ought to study the past and look into the future. This is planning for the future, planning against the horrible things that have always happened in the past after every major war.

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

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman spoke of the fact that the original Senate bill and the bill introduced by him provided for a report of the President to be considered by a joint committee and the joint committee introduce a resolution. Is it the purpose to bypass committees of Congress?

Mr. PATMAN. No. The object is to work with the committees of Congress.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. WHITTINGTON. Is it not true that if you require that committee to submit a joint resolution and then have the joint resolution pass and the matter go to committee, that there would be delay that we propose to obviate in this substitute?

Mr. PATMAN. Not as much delay as the substitute. I will say to the gentleman from Mississippi. There should be only a few days' discussion on the joint resolution, and that should be right after March 1. Then we would have plenty of time for the committees to act and pass legislation. The gentleman wants to wait until after May 1 to even file the report. Then it would be June 1 before bills would be introduced to carry it out and the Members would be ready to go home before it would come out on the floor at the end of the session every time. Let us bring in this legislation at the beginning of the session when we are all fresh, when we are especially anxious to do something to help the people.

Mr. WHITTINGTON. In all deference, there is a lapse between the time that the committees render their reports and the President submitting his report under both bills. Under the bill introduced by the gentleman, he is requiring the President to submit his report at the end of the session.

Mr. PATMAN. January 3 in each year.

Mr. WHITTINGTON. When is the new President going to submit his report? January 3 has gone.

Mr. PATMAN. No; the President will submit his report at the end of the succeeding year.

Mr. WHITTINGTON. Again, with all due deference now, the more constructive way to do it, as we have it in the substitute, would be to provide that the report shall be submitted within a reasonable time.

Mr. PATMAN. That is quibbling over words, I will say to the gentleman. We are not concerned with that. The President who is in power at the time will submit the report. Then if a new President comes in on January 20, and he has different ideas, let him make recom-

mendations. All in the world this does is this, it is planning, it is studying, it is looking at the past, it is trying to prevent the horrible things that always have happened in the past after every major war. We are trying to plan against that. They were man made. Man can prevent them if man wants to.

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

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Over before the committee, in a very pleasant manner and engaging smile, of course, the gentleman asked that same question he asked here, "What have you to offer?" Then I remember that both the gentleman and the gentleman from California [Mr. OUTLAND] said that the system we had had worked out more successfully than any other anywhere else in the world. Would it be asking too much, as long as that system has demonstrated its worth, that we just follow it a little while longer?

Mr. PATMAN. We have had things happen under that system that we do not want to happen in the future. We have had things happen after every major war, inflation, deflation, boom, and bust. That part of the system has not been functioning right. We want to correct it. We want to get back on the track during that period and keep it on the track.

Mr. HOFFMAN. The gentleman is not going to control the rainfall and the sunshine, is he?

Mr. PATMAN. No; but the depressions are man made, I tell you. Man can prevent them if man wants to.

Mr. HOFFMAN. What man? Superman?

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

Mr. PATMAN. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman speaks of the period after the war. Does the gentleman think that if this bill or an identical bill had been introduced and passed right after the Civil War that the prairies of Kansas and Nebraska and the great Northwest would have been settled and developed with this kind of plan in operation?

Mr. PATMAN. They would probably have done better under this plan.

Mr. WHITE. The gentleman thinks so?

Mr. PATMAN. Yes; because this plan is helpful and constructive.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I think it should be pointed out that long before either the Republican candidate, Mr. Dewey, or the Democratic candidate, Mr. Roosevelt, endorsed it, that this plan was thoroughly laid out and advocated by Earl Browder, the head of the Communist Party, in his so-called book *Tehran*.

Mr. PATMAN. The gentlewoman is familiar with communism; I am not. I have never read the book. I know enough about communism to be against it:

Miss SUMNER of Illinois. That was a clause taken from the Constitution of Russia.

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

Mr. PATMAN. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. It has been stated that rainfall cannot be controlled. May I say for the benefit of you who have been making such bold statements on this proposition that rainfall has been controlled for the benefit of humanity through sewage systems, through dikes, through flood control projects, and man has made possible the savings of not only property, but the protection of health, life, and good living.

Mr. PATMAN. I thank the gentleman.

Let me tell you why this is so essential now. After the last war we had about \$53 per capita in the pockets of the people and a proportionate amount of deposits in the banks the same as cash. That is so small compared with what we have now. We have over \$200 per capita in the pockets of the people in actual cash more than \$28,000,000,000. We have available purchasing power of \$140,000,000,000. This money is looking for goods and services. If we permit this money to go into competition all the way through our economy we will have ruinous inflation. We know that. Everybody knows it. Everyone who has studied it will admit it.

With that explosive, that atomic energy or power there that is likely to throw us off into ruinous inflation, runaway inflation at any time, do you not think that we ought to do something to stop it? All right, what should we do? Right now it is proposed that we spend billions of dollars on public roads, highways. I am for highways. Let us build them at a time when it will aid employment. Let us not rush in and add to this huge reservoir of money and credit and make inflation more likely.

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

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. WALTER. May I point out to the gentleman that there is very little likelihood of this pressure being decreased, because employment in the United States today is 52,000,000 and only 1,500,000 are unemployed, so that if any of these public works programs are started now there will be competition for workers.

Mr. PATMAN. That is right.

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

Mr. PATMAN. I yield to the gentleman from Ohio.

Mr. JENKINS. If the program the gentleman so vociferously advocates is so beneficial, why did you not try it from 1932 to 1938 and 1940?

Mr. PATMAN. In 1932 we were not in power. I do not know that we would have done any better. I believe that somebody could have done a little better, but we did not. We did have some planning and that planning helped a lot. That planning caused homes to be built for people, it encouraged business and gave employment to people, and the country was on an upward trend all the time during that period. In 1936 a bill



was passed to pay the veterans of World War I, and it looked so good and so prosperous that they even put the brakes on too fast and too effectively and caused a minor depression in 1937. But generally the trend was upward. Suppose we did fail to do it, should we fail to do it now? Let us say that we made a mistake by not doing it, shall we make two mistakes and call it a right?

Mr. JENKINS. If things were on the ascendancy so much as the gentleman has claimed, why was he before us just this week asking for a big appropriation to help out the small businessmen?

Mr. PATMAN. They need help as against the big fellow and against other factors that we can help them with.

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

Mr. PATMAN. I yield to the gentleman from California.

Mr. OUTLAND. I think the point that was just brought out by the gentleman from Ohio needs a little further elaboration. The gentleman from Texas, who is ably presenting this point, started to do so. It is, are we going to wait until depression strikes us again before we take concrete steps? Are we going to wait until we have twelve to twenty million Americans out of work, and then bring up some hastily conceived projects to put them to work, or are we going to try to plan constructively ahead of time so that in case private enterprise cannot meet the gap the Government can step in? I think it should be repeated over and over again that this bill does not call for Government expenditure or Government investment until and unless private enterprise does not fill that gap.

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

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In line with the statement of the gentleman from Pennsylvania [Mr. WALTER], and I concur in the view he has indicated, does not the substitute provide now for decreasing in times of no need for employment the public works that have been authorized and for accelerating them at other times? With all due deference, is not that a direct requirement of the substitute bill?

Mr. PATMAN. No, I do not believe the substitute bill is very effective.

Mr. WHITTINGTON. It may not be effective, but in all fairness that is written in there.

Mr. PATMAN. I appreciate the fine work the gentleman did, but it is a reenactment of the 1931 bill that failed in 1932. I am not willing to take something that has already failed.

Mr. WHITTINGTON. Is it not true that the act of 1931 only required permanent works? Is that not true?

Mr. PATMAN. I do not know. But I know that the gentleman is always stressing the fact of the repeal of that act. This would restore that power.

Mr. WHITTINGTON. If the gentleman does not know, in all fairness I do not believe he ought to make the statement because I read from a copy of it when this bill was presented.

Mr. PATMAN. I was just taking at face value what the gentleman said. If I misunderstood him, I am sorry.

Mr. WHITTINGTON. It provided for permanent works only whereas the substitute provides for loans, for works, and for annual outlays that the President may want us to consider in his program.

Mr. PATMAN. May I complete my statement? We have plans in a half dozen different committees of the House to spend billions and billions of dollars for rivers and harbors and flood-control works, airports, and housing. Are they all good, meritorious projects? Yes, and every one of them should be constructed. But when? Should we rush in here from all those committees and pass all these bills and make all these appropriations and spend them when we already have so much money in circulation which is likely to cause ruinous inflation? Why is it not better to have a coordinating committee of the kind we endeavor to set up by H. R. 2202, which coordinating committee will have members from both the House and the Senate to study these things and come in with a joint resolution saying, "Gentlemen, you can build roads this year. That will be all right. That will not hurt our economy. That will not be too much. But you had better leave off those other things and wait till next year or build something else." Is it not better to coordinate these public works and have them constructed at a time when they will help give people employment when they actually need the employment and when the people are begging for work, when they are anxious to work, and are seeking work? Is it not better to do that than to have public works for the fellow who does not want to work or who would like to be on the dole? There is no dole money or leaf raking in this proposal. There is nothing like that at all. This is to avoid that.

I yield to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. The gentleman has commented; and rightly so, upon the dangers of this inflationary pool and the possible effect upon our economy. May I ask the gentleman why, in that case, did he vote for the tax reduction?

Mr. PATMAN. I did not vote for it.

Mr. H. CARL ANDERSEN. I am glad to hear that.

Mr. PATMAN. I did not vote for it. I think it is the greatest mistake that this Congress has made.

Mr. H. CARL ANDERSEN. I agree with the gentleman.

Mr. PATMAN. It is the greatest mistake this Congress has made. I did not vote for the Ruml plan.

Mr. H. CARL ANDERSEN. Neither did I.

Mr. PATMAN. I did not vote for the Ruml plan to make a crop of war millionaires to the extent of \$6,500,000 either.

Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. RICH. If it is your desire to have a great flood of public work, why is it that at a time such as this when we have millions of jobs today and no one wants to take them, why were thousands and hundreds of thousands of dollars voted for flood-control projects at the present

time when they could have been deferred to a time when those projects would be needed?

Mr. PATMAN. That is an intelligent question, and the gentleman always asks an intelligent question. I will do my very best to answer it. The answer is that they had no coordination such as we propose in this bill. If this bill had been a law and we had this committee to study all these different things in our economy and report back to the Congress, they would have reported "Do not do such and such, but do so and so."

Mr. RICH. Why is it you have the FWA program to provide jobs at the present time with Maj. Gen. Philip B. Fleming who is in charge and have over \$5,000,000,000 to spend on that as conditions are today?

Mr. PATMAN. I do not think that affects this bill at all. The object of this bill is to provide coordination.

Mr. RICH. But it answers the question, what you said we wanted to do in this bill.

Mr. PATMAN. It is a good argument why this bill should be passed.

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

Mr. PATMAN. I yield.

Mr. McCORMACK. May I call to the attention of the gentleman from Pennsylvania [Mr. RICH], in relation to his inquiry of the gentleman from Texas about flood-control appropriations, to the fact that flood control is to preserve human life and property. Certainly, the preservation of human life should always be paramount in the minds of everyone, particularly legislators charged with the responsibility.

Mr. PATMAN. I thoroughly agree with the gentleman. In what I said about those things, I had in mind things not involving public health or life.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PATMAN. In conclusion, permit me to say we have 117 cosponsors on this bill. Although the bill was introduced in my name, I did it for this group. I am no more the original author than either of these cosponsors. Each one is co-author, and cosponsor of this bill. Under the rules of this House, only one Member can introduce a bill. In the Senate any number of Members can introduce a bill. In the House only one Member. That is the reason we organized a cosponsors' unofficial steering committee group. The gentleman from California [Mr. OUTLAND] is chairman of that steering committee. That committee met after this bill was reported out the other day. We studied the amendment and we found that it was very, very weak. We were not willing to accept it. Therefore, we agreed, and the gentleman from California [Mr. OUTLAND], will verify this, that first we wanted a direct issue made on this particular question. We think that both candidates last year, having pledged the American people that they would be for this platform, it is our duty to present it in a constructive way; in a way that will carry out these prom-



ises that were made to the American people just before election. Therefore, we decided we were not going to offer any amendments at all. We are not going to suggest any amendments. We are going to vote this amendment of the committee up or down. We are going to vote against it. If it is voted down, we hope to succeed in passing the Senate bill, which will do the things we have asked to be done.

In connection with the Senate bill there were 70 Members voted for that bill, 44 Democrats and 26 Republicans. They voted for the bill we will ask you to adopt, if you will vote down this amendment that the committee has voted out. Against that Senate bill there were only 4 Democrats and 6 Republicans, 10 in all. Now, we are going to ask the House to vote down this amendment that is offered by the committee, and if we do not succeed in Committee of the Whole, when we return to the House, of course we will ask for a roll-call vote on it, and we hope to succeed in defeating this amendment. If we succeed, then we will have a direct vote on the bill that we believe will get the job done.

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

Mr. PATMAN. I yield.

Mr. OUTLAND. The gentleman mentioned a moment ago the vote in the Senate. I wish the Members of this House today who have called S. 380 socialistic, communistic, or something else would read the names of the Senators who voted for it. You would get a very good impression of what they think of it over there, and you would find some of those who are certainly not radical lined up for it. I ask you to read a list of the Senators who voted for this bill.

Mr. PATMAN—

[From CONGRESSIONAL RECORD of September 28, 1945]

SENATE ROLL-CALL VOTE ON S. 380

FOR S. 380 AS AMENDED—71

Democrats, 44: Bailey, Bankhead, Barkley, Bilbo, Briggs, Carville, Chavez, Connally, Downey, Ellender, Fulbright, George, Green, Hayden, Hill, Hoey, Johnson of Colorado, Johnston of South Carolina, Kilgore, Lucas, McCarran, McFarland, McKellar, McMahon, Magnuson, Maybank, Mead, Mitchell, Murdock, Murray, Myers, O'Mahoney, Overton, Radcliffe, Russell, Shipstead, Stewart, Taylor, Thomas of Oklahoma, Tunnell, Tydings, Wagner, Walsh, Wheeler.

Republicans, 26: Alken, Ball, Brooks, Burton, Butler, Capehart, Capper, Cordon, Donnell, Ferguson, Hawkes, Hickenlooper, Knowland, Langer, Morse, Reed, Revercomb, Saltonstall, Smith, Taft, Tobey, Vandenberg, Willey, Willis, Wilson, Young.

Progressive, 1: La Follette.

AGAINST S. 380 AS AMENDED—10

Democrats, 4: Byrd, Gerry, McClellan, O'Daniel.

Republicans, 6: Buck, Gurney, Millikin, Moore, Robertson, Wherry.

NOT VOTING—15

Andrews, Austin, Brewster, Bridges, Bushfield, Chandler, Eastland, Glass, Guffey, Hart, Hatch, Pepper, Thomas of Idaho, Thomas of Utah, White.

I insist you can find lots of excuses for opposing this legislation, but I do not believe, in view of what has always hap-

pened in the past after every major war, that you can really find any good reason for opposing it.

I am inserting herewith the following:

EXCERPTS FROM SENATE BANKING AND CURRENCY COMMITTEE TESTIMONY ON THE FULL EMPLOYMENT BILL (S. 380)<sup>1</sup>

1. THE RIGHT TO EMPLOYMENT

Section 2 (b) of S. 380: "All Americans able to work and desiring to work have the right to an opportunity for useful, remunerative, regular, and full-time employment."

Hon. Clinton P. Anderson, Secretary of Agriculture, pages 521-522:

"The 'right to a job,' which this bill proposes to make a basic policy of our Government, is as important to the preservation and sound functioning of democracy as are the time-honored rights of free speech, a free press, and freedom of religion."

Clarence Avildsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., page 656:

"The right to work: I do not say, nor do I think anyone else will argue, that the Government owes anyone his living. I do believe, however, that in a free society one must have an opportunity to earn a living, to do constructive work, and to be paid a reasonable wage therefor. I know there are those who will argue that there is no such thing as a right to work, and even if one does admit that such a right exists, that it is unenforceable, but I also know that we have just fought the most terrible and destructive war in history to establish the fact that men as individuals do have rights. These political rights and civil rights, based upon the concept that the individual is the most important one and that governments exist only to satisfy his needs, can be enjoyed in a modern, industrial society only if every person is able to support himself—to have those basic necessities of food, shelter, clothing, medical care, and a reasonable amount of leisure, without which all other rights are meaningless. If we are to maintain those rights for which so many have given their lives in these recent years, we must admit the necessity to add to those rights another which is most basic and upon which the other rights depend. This is the right to work, to earn a decent living, and to do something creative for oneself and one's fellow men."

L. Garland Biggers, New Florida Liberator, page 144:

"It is essential that specific declarations be provided in legislative enactments, and these specific declarations seem to be sufficiently comprehensive to accomplish the primary objective. Free, competitive enterprise; the encouragement of the investment of private capital; the right of all citizens of the Nation to useful, remunerative, full-time employment; a constantly rising standard of living; the prevention of restrictions on production; the designation of the Federal Government as the guarantor of these salutary and desirable attainments, are succinctly stated and are so self-evident that only the most self-centered and unpatriotic individuals can object to them."

Charles G. Bolte, chairman, American Veterans' Committee, page 417:

"We veterans and servicemen have a right to expect that, when all this is over, jobs will be available for all of us."

Ralph E. Flanders, president, Jones & Lamson Machine Co. and Bryant Chucking Grinder Co.; chairman, Boston Federal Reserve Bank; and chairman of the research committee of the Committee for Economic Development, page 596:

"This right to a job is a right which I myself have come, after much thought, to accept as

<sup>1</sup> All page references apply to the unrevised prints of the hearings.

an objective which our society may attain. Like all rights, it carries with it duties which are an indissoluble part of it. \* \* \* While the right to a job resembles the elements of the Bill of Rights in carrying with it certain duties, it differs from the rights of the Constitution in certain important particulars. The privileges under the Bill of Rights come automatically to the citizen unless he is restrained from exercising them. Preserving rights is, therefore, a matter of overcoming resistance. In contrast we do not assure ourselves of a job by simple resistance to some person or some group who is keeping jobs from us, as in the case of those who seek to impede free speech and free assembly. The duties involved in supporting the right to a job are of a different sort. They involve constructive action, cooperatively undertaken by many different elements of society in a rather difficult field of operation."

\* \* \* \* \*

Walter P. Reuther, vice president, International Union, United Automobile, Aircraft, and Agricultural Implement Workers of America (UAW-CIO), page 325:

"Section 2 (b) is, of course, the heart of this bill; and it is unnecessary for me to register my hearty accord with it. I note with approval the improvement in its language over the previous version, which referred only to the 'right to a useful and remunerative job.' You now speak of 'the right to useful, remunerative, regular, and full-time employment.'"

Col. Lewis Sanders, industrial engineer, page 1095:

"Every citizen is entitled to the opportunity for gainful employment. This is not a guarantee of a job or an expression of the philosophy that the world owes an individual a living. It is simply the adoption as a guide to Government policy and procedure of the obvious moral obligation of an industrial society to afford to each of its members the opportunity to earn a living. The people of the United States long ago accepted as the obligation of society the care of helpless members. Even more does it owe an opportunity to work to all its able and willing members when by its very nature a highly industrialized society has closed to most of its members all avenues of self-support except employment within its economic system."

The Most Reverend Bernard J. Sheil, D. D., auxiliary bishop of Chicago, and director of the Catholic Youth Organization, archdiocese of Chicago, page 838:

"It is the primary and essential function of government to secure citizens in the peaceful enjoyment of their natural rights; every government has the bounden duty to see to it that men are not denied the fundamental right of providing for themselves and their dependents a decent livelihood by honest and efficient labor. If, therefore, private industry is unable to afford men the opportunity of a decent and honorable living, government is bound by its very nature to employ all its resources to secure to all citizens this essential right to work. In the words of Pope Leo XIII: 'Each man has the right to procure what is required in order to live; and the poor can procure what is required in order to live in no other way than by work and wages.'"

John W. Snyder, Director of War Mobilization and Reconversion, pages 1062-1063:

"Mr. Chairman, at this point I would like to read into my statement an excerpt from a statement of Senator JAMES E. MURRAY, which I think defines what we have been referring to in this bill as the right to work and the right to a job. It is an approved condensation from his speech, and if I may I would like to read that here.

"The CHAIRMAN. Very well.

"Mr. SNYDER. I think it defines that very well.



"The right to a job does not mean guaranteeing jobs carrying set salaries and definite social standing. It is not the aim of the bill to provide specific jobs for specific individuals. Our economic system of free enterprise must have free opportunities for jobs for all who are able and want to work. Our American system owes no man a living, but it does owe every man an opportunity to make a living. That is the proper interpretation of the right to work."

Hon. ELBERT D. THOMAS, senior Senator from the State of Utah, pages 114 and 117:

"What is meant in the bill by the 'right to full employment,' the 'right' idea as a legal concept? I am not afraid of the question, and I think that we have plenty of evidence in our constitutional history to point out that we are not entirely moving into a sphere that has been unknown to our constitutional scheme. While it is true in this bill the 'right to a job' refers to that type of right which is mentioned in the Declaration of Independence, there are other things which our Government has done which have set up partially the right, in a constitutional way, to a continuation of employment."

"There would be no sense at all to compensation laws if the Government hadn't, for example, accepted the theory. There would be no sense in our civil service, the tenure in civil service, if we hadn't in some way or another accepted the theory of a right to continue employment. Tenure has no meaning if it has not the right with it, that is, in a strictly legal sense. Retirement of the Army, the Navy, and all of the various services of our country indirectly point to a right."

"In the beginning of the discussion of this bill it was charged that the full employment idea was taken from the Russian Constitution. The Russian Constitution does contain the concept of the right to work and the right to a job, but the idea was not taken from the Russian Constitution, although it is there; and the concept as expressed in our full-employment bill and the concept as would be expressed in any American consideration would be just as different from the concept as it is worked out under a communistic-sponsored constitutional theory. It should be remembered that the basic difference between the American constitutional concept in doing for its people and doing for the individuals is that in America we have all the time the welfare of the people in mind."

Senator ROBERT F. WAGNER, senior Senator from the State of New York, pages 1 and 2:

"I can define full employment very simply, by quoting a statement which I made 15 years ago. Then I said: 'The right to work is synonymous with the inalienable right to live. The right to work has never been surrendered and cannot be forfeited. Society was organized to enlarge the scope of that right and to increase the fruits of its exercise.'

"Any person who accepts the proposition that the right to work is of all-prevailing practical importance; any person who recognizes that all other rights, the freedoms, and liberties which we cherish, depend upon this all-important right to work; any such person is committed to the principle of full employment."

Henry A. Wallace, Secretary of Commerce, pages 687-688:

"I am wholeheartedly in favor of the passage of this bill. I consider it a most essential step in making a living reality of the economic bill of rights so clearly set forth by Franklin Delano Roosevelt. The economic bill of rights embodies the fundamental aspirations of all our citizens, which our great production potential will allow us to realize if only we have the vision, the courage, and the will to take the necessary action.

"The full employment bill would give legislative recognition to the most essential economic right—the right to a useful and remunerative job in the industries or shops or farms or mines of the Nation.' Under this

measure the Federal Government would, for the first time, recognize its over-all responsibility for assuring opportunity of employment to all who are able and willing to work."

James P. Warburg, Greenwich, Conn., pages 662, 665, 669.

"The full employment bill will for the first time enact into law the responsibility of the people as a whole, acting through their Government, to see that the right to work becomes a reality.

"Those who oppose the bill do so because they oppose the fundamental principle that it has now become both the right and the duty of the American people, acting together through their Government, to make the right to work as much a reality as the right of free speech.

"Actually, I believe that we will—and I hope that we will—come to a revision of that concept of property, and that we will come to a concept of property where we recognize that the man who makes tools usefully by using them, by adding labor to the tool, has a right to that plant very similar to the right of the fellow who buys the tools for him.

"\* \* \* He hasn't any right to that particular tool. He has a right to go on performing that service or a similar service by which he can earn a living. That is what we are talking about here. We are talking about a man's right to earn his living, really. Whether you call it the opportunity to work or the right to work, it is a right to earn a decent living, and that is implicit, I think, in the contribution that a worker makes who works steadily and well in a factory."

Arnold S. Zander, general president, American Federation of State, County, and Municipal Employees (AFL), page 379:

"This federation is in full agreement with the basic premise of S. 380 that all Americans able to work and seeking work should have the right to a useful, remunerative, regular, and full-time employment and that the Government should have the responsibility of guaranteeing such rights."

## 2. THE GOVERNMENT'S RESPONSIBILITY TO ASSURE CONTINUING FULL-EMPLOYMENT OPPORTUNITIES

Section 2 (c) of S. 380: "In order to assure the free exercise of the right to an opportunity for employment \* \* \* the Federal Government has the responsibility to assure continuing full employment; that is, the existence at all times of sufficient employment opportunities for all Americans able to work and desiring to work."

### STOP INFLATION, TOO

John J. Ahern, mayor, Troy, N. Y., page 138:

"Certainly, the fundamental thought of all in these troublous times is to assure, under all circumstances, sufficient employment and that all Americans be engaged in useful and remunerative full-time occupation.

"This, of course, is a basic responsibility of the Federal Government."

Hon. Clinton Anderson, Secretary of Agriculture, page 522:

"If we are to have full employment, as I believe we must have, the Federal Government will have to assume the responsibility for maintaining it. This bill, S. 380, recognizes this fact. There is no one segment of our economy which can provide the necessary guaranties. Yet all of us—farmers, businessmen, laborers, producers and consumers alike—can together, through the instrumentality of our democratic Government, assure the maintenance of full production and, hence, full employment.

"The assurance that Government is committed to a policy of maintaining full employment, within the framework of our free-enterprise system, is one of the greatest encouragements that Government can give to with a fully employed labor force there will individual producers. They will know that with a fully employed labor force there will be a market for their particular products."

Clarence Avidsen, chairman of the board, Republic Drill & Tool Co., Chicago, Ill., page 657:

"Everyone knows that the businessman cannot guarantee continuous employment for his workers. So, if this is true, and if we grant that men and women in a free society must be assured an opportunity to obtain remunerative employment, the job of assuring this employment must rest upon the only institution which has authority over all of us and which is subject to our collective will—the Government of the United States."

Charles A. Beard, historian, page 142:

"In my view of things, the Federal Government must carry a heavy responsibility for employment after the war, and should be preparing for it now, before a crash comes upon us—a crash such as we had in 1933, probably far worse."

Virgil Browne, chairman, State Board of Public Affairs, Oklahoma, page 157:

"I think it is highly important that the Government cooperate with business in every way it can possibly do to encourage free enterprise and private business toward full employment, not only in furnishing all necessary information to this end, but in the event private industry cannot keep up full employment, then to supplement Government work and employment so that full employment will be maintained."

Mrs. J. B. Caukins, president Young Women's Christian Association, pages 977-978:

"A positive declaration of the intention of the Government to protect the basic right of its people to engage in useful, remunerative work, is an assurance that the workers of this country expect and have the right to expect. It is an assurance that private enterprise should also welcome, because it supports continuous purchasing power and lessens the threat of sudden fluctuations and of depressions that have hovered over business and worker alike."

S. H. Dalrymple, president, United Rubber Workers of America (CIO), page 190:

"Although the responsibilities of our Federal Government have never been clearly defined in the direction of maintaining full employment, I contend that the obligation is a very definite one. Years ago the responsibility was clearly enunciated in this phraseology—'Government of the people, by the people, and for the people.' The meaning of this is incontrovertible. The Government exists for the sole purpose of functioning in behalf of and in the interests of the American people. By seeking to maintain full employment throughout our country, the Government will promote the best interests of our people by improving our national economic conditions, with a related improvement in the direction of health, security, and happiness."

A. C. Denison, president, Fulton Foundry & Machine Co., Cleveland, Ohio, page 192:

"It would seem to me that basically government exists to make peaceful living of many people a possibility. Therefore, it must assume an interest in the welfare of those peoples whom it is trying to hold together peacefully. And therefore, it has a responsibility in the maintenance of continuing full employment because there is nothing more vital to its people's needs and interests."

William F. Devin, mayor, Seattle, Wash., pages 195-196:

"It has become increasingly apparent to me that the people of our Nation are looking to the Federal Government to assume considerable responsibility for full employment after the war. I think the people as a whole have no definite or concrete suggestions as to how this should be done, but they do feel that there must be full employment. I think they lack confidence that it can be accomplished except by the aid of the Government.

"I am unable to see how private business is able to guarantee these benefits. If such a



guaranty is to be made, the Federal Government is the one to make it. Therefore it would seem to be the responsibility of the Federal Government to provide a safety net under the free enterprise of our Nation and to encourage the citizens in every way possible to establish businesses and through individual industry and initiative develop those enterprises to the greatest possible extent."

Francis R. Draper, Mabel Newcomer, Marietta Stevenson, Caroline F. Ware, Faith Williams, members of National Social Studies Committee, American Association of University Women, page 299:

"The basic responsibility to assure conditions leading to full employment must rest with the Federal Government. Under modern economic conditions such responsibility cannot be left to any private controls, to the unregulated forces of the market, or to any governmental units smaller than the national Government.

"In the absence of full employment, no other public program can be successful. In order to provide a foundation upon which to carry out whatever specific measures the Nation may desire, the Government must be prepared to take steps leading to full employment."

Miss Loula Dunn, president, American Public Welfare Association, and commissioner of the Department of Public Welfare, State of Alabama, page 441:

"As I understand the bill, it proposes really to guarantee that there will be full employment, which is an insurance against the very social hazards and problems that I have been talking about. Certainly out of the experience I have had in seeing what happened to people when they did not have economic security, I would be one of the people who would wish to raise my voice in behalf of any measures that would guarantee that there would be that type of employment. I think not enough has been said, on the social consequences in broken homes and crime and prison population, all the by-products of long-time unemployment, as well as your byproducts in the health of the community, which was amply demonstrated, I think, in the number of rejections for physical reasons in the draft."

Harry Golden, president, Magna Products, New York, N. Y., page 616:

"I am for this bill because:

"It places on the Federal Government the definite responsibility of avoiding unemployment.

"Where else can this responsibility be placed?

"Not on business. My plant employs 150 men and women. How can I hire any more unless I feel that I will be able to sell what these extra people would produce?

"The responsibility for unemployment can't very well be placed on the employee. He can't create jobs.

"The last decade certainly should have taught us that, when depression comes, no one but the Federal Government can assume the prime responsibility for relief. Hasn't the fire department the duty of preventing conditions that may cause or spread fire?

"It aims to give every businessman what he needs most—assurance of a market. Now, let us dwell for a moment on those most important words, 'assurance of a market.' I cannot attempt to tell you how important those four words are.

"Fortune magazine said, 7 years ago:

"Every businessman who is not kidding himself knows that he does not know how to guarantee, without Government intervention, the markets with which alone his free competitive capitalism can function. Every businessman who is not kidding himself knows that, if left to its own devices, business would sooner or later run headlong into another 1930."

"Now, when a little fellow quotes from Fortune magazine he thinks he has a real

argument, that he has something worth while."

L. E. Keller, research director, Brotherhood of Maintenance of Way Employees, Detroit, Mich., page 985:

"It is our position that the Federal Government has both the right and the absolute duty to concern itself with the behavior of private enterprise to the extent that its activities have any important bearing on the social and economic well-being of the country as a whole, or upon the political well-being of the country. And I want to repeat there that it is not only the right, but we insist that it is the absolute duty of the Federal Government to do that.

"We cannot escape social and economic disaster in the days ahead of us, we think, by any program of timidity or delay or evasion."

Fiorello H. LaGuardia, mayor of New York City, page 866:

"Senator TOBEY. Before you get to that may I point out in paragraph b the word 'assure'? 'It is the policy of the Nation to assure the existence'—that has been a very moot word here. People have come before us and questioned the word 'assure'; tried to get around it by using some other language, etc.

"Is it your thought it is the very intent of the bill to assure?

"Mayor LaGuardia. Well, you either assure their existence by employment or you assure their subsistence by relief."

Col. William C. Menninger, United States Army, Chief, Psychiatric Division, War Department; psychiatrist with Menninger Clinic, Topeka, Kans., pages 676 and 678:

"With demobilization of the Army and war industries, unemployment will confront us shortly, and not only will we have the inherent problems of unemployment, but these will directly contribute to making many of this group of veterans into confirmed invalids. If there were assurance of sustained employment opportunities for all, this possibility would be of less concern.

"So that I think unemployment has had a tremendous impact and will continue to have if we do not bring about some kind of a positive assurance that a man shall have an opportunity to get a job if he can."

E. F. Milliman, president, Brotherhood of Maintenance of Way Employees, page 288:

"It is the basic responsibility of the Federal Government to encourage the fullest possible measure of regular full-time employment, to be provided through private enterprise; to assist private enterprise in the complete fulfillment of this essential economic necessity; and to supplement these efforts on the part of private enterprise if and when it develops that private enterprise cannot or will not provide regular, full-time employment for all those who depend upon work and wages for their economic security.

"It is not only the right but it is the absolute duty of the Federal Government to see to it that the American home and the American family are made secure in the economic field just as it is Government's responsibility to promote and preserve their security in other respects."

Walter Morrow, president, American Retail Federation, page 290:

"It is the basic responsibility of Government to see to it that private business is given an opportunity to provide jobs that will enable those who are able and want to work to maintain a decent standard of living and improvement upon it. When private industry fails in this purpose it should be the function of Government to fill the employment gap."

Hon. JAMES E. MURRAY, Senator from the State of Montana, pages 9 and 12:

"The full employment bill is based upon the theory that no single group in the country—either industry, labor, or agriculture—can by itself assure the expanding markets which are necessary for full production and full employment. The bill recognizes the

fact that only the Government, acting in cooperation with industry, labor, agriculture, and States and localities can assure a continuing level of demand sufficient to absorb the goods and services produced under our modern economic conditions.

"In short, the so-called right to a job is a meaningless figure of speech unless our Government assumes responsibility for the expansion of our peacetime economy so that it will be capable of assuring full employment."

Senator MURRAY (in the course of Ralph Flanders' testimony) page 605:

"Webster's Dictionary gives as a definition of the word 'assure': 'To make sure or certain; to inspire confidence by declaration or promise.'

"Mr. FLANDERS. That second definition of it, Senator, is applicable a hundred percent.

"Mr. MURRAY. It also says: 'To confirm; to give confidence to.'"

Philip Murray, president, Congress of Industrial Organizations, Washington, D. C., page 510:

"The words 'assure' and 'sufficient' are very desirable. (We should) accept no substitutes such as 'promote' or 'encourage' for 'assure' or 'substantial' for 'sufficient.'"

Jean Trepp McKelvey, president, Rochester Group for Liberal Action, page 302:

"The group is of the opinion that the responsibility for maintaining full employment after the war rests with the Federal Government. Nor is this responsibility for assuring the economic health of the Nation anything new in American history. In our frontier days Uncle Sam was called upon to provide individuals with homesteads, while through tariff subsidies and land grants the Federal Government stimulated private enterprise."

Naomi Nash, president, the WIVES, page 315:

"The WIVES feel that the basic responsibilities of the Federal Government in the maintenance of continuing full employment after the war must be an absolute guaranty, that anyone who wants to work will have the opportunity to earn an annual living. We are particularly concerned that persons who are working during the war years for the first time, may have an opportunity to continue to utilize the skills they have learned for war production, and that the veteran will find immediate absorption as an income-earning citizen in the community, upon his discharge."

Mabel Newcomer, Vassar College, page 316:

"Unless every precaution is taken, we shall be faced with a far more serious depression than that of the 1930's, in view of the serious economic dislocation of this war. This will not only prove costly, both in human suffering and Government expenditure, but it will threaten the peace of the entire world, since depressions spread from one country to another.

"It is clearly the responsibility of the Federal Government to prevent this, since no other authority has adequate power and resources."

Charles F. Palmer, president, Palmer, Inc., Atlanta, Ga., page 727:

"In opposition to the view of Mr. Mosher that this bill will help to bring about depression, I feel that its enactment will help to give assurance to those who fear they will lose their jobs and to those industrialists who believe they will not be able to carry on. There may be some who may oppose such assurance being given industry as well as employees, because there are some in industry who may say they would prefer to have it out with labor now."

Hon. WRIGHT PATMAN, Representative from the First District of Texas, pages 54-55:

"While clear-cut objectives are indispensable, they are not enough. Our people want and need some assurance that we will not only talk about the twin goals of full employment and free competitive enterprise, but that we shall also attain them.



"During the great depression, the Federal Government had to undertake the responsibility of doing whatever was necessary to prevent destitution and starvation, a responsibility hitherto regarded as the province of private charity and local government. Today the average man and woman feel that their Government is also obligated to do whatever is necessary to prevent unemployment and to maintain full employment in a free competitive economy. The full employment bill recognizes this obligation.

"The bill makes it the responsibility of the Federal Government, in cooperation with business, labor, agriculture, State governments, and local governments, to assure our people conditions under which they can exercise their right to work as freemen in a free society."

James G. Patton, president, National Farmers Union, page 569:

"What is essential is the underwriting of confidence. When President Roosevelt many years ago told us that all we had to fear was fear itself, he was stating a basic proposition. Now, as then, fear is our greatest enemy. What we must search out is the way to universal confidence, the way to make businessmen lose their fear of risking capital, to make consumers lose their fear of spending, to make all of us live in confidence and well-founded hope for the future.

"That is all that depressions are anyway—the expression of mass fear. Once the Nation has found a way to end that fear, then it will have found the way to permanent full employment and prosperity."

Walter P. Reuther, vice president, International Union, United Automobile, Aircraft, Implement Workers of America (UAW-CIO), page 325:

"The policy set forth in subsections 2 (d) and 2 (e) is one with which no intelligent American can quarrel. It gives every active encouragement of Government to the task of making private enterprise work. But it insists that if private enterprise, though stimulated and encouraged by Government in every possible way, is unable to deliver on full employment the Government must step in and discharge its responsibility to assure continuing full employment.

"It seems to me that this is the very least that we in America can expect for both civilian and veteran after this war. We shall never accept a system in which jobs for all can exist only at the price of spilling our blood and in which peace must be the harbinger of unemployment. There can be no compromise on these provisions of your bill."

Lloyd G. Reynolds, Johns Hopkins University, page 326:

"It seems to me inescapable that the Federal Government must assume basic responsibility for maintaining full employment after the war. No State government, business corporation, or group of business corporations is large enough to assume this responsibility and make good on it."

Harrison M. Robertson, Brown & Williamson Tobacco Corp., page 331:

"It is not a question now of what should be the basic responsibility of the Federal Government in meeting full employment. This responsibility exists if our great form of government is to be continued. The question is, not what is the responsibility of the Federal Government but how shall the Federal Government meet that responsibility."

Diarmuid Russell, Russell & Volkening, Inc., page 338:

"There is no doubt in my mind that the Government will have to take responsibility for employment.

\* \* \* \* \*

"The idea that dominates men's minds now is security. They want to be free from the threat of starvation for themselves and their families; they want medical attention in case of illness; they want work, for work is part of life and the denial of this

by any economic means is a denial of part of their vitality. I do not see how this can fail to be recognized, nor how the Government can be denied an interest in the happiness or health of those who make up the country and in whose talents the real wealth of the country resides. So I am for anything the country can do which will assure full employment and give to its citizens opportunity."

Wesley E. Sharer, Wesley E. Sharer & Associates, page 346:

"I believe the basic responsibility of the Federal Government is to assure the continuing of full employment. In the course of the war we have had a phenomenal growth in our power to produce, which has been reflected in the fact that our gross national product has been roughly one and one-half times greater than the previous all-time high of 1929. Our problem for the reconversion and postwar period will be to create the markets necessary for the goods that can be produced by our national economy. When markets are available, businessmen, in an effort to meet the demand created by these markets, will have to employ as many people as possible."

The Most Reverend Bernard J. Sheil, D. D., auxiliary bishop of Chicago, and director of the Catholic Youth Organization Archdiocese of Chicago, page 838:

"But it is the primary and essential function of Government to secure citizens in the peaceful enjoyment of their natural rights; every government has the bounden duty to see to it that men are not denied the fundamental right of providing for themselves and their dependents a decent livelihood by honest and efficient labor. If, therefore, private industry is unable to afford men the opportunity of a decent and honorable living, Government is bound by its very nature to employ all its resources to secure to all citizens this essential right to work. Again, Pope Leo XIII is pertinent:

"It is the first duty of every government to make sure that the laws and institutions, the general character and administration of the commonwealth, are such as to produce of themselves public well-being and private prosperity. Above all, the public administration must duly and solicitously provide for the welfare and the comfort of the working people."

Harold D. Smith, Director of the Budget, Washington, D. C., page 903:

"Assurance of full-employment opportunities, of course, does not mean a guaranty of specific jobs. It means, rather, that the Government will pursue policies to assure job opportunities for those willing and able to work. In an expanding economy, changes are bound to occur in the type and location of jobs. Some opportunities vanish while others are created. The bill anticipates that there will be time intervals between old and new jobs. Shifts may require retraining or migration. In other words, some 'frictional' unemployment is inevitable.

"A policy declaration by the Congress is, in itself, an important factor in attaining the goals of a full-employment program. Assurance of full employment is identical with assurance of sustained markets and confidence, the main prerequisites for business investment and a high level of employment opportunities."

H. Chr. Sonne, National Planning Association, page 353:

"I am on record as having said that the elimination of unemployment should be a national policy, second only to that of winning the war, and is a necessary step to winning the peace."

Morey Sostrin, president, Yonkers, Des Moines, Iowa, page 355:

"Just as it is the responsibility of the Government to mobilize our resources in time of war, so it should be the responsibility of the Federal Government to set forces in

motion to maintain reasonably full employment in time of peace. Unemployment on any broad scale will be a constant threat to our domestic peace and security."

Sam Sponseller, regional director, Congress of Industrial Organizations, Cleveland, Ohio, page 356:

"This bill represents what I think to be the first duty and responsibility of the Government, that is, that of assuring full employment after victory has been won and the war is ended. Responsibility, if not fully accepted and shouldered by the Federal Government will leave them with a much worse problem, which obviously can only be their responsibility, that of unemployment benefits, which is a negative approach to the problem and responsibility, as compared with that of responsibility for full employment."

Hon. Fred M. Vinson, Secretary of the Treasury, pages 962 and 963:

"Too frequently in the past it has been popular to place the blame for depression on the businessman.

"But no businessman can continue to employ labor and to produce goods unless he finds a market for his output at a remunerative price. The fact is that if any businessman continued for an extended time to produce goods for which there are no buyers, he would inevitably incur such losses that he could not stay in business. For this reason businessmen cannot assume the responsibility to keep producing goods and employing labor in the face of an inadequate demand for their products.

"Clearly it cannot be the responsibility of businessmen alone to prevent unemployment. But that is not to say there is no responsibility anywhere to prevent unemployment. We cannot assume that depressions are acts of God, that they are a burden men must inevitably bear. We must face the fact that all of us have a responsibility to see that our economic system works efficiently, that there are jobs for men and women able and willing to work. When we are confronted with problems of national scope involving collective responsibility we must look to the National Government, acting for all the people, to take the leadership in their solution.

"Let there be no misunderstanding as to the meaning of the word 'assure.' It is more than a mere pious hope—a mere paper promise to be kept to the ear and broken to the hope. It means the assumption of a definite moral responsibility. It does not, of course, mean that every individual will be led by the hand from one job to another."

Edward J. Volz, president, International Photo Engravers' Union of North America (AFL), page 369:

"In view of the great dislocation of the manpower of the country to fill the Government's military needs both in the armed forces and on the production lines, and the necessary reconversions and reconstruction which must follow, the responsibility of the Federal Government in maintaining full employment after the war is quite generally realized, and will undoubtedly receive Nation-wide approval."

J. P. Wernette, Harvard University Graduate School of Business Administration, page 371:

"The basic responsibilities of the Federal Government in the maintenance of continuing full employment after the war are two:

"1. The fullest possible encouragement of free enterprise, and the cooperation in helpful policies by labor, industry, agriculture, and all other segments of our economy.

"2. The maintenance of an adequate supply of money so as to facilitate the large market for goods and services which is essential to full employment."

A. F. Whitney, president, Brotherhood of Railroad Trainmen, page 372:

"It is the basic responsibility of the Federal Government to stand by on the problem of employment, and when private industry,



for any reason, fails to furnish job opportunities for all who seek them to have a shelf of public works and feasible plans which will furnish employment to all who seek it."

F. R. von Windegger, president, the Plaza Bank of St. Louis, St. Louis, Mo., page 647:

"The most enlightened business leaders today acknowledge that business alone, in this machine age, cannot furnish full employment to all those able to and seeking work.

"Therefore, full employment being necessary to the continued existence of our economic and political system and necessary for the general welfare, it becomes incumbent upon the Government to take whatever steps are necessary to fill the gap left by private enterprise."

Hon. Henry A. Wallace, Secretary of Commerce, Washington, D. C., pages 692, 694, 696:

"No individual firm, however, should be expected to employ people producing goods or services for which it cannot find a market at a reasonable price. That assurance of adequate market opportunity, which is essential to full production and employment, is the responsibility of all the people, including business management, acting through their chosen representatives in Government.

"\* \* \* It is only the assurance that the Government will use its financial power to prevent shrinking markets that will induce business to continue to produce at full-employment levels. Without the assurance and without Government implementation of it, we are sure to see the familiar spectacle of inventory liquidation, cutthroat competition, stoppage of investment programs, mounting unemployment, and farm foreclosures whenever deflationary forces are unloosed.

"Senator TOBEY. I was impressed by the fact that all through your statement, at least 8 or 10 times, you definitely used the words 'give assurance.' I merely ask you this in view of the controversy that has arisen in this committee; do you agree with the authors of the bill, of whom I am one, that the purpose of this bill is to assure—give assurance of opportunities? Is that right?

"Mr. WALLACE. That is right.

"Senator TOBEY. And the word means just what it says, assure them an opportunity to work.

"Mr. WALLACE. An opportunity, yes. But not any specific job to any specific individual."

James P. Warburg, Greenwich, Conn., page 665:

"Those who oppose the bill do so because they oppose the fundamental principle that it has now become both the right and the duty of the American people, acting together through their Government, to make the right to work as much a reality as the right of free speech.

"Let the vote be taken on that principle."

Walter H. Wheeler, Jr., president, Pitney-Bowes, Inc., Stamford, Conn., pages 828 and 829:

"I support the underlying principle of this bill, because I am convinced that it is the definite and inescapable responsibility of Government, in a modern society, to see that stable economic conditions prevail, affording a high level of employment.

"In the past, action usually has been taken only after some calamity has occurred. This bill puts on Government the responsibility of planning to avoid calamity.

"I do not believe that the private-enterprise system, left entirely to its own devices in our present-day complex economic system, can avoid cyclical fluctuations, the low points of which are so severe as to bring about extended mass unemployment such as existed in the thirties.

"Of itself, private enterprise has not the power to command widespread action in times of crisis, or to sufficiently influence its

membership to avoid crisis. Whether we like it or not, we have reached a point where, despite the risks, we must depend upon Government as the only possible authority to broadly coordinate our activities, to use some of its power directly when necessary, and to plan for us. The only solution lies in wise and sound government. The only logical course open to those who fear government is to do their utmost to improve government. If this attitude is not taken, I am convinced that we will finally end up with all government in a socialized state."

I am inserting herewith my testimony and cross-examination before the committee. It is as follows:

THE CHAIRMAN. Mr. PATMAN, the author of the bill, is our first witness.

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE FROM THE STATE OF TEXAS, SEPTEMBER 25, 1945

Mr. PATMAN. Mr. Chairman, as author of the bill, I want to express my appreciation to the committee for giving us such a prompt hearing on this very important proposal. We know that this committee has been very overworked. We have had some of the most important legislation that has come before this Congress before this committee, and I commend the committee for the fine work it has done, and am doubly appreciative for that reason of the opportunity for early hearings on this bill.

I speak for the 112 Members of the House of Representatives who are coauthors and cosponsors of this legislation. Mr. GEORGE OUTLAND, Representative from California, is chairman of our steering committee, which is composed of the 112 House Members, and Mr. OUTLAND will be here to testify, and he will have charge, of course, of pushing the bill before the Congress. He has been delegated for that purpose.

This bill, to my mind, is more important than any other peacetime bill that I know of to come before the Congress. It involves matters affecting every person in the United States. It affects every part of our economy.

Mr. HOFFMAN. Did you say something about it affecting taxes?

Mr. PATMAN. I said it affected every part of our economy. It affects taxes, too, of course.

I don't know of any better speech that could be made for this bill than a reading of the bill itself. I am not going to read it, because I presume the members of the committee, if they haven't already done so, will read the bill in the course of the hearings and as points are brought up affecting the different matters embraced therein, and I am sure you will give it your consideration.

To my mind it will be impossible to have free enterprise survive in this country unless something is done in the direction of full employment and full production. I don't mean by that that we must have exactly 60,000,000 jobs, or 58,000,000 jobs; I mean that we must create a climate that is such that it will encourage private business to employ people and keep them substantially and generally employed up to the limit. Not perfection. I don't mean that we should have a particular job for a particular person. Not at all. We just want to create a climate, an atmosphere, in a way that will induce private business, free competitive enterprise, to do this employing and thereby eliminate any possible necessity of another WPA under which useless work would be performed. We don't want that. And this is in the direction of preventing what has happened in the past in the way of public relief and useless work.

That is the object of this bill.

If we were to have another depression, the first people to feel the effects of it, of course, will be the very poor and the lowest-income groups among the workers. Among the business people, the first to feel it will be the independent merchants, the little business-

man. They are the very first to feel it, the first to have to close their doors, the first to have to give up, and the very first to have to go into bankruptcy. The larger concerns, of course, have a backlog of capital to draw on. They also have certain standard practices, bordering on the monopolistic, and sometimes they are monopolistic—patent rights, and so forth, that keep the trade coming to them and doing business with them, and for that reason they can get through a pretty hard depression. But the little man, the independent man, is out right off.

So when you are considering legislation like this, you are considering legislation that will be helpful, first, to the small, independent merchant, to free enterprise, to competitive business, and to the very poor, the poorest, who are the people who will need relief.

The question is: If we don't do something of this kind, what are we going to do? And I plead with you, members of the committee, to keep that one point in mind: If we don't have this, what is the alternative? What do we suggest should be done in place of this?

Now for a moment, let me tell you briefly what this proposal is; just the fundamental principles of it, not in detail.

First, it is proposed here that the President will make some kind of a budget—we will call it national production and employment budget, if you will—in the early part of the year.

You know that now Congress meets every year on January 3, unless a different date is fixed by law, which is not often done. The President would be expected to have his budget on production and employment ready by that date.

This budget will set forth the number of people that likely will be offered employment and be given employment. Not the idle people, not the people who wouldn't work anyway, but the people who are able and anxious and willing to work, the people who want work. It is true that there are about 3,000,000 people who will never work; they are sick, they are old, they are not in position to work at all. There are 3,000,000 that you can count off. Then we will have about 2,000,000 in the armed services after this war is over. That makes about 5,000,000 you can deduct.

But the budget should take all these things into consideration and tell Congress about how many jobs will be available; and then also tell the Congress about the investments and expenditures by private business, by cities, towns, counties, and different political subdivisions; and if the Government is engaged in a public building program—post offices, for instance—the amount of that.

In other words, he will add all that up and determine how many jobs that will make available. Then, after he has done that, after he has told Congress about how many jobs will be available and about how many workers will be given an opportunity to have jobs, he will then tell us about how many will want jobs and will be eligible under this. If there are more jobs than there are people, then we will have on our hands the problem of preventing inflation, and we have a provision in here that in the event such a situation should occur, it will be the duty of the President to enact measures, or suggest measures, that will have a tendency to retard or prevent the inflationary trend.

Mr. HOFFMAN. Do you mean high wages?

Mr. PATMAN. Well, it could be anything. In other words, if there are more jobs than there are people, naturally there should be a lot of money in the country, and with lots of money there will be higher prices, which, of course, can be a serious matter if not retarded.

Mr. HOFFMAN. And if there are more jobs than people it would mean, necessarily, higher wages.

Mr. PATMAN. Of course, that is a point you know more about than I do, but I suspect wages would certainly rise with everything



else. They usually do. I don't see why this should be an exception.

Mr. HOFFMAN. I just thought that under the general law of supply and demand, if there were more jobs than workers that necessarily means higher wages.

Mr. PATMAN. That is inevitable. Therefore something should be done to prevent a ruinous inflation.

Mr. HOFFMAN. In wages?

Mr. PATMAN. Well, anything. Yes wages, prices, or anything else.

The CHAIRMAN. If I recall, back in the spring, the Military Affairs Committee brought out a bill asking us to draft labor. You will recall that the blood was knee deep over in the well of the House. We voted for that bill on the insistence of the leaders of the administration. When the House passed it that put us in a pretty bad spot with labor. A few days after that it went over to the Senate and the military leaders said we didn't need the bill. This budget is to be made out 6 months ahead of time. I am wondering if the same kind of mistake could be made 6 months ahead of time as was made on the bill I just mentioned.

Mr. PATMAN. Of course, I think mistakes will always be made.

The CHAIRMAN. Isn't it natural to make those mistakes on the safe side?

Mr. PATMAN. Oh, yes; we know mistakes will be made, especially in times of war. I am sure that there are times in this war when you wouldn't have known what to do if you were the leader. But it is better to do something than nothing at all, even by the trial-and-error method, where, if we make a mistake, we can back up and correct it.

Now, on this budget, in the event there should be more people who want jobs than there are jobs, something will have to be done to permit those people to have jobs. That is one of the objects of this bill, too.

Mr. HOFFMAN. You said "permit them to have jobs." You mean give them jobs?

Mr. PATMAN. Give them the opportunity to work. The bill provides, in that event, that first an effort shall be made to create a climate in some way that will encourage private business, free competitive enterprise, to take up that slack, take up that surplus of labor. That is No. 1; do it that way, if possible. In the event it is impossible to do that—well, you know that we are not going to permit people to starve in this country; you know we are not going to permit millions of people to be unemployed in this country without opportunity to work. We all know that. We may make out like we are not going to do anything about it, but we will. So the thing to do now is to do a little planning in advance of that time and see if we can't have an economy that will absorb all these workers, and not have a situation develop that will compel us to go back to relief, such as we had in the thirties. We don't want that. We want people to work for what they get, if it is possible to do so.

I believe that the facts that I have just enumerated about the bill substantially and generally cover the objectives and intentions of this legislation, and I hope the committee will keep in mind what I said awhile ago—that if we don't have something like this, what will we have? What will be the alternative? Let us not reconcile ourselves to a cycle of booms and depressions. I don't know that it is possible to prevent every little depression or every boom. I don't think, as long as we have human beings running this country—and as long as we have a democracy, we will have human beings running it—that we will always be able to avoid those things. But let us do our best to avoid them; and if we have a depression, make it as easy as possible; and if we have a boom, make it as little as possible. Let us not reconcile ourselves to the idea that we must continually have these booms and depressions. If we do have them,

we will destroy the private-enterprise system in this country. Every 10 years, practically, we have been wiping out small business, small industry, and we shouldn't do it.

Mr. RICH. May I ask this question? In the face of the strikes going on all over this country now, do you know of anything that creates unemployment more than strikes?

Mr. PATMAN. I do not. I thoroughly agree with you. I certainly regret that there are strikes.

Mr. RICH. Do you know of anything that creates more unemployment—

Mr. PATMAN. I don't know the merits of the contentions on either side. I am not passing on it.

Mr. RICH. Do you know of anything that will compel small business to go into bankruptcy quicker than strikes?

Mr. PATMAN. Of course, it so happens that small businesses are not directly concerned in these strikes.

Mr. RICH. Oh, yes; there are lots of small businesses that are affected out in my country.

Mr. PATMAN. They are indirectly affected because of the strikes.

Mr. RICH. They are indirectly affected; yes. Do you know this—that there is a communistic tendency to close down all business through these strikes? It is not a question so much of higher wages as it is to close everything down so that the Government will have to take over all business.

Mr. PATMAN. I don't know that—

Mr. RICH. That is the motive behind these strikes at the present time.

Mr. PATMAN. Well, anyway, I would be against it if that is the motive. You know, we almost came to communism at one time in 1932, and if we hadn't given some relief to some folks, we would have had communism. This is a bill to prevent communism and help small business, encourage the growth of private enterprise, rather than destroy them every few years.

Mr. RICH. Anything that will prevent that I am for.

Mr. PATMAN. Well, this is it.

Mr. RICH. You will have to convince us on that point, because we need to get some action pretty quick if we are going to prevent it.

Mr. PATMAN. This is a long-range program; it is not a "quickie" for stopping disorders, all disunity.

Mr. RICH. Do you know of anybody who doesn't want full employment for all the people in this country who want to work?

Mr. PATMAN. I don't know of anybody who says he doesn't want it. But there are a lot of people who are "yes—but" people; they just "but" it off. They "but" this and "but" that, and when you get through putting all the but's in you haven't any legislation left.

Mr. COCHRAN. Isn't the gentleman's question now in conflict with the question he asked, or the statement he made just awhile ago, when he said the Communists wanted to close down all business? He is now asking you if you know anybody who doesn't want full employment; and just a minute ago he said the Communists were trying to close down all the business in this country.

Mr. RICH. I am not in favor of that.

Mr. COCHRAN. In my opinion, I don't agree with what you said. I can't reconcile your two statements.

Mr. RICH. And in my opinion, that thing is growing so fast that I am fearful the President might have to take over all business in order to give people jobs. That is just what they are working toward, and we have to be careful that it don't happen.

Mr. COCHRAN. In the first instance, you said the Communists were trying to close up all business; then you ask the question, "Do you know anybody in this country that doesn't want full employment?" If the Communist wants to close down all business, then certainly they don't want full employment.

Mr. RICH. In asking that question I was speaking about good, sensible men. I don't believe Communists are sensible people.

Mr. COCHRAN. That doesn't prove your contention that these strikes out there are the result solely of communistic activity. That doesn't seem sound, in my opinion.

Mr. PATMAN. Since Congressman RICH brought up that point, I think one of the greatest tests, one of the greatest challenges to the democracies, is that of keeping people from looking at exceptions and saying that that is the general rule, and selling others on the theory that the whole country has gone to the dogs and everything is rotten, just because of certain exceptions. You can take any church, or lodge, or the finest institution in this country, and you can pick out a few fellows in there who are not deserving; and yet you cannot, because of them, condemn the whole thing. We could do that with our own Congress, because sometimes some of these fellows will say something on the floor of the House that they haven't given full consideration to; and if the people judge the whole Congress by what the individuals said, they would have a bad opinion of the whole Congress. So, in a democracy, I think it is necessary that we should keep our eye on the ball and not look at the exceptions, but at the general rule, and I think the general rule in our country has been that it is mighty fine. There are certain things that are irritating, annoying, and that we don't like, but generally this democracy is getting along fine. It is the best Government on earth, and we want to keep it that way. And this bill is in that direction.

The CHAIRMAN. You referred a few minutes ago to creating a suitable climate for employment and emphasized the fact that this climate should be healthy for private enterprise. I am just wondering, if we do undertake to guarantee and insure full employment for everybody, if it wouldn't be necessary for the Federal Government, in order to prevent dislocation in employment, to place a ceiling on production in certain industries? We hear a lot of talk about the machine age now. Of course, everybody knows you could produce enough automobiles in 2 or 2½ years to glut the market. Then, as we have thousands of people out of work, wouldn't it be necessary, in order to insure employment, full employment all the time, to have a ceiling on production?

Mr. PATMAN. I don't think so. I think we should have full production; and if we were to get to the point you mentioned, I would think shortening the hours of labor would be more desirable than cutting down production.

The CHAIRMAN. Then you are still going to have some discrimination between employees because the farmer can't shorten his hours very much.

Mr. PATMAN. He can shorten them with machines.

The CHAIRMAN. But the old cow has to be fed early in the morning and late at night.

Mr. PATMAN. Yes; that is right.

The CHAIRMAN. So you would have the fellow on the assembly line—

Mr. PATMAN. One of the objects of this bill is to give the farmer a fair price for what he does.

The CHAIRMAN. I understand that. But take our cotton—we are producing more cotton now than our domestic economy will consume, and it is having to fight for its life against the synthetics—rayon and the like.

Mr. PATMAN. Cotton isn't whipped.

The CHAIRMAN. If we continue to produce cotton at the rate we have been producing it over the last 10 years and expect the Federal Government to buy all the surplus and store it in the warehouse, we are going to run into a pretty serious problem, aren't we?

Mr. PATMAN. We would have to have a rather stagnant mind, from the national viewpoint, to permit that to be done. There are too many uses for cotton. I can invite



your attention to one that is not so very old, and yet it isn't new—insulation for houses. Cotton makes the finest insulation in the world, and I predict that in time to come they will use millions of bales of cotton for that purpose alone—the insulation of houses. That is one of the new uses that has been developed.

Mr. RICH. Do they make mineral wool out of cotton?

Mr. PATMAN. I don't know whether they do or not. But cotton is a commodity that never deteriorates. You know they found cotton in King Tut's tomb.

Mr. RICH. Will we have to subsidize it in order to keep on growing it, if they continue to find substitutes for it?

Mr. PATMAN. I don't think that is contemplated now. I don't see any reason why the development of new uses should be so slow as that.

The CHAIRMAN. I brought cotton into discussion for the reason that we have tried to curb the production of cotton in this country by placing a ceiling on the number of bales to be produced by the farmers.

Mr. PATMAN. Yes, sir.

The CHAIRMAN. I was thinking, if we had to do that to protect the economy of the farmer, wouldn't it be necessary to place a ceiling on the amount of coal produced, and the amount of automobiles and washing machines?

Mr. PATMAN. I don't think so. Of course, if they produce too many, the price will go down, and the manufacturers themselves probably will not be anxious to overproduce for that reason.

The CHAIRMAN. If the price goes down, then we would have to cut wages, so that it just goes around in a vicious circle.

Mr. PATMAN. Ford didn't cut wages when his prices went down.

The CHAIRMAN. I say, it would go around in a vicious circle.

Mr. RICH. What did Ford have to do during the last week because he couldn't get wheels on account of the Kelsey-Hayes wheel strike? He had to close his plant practically down and throw 80,000 employees out of work.

Mr. PATMAN. That is right. He had a large integrated operation there. You see, size is sometimes a burden and a responsibility, as well as a benefit and an advantage.

Mr. COCHRAN. Mr. PATMAN, this bill lays down a policy which commits the Government to bring about full employment. Now, analyzing the bill, it is to prevent what you might say is another depression, if possible, by cooperating with industry, agriculture, etc.; and if such a condition exists or develops, and this bill becomes law, the Government will be able to step into the picture to some extent to prevent a depression. So that if it is necessary for the Government to do something to bring about employment, this bill, in effect, would be an authorization for that, would it not?

Mr. PATMAN. Yes, sir; that is one of the objects of it.

Mr. COCHRAN. And we would have a plan developed whereby, if it was necessary for us to spend some money to assist both business, agriculture, labor, etc., to provide employment and an appropriation was brought in for that purpose, it would not be subject to a point of order if this bill is passed. Is that correct?

Mr. PATMAN. Yes.

Mr. COCHRAN. This bill would be an authorization.

The CHAIRMAN. You think it would be subject to a point of order?

Mr. PATMAN. If there was no authorization.

Mr. COCHRAN. If this bill were passed, wouldn't this bill serve as an authorization for that?

Mr. PATMAN. Yes, sir; that is my opinion of it.

Mr. COCHRAN. That was my understanding, and I wanted that definitely stated.

The CHAIRMAN. That is what a lot of people have stated—that this does not authorize an appropriation. But I understand that if somebody introduced a bill on the floor to build a bridge across Lost Creek it would not be subject to a point of order.

Mr. PATMAN. It has to be enacted.

The CHAIRMAN. But if this bill becomes law, would it?

Mr. PATMAN. I think there would have to be some program designed to assist the Nation, a program to relieve general unemployment.

The CHAIRMAN. In that particular area there might be unemployment in the factories by reason of their being shut down, and the rest of the Nation might have full employment. In this particular area where the bridge is to be built they might have serious unemployment, and you want to guarantee employment in that particular locality.

Mr. PATMAN. May I say—

Mr. CHURCH. Will you follow that through?

Mr. PATMAN. That is a specific instance.

Mr. CHURCH. You don't think this would constitute an authorization, then?

Mr. PATMAN. No; I don't think this constitutes an individual authorization. I think this would have to be based on national welfare.

Mr. CHURCH. It constitutes an authorization for what kind of legislation?

Mr. PATMAN. It constitutes an authorization for legislation to relieve a general situation over the Nation.

Mr. CHURCH. Like the WPA appropriation?

Mr. PATMAN. Something to eliminate a WPA, to obviate the necessity for it.

Mr. CHURCH. I shouldn't say, perhaps, WPA, but for putting people to work.

Mr. PATMAN. That will affect the national economy.

The CHAIRMAN. In other words, if we pass this bill under that theory, we can offer an amendment on the floor of the House to start a billion-and-a-half-dollar road program without going to the House Committee on Public Roads for an authorization. That certainly would affect employment.

Mr. HOFFMAN. Is that right?

Mr. PATMAN. I couldn't say.

Mr. COCHRAN. I notice here, on page 20, paragraph (c):

"Nothing contained herein shall be construed as directing or authorizing any change in the existing procedures on appropriations."

Mr. PATMAN. I am not in a position to testify about that, because I don't know.

The CHAIRMAN. That is one of the things that has disturbed me about this bill.

Mr. PATMAN. We will get somebody to testify on that.

The CHAIRMAN. I would like to have an expert parliamentarian testify on that. I think that is a very important factor.

Mr. PATMAN. The best expert in the United States is Mr. Deschler, of course.

The CHAIRMAN. Mr. Deschler would not give an opinion without knowing the facts.

Mr. PATMAN. He would want to see the facts.

The CHAIRMAN. He is like a court; he doesn't give a preview of what he will decide.

Mr. PATMAN. I want to state some of the things this bill does not do, to correct erroneous impressions around the country. There is no bill that has been more misrepresented and more misunderstood than this particular bill. I want to tell you some of the things this bill does not do.

This bill does not authorize the operation of plants, factories, or other productive facilities by the Federal Government.

The bill does not guarantee specific jobs to specific workers.

The bill does not authorize the compulsory assignment of workers to jobs.

The bill does not authorize changes in existing procedures on appropriations. That is the part Mr. Cochran called our attention to just now. That is section 8 (c).

The bill does not provide Government guaranties of individual markets or prices, or profits.

The bill does not authorize Government determination of prices or wages.

The bill does not authorize Government determination of total output or of production quotas.

The bill does not authorize a disclosure of trade secrets or other information the publication of which might be harmful or have a harmful effect upon the firm or person supplying such information.

I think that is the only difference between the House bill and the Senate bill. We added on to our bill, H. R. 2202, a provision, which is subsection (e) of H, which says:

"The disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or persons supplying such information, shall not be called for or authorized."

The CHAIRMAN. That provision is not in the Senate bill?

Mr. PATMAN. That provision is not in the Senate bill, no; but we felt people should not be required to disclose trade secrets or information involving their business unless they were protected.

The CHAIRMAN. If the Senate bill were to become law, if the investigators who were making up this budget to present to the President, would find I had some trade secret that gave me an advantage over my competitors, under the Senate bill that would be made public?

Mr. PATMAN. It would not necessarily be made public, but there is no prohibition against it. But the House bill carries that prohibition to protect business. I think it is a wise provision. That was the only difference we had when we met with the Senators to agree on a bill. That was the only thing we put in our bill that was not contained in the Senate bill. I think it is a very helpful provision.

Mr. JUDD. Mr. Patman, you just quoted from some document. What is it?

Mr. PATMAN. I quoted from the unrevised hearings before the Senate, part I, page 75.

Mr. JUDD. And when you said this bill doesn't do certain things, you mean the Senate bill?

Mr. PATMAN. I meant the House bill. This is part of my testimony before the Senate committee. I was just reading it because I had it in summary form. And I want to invite your attention, gentlemen, if you please, to the hearings before the Senate. I have some charts here, but I have no one to help me handle them so I will not attempt to show them.

Mr. JUDD. May we get a copy of these hearings for our benefit?

Mr. PATMAN. There are none now available.

The CHAIRMAN. We called the Senate committee and they haven't printed the revised hearings. They just printed them from day to day.

Mr. PATMAN. And you couldn't get one anywhere. They are not available. There were a thousand copies printed and I had two copies and I let one of them go. We tried to get it replaced and were not able to do so. I have just this one copy, which has all these charts in it, and I invite your attention especially to the testimony of Senator O'MAHONEY. Of course, the testimony of the other Senators is there, and I don't mean to say their testimony isn't good, but Senator O'MAHONEY happened to have some very impressive charts in his testimony that I want to invite to your attention especially.

Mr. JUDD. You are inviting our attention to something you cannot furnish, you say.

Mr. PATMAN. You will get it.

The CHAIRMAN. They are printing the complete record.

Mr. PATMAN. In one of these charts it shows from 1929 to 1941, that by reason of this depression the sales loss amounted to \$355,-



000,000,000. That is the amount of the sales loss.

This chart, labor force and employment, shows the standing of the employment and the labor force at all times since 1900, and you will notice the general trend, of course, has been upward. That is a matter of general knowledge. And employment, in prosperity years, of course, went above the normal labor force. But in time of depression the line went down, as in 1932, when so many people were out of work.

That brings me to another thing: I was here in 1932 when I saw 20,000 men assemble here in Washington. They were not law violators; they were law-abiding citizens, peaceable and law abiding. They had nothing to do in their home counties and cities. If anyone said, "Come on, let's go to Washington," they would just join together, get on freight trains and come to Washington.

Mr. HOFFMAN. Mr. Patman, while you are referring to that; at the present time, according to the press this morning, there are 400,000 law-abiding citizens where there are jobs available who apparently don't want to work. In connection with this full employment, have you any plan to get those men back to work?

Mr. PATMAN. This is not a strike measure in any way. It doesn't involve any quick way of solving any of the economic ills.

Mr. HOFFMAN. Now, wait a minute. You were speaking about these men who can't get jobs. In Michigan today there are many employers who can't get workers. And while we are talking about full employment, have you any plan whereby those who apparently don't want to work now can be persuaded, peacefully I mean, of course, by inducement, to go to work?

Mr. PATMAN. Of course, the object of this bill is not to do that. The object of this bill is to give people who are anxious, willing, and able to work an opportunity to do so. It doesn't deal with strikes.

Mr. HOFFMAN. One of the objectives of the bill is full, continuous employment?

Mr. PATMAN. That is right.

Mr. HOFFMAN. You cannot have continuous employment if, periodically, a large number of men who are employed in a particular plant will not work. Isn't it necessary, if you are going to have full employment, to have some provision or some plan which will induce those people to work?

Mr. PATMAN. Well, now, we are not trying to make people work.

Mr. HOFFMAN. I know, but you are trying to make people provide jobs.

Mr. PATMAN. We are not trying to settle strikes. We are trying to give people who are able to work, who are anxious to work, and who are seeking work an opportunity to make a living.

Mr. HOFFMAN. Do you think you can have continuous employment; that you or I, for example, can give a man a steady job if 2 days in the week he doesn't want to work or won't work? How can any large corporation make available hundreds of thousands of jobs in a period when the men will not work?

Mr. PATMAN. We are not trying to make people work.

Mr. HOFFMAN. I know. You said that.

Mr. PATMAN. We are trying to create a climate here whereby they can make a living if they want to. If they are not going to do that, we are not going to compel them. We are not going to try to break any strikes. We are trying to create an atmosphere here in America that will help, not the people you are talking about, the people who don't want to work—we are trying to help the people who want to work.

Mr. HOFFMAN. Mr. PATMAN—

Mr. RICH. Now, Mr. PATMAN—

Mr. HOFFMAN. We all want men to have opportunity to work continuously, do we not?

Mr. PATMAN. Yes. He doesn't have that opportunity now.

Mr. HOFFMAN. Under your plan you want someone to create and keep available jobs. Do you think that anyone, or any organization, can create jobs for Monday, Tuesday, and Wednesday, when the men won't work on Thursday, Friday, and Saturday?

Mr. PATMAN. We are not going to be so specific as that. This national planning doesn't take care of any Monday, Tuesday, or Wednesday. It is to insure, over a period of years, the person who wants to work will have an opportunity to work and make a living for himself and his family. That is all it is for.

Mr. HOFFMAN. And I agree with you on that.

Mr. PATMAN. That is the only fellow we are working for, the fellow who wants to work. We are not working for the fellow who doesn't want to work.

Mr. HOFFMAN. Are you going to have this plan for the fellow who wants to work 2, 3, or 5 days a week and lay off the rest of the time?

Mr. PATMAN. We are not going to be so specific.

Mr. HOFFMAN. That is a practical question. I can see that you don't know the answer to it.

Mr. PATMAN. If we attempted to deal with details like that we would never pass a law here. You can't deal with details like that. We want continuous employment for people who are willing and anxious to work and who are seeking work. That is the class we are working for. We are not working for the fellow who don't want to work.

Mr. RICH. Mr. PATMAN, right at the present time in this country there are thousands and thousands of men who want work in those industries that are closed down by strikes, and if this bill is to accomplish full employment, as you say, to establish a national policy and program for guaranteed, continuous employment in the free competitive economy, you certainly have a job on your hands.

FURTHER STATEMENT OF REPRESENTATIVE WRIGHT  
PATMAN BEFORE COMMITTEE ON EXPENDITURES  
IN THE EXECUTIVE DEPARTMENTS

The committee met at 10 a. m., the Honorable CARTER MANASCO (chairman) presiding.

The CHAIRMAN. The committee will come to order. Yesterday we sidetracked Mr. PATMAN to hear some other witnesses. Mr. HOFFMAN, I understand, has some further questions he would like to ask Mr. PATMAN.

Mr. HOFFMAN. I yield to Mr. BENDER.

Mr. BENDER. I have no questions. I yield to Mr. JUDD.

Mr. JUDD. Mr. PATMAN, I just want to ask one major question.

Mr. PATMAN. Yes, sir.

Mr. JUDD. This question troubles me. You stated yesterday that the main purpose of this bill was to create a favorable climate or atmosphere under which private business will, as well as labor and agriculture, be confident and go ahead and pull out the throttle and really use our economic system to the full. Yet at the same time I remember that no Member of the House has been more concerned about inflation than you have. I wonder, if the President sends down his Budget under this bill and is very optimistic, predicts that times are going to be good, lots of purchasing power, industry is active, and it looks as if very little Government assistance will be necessary, perhaps none at all—what climate is that likely to produce, what attitude or state of mind is that likely to produce throughout the country in business, and so forth? May it not increase the danger of inflation?

Mr. PATMAN. It may tend toward the inflationary.

Mr. JUDD. Therefore, if the President finds the prospects are good and reports that to the country, it may well have an inflationary effect?

Mr. PATMAN. The bill anticipates that and makes provisions against it as a safeguard. It will be the President's duty in a case like

that to do something that will have a tendency to retard or prevent inflation.

Mr. JUDD. Such as recommending an increase in the tax rate?

Mr. PATMAN. Well, of course, that would depend upon the circumstances at the time, I think. That could be one of the things.

Mr. JUDD. Or to tighten up on credit facilities through the Federal Reserve?

Mr. PATMAN. Well, I think we have had in the past few years some examples of what can be done regarding credit facilities, installment loans, and purchases.

Mr. JUDD. Now, suppose the opposite takes place—suppose his predictions are pessimistic, and he says that we are pretty much exhausting the accumulated savings and there is reason to expect there will be a slowing down of business activity and the Government will have to be prepared to put in more, and so forth. Don't you think that, almost inescapably, would produce a feeling of caution and apprehension and reserve on the part of business and thereby create and foster the very slowing down of the economic processes which you are trying to avoid? Everybody would say, "I will wait before I expand; I don't want to get caught; I'd better lay off men rather than put more on. I'd better wait until next year before I build this new addition to my plant."

Mr. PATMAN. Under the existing order of things you are correct, but this bill is to provide against that. In other words, when he predicts a pessimistic situation, it will be overcome by the suggested remedies.

Mr. JUDD. Don't you think that an announcement that would be pessimistic would sweep over the country almost instantaneously and produce a hesitation that would precipitate the very thing you are trying to avoid?

Mr. PATMAN. Without, at the same time, a statement that would be optimistic or encouraging. And such a statement would necessarily be accompanied by one that would be encouraging.

Mr. JUDD. Suppose the President just couldn't find anything in the situation that was encouraging. You wouldn't want him to send out a false report, would you?

Mr. PATMAN. It is his duty under this legislation to plan for it, just as you plan a campaign for the years ahead.

Mr. JUDD. If he can't find favorable and optimistic factors, does he not have to make his report somewhat untrue or incomplete, or else produce a bad effect on the Nation's economy by stating the full truth?

Mr. PATMAN. We set forth a plan that he can use that will offset that defeatism.

Mr. JUDD. You are confident that it will work?

Mr. PATMAN. Of course, no one knows how well it will work, but the theory, I think, is good.

Mr. JUDD. That is the thing I am concerned about, the theory. The other morning about 8:30 o'clock it was announced over the radio there was a closing down of three of the main oil-refining districts of the country, and by noon people were lined up a block long at the filling stations. Our people listen to the radio, and they have more information than in the past. You could produce a bad mass psychology, the same as when they announced they were going to have to ration certain things—people immediately swamped the stores to get those particular commodities and thereby create a much greater scarcity or shortage than there would have been without the announcement.

Mr. PATMAN. It has been that way all the time. We are just trying to have some plans for the future, just like you, in your business, would plan for the future. This is Government planning for the future.

Mr. JUDD. The whole point is, We are all in favor of the objective, but I want to be sure this mechanism will work. I want to get the patient well; is this the right operation for the patient?



Mr. PATMAN. Well, we know the existing order of things has not worked.

Mr. HOFFMAN. Will you repeat that last statement? I didn't quite get it.

Mr. PATMAN. We know the existing order of things has not worked, to the extent that we have had times of depression every 15 or 20 years, wiping out hundreds of thousands of businessmen and farmers in the lower brackets. Those are the first to be wiped out. That is what we are trying to avoid. In other words, we don't want to recognize as necessary a scheme wherein there must be a cycle of booms and depressions. We want to see if we can avoid it. That is the object of this legislation.

Mr. JUDD. How can the Government, with any reasonable assurance, estimate the number of jobs that will be available when so much of it depends not upon just economic facts but upon these psychological facts?

Mr. PATMAN. I understand that they can estimate pretty well. They could in the past, but then they could do nothing about it. This gives the President the authority to do something about it.

Mr. JUDD. They weren't able to estimate very well on the number of hogs and cattle the farmers would raise, and things like that.

Mr. PATMAN. That depends not altogether on economic factors.

Mr. JUDD. And this doesn't depend altogether on economic factors. The economists decided they wanted more hogs, and they raised the support price to what they thought would increase them by 5,000,000 hogs, and they got 15,000,000.

Mr. PATMAN. Well, they might not get that many on account of the feed situation—

Mr. JUDD. But the reason for this marked increase was because the psychological effect on the farmers was enormously greater than they had anticipated. Then they said, "This is too big; we had better cut it down." The program designed to reduce the hog population 10 percent actually cut it down almost 30 percent, to use rough figures.

Mr. PATMAN. That is just one factor in our economy.

Mr. JUDD. But it is an illustration of the difficulty of prediction.

Mr. PATMAN. I know. I don't think it will be perfect. I don't think that we should expect it to be perfect, but I think it would be a great improvement over the present, just saying, "Let the worst come to the worst, and we will do the best we can," without any planning at all. It occurs to me that good judgment would dictate that we should try to plan against such things happening in the future, as a businessman would do it. You, as a businessman, would do it. Why shouldn't we, as a Government, do it?

Mr. JUDD. I think we should plan as a Government. But I am not sure that these announcements of what is likely to come will not produce an exaggeration of the very thing you hope to avoid—either an inflationary or a deflationary condition.

Mr. PATMAN. Well, there are a number of things involved. We cannot expect perfection, any more than we can expect perfection in the administration of the law.

Mr. JUDD. We are not asking perfection, but we don't want to make it worse. We don't want to make it so that the remedy is worse than the disease.

Mr. PATMAN. I don't think it would be as bad as the present situation.

Mr. JUDD. Well, I just want to be sure.

Mr. HOFFMAN. You said that to do away with these ups and downs we should exercise more good judgment, didn't you?

Mr. PATMAN. We should have the judgment. We should have the foresight and the vision to look into the future the best we can. Of course, we won't be able to see everything, but we can do our best to see

what might come and the possibilities and probabilities.

Mr. HOFFMAN. And in the past that good judgment or poor judgment, whatever it may be, has been exercised by businessmen and industrialists, hasn't it?

Mr. PATMAN. Well, a few of them have; and some of it has been successful and some has not.

Mr. HOFFMAN. But you will concede they have tried, because their own welfare depends on the results of their judgment.

Mr. PATMAN. Sure.

Mr. HOFFMAN. What you propose to do in this plan is to substitute the judgment of Government officials for that of businessmen, who heretofore have exercised their own judgment?

Mr. PATMAN. No; that would be socialistic. I am opposed to anything like that. I want the businessman to have freedom and let him still continue to exercise his own foresight and vision and form his own good business judgment. Nobody is in favor of anything that would impede his efforts in that direction at all. And I hope this bill isn't intended in that direction. I know it is not, so far as I am concerned.

Mr. HOFFMAN. Heretofore businessmen and industrialists—and when I say "businessman," I mean everyone who creates employment—have used their own judgment, good or bad, and we have had resulting ups and downs. That is your position. Now, what you propose to do, if I understand you correctly, is to substitute the judgment of another group for the judgment of those whom you think, to a certain extent, have failed.

Mr. PATMAN. No; not replacing it.

Mr. HOFFMAN. Acting in conjunction with it?

Mr. PATMAN. You might say supplementing and aiding.

Mr. HOFFMAN. Which is to be the controlling factor when there comes a difference of opinion—the businessman or the Government?

Mr. PATMAN. I suspect you will find that more businesses have gone broke than have succeeded—

Mr. HOFFMAN. That is not answering my question. When we have adopted your plan, and Government supplements the judgment of those people who heretofore exercised their own, then which is to be superior? When there is a difference of opinion?

Mr. PATMAN. This bill will not interfere with anyone running his own business.

Mr. HOFFMAN. Well, you are a lawyer; just take the hypothetical question: Assuming that there is a difference of opinion—

Mr. PATMAN. There won't be any difference of opinion. There won't be any clash. There can't be. They won't be on the same board—

Mr. HOFFMAN. I am sorry that you don't feel free to even give your opinion.

Mr. PATMAN. Because I don't say what you want me to say that doesn't mean that I am not expressing facts.

Mr. HOFFMAN. The record will show that you won't answer this question.

Mr. PATMAN. Oh, that isn't a fair statement.

Mr. HOFFMAN. All right, then; tell me. Your proposition is this: Assuming that heretofore those who have created and maintained employment have not been able to prevent depressions—

Mr. PATMAN. That is right.

Mr. HOFFMAN. And booms, as you call them. And that something should be done. Am I right so far?

Mr. PATMAN. Yes.

Mr. HOFFMAN. To assist and aid them.

Mr. PATMAN. Yes.

Mr. HOFFMAN. Am I right so far?

Mr. PATMAN. Well—

Mr. HOFFMAN. You will concede something must be done?

Mr. PATMAN. I don't like the words "aid and assist." They are just a little apart—

Mr. HOFFMAN. You can substitute for "aid and assist" any word you want.

Mr. PATMAN. Any one concern in this Nation is a very small part of the Nation, and I don't care how much good common sense is used in directing the affairs of that concern—the tail can't wag the dog, and this is the dog helping the tail a little bit.

Mr. HOFFMAN. I think we have it. This bill bill is the tail wagging the dog§

Mr. PATMAN. No; it isn't to direct or tell people what to do. It is just the opposite of that. Let the people go ahead and do exactly what they want to do, but if they are trying to keep the economy on an even keel, the Government will through this planning aid and assist them in doing so.

Mr. HOFFMAN. All right, Mr. Judd; thank you.

Mr. JUDD. Yesterday, Mr. Smith, the Director of the Budget, was with us, and in his statement he said that the bill was to provide maximum effort to get full employment opportunities. Then he went on:

"This does not mean that the bill assures there will never be unemployment. As long as we have progress there will always be individuals looking for jobs at the same time that employers will be looking for workers. \* \* \* It is the responsibility of the individual to seek the job for which he is best suited."

Then in the discussion Mr. Smith went into great detail about the matter, but emphasized that the bill did not insure full employment. Well, if it doesn't insure full employment, don't you think it is erroneous, and perhaps even a mistake, to call it the full employment bill, because it has given the impression throughout the country that it does insure or guarantee full employment?

Mr. PATMAN. Not to perfection.

Mr. JUDD. Maybe not in your mind, or in my mind, but in the minds of the general public.

Mr. PATMAN. No more than when you have prosperity in the Nation that is prosperity for everybody. There are always a few people that do not have prosperity. Nobody expects perfection.

Mr. JUDD. Don't you read in the papers almost every day the news reports and letters to the editor from people who believe that this bill does guarantee full employment for everybody? And Mr. Smith says it doesn't.

Mr. PATMAN. I will take the gentleman's word for it, but I haven't read those letters.

Mr. JUDD. Well, I have, and I feel it is a mistake, because it apparently guarantees a perfection which cannot be delivered, even if it works as well or better than you, its author, anticipate.

Mr. PATMAN. Where there are 130,000,000 people no sensible, sane person who has thought the question through would insist that everybody would have work.

Mr. JUDD. I agree with you. Nobody who has thought the question through. But, don't you believe it is unfortunate for the sake of the success of the bill, assuming it passes, to have such a general attitude, that it is going to guarantee, as soon as it is passed, full employment?

Mr. PATMAN. There are exceptions, of course.

Mr. JUDD. I hope there are—

Mr. PATMAN. If we based our judgment on the exceptions, we would have an awful country here.

Mr. JUDD. I wouldn't consider it the exception. People have been down here from my district urging the passage of this bill. They consider that the main thing is that this would end unemployment. I tell them, "Don't put all your eggs in this one basket,



because you may find some leaks in the basket."

Mr. PATMAN. You could make that same statement if someone proposed a law against murder. If such a bill were passed you would still have murder.

Mr. JUDD. That is right, but I have been concerned—

Mr. PATMAN. But we shouldn't fall to pass the law.

Mr. JUDD. I am not using this as an argument against passing the bill. I am saying there ought to be from you, its sponsor, and Mr. OUTLAND, and his steering committee, careful statements and propaganda, if you wish, to make clear that this is not a guaranty that unemployment will be no more in this country. I feel it is too bad for the success of the bill, assuming it passes, to have such an impression on the part of the general public.

Mr. PATMAN. I am not afraid of that.

Mr. JUDD. You are not.

Mr. PATMAN. Any more than if some person from a foreign country would walk over here to the House gallery and listen to all of us express our individual views. He might come to the conclusion from what he heard that this is an awful country. That isn't true at all. I am not afraid of that. We can't legislate for the exceptions.

Mr. HOFFMAN. You said something about murder, Mr. PATMAN. The bills which have to do with murder, or the laws, are to punish murder. I don't know, and I don't believe you know, of any bill that was ever entitled "A bill to prevent murder," or know of any bill that will prevent murder, and I think what Mr. JUDD is getting at is that the bill should not parade under the guise of the title of full employment, which carries to many people the idea that this thing, if it is put in operation, will insure there will be no more unemployment. That is the point, isn't it, Dr. JUDD.

Mr. JUDD. The whole point.

Mr. HOFFMAN. And, Mr. JUDD, that is what you were stressing.

Mr. JUDD. Right.

Mr. HOFFMAN. Now, Mr. PATMAN, you have had many wires from the CIO, haven't you?

Mr. PATMAN. I don't know whether I have a one.

Mr. HOFFMAN. Well, I have had them.

Mr. PATMAN. I don't recall receiving a single one.

Mr. HOFFMAN. Well, you have answered my question.

Mr. PATMAN. Wait a minute.

Mr. HOFFMAN. You said you didn't recall it. So there you are.

Mr. PATMAN. I don't know whether I have any CIO organizations in my district or not.

Mr. HOFFMAN. I didn't ask you whether you had or had not. I just asked you whether you had had wires from them. You said you hadn't any.

Mr. PATMAN. I think I had a wire from Mr. Murray one time, about 2 months ago, about this bill, and outside of that I don't recall one.

Mr. HOFFMAN. My point is this: The wires which I have had from the CIO stress the idea that if I would support this bill and it becomes law that our unemployment problems will end. They don't say this will help end them; they say it will end them. That is what Mr. JUDD is bringing out.

Mr. PATMAN. I notice from their literature it is rather carefully gotten up. Of course, I don't know anything about the people who write this literature, but I don't think anybody expects us to be 100 percent perfect in this law, or any other law. I think that is asking too much. But the goal is employment for all people who want a job.

Mr. JUDD. That is right. And you are willing to put in the record that this bill does not assure the end of unemployment?

Mr. PATMAN. Well, it doesn't guarantee to end unemployment, Mr. JUDD; no.

Mr. HOFFMAN. Does it hold out the promise of a job to everyone?

Mr. PATMAN. No; it does not. It holds out the promise that the Government will try to offer work opportunities to those people who are anxious, willing, and able to work; that is all.

Mr. JUDD. And you don't interpret—

Mr. PATMAN. Excuse me. In 1928 we had good prosperity in this country, but everybody was not prosperous. A lot of people weren't prosperous. You can use that as an example. There will always be times, with 138,000,000 people, when some of those people will not be prosperous.

Mr. JUDD. You don't think, then, that this section 2 (e) can be read to mean that the Government guarantees it will provide enough investment and expenditure so that everybody will have a full job, when it says:

"To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment."

You don't think anybody could rightly read that to mean that it guarantees the end of unemployment?

Mr. PATMAN. That is merely to carry out the goal.

Mr. JUDD. That is the objective?

Mr. PATMAN. We now hope it will.

Mr. JUDD. But you don't think anybody can say, "Well, now you have made a pledge here. You have pledged the end of unemployment; now you must deliver"?

Mr. PATMAN. Doctor, no. I say that no sane person will insist that every person must have a job all the time.

Mr. JUDD. But don't you think there may be a lot of people in the country who will be demanding things that you and I wouldn't think were sensible and achievable?

Mr. PATMAN. There are a lot of people who will always be demanding things.

Mr. JUDD. Mr. Smith says we have to pass this bill because the people are demanding it.

Mr. PATMAN. I think they are. They have seen these things happen, and they don't want them to happen again.

Mr. JUDD. He says, "The people of this country hold the Government responsible, and this bill is simply a response to a demand."

Mr. PATMAN. Doctor, I want to call your attention to the fact that this subsection (e) is like you read it, understand, but you didn't read subsection (f), which should be considered a part of it. Subsection (e) refers to Federal investment and expenditure; subsection (f) says:

"Such investment and expenditure by the Federal Government shall be designed to contribute to the national wealth and well-being, and to stimulate increased employment opportunities in private enterprise."

Mr. JUDD. Yes.

Mr. PATMAN. In other words, we just want to create an atmosphere or climate that will cause private enterprise to employ these people.

Mr. JUDD. I am a hundred percent in agreement with that—

Mr. PATMAN. But if we can't do it, and we still have unemployment, you know, as a Member of Congress, you would vote for relief before you would let people starve.

Mr. JUDD. And this is to provide something useful rather than boondoggling?

Mr. PATMAN. This is to provide for doing things that will contribute to the national wealth and well-being. I think it is a good provision, myself.

Mr. JUDD. Well, I think if it is going to be spent, the money should be spent according to (f).

Mr. PATMAN. We can't afford to tear down the structure. We can't judge just by the exceptions. Doctor, you take a church, any church in the country, good as churches are, and you can probably pick out a few members that do not live up to the standards. You

wouldn't want to burn down the church because of that.

Mr. JUDD. I am not arguing on the basis of exceptions. And I don't know any church that pretends it can guarantee that all its members will get into heaven.

Mr. PATMAN. No; they don't guarantee it, but they give them the training and the guidance that will aid and assist them in getting there.

Mr. JUDD. That is right. I am for it that far. I just don't want us to make a pledge that we might not be able to fulfill.

Mr. PATMAN. Would you destroy all churches because they can't guarantee to get people into heaven?

Mr. JUDD. Oh, no, indeed; but they don't hold out a free ticket to heaven as an inducement; they don't use that as their label.

Mr. PATMAN. The goal here is full employment.

Mr. JUDD. We have, for example, Mr. Smith's further testimony where he says that it expresses in legislation the declaration of both parties in the last election and it gives the world assurance we intend to carry out the pledge expressed in the Charter of the United Nations. I don't think anybody, when we signed the Charter of the United Nations, thought we were pledging full employment, and yet he now comes in and says that was a pledge.

Mr. PATMAN. Let us get back to your party. I read the Republican platform last year, and at the end of it I saw a statement like this, that all candidates are pledged to this platform and obligated to run on it, or words to that effect. Do you remember that?

Mr. JUDD. Yes.

Mr. PATMAN. Now, then, Mr. Dewey, in interpreting that platform, came out for this kind of bill, full employment. Was he deceiving the people?

Mr. JUDD. I don't know.

Mr. PATMAN. He believed in full employment. He didn't quibble about the few who might not get work.

Mr. COCHRAN. Will the gentleman yield right there? Did you say Mr. Dewey came out for that?

Mr. PATMAN. He certainly did, in a strong statement.

Mr. COCHRAN. It so happens that I have Governor Dewey's language in a speech that he made a year ago, in which he said:

"The Government's first job in the peacetime years will be to see that conditions exist which promote widespread job opportunities in private enterprise. If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours."

Does not that go much further than this bill?

Mr. PATMAN. Sure. That is a direct promise of jobs. While we are not promising that, at the same time he didn't intend it—that was his goal. I think all the Republicans ought to be for this measure, because of the promises made to the people last year that you would be for it.

Mr. JUDD. I am a physician, and I never pledge that certain medicines will get the patient well, because sometimes, in spite of the finest calculations and the greatest confidence, things go awry. I think we are misleading our people if we allow them to think this will certainly cure unemployment. I hope it or other measures will, because we are certainly going to be in a jam if it doesn't succeed.

Mr. PATMAN. We are not misleading the people. A few exceptional cases might misunderstand, but they will be the exceptions, not the rule.

Mr. JUDD. Then your mall must be different from mine, because my people—

Mr. PATMAN. Your mall may be from the exceptions.

Mr. JUDD. I am glad, however, to get your testimony in the record, that this bill doesn't



guarantee full employment; that full employment is merely our goal; it is what we are working toward. This is the best machinery we can think of to help achieve that end. It is calculated for that purpose. But it is erroneous, and it is the exception, if anybody feels that this is going to insure full employment.

Mr. PATMAN. A specific job for specific persons; no. Pardon my bringing this up again, but if Mr. Dewey had been elected that paragraph right there would have been before this Congress in the form of a message, asking you to provide full employment like this.

Mr. JUDD. Yes; full employment.

Mr. PATMAN. And the Republicans would have to support it, because they would have to carry out the will and wishes of their leaders.

Mr. JUDD. They will support whatever they feel is designed to achieve full employment, but Mr. Dewey's statement does not necessarily refer to H. R. 2202.

Mr. PATMAN. Oh, no; but the principle of full employment. Now, if this is no good, what is your remedy?

Mr. JUDD. We are not discussing my remedy, or Mr. Dewey's. We are discussing your bill that was put in because you are in the majority, and we don't have a chance to discuss our remedy.

Mr. PATMAN. Oh, yes, you do. The minority has great power in the House.

Mr. HOFFMAN. You mean to register a protest.

Mr. PATMAN. More than that. It is more than in a position to protest.

Mr. HOFFMAN. You ignored our advice 10 years ago.

Mr. PATMAN. We followed it for altogether too long.

Mr. HOFFMAN. We got along and had prosperity until you got us in the First World War; then we had to pay for that war.

Mr. PATMAN. We know that you had it for 12 years before 1933, and look at what happened.

Mr. HOFFMAN. You got us into a war.

Mr. PATMAN. After the war we had an economic collapse; everything in the country closed down.

Mr. JUDD. I am not interested in the past, except to learn lessons therefrom. I am interested in full employment, and I am just trying to be sure we understand and the people understand the limitations of this bill, even though it works up to your fullest expectations and hopes, and mine.

Mr. PATMAN. I think it should be a non-partisan measure. I think both parties came out for it last year, and I think we ought to put through some kind of a full employment bill.

Mr. JUDD. I have no more questions.

Mr. WHITTINGTON. Mr. PATMAN, as I understand this bill, introduced by you, H. R. 2202, on February 15, it is identical with S. 380, introduced in the Senate on January 22 of this year, except, as you pointed out in your initial statement, you include subparagraph (e) under section 8. Except as to that paragraph the two bills are identical?

Mr. PATMAN. I think they are; yes, sir.

Mr. WHITTINGTON. These bills were introduced many months ago.

Mr. PATMAN. Yes, sir.

Mr. WHITTINGTON. And since that time Germany surrendered, and now Japan has surrendered, and the motive is to provide employment, and this bill generally undertakes to solve the unemployment problem, first, by encouraging and promoting private enterprise to give employment; and secondly, by supplementing any deficit in that regard by Government support or by Government provision for employment.

Mr. PATMAN. First through the States, the cities, and political subdivisions.

Mr. WHITTINGTON. Of course, that work is under the jurisdiction of the States.

Mr. PATMAN. That is right.

Mr. WHITTINGTON. But it is to encourage it either by the Federal Government or by the States.

Mr. PATMAN. Yes.

Mr. WHITTINGTON. Second, and with that worthy objective the mechanism to promote the employment by the agency of private enterprise and by the Government, is said to be contained in this bill. Is that a fair statement as to the general outline and purpose of the bill?

Mr. PATMAN. I think it is. First, we want private enterprise and free competitive business to employ people, if they will, to the extent that available jobs should be there for the people who want to work, who are anxious to work. Next, if that is not sufficient, we want to encourage the States and counties and the cities and political subdivisions to offer opportunities in some way, and if we still don't have enough, then the Federal Government should come in and encourage some kind of work that will be to the national well-being—not any wasteful work, but work that will create wealth, or will be to the national well-being and provide these jobs.

Mr. WHITTINGTON. And secondly, with these objectives, you undertake to provide the mechanism in this legislation; is that true?

Mr. PATMAN. Generally, not in detail.

Mr. WHITTINGTON. I understand, because there is an undertaking. Because if we stop with this objective, we won't get anywhere. Then the question arises, first, isn't it important for the Government to promote legislation, programs, and policies that will prevent unemployment, in the first instance?

Mr. PATMAN. That is one of the objectives of the bill, one of the main objects.

Mr. WHITTINGTON. To prevent unemployment.

Mr. PATMAN. And create full production.

Mr. WHITTINGTON. And the best way I see—I don't know whether you agree or not—to do that is to create and continue full production. Now, the question arises as to whether or not we are providing any real mechanism in this bill for the accomplishment of these objectives. And frankly, I ask you if concrete mechanism is contained in this bill now that will provide, first, for continuing employment in private enterprise. Just name me one concrete provision in this bill that would provide that.

Mr. PATMAN. I think if I were to attempt to enumerate things like that we would have more objections than we have now, Mr. Whittington. You see, that would be legislating in detail. We have to leave something to the administration. We don't want to tie them down in a strait-jacket.

Mr. WHITTINGTON. I am agreeing to that.

Mr. PATMAN. We want to have it elastic.

Mr. WHITTINGTON. I am agreeing with that. But to get back to my question—I want to be helpful; what concrete mechanism is contained in this bill that will provide for the accomplishment of the objectives, first, continuing employment in private enterprise?

Mr. PATMAN. Well, I think it is generally well stated, and I think you covered it fairly well a while ago. For instance, suppose we can see ahead in 1946 unemployment to the extent that it will need our attention after this budget is prepared. Well, there are several ways adjustments can be made. You take through taxes; you can create an atmosphere that will encourage some businesses to employ more people. There are lots of small businesses—

Mr. WHITTINGTON. Without meaning to interrupt you, I think that is one answer.

Mr. PATMAN. I haven't got through.

Mr. WHITTINGTON. All right; give me some more.

Mr. PATMAN. Now, another one is reciprocal trade. It may be necessary to make deals with certain foreign countries to stimulate production in this country that would give employment. That is No. 2. No. 3, we can take the Bretton Woods proposals; that would

encourage the International Bank for Reconstruction and Development to give certain countries that have been deficit in this war loan which they will repay with interest, which will enable them to purchase large amounts of supplies and services in this country which will create additional employment. And in addition to that, No. 4, we will take the Export-Import Bank, which can be more specific, which will have a huge amount of funds that in the event the International Bank for Reconstruction and Development doesn't take our advice, we are in position to do it ourselves through the Export-Import Bank to help the country, help ourselves, and they will repay the loan and it will create opportunities for employment here. There are four ways.

Mr. WHITTINGTON. Very well. Pardon me a minute. In giving those four concrete cases it occurs to me that you have given one of the strongest objections to this bill. I could enlarge upon those four concrete cases by saying that, in my judgment, we ought to provide measures, and that means banking, to which you have referred primarily. That, however, is the jurisdiction of the Banking and Currency Committee. That means tax problems and tax policies, to which you refer, that are involved in our tariff policy. Those are concrete matters. Now, then, if you undertake here to involve and to incorporate all these matters in a bill without specifying that we are going to take jurisdiction of the laws that we have passed and fold them up and change them by some other solution, my judgment is that we are making a mistake, and for that reason, I think like you; we ought to plan, but we ought to plan constructively.

We ought to have a mechanism, we ought to have concrete cases, but it is going to take not one policy but many policies, all coordinated and correlated. I think you might add to it a public-works program. I think it would be unwise for us to repeat what happened in 1929, where we found ourselves in the midst of a depression without any adequate program of public works, and we just reached out and took this make-believe program here and there. So that in addition to a guaranty of bank deposits, in addition to the provisions we have made for treaties with other countries, in addition to our improving our taxes, all of which have to be done by separate programs and separate policies, we ought to continue what we have done to provide for the encouraging of the States and the municipalities, not in one panacea but in general legislation, in public works, to adopt a public-works program that will provide for the construction of public works that are Government functions as contradistinguished from works that are local and private functions. My thought is that you have given us in your answer, and in these four concrete cases, the best argument that has occurred to me as to why we should not undertake to pass a bill here and say that we are providing for full employment, when in truth and in fact we can only provide for it by these four concrete proposals that have got to be correlated and coordinated with other programs, and if we undertake in anywise to modify them here, we are led to one inevitable conclusion, and that is that, in addition to these programs, taxes, public works, we provide for lump-sum appropriations to enable the accomplishment of the objectives which have been provided for by all of these separate policies and programs, to wit, as is pointed out in subsections (e) and (f) of section 2, to provide for such volume of Federal investment and expenditure, and that it shall be designed to promote the national wealth and well-being. I say that we are going to fall down on it in these various committees of Congress and with these various programs we have adopted—banking, public construction, and so forth—if they are not supplemented and



implemented so that we will have real programs worked out without getting to the point where under some panacea bill we will come in and ask the President of the United States to provide for it and give a lump-sum appropriation which I think will promote unemployment rather than encourage employment.

Mr. PATMAN. Will you let me answer that?

Mr. WHITTINGTON. I think you have given me the best answer that I could think of.

Mr. PATMAN. Let us see if I have.

Mr. WHITTINGTON. All right.

Mr. PATMAN. Our plan is to have coordination of effort. We don't have it now. Suppose we go ahead as we have in the past. We have a Congress working on taxes, giving relief here and there. We have the Export-Import Bank granting loans to foreign countries. We have all these different agencies dealing with the same thing in the over-all picture, but no coordination of effort. This coordination brings these things all together. We might say that if we had no planning, the Export-Import Bank, the International Bank for Reconstruction and Development, and all these others might be planning something if they knew what the outlook was for next year, but they might not do what they have in mind. In other words, if a certain country wants to have a loan from the Export-Import Bank, the directors might be seriously considering this loan, but this National Budget comes out, and it looks like we are going to have all the jobs we need. It would be foolish to grant that loan and thereby cause inflationary conditions in our country. Now, while you say I have given you the best arguments against the passage of this bill you would want, I think you have given the proponents of this bill the best argument, because you are willing to go ahead, everyone working along a separate line without any coordination of effort, and thus not planning and working cooperatively and in a coordinated way.

Mr. WHITTINGTON. Let us see about that. Ought Congress, before it authorizes the lending of the taxpayer's money through the Export-Import Bank, recommended by the Committee on Banking and Currency, to find out before we authorize that, if there be a need of it, and isn't that the time to do it? And with respect to the Budget, isn't it also true that the Chief Executive submits a Budget covering public works, covering the operations of all the agencies of the Government, and we require that under the Budget and Accounting Act, for the purpose of—to use the language of that act—coordinating our programs and our policies?

Mr. PATMAN. That is very true, if your premise were correct. But it is incorrect in that Congress has nothing to do with that. The Export-Import Bank—it has \$5,000,000,000—

Mr. HOFFMAN. Just a minute. Are you correct on that? They haven't got it yet.

Mr. PATMAN. It is authorized. They can borrow the money and we have no control over it. They can go down there, as a board of directors, and do anything they want to, and it isn't coordinated with the reciprocal trade program, it isn't coordinated with the Export-Import Bank, it isn't coordinated with the International Bank for Reconstruction and Development, it isn't coordinated with anything, and each one of these others can do the same thing. The object of this legislation is to have coordination of effort and to do exactly what you said you wanted.

Mr. WHITTINGTON. I wouldn't vote, and I have never voted, for any bill, and I have never heard of the Committee on Banking and Currency recommending any Export-Import Bank bill that would allow them to do anything they wanted to do. The administration recommended Bretton Woods and reconversion and demobilization, because they were part of a coordinated scheme to provide for foreign trade, and to promote trade be-

tween the United States and foreign nations, and production, and if I hadn't believed that was a sound, coordinated program and correlated with the other activities of the Government, I couldn't have supported it.

Mr. PATMAN. That is one of the arguments used.

Mr. WHITTINGTON. What would this bill authorize the Congress to do with respect to the Export-Import Bank operations that is not otherwise authorized? Just take that one case?

Mr. PATMAN. The budget would give them information by which they could intelligently act, and in their negotiations with foreign countries or with domestic concerns, they would have that guidance. As it is now, we have no planning body which people who want to do the right thing toward their country can come to to exercise that judgment and furnish them that information. This will give them the information upon which they can base their judgment to work in their country's interest in an intelligent way.

Mr. WHITTINGTON. In other words, now, we would supplant the functions of the Export-Import Bank administration by giving to this committee on the budget here a directive to ascertain the basic fundamental facts to enable that institution to function as Congress wants it to function? My thought is that it is the duty of the Export-Import Bank to advise the Congress.

Mr. PATMAN. Let me answer that now.

Mr. WHITTINGTON. All right.

Mr. PATMAN. Here is the budget, the President has made his recommendations, and he says—I am just presuming now—I am merely giving this as an illustration. He says, "I have consulted with the people who are handling reciprocal trade and they will do so and so. That will give employment to so many people. I have conferred with the directors of the Export-Import Bank and decision is that they will make certain loans to certain countries that will need certain supplies that will be produced in this country. That will provide so much employment. I have conferred with these other agencies you have mentioned, and each one of them will supply employment for so many people. But after they do that, we will still need to take up the slack," and the President may recommend a public-works program such as you are talking about. But we have something intelligent to go on.

Mr. WHITTINGTON. All right. You have mentioned four concrete cases. I think I have your thought about the Export-Import Bank. What would this budget contemplate with respect to taxes and revenue that would supplant and take over the work now being done by Congress upon the reports of the Ways and Means Committee? What function with respect to taxes, in order to provide for employment, that we have now delegated to that committee would be here?

Mr. PATMAN. The President's advisers could say, "We have conferred with the committees that handle taxation in the House and Senate, and we have agreed on a plan whereby if the tax laws are changed a certain way, it will make it so easy on business that they will likely employ very many people, and the President could ask the Congress to pass that type of legislation making that number of jobs available.

Mr. WHITTINGTON. And that would be considered by the Committee on Ways and Means and reported to the House?

Mr. PATMAN. Certainly, it would. This is not dictatorial. It is not anything that will be mandatory. It is setting up a plan based on the best information that it will be possible to gather together that will enable people who are trying to help their Government intelligently to act.

Mr. WHITTINGTON. And that same thing would apply to the Export-Import Bank? That would be considered by the Committee on Banking and Currency?

Mr. PATMAN. Certainly. We presume they are all patriotic people and will cooperate with their President.

Mr. WHITTINGTON. And the other items you mentioned will be considered by the appropriate committees of Congress?

Mr. PATMAN. Taxation is the only one I know of. Congress has already passed out of its hands the reciprocal trade and Export-Import Bank and the Bank of International Reconstruction and Development.

Mr. WHITTINGTON. Now, Mr. Patman, the passage of this bill, the advocacy of it, is for the psychological effect, among other things, as has been testified here, of assuring full employment, and whatever be the details of this bill, or its provisions, it is generally recognized by the man in the street that this bill is to provide for employment. If that effect, and that assurance to the country, is to be given, isn't this a most unwise time to promote any such an impression, because it can't do anything more or less, as this is designed, than provide new legislation or appropriations at a time when we have got more money in the banks than we have ever had, we have got more savings, we have got the largest productive organization, we have got the largest supply of labor we have ever had before in the history of our country, and, finally, we have the greatest need of our civilian population who sacrificed and denied so that today the situation is materially different from what it was at the time these bills were introduced. There is employment now for every person that honestly wants to work, and if we come in here and pass this bill and say they are going to have unemployment, won't there be a tendency for these people to rely upon the largess of the Government, the appropriations of the Government, rather than find their legitimate place in private industry? This legislation will do more harm than good.

Mr. RICH. Will the gentleman yield there? We also have the largest debt.

Mr. PATMAN. We haven't overlooked the debt. I wanted to mention that, the public debt. That is right, we have a large debt. But when do you plan against things that are likely to happen that will be disastrous to our people? After they come or before they happen? We waited before until the worst came to the worst, and we had an awful time getting out of it.

Mr. WHITTINGTON. I agree with the gentleman—

Mr. PATMAN. Now, then, since we have that experience of the past to draw upon, why don't we draw upon it to the extent that while we have this prosperity you speak of we can make some provision against what has always happened in the past every 10 or 15 years?

Mr. WHITTINGTON. All right. I think that is a fair question. We have provided for it by improving our taxation. We have that under consideration. And we have provided for it, as you said, by the Bretton Woods Agreements, and we have provided for it by the Export-Import Bank, and we have provided for a constructive program of Federal public works, and we have done everything this bill contemplates except a Nation-wide WPA. That is my judgment.

Mr. PATMAN. This bill does not contemplate that. This bill is trying to avoid that.

Mr. WHITTINGTON. I understand your view is to try to avoid that.

Mr. PATMAN. If all these things were exercised to the limit, public works, etc., just pouring money out with no coordination, without knowing what the other people are doing—would you want that?

Mr. WHITTINGTON. No, indeed.

Mr. PATMAN. All right; then we should have some coordination of effort.

Mr. WHITTINGTON. That is right.

Mr. PATMAN. And if every one of them spend the money you are talking about for public works, the Export-Import Bank, the Bank for International Reconstruction, and the



reciprocal trade, and each one of them work separately and went the limit of their ability, we would have inflation.

Mr. WHITTINGTON. I would say that without—

Mr. PATMAN. That is the reason we need planning for that.

Mr. WHITTINGTON. We need a sound, constructive plan for that, but there is a whole lot of difference between sound, constructive planning for public works, and the so-called planned economy that is wrapped up in this bill, and it is to distinguish between the two that I have propounded these questions, because I don't believe that the Congress ought to pass any Bretton Woods agreement, any Export-Import Bank, any public-works program that doesn't correlate and coordinate with the unified program to prevent unemployment, in the first instance, and provide for it in the second.

Mr. PATMAN. Where is your coordination under existing laws? Each one operates independently of the others.

Mr. WHITTINGTON. That is a fair question—

Mr. PATMAN. There is no coordination.

Mr. WHITTINGTON. I think absolutely that is in error. We have the Budget and Accounting Act, which gives us the recommendation of the Chief Executive to be investigated by committees of Congress with respect to the expenditures of every one of these agencies.

Mr. PATMAN. On everything except employment.

Mr. WHITTINGTON. No; I beg your pardon. We would have no occasion for a public-works program, for a sound public-works program as you have advanced here from time to time, and I think you have done it constructively. We haven't waited to make a make-believe program. We have a sound public-works program under way, and it is coordinated. If we don't have everything embraced in the President's message of the other day, I would like to have you name me something that has not been included by Congress with respect to those agencies you have mentioned.

Mr. PATMAN. I still insist we have to guard against inflation as well as deflation.

Mr. WHITTINGTON. So do I.

Mr. PATMAN. And these agencies, working independently and alone, going the limit of their power and ability, even in public works, we will have a ruinous inflation in this country, and a program of this kind will guard us against that and will enable us to act in a way that we will not have that ruinous inflation.

Mr. WHITTINGTON. I think our system of government, with the Chief Executive, and all these executive agencies, has done everything we could reasonably be expected to do to coordinate these agencies, and if we need any further coordination, I am for it. But to come in here without saying what that coordination is, and undertaking to say that we are going to provide for full employment in some indefinite sort of a way in the future—if we haven't got that coordination in the Budget and Accounting Act, we ought to provide for it affirmatively.

A moment ago you said whatever was done here would have to be handled by the Banking and Currency Committee, on export-import, whatever was done on taxation would have to be handled by the Ways and Means Committee, and whatever was done on public works would have to be handled by the appropriate committees of Congress.

Mr. PATMAN. Yes; we can't do it any other way.

Mr. WHITTINGTON. Exactly; I wouldn't want to do it any other way, because Congress did not abdicate its functions, and if we need a correlation of that, it is the job of the Chief Executive to recommend that.

Mr. PATMAN. He has recommended it.

Mr. WHITTINGTON. In giving the agencies of the Government the power to spend money as they want to?

Mr. PATMAN. He recommended it, and the candidate on the other side recommended it, so both the candidates last year promised the people they would stand for this kind of a bill.

Mr. WHITTINGTON. Here is what bothers me. You are trying to solve the problem of unemployment at a time when there is need for workers, when we have got no depression, when everybody that really wants a job can get it. You wouldn't promote a program for defeatism by saying to them, "If you don't do this work, the Government is going to provide you with a job"?

Mr. PATMAN. I know the gentleman from Mississippi pretty well, and I don't think he honestly believes we should wait until misfortune overtakes us before we provide against it.

Mr. WHITTINGTON. Oh, no; and I have stated and I have voted for all these constructive measures, to provide public works, for the Bretton Woods, and for all of them, but I don't want to wait until we have to make make-believe work. Whatever we do in a Federal way, we should do constructively and promptly.

Mr. RICH. Mr. PATMAN, in section 5 of the bill, you set up a joint committee, in this bill H. R. 2202, composed of 10 members of the important Senate committees, and 7 members to be appointed by the Senate, and then you have 10 members of the important House committees, and 7 members to be appointed by the House, making a total of 34 members on this committee, composed of men who are at the present time, or at least should be, as busy as any Member of Congress. What is the idea of such a large committee, and don't you believe a smaller committee will do better work than a committee of 34 members?

Mr. PATMAN. That was seriously considered by the Senate committee, and I think you will find that they recommended that we change that.

Mr. RICH. Do you think that a committee of 34 Members of Congress is going to do anything?

Mr. PATMAN. Yes; they can operate all right.

Mr. RICH. As a rule, we find that when we have a large committee, we only have a few of them present at any one time.

Mr. PATMAN. The Ways and Means Committee has 25 members and it functions.

Mr. RICH. But you are establishing 34 members for this committee.

Mr. PATMAN. The Appropriations Committee has 44 and it works pretty well. I think the gentleman is on that committee, isn't he?

Mr. RICH. I was at one time; I left Congress of my own free will and naturally I went off the committee. I tried to save too much money; they wanted to spend, and they did it.

Mr. PATMAN. Anyway, I am not talking about the reason the gentleman is not still on the committee. But you said the committee is too large. I don't know; maybe it is too large. I wouldn't object to any reasonable change in the number, so far as I am concerned. But I am just giving you that as an illustration; we have in our own House of Representatives a committee of 44 members and they function pretty well.

Mr. RICH. No; they don't. I say they function very poorly. Let me ask you this: If you have a committee of 34 members, and have a few of them that work at it and the balance of them that vote, do you believe you would get good results from a committee that works in that manner?

Mr. PATMAN. You are talking about something now that legislation cannot control.

Mr. RICH. You have the idea, then, that this committee of 34—what kind of men are they going to appoint to take the active conduct of the committee? Are they going to have politicians; are they going to have lawyers; or will they be professional men?

Mr. PATMAN. I hope they have—

Mr. RICH. Are they going to have Congressmen or men who are going to deal with this in a businesslike way?

Mr. PATMAN. You say politicians and Congressmen. I guess a Congressman is a politician, and I hope they have people who are interested in politics. I would be opposed to it otherwise. I think a person who is against politicians is against democracy. I don't believe you can be against politics and be for democracy, because politics is the people ruling, and you have got to have people who are subservient to the will of the people, and to that extent they are politicians.

Mr. RICH. The object of this bill is to give employment, and when you play politics, you create jobs, certainly.

Mr. PATMAN. I believe everybody should be interested and believe in politics. Of course, there are good politics and bad politics. I wouldn't want bad politics in this.

Mr. RICH. I think, myself, personally, that this committee is top heavy, and you will never get results from this committee if they are supposed to be a joint committee on the National Budget. What are you going to do with your Director of the Budget, Mr. Smith, and his organization that we spend hundreds of thousands of dollars annually to maintain?

Mr. PATMAN. Well, the Budget is an army of the President and that is under the President. Undoubtedly, he will use the Budget to the limit.

Mr. RICH. Then, if you use the Budget, and the Budget officers that we have now, and they continue on in the same way for the next 10 years that they have in the last 10 years, we are broke. We can't have a Budget office that functions like it has in the past 10 years.

Mr. PATMAN. Was the Budget responsible for it?

Mr. RICH. They make recommendations to Congress, and Congress always says, "We are equal to the Budget; we stayed under the Budget." And they think when they do that they have been able to perform a good duty. But you see where we are. It hasn't been good.

Mr. PATMAN. I am not arguing with the gentleman. I appreciate he is always on the alert against wasteful expenditure of funds. And I commend him for it. But I dare say the gentleman voted for all these appropriations.

Mr. RICH. Oh no; I did no such thing. I wouldn't vote for them.

Mr. PATMAN. You voted for the \$96,000,000,000 to go to war.

Mr. RICH. No, no. For 10 years before the war we were in the red every year, and you never tried to get out.

Mr. PATMAN. We started deficit financing back in 1931 and 1932.

Mr. RICH. I know. We had 2 years of it Republican, and we have had 13 years of it under the New Deal, and it has got us about ruined. You know we have a debt now of \$265,000,000,000. We never dreamed of anything like that. It was \$20,500,000,000 in March 1933.

Mr. PATMAN. With this bill we can pull out; with full employment and full production we can pay that debt easier than we could have paid one-tenth that much in 1932.

Mr. RICH. Are you in favor of paying the national debt?

Mr. PATMAN. I certainly am.

Mr. RICH. I am glad to hear that.

Mr. PATMAN. I hope the gentleman didn't have any question in his mind about that.

Mr. RICH. I certainly did, because I have heard a lot of gentlemen in Congress say we never intend to pay the national debt.

Mr. PATMAN. I never heard that.

Mr. RICH. Well, you come with me, and I will show you a dozen or more who will say that. I would like to get you to cut this committee down. I don't think you will get any



results unless you do. I think you ought to do it.

Mr. PATMAN. I am not going to argue with the gentleman about that. That is a matter about which people can differ. You agree to the rest of the bill and I will agree to cut the committee down.

Mr. RICH. You cut the committee down and I will agree that the bill will be a whole lot better. I want to say here that I am in favor of full employment; but I don't believe you are going to get full employment or that the Government is going to do a great deal to aid or assist in full employment and in keeping this country solvent, unless you get sound men who are going to administer it with the idea and purpose of trying to give men jobs who want to work.

Mr. PATMAN. I thoroughly agree with you.

Mr. RICH. And today, Mr. PATMAN, we have 500,000 men who are idle, and they have created this idleness because they don't want to work unless they get more money. At least, those are the statements issued to the newspapers. In New York City they have closed down all the elevators practically, except those those in the apartment houses, and that in itself is going to throw out a lot of small businesses in the country, because the American Express Co. refuses to take any more packages. Now, if those men having jobs waiting for them refuse to work, don't you think we should have some legislation that would compel the people of this country to arbitrate their difficulties rather than have a few radicals—and I say it advisedly—a few radicals who want to close down the industries in this country so that the Government will come in and take them over?

Mr. PATMAN. That question has cropped up in this hearing all the time, and I want to answer it to the best of my knowledge and ability. This bill has nothing to do with strikes. I don't know anything about the merits of any controversy that is pending that is causing strikes, justified or unjustified. I don't know anything about them. But I think the time has come when the public realizes that the public has an interest in these things and there should be some kind of arbitration. We have always been taught that where there is a wrong there is a remedy. Lawyers especially have always been taught that. And there should be a remedy. When a case of dispute between the employers and employees, and the public is involved—and they are involved in practically all these cases—there should be some person or some court, or some board or some authority that has the right to determine the merits of the controversy and pass upon it, and that judgment should be respected and abided by the same as the Supreme Court of the United States.

I think the time has probably come when, if these strikes are not stopped rather soon, there will be such an overwhelming demand for something along that line that it will be established. I regret exceedingly that the time has come, or will come, that that will be necessary, but you see there can be monopoly on either side and there must be a remedy provided. And if there are wrongs without a remedy, this Congress will just have to be called upon and we will have to rise to the occasion and grant the remedy. I am speaking without too much consideration but these are my thoughts at present in the light of the information I have.

Mr. RICH. Don't you believe the occasion is almost here now when we are trying to get the country back—we have the jobs now?

Mr. PATMAN. I think it is approaching, and I think that the recognized and responsible labor leaders recognize and appreciate it as much as you and I.

Mr. RICH. I think the responsible labor leaders do.

Mr. PATMAN. I think they are trying to stop it, but they can't stop it. They are wildcat strikes, they say, and they can't stop

it. Well, what can be done? They can't insist that people must stand idly by and do nothing about it. Something must be done.

Mr. HOFFMAN. Will you yield to me for a question?

Mr. RICH. For a question.

Mr. HOFFMAN. You say that something must be done. Couldn't the Government quit extending benefit payments?

Mr. PATMAN. I don't think they extend benefit payments to strikers.

Mr. HOFFMAN. Yes; they do, as I got it from the Secretary of Labor the other day before the committee.

Mr. PATMAN. I know this bill won't help them any.

Mr. HOFFMAN. Wait a minute—

Mr. PATMAN. This bill has nothing for people who are out of work because they won't work. This is only for people who are out of work, who want a job, and are willing and anxious to work.

Mr. HOFFMAN. Listen a minute; if you will, please. There isn't any question at all in anybody's mind who knows about the facts. Take the Kelcey Wheel Co. strike; the men who are on strike there don't get benefit payments under the Michigan law, but that strike throws out of work 40,000 employees over at the Ford plant, and they do get benefit payments because they are not on strike and are unemployed. They are, what you might call, locked out.

Mr. PATMAN. Well, they are innocent victims.

Mr. HOFFMAN. Wait a minute. Those employees don't belong to the same local, but they all belong to the same national organization. As long as we continue to pay benefits to members of an organization which causes a strike or doesn't prevent a strike, you are going to have strikes.

Mr. COCHRAN. Will the gentleman yield there?

Mr. RICH. I don't yield any further. I am going to continue.

Mr. COCHRAN. Right on that point: Haven't the officers of that international organization declared that an unauthorized strike and demanded that the men go back to work?

Mr. HOFFMAN. You're right; they have.

Mr. COCHRAN. Then how are they responsible?

Mr. HOFFMAN. If they can't control their own members, they are responsible in this way, because they insist upon maintaining their collective-bargaining rights with the employer, but they don't hold their employees in line on the bargain they get.

Mr. RICH. Mr. PATMAN, does the phrase "raise the scale of living of the American people" mean to increase the national income, or the annual volume of consumption?

Mr. PATMAN. I think it could mean all three, very well, because you take, for instance, there are so many homes in this country that do not have certain conveniences and facilities that we all agree they should have, and if we supplied them that might—that market alone might well do all of those three things.

The CHAIRMAN. Mr. RICH, just a moment. This morning we had three witnesses scheduled for 10 o'clock. They did not appear. I understand that one of the witnesses is now here, and it now seems that we will not be able to get to the witnesses. Without objection, any witnesses who were to appear may submit a written statement for the record. We have a full schedule ahead, and it will be impossible to hear them tomorrow.

Mr. RICH. Mr. PATMAN, based on deficit spending, would the application of this measure aid or prevent inflation?

Mr. PATMAN. The object is to prevent inflation. I hate inflation just as much as I do deflation, and I wouldn't want to be a party to anything that would cause inflation. It is not contemplated that deficit spending will be needed in this. The intention in this is to prevent deficit financing.

Mr. RICH. With the proposal that you made on the floor of the House a good many times in reference to issuing currency, would that in any way affect full employment?

Mr. PATMAN. There is no issuance of currency involved here.

Mr. RICH. I recall that you have advocated that the Federal Government issue currency, all that is necessary, for paying off the national debt.

Mr. PATMAN. You have heard that? Well, you didn't hear the truth. It is not true.

Mr. RICH. It isn't. Well, I am glad to be straightened out on that, because I was under the impression that you were advocating the issuance of currency.

Mr. PATMAN. No. Currency only comes out as you need it. That is automatic; that expands and contracts with the demands of the people, and I am certainly not going to try to put money into the pockets of the people who do not need it. We have \$200 per capita now in the pockets of the people and the tills of the people. That is too much. That is four times as much as we had during the inflationary period after the other war.

Mr. RICH. If that is too much why has that been issued?

Mr. PATMAN. Well, because the people demanded it. You take your bank account; you can leave it where it is, or you can demand currency and get it, and a lot of the people have elected to take the currency. That was one of the objects of the passage of the postal-savings bill. So many people in this country, foreigners, especially, who were not willing to trust the banks, wanted some institution in connection with the Government, in which the people could have confidence, where they could put their money, so they had enacted the postal-savings law, and now they have \$2,400,000,000 in savings banks run through the post office system.

Mr. RICH. Mr. Patman, do you believe that the broad legislative powers granted in peacetime to Government officials is a wise thing?

Mr. PATMAN. Well, I think the laws Congress passed grant broad powers to executives. I think Congress was very wise during the war to put a cut-off provision in practically every major law we passed. If you will think back, practically every major law we passed, involved in this war, had a provision like this: "Upon the passage of a resolution by both Houses, by a majority vote, this law shall be ended." Those are not the words, but that is the effect of it. Or, "6 months after the war, this law shall be terminated." Or, "6 months after the declaration of peace, this law shall terminate." We have several phrases that we have used, but the effect of each was to automatically cut off the law.

Mr. RICH. There is nothing in this law that would terminate this legislation, and if we found that it was bad legislation, and that it might create unrest among the people in private enterprise, fearing that the Government would go into various lines of industry in competition with them, it would be bad legislation, and it should be terminated. Now, if you will look at the statement made by Lindsay Warren, as to the number of duplications we have now in government operations, certainly we don't want anything more in government. We want less government rather than more government, and the private individual then will be able to go ahead, he will have some confidence in the fact that he can do things and not be molested by the Government. But if he were to go out today, with a great number of duplications we have in government, a man doesn't know whether he is secure or not, and he is afraid to enter into private business because he is afraid the Government might put him out of business. It seems to me that the thought and idea behind the bill is fine; I agree with it. I agree with that



idea, that we ought to try to get a job for every man that wants to work, and he ought to be assured a job if he wants to work. But we have got a lot of things to consider in the Federal Government at the present time that causes me to wonder whether it will do what we think it is going to do if it is enacted into law.

Mr. COCHRAN. Assuming, Mr. Rich, that private business does not take the leadership in providing for economic security, don't you think that this bill would, to some extent, provide a plan?

Mr. RICH. Well, I think it possible.

Mr. COCHRAN. Whereby others would step in?

Mr. RICH. I think this, Mr. Cochran: With the laws that are on the books today, there is nobody who has a dollar left who wants to invest it in private enterprise, because there is no future for him in business, and until and unless you change the laws we have on the books, you are going to find that private enterprise cannot go ahead, and therefore you are not going to have the employment in private enterprise, and you are only going to have the Government come in and take over all business, and that is what the radicals in this country are working for, and that is what I am afraid of. So I would advise you to change a lot of the laws and do it quickly, or you are going to ruin private enterprise in the United States of America.

Mr. COCHRAN. All right. The gentleman will recall, because he was here at the time, and so was I, when we provided for social security. Do you know of any sound businessman in this country that wants to do away with that program?

Mr. RICH. I am talking about the things that are a detriment to private enterprise, that prohibit him from going out and expanding and doing business and prevent him from even getting his same dollar back that he puts into the business.

Mr. COCHRAN. What we are trying to do here, as I understand it, is to provide for economic security, is that right?

Mr. PATMAN. Certainly. It is to help private enterprise. If you are for private enterprise, you ought to be for this bill.

Mr. RICH. I am afraid that this bill is going to ruin private enterprise, unless you do away with a lot of the laws that are now on the books.

Mr. BENDER. Will the gentleman tell me how much private business the Government has taken over and is now operating?

Mr. PATMAN. In war munitions, and things like that, it would be a tremendous percentage. But outside of that it would be very small. I don't know of any intent on the part of those in authority to take over private business by the Government. I don't know of anybody who has that intent.

Mr. LATHAM. I understood you to say in answer to Mr. Rich's question that the passage of this bill would eliminate the existing debt, and would help eliminate deficit spending. Now, if we were to have 10,000,000 unemployed, and they were to receive \$2,000 a year, that would be \$20,000,000,000 that we would have to add to the debt.

Mr. PATMAN. This bill doesn't contemplate that. Let us take, for instance—we will compare 2 years: Take 1932, when the debt was at the lowest it has been, and at the same time the national income was at the lowest it has ever been in history. All right; now take 1944: The national income was probably the largest and the national debt was the largest of all time. The people in 1944, with their large national debt to pay, because of their large national income could more easily pay their part of the national debt than the people could in 1932. In other words, the future security of this country depends upon a high national income. We can't pay our national debt any other way. You can't reduce this country to an income of \$40,000,000,000 a year, as it was in 1932, and ever hope to be able to pay this national

debt, so you have got to have a high national income in order to pay this national debt, and when you have a high national income there is no reason why you shouldn't have reasonable prosperity.

Mr. LATHAM. I think I see your point. But by this program you would add a solid \$20,000,000,000 to the debt for that year.

Mr. PATMAN. There is nothing in here that says we will pay \$2,000 a year, or \$1,000, to any person.

Mr. LATHAM. You stated you would pay a reasonable wage.

Mr. PATMAN. No; we are trying to avoid that. Certainly, we are not going to pay \$2,000 a year on relief.

Mr. LATHAM. Does this contemplate that the people will go on relief?

Mr. PATMAN. No; it doesn't.

Mr. LATHAM. This plans for real jobs?

Mr. PATMAN. Yes.

Mr. LATHAM. Well, you couldn't pay them much less than \$2,000 a year for a real working job, and that would add \$20,000,000,000 to the debt. Where will you get that \$20,000,000,000, if not by increasing taxes?

Mr. PATMAN. I think that is just a little far-fetched, if you will pardon me. The bill makes no provision for paying anybody \$2,000 a year, or any sum.

Mr. LATHAM. I understand that.

Mr. PATMAN. I know this is just a promise. It provides for full employment, if we can get it. In other words, full employment. No one expects every person to get a job, just like they wouldn't any more expect, when you run for office—like all the gentlemen around this table—you promise the people certain things and you expect to carry out those promises, but you don't always do everything you promise the people you will do. And to that extent you fall down. They don't throw you out because you do, because they know you have made an honest and sincere effort. The same way with this; there will be an honest effort on the part of the Government to give people full employment, but in the event the budget, at January 3, next year, discloses that, for instance, there are going to be 7, 8, or 10 million people unemployed, that should put us on the alert, and we would say, "What are we going to do about this?" The President should recommend in that same message some way of taking care of it, through taxes, reciprocal trade, Export-Import Bank, the International Bank for Reconstruction and Development, public works, including housing and all those things. In other words, we would plan for 1946, and before we would ever get down to any proposition of paying the worker to engage in work, we would first have to fail in our efforts to create a climate that would cause people to employ those people.

Next, we would have failed in our efforts to get the States and counties and cities and political subdivisions to take up that task. We will have failed in that. And after we have failed in all those things, and we still have unemployment, and believing, as we both believe, that a person who is anxious to work and is able to work, should have a job to provide for himself and his family, then we would have to make some provision for him, some way in which we could do that, through the development of rivers and harbors, and through public roads, and through the construction of public buildings, including post offices, and many other things like that. So you would have to go a long way before you would ever get down to the point of paying a person so much to do work for the Government.

Mr. LATHAM. But if you finally wound up with five or ten million you had to take care of, that couldn't be hired by private enterprise—

Mr. PATMAN. Of course, we are not going to let people starve; you know that as well as anybody else. In times that are good, we are trying to plan for times that will be bad.

Mr. LATHAM. If it finally got to the point where we have 5,000,000 or 10,000,000—let us say 10,000,000, because it is easier to figure—that you have to take care of, you have to create jobs for, you will have to spend some public money in order to create those jobs. Where is the money coming from except from taxes to do that?

Mr. PATMAN. Well, I might say, my dear sir, that if this bill is put into effect and properly administered, we won't have any 10,000,000 unemployed.

Mr. LATHAM. I hope not.

Mr. PATMAN. And we won't have 5,000,000 or 3,000,000.

Mr. BENDER. Won't have how many?

Mr. PATMAN. We won't have 5,000,000 or 4,000,000 or even 3,000,000. We will always have some.

Mr. JUDD. We won't have 3,000,000, and we won't have to borrow any money for deficit spending, deficit financing, to keep it down to 3,000,000 or less? You are confident we can have fewer than 3,000,000 unemployed without the salaries or income of some of them being furnished out of Government borrowed money?

Mr. PATMAN. Certainly. You see, if we keep the national income up, we can pay off our national debt and give the people work.

Mr. GOSSETT. Mr. Chairman, I have quite a few questions to ask of Mr. PATMAN. I don't think I could develop them within the time that is left, and since it is important that most of us be on the floor, I would suggest that we adjourn until tomorrow morning.

The CHAIRMAN. With the understanding that Mr. PATMAN will be available at any time in the future for further questioning by the members of the committee, the committee will adjourn until 10 o'clock tomorrow.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, the bill before the House, S. 380, as amended by the Committee on Expenditures entitled "An act declaring a continued national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy" postulates a politically planned economy. It would establish a Federal planning body, composed of a Council of Economic Advisers consisting of three members appointed by the President, and a Joint Committee on the Economic Report composed of representatives of the Senate and House. The President is made the head of the planning organ.

The Council would be composed of economic experts, three in number. It would be upon this segment of the planning body that would fall the responsibility of formulating the political schemes and devices that are involved in a planned economy. It would engage in the formulation and recommendation of a national economic policy to promote employment and production, to gather timely and authoritative information concerning economic developments and trends, appraise various programs and activities of the Federal Government, formulate and recommend to the President national economic policies and legislation relative thereto, and so forth, all for the purpose of maintaining a high



level of employment, production, and purchasing power for promoting the American system of free competitive enterprise.

We would hardly need to go any further for a basic understanding of this bill. A politically planned economy and free private enterprise are opposed to each other as are human slavery and liberty. Specifically, therefore, the bill we are considering is one to put the American people in chains in the guise of preserving their liberty.

This is, of course, wholly in line with the policy that has been pursued by the Federal Government 30 years or thereabouts. It is only in the last 10 or 12 years, however, that the Government has consciously pursued a policy of exterminating free competitive enterprise and substituting therefor a planned economy, or to be specific, a totalitarian state.

New dealism, not altogether a monopoly of the Democratic Party, fascism under Mussolini and Hitler, and Russian communism are fundamentally the same in nature. The regime which now dominates the United States differs from the others only in degree. Every one of them has destroyed freedom of contract and replaced this mode of life with arbitrary political regulation and control of social and economic relations. Like the others, new dealism has abolished the competitive market where prices are made by mutual bargaining, and forced upon the Nation a system of federally controlled prices and wages. This process was well advanced before the war began in 1939.

The most important characteristic common to new dealism, fascism, and communism is the nationalization of the money metals, silver and gold, from which must follow State-made prices of all commodities and services, since such prices cannot otherwise be made except under a system of free contractualism, which requires for its functioning the politically unhindered use of the precious metals. As a part of this trait must be mentioned the high degree to which the banking system has been nationalized. Both the nationalization of the precious metals and banks have been accomplished in large measure by the Federal Reserve banking system, which, contrary to common belief, has never operated as a private institution but has always been completely dominated by the Government.

New dealism, fascism, and communism are in general constitutionally constructed on the principle of state capitalism versus private capitalism. The thirty-odd so-called Government corporations, RFC, TVA, CCC, Federal Housing Agency, and so forth, which had a book value of about \$6,000,000,000 before the war and now have a value of approximately \$27,000,000,000, represent the purest form of state capitalism.

The argument is being made that the bill reported out by the Expenditures Committee is innocuous and will not do anything, in contrast to the Senate Full Employment Act and the Patman full employment bill, which would do much. This is, in my judgment, a specious contention. The point about the bill before

us is that it formally legalizes and gives respectability to the idea of a politically planned economy. The Council of Economic Advisers and Joint Committee on Economic Report, which this measure seeks to establish, is merely a renewal or restoration of life to the National Resources Planning Board.

To say that this measure would give the President no power to act until and unless it was further implemented by legislation also has little force. With the principle of state planning already well established and in operation, the effect of the passage of this measure will be to implement such planning by formally providing it with a head. This directing body will have plenty to do in coordinating and streamlining the hundred and one social and economic plans which are already in process, the nationalization of banking, electric power, housing, lending, farming, and so forth, but not excluding labor, for that, too, comes within the scope of regimentation.

At present, the Congress is a passive element in this whole movement. So long as this condition persists, it must remain subservient to practically all of the grants of power given to or usurped by the executive and the other forces which so completely dominate the policies of the Government. Just as those forces are now able to importune Congress to pass this act to formally establish the principle of a State-planning, so those same forces will be able to impel this body to pass the legislation necessary to implement, not only the all-out program of nationalization, which is already so far advanced, but the powers of the planning head itself.

This measure, both by avowal and implication makes the Federal Government responsible for a high level of employment, just as the Soviet constitution guarantees every person the right to work.

With that responsibility must go the power of direction, the ordering of persons to work at what they are told to, where they are told to, at the wage they are told to, just as prevails in Russia.

In undertaking this step, New Dealism is but following the course which has been pursued by Russia, Germany, Italy, and every welfare state that has ever existed.

After having exterminated the basis of private capitalism and the natural job opportunity flowing from it, and so disordered the economy as to seriously threaten its control, the New Deal regime now seeks to acquire totalitarian power over labor to retain such control, just as was necessary with the Soviets and Fascists of Germany and Italy to keep themselves in power.

Given sufficient time, this monstrous force, known as New Dealism, will prove to labor in general, as it is already doing to labor in particular, that instead of being a great blessing to it as proclaimed, it is the greatest curse ever visited upon it.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE of Iowa. Mr. Chairman, reminds me of a story my grandfather always liked to tell. It seems in

the old days there was a famous and prosperous ancient city. Something happened that it became very dirty and the citizens became concerned; it was a scandal among them, and people no longer were coming there. To take care of the situation, they did this and they did that, they appointed commissions, and they appointed bureaus, but the situation slowly got worse. They finally went down and called on a very wise old person who had taken no part in all this discussion and argument, he had been busy minding his own business—and they asked him to advise them how to get the city clean. He gave them this simple formula: "Let every man sweep in front of his own door." The last sentence of the story is that every man did sweep in front of his own door, and, lo, the city was clean.

Mr. Chairman, I wonder if a return to that philosophy would not do this country more good than the passing of legislation like this? Here is what I mean by that: All over this country there are thousands of men and thousands of small businessmen with money to invest. They would carry on a business and give employment. There are millions of people who want work. Why do they not get together? Why does that system not function like it once did? Let me give you a little example. I have a friend out home who before the war was engaged in business and used and occupied five or six large buildings. When the war came on the Government took them over. When I was home last summer the Government turned them back to him, and I said to my friend: "I presume you will take back these buildings and go back to your former business and give employment to your old employees."

He said: "No; I am sorry, but I will not; and the reason is this: There are so many Government restrictions now."

It is so difficult for anyone to be in business, and besides, if he makes any profit most of it is given up to the Government.

This question of unemployment is a big one, but it strikes me, Mr. Chairman, that perhaps the best statement ever made on it was the statement made in the Book that not only is a great book on religion and life but is somewhat of a book on statecraft. You remember the parable in the Bible where the Master went into the market place and found the people standing idle? He asked: "Why do you stand here idle?" And they said: "We stand here idle because no man hath employed us."

That is the answer, Mr. Chairman—no man hath employed us.

When will the unemployed man go back to work? When someone gives him a job.

When will someone give him a job? When he can do so at a profit? No; not quite, but when he can do so under such conditions that he can reasonably anticipate a profit.

Whether we like it or not, that is the capitalistic system, that is the individualistic system, that is the American system; and we have worked under it for many years. It has not been a 100 per cent success, I grant that, but I would like to hear someone point out where on



this earth for a similar period of time did any other system work better?

They say that this bill we have before us is simply a statement of policy. That is probably correct. Nevertheless, it does set up a Bureau. I recall that back a few years ago we created the TNEC, as it was called. We got together a very imposing committee of Senators and Representatives and members of the executive branch of the Government. They called in people from all over the country and worked several years. What was the net result, Mr. Chairman? The net result was the expenditure of over a million dollars and the collection of a great shelf of books.

I think sometimes it is good to lay down a policy, but I would suggest laying down a policy that will cost us nothing.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOFFMAN. Mr. Chairman, I yield to the gentleman two additional minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, that should be the policy.

First, Mr. Chairman, I would like to see the Members of Congress, and the Members of this House particularly, take a pledge. I would like to see every Member stand up, put up his right hand and promise that from now on he will mix up no more patent medicine for the long suffering American people. That is my first suggestion.

Next, that we resolve to return to constitutional government, resolve to return to free enterprise and individual responsibility.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, because of my former long service on this committee I feel as if I would like to say a word or two in reference to the pending bill. I congratulate the committee for at long last bringing something before us. A child has been born. For years we tried to bring some legislation from that committee but the majority would block any investigation or planning that might be proposed. I have read the bill and I am reminded of the kind of planning we have been getting and the kind we will likely get as reflected in the message of the Executive on September 2 or 6. Is that the kind of planning we are going to get? If it is I do not want any more of it, because I hoped we were finally coming to our senses under this new regime, and I was applauding our President. But I am disappointed. That message frightened me. Since then I have not been able to hear so well when proclamations are made from that direction.

In this bill you want a staff set up to make a report to the President each year. The President would then send a message to Congress. It would be your platform, only a recitation of a platform holding out more promises to the people. You tell him to study all the conditions, then bring in a report as to what he thinks we ought to do. In my opinion, it is time

that the Congress itself should say what we ought to do.

It is said that this report will then be sent to a joint committee and that committee will study it. Then it will come back here and we will refer the recommendations, as usual, to various committees and it would take a long time before action could be taken. I am glad you did not ask that the President report in 1946. This bill takes effect in 1947.

Mr. Chairman, we will have a debt of some \$300,000,000,000 or more, and a contingent debt of about as much more. You would be planning how to spend more money rather than to reduce the debt. How can we do this and do it safely? Well, it does seem to be safe enough to print money. The gentleman who preceded me by a few minutes has often advocated printed money.

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

Mr. GIFFORD. I am glad to yield to the gentleman. I need assistance.

Mr. HOOK. I was wondering if the gentleman believed that a man could pay a debt without working.

Mr. GIFFORD. I formerly did not think he could, but under your administration they have been perfectly able to do it somehow or other. You have all sorts of pensions, compensation, and social-security schemes, and so forth. We know that many thousands are on the Federal pay roll who seem not to be working very much. You have found wonderful ways within the last few years of putting purchasing power in the hands of the people and the very men who plead for this bill say that there are now \$200 in the pockets of everybody in the country. They tell you that when, as a matter of fact, the share of the public debt for each of us is \$1,831. The Governor of Pennsylvania recently warned his people that their share of the debt is five times the entire assessed value of the property of that State.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. I think the reason they usually have depressions is that they do things even when Congress says no. Assume, for instance, that this law was in operation this year and the President sent over a message that what we ought to do to prevent depressions within the next 2 months is to stop deficit spending. Does the gentleman think that would stop deficit spending?

Mr. GIFFORD. Oh, no. By what method was a large proportion of this House elected? By a strong personality that appealed to the people, and they came in hanging on his skirts, having promised to give him what he wanted. Because they promised to support their President they voted for anything that the President suggested. And with a sort of President we have had, there seems no end to the amount of public debt. I should hesitate to give more Presidents a chance to plan for me.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Is it not further true that there has not been any President around here lately that has had the courage to come in and ask for a cessation of deficit spending.

Mr. GIFFORD. That seems to be true. The gentleman from Texas quoted Hoover. I am glad he did, because they have hitherto paid no attention to him.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman 3 minutes.

Mr. GIFFORD. When they quote Hoover, it is like the devil quoting scripture when it serves their purpose. He mentioned and quoted Dewey. Dewey was a "Me, too, boy" only he would do it better. I know it as well as you do. I am not belittling him. For we Republicans had to try hard to build up some personality that the people would follow. We have not found one, but there may possibly be one lurking somewhere.

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

Mr. GIFFORD. Indeed yes, for you did not help me the last time.

Mr. HOOK. Would the gentleman be so kind as to tell me whether he voted for Dewey?

Mr. GIFFORD. I certainly did.

Mr. HOOK. Then you must be a "Me, too, boy," too.

Mr. GIFFORD. I voted for him. I had no one else to vote for. As I told one of you southern Democrats one day, "Of course, you voted for Roosevelt." I read that one said, "We voted from principle. We are Democrats. We voted for Roosevelt in 1932 and in 1936. We voted for Roosevelt in 1940. We are Democrats, but if you damn Yankees keep on voting for Roosevelt this country will sure go to hell." Of course, I had no other candidate to vote for. I was really pleased with Dewey. His personality was good. Why, only yesterday you heard one of your own number say oratorically that "Your party had sunk very low." Did you not hear him? And he sounded like a very able man to me.

Now, I love every one of you. I do not think your party has sunk so low, but I recognize how the members of your party are differing with one another. You cannot agree, but you will vote for a Democrat no matter who he may be or what he stands for. I love these southern Democrats, even though they act differently than they talk. They are really wonderful fellows. I mention FRITZ LANHAM, who is listening to me. I would hardly trade him for a Republican, but generally he has to go along. Of course, I had to vote for Dewey, did I not? I had to go along, but I was not satisfied, really. He tried to match your liberality. I wanted a different type of platform than he advocated.

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

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. You did not have the same opportunity that the gentleman



from Michigan [Mr. Hook] had, when we had this Dies committee question up. You remember once he voted for it, once he voted against it, and once he voted present. There is an illustration of being fair all around.

Mr. GIFFORD. I just wanted to say in the few remarks I was to make that I have a watchful eye and that I am trying to cut down the expenditures and I am compelled to vote "no" on this bill planning more and more public expenditures. I do not want you fellows to do any more planning for me.

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

Mr. GIFFORD. I yield to the gentleman from Alabama.

Mr. PATRICK. I just want to find out—and there is no fun in this.

Mr. GIFFORD. I should be glad to have a little fun in it.

Mr. PATRICK. Well, I do not mind, if it provides the gentleman with fun. But I am asking this, whether the gentleman feels that this bill goes too far or does not go far enough?

Mr. GIFFORD. It does not go anywhere except to give you fellows a chance to write a spending platform. You seem to be able to advocate spending only.

Mr. PATRICK. I am for it, if it does that.

Mr. GIFFORD. I thought you would have to be for it. I ought not to blame you for supporting your own party. The old adage, "My country right or wrong," hoping of course that it might be right. Bait, bait, bait, you have advocated nothing but bait. After all, this bill has no real force except setting up more committees and bureaus. You have had all the bureaus you are going to get from me.

Mr. PATRICK. I am glad to get the gentleman's position.

Mr. GIFFORD. But I am getting old, and I am not as able as I formerly was to help stem the tide.

Mr. PATRICK. I wish I had the gentleman's ability now.

Mr. GIFFORD. Thanks. We all like to have a little flattery. I once heard that "flattery is the food of fools; but now and then men of wit condescend to take a bit."

Mr. MANASCO. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I have read Senate 380 as it is now presented to us by our House committee in new and different verbiage. I think most of us will agree that it is preferable in terms to the original Senate bill, but I find no incentive to enthusiasm in either. For instance, let us contemplate the meaning of the verbiage in this modified form. What does it say? It says in effect that we who serve in these legislative Halls believe that Washington and Jefferson and Madison and their worthy successors were right in their desire to preserve free competitive enterprise as the basis of our happiness and prosperity, and that we who are now obligated to enact the laws have a purpose to continue these fundamental principles of our American Government.

Maybe the people of this country will be gratified, in spite of recent perils to

these fundamental tenets, to learn that we, their representatives, wish to preserve and restore and promote them. But this measure goes further and reminds the people that it will cost them something to get this comforting assurance that we are still devoted to the doctrines in which loyal Americans have always believed.

To convince them of the certainty and the soundness of such adherence on our part, this proposal suggests that we create some more Federal jobs, with the natural incident of additional financial burden on the taxpayers, in order that another governmental agency or committee or bureau may help to steady us in our resolution to continue our free competitive system of progress. It may seem at first blush that among the three million Federal employees now on the Government pay roll we could find a few qualified to advise us and to put the necessary starch in our backbones to enable us to do our duty. But, judging from the provisions of the measure as now reported for our consideration, there are some who do not think so. It appears they feel that we should still go far afield and search for some other wise monitors who can "screw our courage to the sticking place."

Of course, these new preceptors must necessarily be wiser than anyone in the Congress or in the executive departments, so the committee recommends that three advisers be appointed, in the light of their superior knowledge and more ardent devotion to our governmental tenets, to receive an annual salary of \$15,000 each. But to make it surer still that the people of the United States will have confidence in the sincerity of our loyalty to the basic principles of our American system, there three preeminent experts will not be sufficient. So they are authorized and empowered to employ still other experts and also some specialists, who presumably may be smarter than the experts, to help us assure the people that the Congress really believes that our original conception of the government of a free people is a pretty good one if allowed to operate. I suppose these superexperts will afford the country an even greater persuasion that we intend to do our duty. Of course, it will increase the cost to the taxpayers to get such solacing information, but I presume it must be inferred that the people will be entirely willing to assume this added expense in order to be advised officially that we in the Congress are determined to act in accordance with our oath of office.

But to make sure that the country will have this confidence, the expense to the people will not end with the expenditures I have recited. Oh, no. We must have also a joint committee of the Senate and the House of Representatives, and provision is made for this joint committee to have, in the language of the bill, some other experts and consultants and technicians and clerical and stenographic assistants so that those other experts and specialists will not try to put something over on us that would be disadvantageous to our traditional free competitive enterprise policy.

After all, ladies and gentlemen, why not give American free competitive enterprise a fair chance without all this expensive legislative folderol? I thought the people could take it for granted that we have good intentions and really want to be true to the fundamental principles upon which our Government was established. I think we could prove it to them without such costly collateral machinery involved in this new proposal. Let us do it.

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

Mr. LANHAM. I yield.

Mr. JENKINS. I think the gentleman's statement is a classic. I think its language and verbiage and the arguments surpass anything that I have heard on this floor since I have been here. I pay the gentleman this compliment because I am really sincere and, further, desire to ask this question. I have been thinking as I have listened to these debates why does not the President now under his own authority, if he wants to organize labor, get the Secretary of Labor and the Secretary of Commerce, the Secretary of Agriculture, and the Secretary of the Interior together and do the things he wants to do through the payment of \$345,000 under this bill?

Mr. LANHAM. May I say to the gentleman from Ohio that I am responsible only for the obligations resting upon me and I cannot assume to report why anyone in the Federal service does not do certain things. But I am very sure in my own mind that the statement I have made is in accordance with the policy set forth in this revision of Senate bill 380 as it is now presented to us. I do not think that, in order for us to give assurance to the people of this country that we are devoted to the organic law and the principles there recited, we have to create more Federal jobs, and that we have to have more people on the Federal pay roll. I think it is high time to get some of the people off the Federal pay roll.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CHURCH. Mr. Chairman, I yield one additional minute to the gentleman so that he may yield to me for a question later.

Mr. WHITTINGTON. I would like to ask the gentleman if he would give us the benefit of his proposed substitute to solve this problem. He said he had one in mind.

Mr. LANHAM. I think the solution of the problem is the Congress doing its duty in accordance with its various institutions and the committees which assume to act in this regard. I tried to set a precedent for this House, and it has been in effect in the Committee on Public Buildings and Grounds for 2 years or more, of having these administrative authorities come before us once a month in order that we can question them and in order that they can give us any information they have at their disposal, so that we may keep advised with reference to the situation and see what should be done from the standpoint of legislation. Out of the 3,000,000 people on the Federal pay roll, surely there is a sufficient



number who are qualified through experience to give us any possible advice that could be procured through the passage of either one of these proposals.

Mr. WHITTINGTON. Then, as I understand the gentleman, he does not favor any legislation at all?

Mr. LANHAM. What is the Department of Labor for if it is not to gather these statistics? It is one of its functions to advise us in this regard. They certainly have the personnel to make any necessary survey. I think it is high time that we get back to our organic law, which in my judgment has been disrupted in a great many respects, and adhere to the principles upon which this Government was established.

Give free enterprise a fair chance to go into operation, and remove some of these restrictions that are preventing it from operating and from giving employment. There is a lot of employment in this country available today that people will not accept.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CHURCH. Mr. Chairman, I yield the gentleman one-half minute additional.

The gentleman has so well described these three experts, who are not even to be approved by the United States Senate, \$15,000-a-year experts. Does the gentleman still think they can be of value if they are not even to be approved by the United States Senate?

Mr. LANHAM. If we do not have experts on the Federal pay roll today, out of the 3,000,000 people, who can give us the necessary advice in keeping with their fundamental duties, then, instead of employing additional experts, it is time to fire those and get some others who can.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. MANASCO. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Illinois [Mrs. DOUGLAS].

(Mrs. DOUGLAS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. DOUGLAS of Illinois. Mr. Chairman, among other reasons, I am supporting the principle of full employment because it is one of the most effective means of developing unity and a sense of true fraternity between the various groups in our extraordinarily varied population. When everyone has a job and the national income is high, men feel secure. They can meet their needs and no one threatens them. They look on their neighbors as friends and are ready to cooperate on terms of relative fellowship. It is this spirit which accounts in large part for the high degree of cooperation which we developed in the early history of our country. At that time families had their farms and their jobs, and, in the face of common perils, joined together to face them. Upon this fact, as well as upon our rich resources, much of our success has been based.

But in modern industrial society, as we have learned to our cost, this is often not the case. When the depression breaks out then many millions lose their jobs. They become afraid and resent-

ful. Those who are still lucky enough to hold their jobs are fearful that they will soon lose them. In such a time jobs are life rafts and men are afraid that they will be plunged into the icy waters of unemployment and destitution. Against this danger unemployment insurance is at best only a partial protection. Large numbers of men try to find security for themselves by pushing others off the raft. That is why periods of unemployment are generally marked by bitter conflicts between various groups, with the stronger groups oppressing the weaker.

Thus, when there are large numbers out of work, men decide that woman's place is in the home and that married women, most of whom need their pay, should be forced out of their jobs. Anti-Semitism grows like an evil weed. Movements are started to oust Negroes from industry. Those of Mexican stock meet the same opposition. Unemployed veterans, justly smarting at the fact that a society which demanded their lives in a period of war, does not give them a chance to earn their living in a period of peace, frequently demand that those who worked in industry during the war should now give way to them.

The result is that bitter class and race cleavages develop. I am not an alarmist but I fear what might happen to this country, which we love, if a depression were to occur in the near future. The dangers and strains of war have made us all more emotional and the coming of mass unemployment would heap fuel on the flames.

During the war when there was work for all in beating off Nazi and Japanese aggression, we could forget our differences in the great task we shared in common. We need to retain this unity for the tasks of peace. We want to build a land of high productivity where poverty and slums would be abolished and where children will have the chance to grow up happily. We want a land where men and women will be judged and rewarded according to their individual merits without regard to their race or their religion. That is the spirit of democratic America. It can flourish in the climate of full employment. Virtually everyone then will have a job and will be free from the anxieties which I have mentioned. But this spirit will be difficult to maintain where many millions are without jobs.

We cannot afford to be passive in this matter. If we are to avoid the hatreds spread by the extremists of both the far left and the far right, we must try to see to it that everyone who is able to work and willing to work should have at least a chance to be employed. The country does not owe any man a living, but does it not owe every man the chance to earn a living?

The task of insuring full employment is a large one and I am aware of the technical difficulties involved. But the dangers of our not acting are much greater than any minor dangers of action. What is wrong in seeing to it that all men have a chance to produce? Such a policy would increase the food, clothing, shelter, and services which we all need. And in this process we would extend the basic principle of America as a land where all sorts and conditions of

men can live together as friends in a common effort.

Mr. MANASCO. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

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

Mr. MADDEN. Mr. Chairman, as one of the Members of Congress who originally sponsored the so-called Patman full employment bill (H. R. 2202), I am opposed to the substitute bill submitted by the Committee on Expenditures in the Executive Departments. Although Senate bill 380, the legislation for full employment passed by the Senate, does not meet with my approval, I shall vote for it, in preference to the committee bill now under discussion.

If the Members of this Congress now opposing the so-called original full employment bill had an opportunity to visit the Calumet industrial region during 1930, 1931, and 1932, and observe the deplorable conditions under which thousands of unemployed workers lived, they would certainly support legislation which would prevent this condition from re-occurring.

During the last century we have had 10 major depressions in this country. Previous to 1932 these periods of unemployment and financial upheaval were called panics instead of depressions.

This full employment legislation is the first time our Congress has considered taking steps to devise a plan wherein our Government would cooperate and aid private enterprise to prevent panics or depressions from reoccurring.

Our country cannot survive another period where approximately 14,000,000 men were out of work, as we experienced 15 years ago.

The menace of postwar unemployment threatens the security of our country. In addition to providing jobs for men and women who have been displaced by the closing of war industries, we will have over 12,000,000 ex-servicemen seeking jobs within a short time.

We must manufacture goods and machinery of sufficient quantity and quality to satisfy human necessities and desires and to insure continuous purchasing power of the people, and past experience has proven that to make this condition permanent the Government must provide some practical planning formula. We must not forget that in our heavy industry fewer men now do the work which required great numbers a quarter of a century ago.

In the manufacture of steel 7 men now do the work which formerly required 60 in the casting of pig iron; 2 men now do the work which formerly required 128 in molding pig iron; 1 man replaces 42 in operating open-hearth furnaces. A brick-making machine can now make 40,000 bricks per hour. It formerly took 1 man 8 hours to make 4,000 bricks. The same relative displacement percentage is obtained in other industries.

The Members of Congress should realize that employment methods must progress as rapidly as methods of industry have progressed in the last 30 years.

Members who oppose legislation of this kind are committing a great injustice to



the millions who are depending upon Congress to aid and counsel private enterprise to keep its wheels in operation.

This is legislation that provides a means for maintaining jobs in a desirable fashion and not in the manner that demoralizes individuals such as doles or charities or some modified form of both.

The farmer of our Nation should be interested in this bill because the prosperity of the farmer is very much dependent upon the purchasing power of the industrial workers. This same statement holds true for the businessman, both large and small. When full employment and good wages predominate, all lines of business and industry are enjoying prosperity.

I hope the substitute bill which has been submitted by the committee and is now under consideration is defeated, and the Members vote favorably on Senate bill 380 passed so overwhelmingly by the Senate.

Mr. CHURCH. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, because I am a member of the Committee on Expenditures in the Executive Departments, to which the so-called full-employment bill was referred, I deliberately refrained from making up my mind on the soundness of the legislation until I had a chance, during many long days of testimony, to hear all the pros and cons brought out by the people, both sponsors or opponents, who have studied it most.

I am compelled to say that the more I heard H. R. 2202 and the Senate bill, S. 380, discussed, the more I became convinced that they are neither necessary nor sound legislation, and that I cannot conscientiously support either of them. There is a whole series of reasons, to some of which I want to refer.

First, I think the original bill, from its title to the last paragraph, is misleading to the American people in that they have come to think it actually will give full employment. I could read from the hearings, if I had time, where I myself asked witness after witness after witness, including the Secretary of the Treasury, the Secretary of Labor, the Secretary of Commerce, the gentleman from Texas [Mr. PATMAN], who introduced the bill, the Director of the Budget, Mr. Smith, and others, whether this bill would mean the end of unemployment and would guarantee that there would be no unemployment hereafter. Every one of them admitted that it could not assure that end. Then why should it be given such a false label?

Mr. Chairman, I submit that under these circumstances, it is not fair to the American people, to use words which give people the impression, as millions of persons in the country have gained the impression, that somehow this bill will make sure nobody will ever again be unable to find a job if he seeks one. I do not believe, especially at a time like this, we should be less than perfectly candid and frank with our people. Certainly we should not promise them anything we cannot be sure we can deliver.

I am opposed to the full employment bill for the additional reason that there is so much language in it that is in-

definite. It says everybody is "entitled to an opportunity for useful, remunerative, regular, and full-time employment." In our committee the gentleman from Illinois, among others, asked a great many witnesses just what, precisely, is meant by each of these adjectives: "useful, remunerative, regular, or full time employment." If that bill were passed, somebody some day would have to define just what employment is "useful," how much is "remunerative," what is "regular." How many hours a day and weeks a year if "full time." What would our canneries up in Minnesota do in order to get 6 to 10 weeks of work during the summertime? Pay a year-around wage? That is just a sample question which ought to be answered.

In 6 weeks' of hearings we could not get any of the authors or sponsors of the bill to say just what these words mean and involve. And there are many other words equally undefined.

Then again, the more I heard about the National Budget, which the original bill proposed, the more I became convinced it could not be accurate and it could be dangerous.

I put in the RECORD the other day some figures to show how difficult it is, how impossible it is, for the experts, or anyone else, to make accurate predictions regarding unemployment.

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

Mr. JUDD. For the moment I cannot yield.

The original bill would require the President and his advisers to make predictions 18 months in advance as to the number of persons expected to be unemployed. Well, on August 15, Stabilization Director Snyder who should have available more statistics than even the Department of Labor or the Department of Commerce, the man whose primary responsibility it is to know what the situation is, predicted there would be 5,500,000 or more unemployed in 3 months.

That was 4 months ago. At the same time the War Manpower Commission was predicting 5,000,000 unemployed in the last quarter of 1945. How accurate were they? On October 2 it was reported that we had only 1,500,000 unemployed, and that was 130,000 less than in the month of September and the number of involuntarily unemployed has gone down still further since then.

Mr. Chairman, if it is impossible for the greatest experts in our Government to make predictions that are within 300 percent of accuracy for only 3 months ahead, how can we honestly expect the makers of the so-called National Budget to make predictions and make plans and recommendations for appropriations on the basis of those predictions, 18 months in advance? I became convinced that was asking an impossible perfection on the part of the President or anybody else. The forecasts could not be sufficiently accurate to be of real value, and they could be positively dangerous, rather than helpful.

I wish I had time to read the testimony of many witnesses on this point, but I will quote only one. If you will look at pages 105 and 106 of the hearings you

will find some questions I asked of the gentleman from Texas [Mr. PATMAN], the author of the bill. I asked similar questions of almost every witness—whether there might not be some dangerous results economically from the predictions in the National Budget, and received about the same replies from most of the proponents:

Mr. JUDD. If the President sends down his budget under this bill and is very optimistic, predicts that times are going to be good, lots of purchasing power, industry is active, and it looks as if very little Government assistance will be necessary, perhaps none at all, what climate is that likely to produce, what attitude or state of mind is that likely to produce throughout the country in business, and so forth? May it not increase the danger of inflation?

Mr. PATMAN. It may tend toward the inflationary.

Mr. JUDD. Therefore, if the President finds the prospects are good and reports that to the country, it may well have an inflationary effect?

Mr. PATMAN. The bill anticipates that and makes provisions against it as a safeguard. It will be the President's duty in a case like that to do something that will have a tendency to retard or prevent inflation.

We discussed for a moment the things he might do. Then, on page 106, the following colloquy occurs:

Mr. JUDD. Now, suppose the opposite takes place—suppose his predictions are pessimistic, and he says that we are pretty much exhausting the accumulated savings and there is reason to expect there will be a slowing down of business activity and the Government will have to be prepared to put in more, etc. Don't you think that, almost inescapably, that would produce a feeling of caution and apprehension and reserve on the part of business and thereby create and foster the very slowing down of the economic processes which you are trying to avoid? Everybody would say, "I will wait before I expand; I don't want to get caught; I'd better lay off men rather than put more on; I'd better wait until next year before I build this new addition to my plant."

Mr. PATMAN. Under the existing order of things you are correct, but this bill is to provide against that. In other words, when he predicts a pessimistic situation, it will be overcome by the suggested remedies.

Mr. JUDD. Don't you think that an announcement that would be pessimistic would sweep over the country almost instantaneously and produce a hesitation that would precipitate the very thing you are trying to avoid?

Mr. PATMAN. Without, at the same time, a statement that would be optimistic or encouraging. And such a statement would necessarily be accompanied by one that would be encouraging.

Mr. JUDD. Suppose the President just couldn't find anything in the situation that was encouraging. You wouldn't want him to send out a false report, would you?

Mr. PATMAN. It is his duty under this legislation to plan for it, just as you plan a campaign for the years ahead.

Mr. JUDD. If he can't find favorable and optimistic factors, does he not have to make his report somewhat untrue or incomplete, or else produce a bad effect on the Nation's economy by stating the full truth?

Mr. PATMAN. We set forth a plan that he can use that will offset that defeatism.

Mr. JUDD. You are confident that it will work?

Mr. PATMAN. Of course, no one knows how well it will work, but the theory, I think, is good.



Now, Mr. Chairman, that is typical of the kind of questions that we asked witness after witness, sincerely seeking for light, and of the answers we received—the theory was said to be good. My inclination at first was to be for the bill because, of course, none of us wants to leave unturned a single stone that may help give us maximum employment, production, and prosperity; but in view of all the testimony I became convinced that the results of the original bill were so uncertain and so likely to be the very opposite of what is desired that I lost faith in it as a sound and workable mechanism.

Then again I think the language of H. R. 2202 was recklessly irresponsible in places. It contained in section 2 (e) a flat pledge to pay for working jobs at some unknown time in the future an unknown amount of money at a time when we have no possible way of knowing what the state of the Country's Treasury will be. I cannot make any such promise. Certainly we cannot have prosperity in this country unless first of all there is a solvent United States Treasury. For these and other reasons I cannot vote for that original bill, not because I do not want maximum employment, because I do.

Then the question came up: If we are opposed to H. R. 2202 and S. 380, shall we vote down everything and have nothing at all and say that is all we can do about it; or should we attempt to get a bill that is honest, candid, and responsible, and one that provides the best possible mechanism we can devise to get the highest level of employment? I thought we should make an effort to do the second thing. Therefore, I voted to have a subcommittee appointed to draft this substitute for S. 380, embodying an approximation of the ideas expressed by members of the committee. I hope it can be amended tomorrow in two or three places, but I intend to vote for it even in its present form for the following essential reasons—

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CHURCH. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JUDD. First it declares to any who may have doubts on the matter that the Congress intends to do everything it can to promote maximum employment, production, and purchasing power in this country. Mr. Chairman, I understand why the gentleman from Texas [Mr. LANHAM], spoke rather deprecatingly a few moments ago of this part of the bill. I admit that it merely reaffirms the preamble of the Constitution of the United States. That should not be necessary. I hope nobody thinks that this Congress does not intend to do everything it possibly can, as every Congress in history has always done everything it could within the limitations of its collective wisdom, to provide conditions which would stimulate and promote prosperity in this country with a maximum of employment and income for all. But if there is any doubt, surely it does no harm to reaffirm that we are going to do our utmost to promote the highest possible level of employment. The writers of our Constitution did not say they were going to "assure" the general wel-

fare. They said they were going to "promote" the general welfare. That is the word we use in the committee bill. It is an honest word. It does not promise more than we can do. So the bill does not establish a new policy. It merely reaffirms or redeclares the policy that has always existed, as I understand it, the policy that says promoting maximum prosperity is a responsibility and a constant objective of the United States Congress.

Second, our committee bill reaffirms that we intend to do it in a free, competitive economy, with Government stimulation and assistance where necessary, but with only as much Government control as is necessary to assure the people of the rights and liberties guaranteed them in the Constitution. I do not think there is any harm in such a redeclaration, a recommitment of ourselves before the people, and perhaps some good, after all the misleading propaganda that has been handed out to them that the Congress is lying down on the job and only the executive branch of the Government and the bureaus are working for the people. I do not think there is any harm in our saying again that we intend to do our utmost—nobody can honestly promise more—and that we intend to do it within the American system, not because we do not want to achieve these desired objectives, but because we are convinced that is the way which gives us best hope of achieving them.

The third reason I am for the committee bill is because I think there can be real value in the council of economic advisors provided in section 4. Our idea was to set up a group of three high-grade men who, with their assistants, would give their full time to studying the economic situation and trends in this country. It is expected they would study and analyze the statistics gathered in various departments of the Government, would consult with such organizations as the Brookings Institution, the Committee on Economic Development, the research agencies of labor organizations, economists, executives, and all the rest. They would give their full time to coordinating and interpreting economic facts in order to help guide the President and his Cabinet and the Budget Bureau in the writing of his economic report and his messages on the state of the Nation.

The committee accepted an amendment I offered that will make the report of the council of economic advisors available to the joint committee of the Congress, if it requests them, as well as to the President, because Congress needs the results of the advisers' studies just as much as does the President.

I am going to offer two amendments tomorrow. Each was offered in the committee but defeated by 1 or 2 votes. One is that the members of the Council of Economic Advisers shall be bipartisan. I do not think it would be wise or of much benefit to have any President, of whichever party, pick for his Council of Advisers only those of his own party, or only men who subscribe already to his own particular economic theories. The council ought to represent broadly both major parties.

The second amendment would require that the advisers be appointed by and with the advice and consent of the Senate, that is the only way to make sure the men will be of the high quality specified. We do not want three more jobs for lame ducks. We do not want Harry Hopkins or men with his spending views appointed, or at least not without the approval of the Senate. I do not think that it would confirm such men as members, or at least not more than one such. We had in mind such men as Bernard Baruch who generally have been above the ordinary currents of politics, and able to give more detached and broader views. I hope those two amendments will be accepted, because if they are, we can vote for the bill with more assurance, that it will be of real value to us.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CHURCH. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. JUDD. There is another good provision with regard to the Council of Economic Advisers. One of the weaknesses of the National Resources Planning Board was that practically all of the remedies it recommended were to spend, spend, and spend. So far as I know, it never sent down with its recommendations to spend other recommendations on how to raise the money. We require in this bill that every plan for spending shall be accompanied by a suggested plan for raising, over a reasonable period of years, the revenue which will be required. That is a real improvement over the old National Resources Planning Board.

The next thing of value in the bill is the joint committee of Congress. I know that all of the members of the joint committee are already busy. They will be the 2 top Democratic and the 2 ranking Republican members of the Committee on Appropriations of the House and of the Senate, 4 from the Finance Committee of the Senate and 4 from the Committee on Ways and Means of the House, with 3 members at large from each House—22 members in all. The joint committee will have a full-time staff of experts, the same as our Joint Committee on Taxation has, to study the reports and recommendations of the Council of Economic Advisers, to study the economic report of the President, and then to make recommendations to the various committees of Congress, the Ways and Means Committee, the Committees on Appropriations, the Committees on Rivers and Harbors, the Committees on Flood Control, the Committees on Public Buildings, the Committees on Banking and Currency, and so forth, as to measures each of them should consider bringing out. The joint committee will both integrate and distribute the various proposals so as to give us the maximum of production, economic activity, and employment.

Therefore, in summary I feel that this bill before us, this committee substitute for S. 380, does give a mechanism which, so far as I can see, will not do any harm. The worst it could do would be to waste \$435,000. But I think that is a trivial price to pay for the possibility of a great deal of substantial good. I believe that



it can, if handled well, be very effective in helping us get a longer look at our economic problem. So I intend to support the bill, and I hope that my Republican brethren, as the Democrats, will support it, too. But if this committee bill is voted down, I hope and plead that we stand as one man against H. R. 2202 or S. 380.

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

Mr. JUDD. I yield to the gentleman from Arkansas.

Mr. HAYS. One reason that the gentleman is arguing so effectively for this measure over the Senate bill is that it will bring us a step nearer to the gearing of our public works program to the economic conditions of this country.

Mr. JUDD. That is right.

Mr. HAYS. I want to confirm that because the economic advice we get from these technical persons will help us to gear our public programs to the employment situation.

Mr. JUDD. We cannot guarantee it will, but I think there is every reason to expect that it will.

Mr. HAYS. The gentleman would agree that it is important from the standpoint of congressional policy.

Mr. JUDD. Yes.

Mr. HAYS. For example, here are two types of public works programs; one is for flood control, that might be of an emergency character. We want to create these protective levees, and so on, regardless of conditions. But there are other programs, such as the erection of county agricultural buildings that occur to me as worth-while enterprises.

As one of the proponents of that kind of program, I agree that they ought to be geared to the employment situation. Is it the gentleman's opinion that under this program for which he is speaking it would be possible for us to plan, we will say, the construction of buildings of that kind and other public works so that we would do it in those periods in which it is beneficial from the standpoint of the Nation's economic life?

Mr. JUDD. Yes, precisely.

Mr. HAYS. And that we can therefore avoid some of the criticisms of pork-barrel legislation if this is developed?

Mr. JUDD. That is certainly one of the objectives of this legislation. As I say, we cannot be sure that it will achieve them, but I think the President should welcome these and I, as a Member of Congress, will welcome these reports to help guide me in my thinking.

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

Mr. JUDD. I yield to the gentleman from Maine.

Mr. HALE. May I ask the gentleman if the President under section 3 (a) of this bill were to render an economic report to the Congress on economic conditions affecting employment in the United States that was generally of a very optimistic tone, and pointed out that economic conditions were very good, that the prospects of employment were very high, and so on, would not that be very likely to touch off the kind of inflationary boom that optimistic expressions of President Coolidge touched off, for example?

Mr. JUDD. Yes. I have already referred to that. I think there would be that danger. On the other hand, this committee substitute is infinitely to be preferred to the original bill where the President had to present a detailed estimate, or guess, of how many jobs private enterprise would furnish and how many there ought to be to give everybody a job, and then how many billions the Government should appropriate to fill up the deficit.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. CHURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, anyone who would do me the honor of reading this short speech that I am about to make, I most respectfully suggest that he read the speech made a few minutes ago by my distinguished friend from Texas [Mr. LANHAM]. He sets forth in fine language and in clear logic my views exactly.

There is no question but that there are hundreds of men and women already on the Federal pay rolls who can furnish all of the information and who can do everything that is suggested to be done either in the bill favored by the gentleman from Mississippi [Mr. WHITTINGTON] or the bill favored by the gentleman from Texas [Mr. PATMAN].

If Mr. Wallace is qualified to be the Secretary of Commerce in the President's Cabinet, he surely is qualified to furnish all of the necessary information about commerce, both foreign and domestic. The same can be said of the Secretary of Labor and the Secretary of the Interior and the Secretary of Agriculture. These four men, through their Department Chiefs can do everything that anyone can do under the provisions of these bills.

The whole country is clamoring against bureaucracy.

The whole country knows that there is plenty of employment in this country at this time.

What we need more than anything else is that our people quit fighting each other and go to work in a program of production. We cannot pay our terrific debt nor keep up our terrific governmental expenses unless we soon start on a program of producing new wealth. That is done only by work and more work.

If I thought that either of these bills would tend in any way to produce employment I would support them. They are simply a recitation of some beautiful sentiments to which we all can subscribe, but when you search this bill or either of them for any concrete dependable suggestions that would benefit the workers of the Nation you will find none. The only concrete suggestions are those that set up two or three new and expensive bureaus.

The title of this proposed legislation is very alluring—I confess that it beguiled me at first reading but when I read these bills I was disillusioned completely. The Whittington amendment is an effort to soften down the Patman bill in the hope that the House might adopt it and thereby save the face of the New Deal admin-

istration. This bill will not benefit the workers of the Nation.

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

Mr. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, our colleague the gentleman from Arkansas [Mr. HAYS] brought out one constructive suggestion for a project so far as agriculture is concerned. If we are going to have full employment it should include the rural people. There happens to be around 12,000,000 people working on the farms of our country. These 12,000,000 people up to this time have not had any of the benefits of social legislation like social security nor the benefits of civil-service retirement. The AAA employees, the FSA employees, the PCA employees, and the many other employees of agricultural agencies do not even come under civil service and are not eligible for retirement. Some people here worked 10 years in these offices, but no provision whatever has been made for them at their retirement. Why?

We can talk about 60,000,000 jobs all we want to. Possibly other groups, like the American watchmakers up in Pennsylvania, Connecticut, Massachusetts, and Illinois, today are wondering where they are going to get their share of these 60,000,000 jobs they heard so much about before election last fall. They are evidently wondering where they will get any employment, say nothing about full employment. Some may think that the 90 percent of parity guaranty for agriculture is going to provide jobs for the farm people of this country. I personally think that the way that the CCC is being manipulated and with the bucket-shop operations that are being carried on by this CCC the hopes for jobs by the rural people at a decent hourly wage is each day becoming more doubtful.

However, our colleague, the gentleman from North Carolina [Mr. COOLEY], has for many months been working to pass the Cooley bill. This bill will do much to furnish jobs and provide homes and promote reconversion for the rural people. Our colleague the gentleman from North Carolina, the Honorable HAROLD COOLEY, has worked hard in connection with that bill. If we pass the Cooley bill we will have done our part to provide jobs and homes during the reconversion period for the rural people of America.

The following summary by the United States Department of Agriculture gives a picture of what the Cooley bill is trying to accomplish:

SUMMARY OF HISTORY AND PROVISIONS OF H. R. 2239, SEVENTY-NINTH CONGRESS, FIRST SESSION

#### HISTORY

This bill is an outgrowth of the work of the Select Committee appointed to investigate the Farm Security Administration pursuant to House Joint Resolution 119.<sup>1</sup> The select committee filed its report on May 9,

<sup>1</sup> 78th Cong., 1st sess. The resolution was originally approved by the House on March 18, 1943.



1944.<sup>2</sup> In that report, the committee recommended approval of the bill H. R. 4384 (78th Cong., 2d sess.), introduced on March 13, 1944, by Mr. COOLEY, chairman of the select committee. The bill was referred to the Committee on Agriculture, and after hearings,<sup>3</sup> was again referred to the select committee for further study. After additional consideration in conferences, H. R. 4334 was revised, reintroduced on May 24, 1944, as H. R. 4876 (78th Cong., 2d sess.), and favorably reported with amendments by the House Committee on Agriculture on June 23, 1944.<sup>4</sup> The bill was not acted upon during that session of the Congress and, with certain minor changes in language and corrections in dates, was reintroduced in the Seventy-ninth Congress, first session by Congressman COOLEY on February 16, 1945, as H. R. 2239, and was referred to the Committee on Agriculture.

#### GENERAL SUMMARY OF THE BILL

The bill would abolish the Farm Security Administration, the Regional Agricultural Credit Corporation of Washington, D. C. (the only remaining regional), the functions of the Governor of the Farm Credit Administration relating to crop and feed loans, and the functions of the National Housing Agency with respect to all properties, except housing projects, originally acquired by the Farm Security Administration and transferred to the National Housing Agency by Executive order.

The bill would also repeal title II of the Bankhead-Jones Farm Tenant Act relating to rehabilitation loans, which has never been used by the Farm Security Administration, repeal the laws relating to crop and feed loans, and repeal the laws relating to the organization and operation of the regional agricultural credit corporations.

In lieu of these provisions relating to rehabilitation loans, crop and feed loans, and loans by the regional agricultural credit corporations, the bill would set up a new authority in the Farmers' Home Corporation under which so-called production and subsistence loans could be made to those farmers who could not obtain credit from existing sources. This corporation was originally created in 1937, pursuant to title IV of the Bankhead-Jones Farm Tenant Act.

The bill would also amend the Bankhead-Jones Farm Tenant Act by providing for preferences to war veterans, enlarging the lending authority in some respects, and establishing a system under which tenant purchase loans might be insured by private lenders in lieu of the Government making direct advances for all such loans. These authorities would also be exercised by the Farmers' Home Corporation.

#### OBJECTIVES OF THE BILL

The report (p. 2) states the objectives of the bill as follows:

1. Prompt liquidation of Government interest in cooperative farming and landholding projects. Definite authorities and procedures for such liquidation are provided. It is required that all projects be discontinued and that the properties not suitable for farming be sold within 18 months.

2. There can be no more 99-year leases in the farm-security program.

3. There can be no land acquisition by the Corporation for any purpose except in the normal collection of debts in foreclosure or when needed for the routine business purposes of the Corporation.

4. The industrial plants originally started by the Farm Security Administration, such as hosiery mills, furniture factories, wood-

working shops, and so forth, will be transferred to the Corporation for liquidation.

5. Labor camps will be closed out not later than 6 months after the close of the war when such camps will no longer be needed in the farm-labor-supply program.

6. The trusts relating to the State rural rehabilitation corporations will have to be wound up.

7. The bill places a definite limit (\$3,500) on the total amount which can be loaned to any one individual for general farming purposes.

8. The bill prevents any borrower from the Corporation from "staying on the Government" indefinitely. After a borrower has been financed by the Corporation for five consecutive years, he will have to pay his account in full before he can obtain further loans from the Corporation.

9. The bill eliminates the possibility of competition by this agency with farmers' cooperative lending organizations and other responsible private lenders furnishing credit to farmers at reasonable rates and terms.

10. The bill provides preferences for veterans in the matter of obtaining loans to buy farm homes.

11. The bill provides for insured mortgages with which to purchase farm homes, with specific preferences for veterans.

12. The mortgage-insurance features of the bill make it possible for private capital to participate in financing the farm-home-acquisition program.

13. The bill prohibits any farm loans under the tenant purchase program on the basis of inflated values. Loans must be based upon the fair and reasonable value of the farms to be purchased, based upon the normal earning capacity.

14. The bill prohibits any loan unless approved by a local committee of farmers.

15. The bill provides no basis for the paternalistic supervision and coddling practiced by Farm Security Administration in the past.

16. The bill eliminates duplication of Federal agencies making direct loans to farmers, by combining three of such agencies.

17. The bill eliminates regional offices by the agencies involved.

18. The bill provides for savings of manpower and money by eliminating duplication and reducing personnel.

19. The bill provides that only qualified and necessary personnel will be retained to carry on the functions authorized in the bill.

20. The bill will result in the saving of time of farmers by requiring all Federal agencies within the Department of Agriculture making loans or furnishing agricultural credit services to farmers to utilize common or adjacent offices wherever practicable.

21. The bill restricts the promiscuous printing and distribution of bulletins and pamphlets, by providing that information as to the operations and programs of the Corporation may be printed and published only when funds are specifically provided therefor by the Congress.

22. The bill requires an annual audit by the Comptroller General.

23. The bill requires an annual accounting of the affairs of the Corporation, with a full report to the Congress and the Secretary of Agriculture.

#### OTHER SIGNIFICANT PROVISIONS OF THE BILL

The assets incident to the agencies and functions abolished would be transferred to the Farmers' Home Corporation for liquidation and remittance of the proceeds to the United States Treasury, except (1) the Corporation would be authorized to use the necessary funds to repay the Reconstruction Finance Corporation sums borrowed from it by Farm Security Administration; (2) the water programs of the Department of Agriculture, which are under the direct authority of the Secretary and are being administered by the Farm Security Administration and Soil

Conservation Service would not be disturbed by the transfer; (3) the Corporation would retain such of the files of the agencies abolished and such of the office furniture, equipment, machinery, and supplies as were necessary for its own purposes, and (4) \$10,000,000 of the assets would be exempted from the transfer for the purpose of capitalizing the Farmers' Home Corporation and creating the mortgage insurance fund.

The unused balances of existing appropriations under which the Farm Security Administration and the crop-loan programs are being carried on would, under the intent of the bill, also be transferred to the Corporation. The bill, however, would now need a slight change to describe the appropriations which are now being used for these purposes.

As the bill now reads, the Farmers' Home Corporation would have capital stock of \$1,000 to be held by the Secretary of Agriculture on behalf of the United States. Management of the Corporation would be in a board of three persons appointed by the Secretary of Agriculture. The Secretary would also be authorized to appoint other expert personnel as needed. The salaries of none of the principal officers or experts could exceed \$10,000 per annum. The other personnel would be appointed by the Secretary pursuant to civil-service laws and their salaries would be fixed in accordance with the Classification Act.

The Corporation would be dependent upon annual congressional appropriations or authorizations to borrow the funds needed for all of its purposes except, in part, for carrying out the mortgage insurance provisions. The proceeds of all loans which it made would, after payment of any sums borrowed pursuant to congressional authorization, be deposited in the Treasury. The Corporation would have the usual powers of Government corporations and other powers especially designed for its purposes. It would be audited annually by the Comptroller General and reports of its operations furnished the Congress.

Under the new authority to take the place of existing authorizations for crop and feed, and rural rehabilitation loans, the Corporation could make loans to farmers for the purchase of livestock, seed, feed, fertilizer, farm equipment and supplies, other farm needs, the refinancing of indebtedness and family subsistence. The initial loan to any one borrower could not exceed \$2,500 and no further loan could be made to him so long as he owed \$3,500. The term of any loan, including renewals, could not exceed 5 years. After a person had been indebted to the Corporation for five consecutive years, he could not obtain a further loan until his indebtedness was paid. Exceptions as to the amount and length of time loans might be outstanding are made in the case of borrowers from the Regional Agricultural Credit Corporation until the expiration of any special programs for its borrowers. Indebtedness of Farm Security Administration and crop loan borrowers existing at the time the new act went into effect would be excluded in determining these limitations with respect to terms and amounts of loans.

The Corporation could not make loans to corporations or cooperative associations. Neither could the Corporation make a loan to any person unless the county committee certified that the applicant was eligible for the loan and that, in their opinion, his character, ability, industry, and experience were such as would justify extension of the credit. In addition, before the loan could be granted, there would have to be a certification by the committee to the effect that credit sufficient to finance the actual needs of the applicant was not available to him at the rates (not exceeding 6 percent) and terms prevailing in the community in or near which he resided for loans of similar size and character from commercial banks, cooperative lending

<sup>2</sup> 78th Cong., 2d sess., H. Rept. No. 1430, Union Calendar No. 492.

<sup>3</sup> The hearings were held from March 29, 1944, to May 15, 1944.

<sup>4</sup> Rept. No. 1747, 78th Cong., 2d sess.



agencies, or from any other responsible source.

Except as otherwise authorized by the Congress, the interest rate of 5 percent would apply to all loans which the Corporation made.

Specific policies and authorizations would be provided for liquidation of the so-called resettlement projects of Farm Security Administration. Within 6 months after the effective date of the act, the Corporation would be required to determine which of the project lands would be suitable for family-size farms. A report of this determination would be filed with the Congress. Lands suitable for farming and personal property usable in farming operations would be sold to persons eligible for tenant purchase loans or insured mortgages under policies and at prices consistent with title I of the Bankhead-Jones Farm Tenant Act. Loans could be made to these purchasers to enable them to improve the lands or repair the properties.

Real and personal property not capable of being sold for family-size farms would have to be disposed of within 18 months after the effective date of the act. The sales would be at the best prices obtainable after public notice, for cash or on secured credit. On credit sales, the Corporation would have to obtain at least 20 percent down payment and the balance within 5 years. Among the property to be sold in this manner would be the electric light and power plants, water systems, sewage systems, schools and churches, which have been constructed by Farm Security Administration. In certain instances, however, some of these properties could be granted or dedicated to local organizations or municipalities.

Title I of the Bankhead-Jones Farm Tenant Act, which is the law under which tenant purchase loans are made, would be amended to give preferences to war veterans in the matter of loan funds and insured tenant purchase mortgages. There would be specific authority for farm enlargement and farm improvement loans and it would be possible to refinance existing indebtedness when loans were being made to enlarge or improve inadequate or underimproved farm units. The bill provides that loan values could not exceed the "fair and reasonable value of the farm based upon its normal earning capacity." The farms would be appraised by the county committees, but reports of employees of the Corporation trained for appraisal work would be available to the committeemen in determining farm values. The county committees would include in their certifications for loans a statement that the applicant could not obtain adequate credit from commercial banks, cooperative lending agencies and other private lenders at rates (not exceeding the legal rate) and terms prevailing in the community in which the applicant resided. The applicant would also be required to agree that he would refinance his loan with the Federal land bank when it was possible to do so.

The interest rates on tenant purchase loans would be increased from 3 percent to 4 percent. The Corporation's authority to supervise tenant purchase borrowers' operations would be limited to that necessary to assure that proper farming conservation practices as prescribed by the Corporation would be carried out.

The loan and mortgage insurance funds available would be distributed equitably among the several States on the basis of farm population and the prevalence of tenancy, except that the Corporation could allocate to each State such amount as was necessary to finance applications from veterans.

The mortgage insurance fund would be created with an initial deposit of \$10,000,000 accruing from the funds realized by dissolution of the Regional Agricultural Credit Corporation. Money in the fund not needed for current operations would be deposited

with the Treasurer of the United States or invested in obligations of or guaranteed by the United States. The Corporation could use money in the fund to purchase any notes issued by it to the Secretary of the Treasury. There is authorization in the bill for appropriations, as needed, to augment the fund and for paying administrative expenses.

A mortgage could not be insured unless the Corporation had made a commitment for such insurance before the mortgage was executed. The total amount which could be insured and on which commitments for insurance had been given could not exceed \$100,000,000 in any one fiscal year. In order to obtain insurance, a person would have to be eligible for a loan under title I of the Bankhead-Jones Farm Tenant Act and the farm would have to meet title I requirements. The principal obligation could not exceed 90 percent of the value of the farm and necessary repairs and improvements. The value of the farm would be based upon its normal earning capacity, as provided in Title I. The interest rate on the mortgage would be 4 percent. One-half of 1 percent annually would be placed in the mortgage insurance fund and one-half of 1 percent would go to the Corporation for administrative expenses relating to the mortgage insurance provisions.

The mortgage holder (the mortgagee) would be required to agree that he would accept the benefits of the insurance in lieu of any right of foreclosure and the Corporation would act as collection agent for the mortgagee. The Corporation would be required to remit promptly to the mortgage holder all payments which it collected from the mortgagor. It would have to advise the mortgagee promptly of any default. If the mortgagor failed to pay installments within 30 days from the date due, the Corporation would make these payments to the mortgagee out of the mortgage insurance fund. The mortgage holder could assign the note and mortgage and contract of insurance upon notice to the Corporation.

If the mortgagor was in default for more than 12 months, the mortgagee could obtain payment in full by transferring the note and mortgage and related instruments to the Corporation. The Corporation would then pay the holder the amount due on the mortgage out of the mortgage insurance fund. If there were not sufficient money in the fund to make the payment, the Corporation could obtain it by issuing a note to the Secretary of the Treasury. This note would bear interest at a rate determined by the Corporation, with the approval of the Secretary of the Treasury, of not more than 3 percent per annum. The redeemed mortgage would become an asset of the mortgage insurance fund. As soon as sufficient cash was obtained in the fund, the Corporation could use it to retire the note made to the Secretary of the Treasury. These insured mortgages would be made eligible for investment by National banks, savings banks, and insurance companies.

After repurchase of any mortgage from a mortgage holder, the corporation would ascertain whether the mortgagor desired to keep the property. If so, the Corporation would consider whether the mortgagor had made reasonable efforts to meet his payments and a reasonable chance to retain the property. Upon such finding, an extension agreement could be entered into for a period not in excess of 5 years. If the mortgagor failed to make good during that time, the Corporation could foreclose.

There is also a provision in the bill that the various agencies of the Department of Agriculture or under its supervision could act as agent for the Corporation upon terms and conditions mutually agreeable. There is a further provision for consolidation of the field offices of the Corporation where practicable.

There are several provisions in the bill which need to be revised or deleted in order to bring it up to date.

While no one individual may subscribe to all the provisions of the Cooley bill, it is a step in the right direction and it can be used to meet situations that always have and that probably always will appear in rural life. It is hoped that the committee and the House will give this meritorious legislation its approval and I personally hope some changes can be effectuated in some of the sections.

Mr. MANASCO. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH], a member of the committee.

Mr. RANDOLPH. Mr. Chairman and members of the Committee, it has been my privilege to join with other members, regardless of partisanship, within the Committee on Expenditures in the Executive Departments for a period of several weeks to listen to witnesses who appeared both for and against the objectives of this type of legislation. We have held many executive sessions when we labored over the details of the measure with a view to perhaps perfecting its provisions. It is in a spirit of approval of the over-all objectives of the bill now before us that I take the well of the House in counseling briefly with my colleagues.

In beginning I should like to say that there are certain sections during the reading of this bill when I shall vote for amendments which will be presented by my colleagues. I voted for at least two of those amendments in committee and they will be presented to the membership of this House for their approval or disapproval. I believe also that we can properly, within the framework of the purposes of this proposal, strengthen the measure which has been reported by our committee. I want it very clearly understood that I am not one of those possessed of a haunting fear of the implications which are often ascribed to this type of legislation.

I have a high regard for the opponents, of course, of this type of bill. I am constrained, however, to say to my colleagues that I am in disagreement with the minority opinion filed in connection with this bill. It has been presented by our good and able colleagues, Representatives HOFFMAN, CHURCH, GIESON, and RICH. I have read not once but many times their viewpoint and opposition to this legislation. I have thought back, as they have presented their thinking, of what they set forth to be certain fears which they hold about the public-works developments within the framework of our system of check and balances. These gentlemen have pointed out, for the membership of Congress to read and perhaps follow, their views about too much Government activity.

We have, as a Congress, approved by authorizing legislation and implemented by appropriations certain measures and programs which create a public-works program in this Nation to cushion, as it were, a so-called period of reconversion. If we have an economic upheaval and then go into a period of unemployment which might conceivably stretch over not only a period of months but a period of years, Congress is charged with a responsibility to plan and aid job opportunities under Government impetus.



The minority members have objected to expenditures or the authorizations for expenditures which have already been made in certain bills which provide for the construction of highways, development of airports, and the inauguration of types of projects which would be beneficial to the communities themselves, to the Nation as a whole, and to the well-being, as I understand it, of the people of our Republic.

I yield to my colleague the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. The point to which the gentleman is now referring in the minority report is that there is not anything that can be done under this bill that the President and his advisers and the Congress and its committees cannot do under the present legislation. Is that not the point we make?

Mr. RANDOLPH. I think it is one of the points made, but I also think, and if I am in error the gentleman will correct me, you have a feeling that the appropriations or authorizations that have been made are not founded in necessity, and that Congress has perhaps been on the side of error in the passage of those bills to which I refer as public works spending.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. RANDOLPH] has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HOFFMAN. As far as I know, it was not the purpose of that report to criticize any past legislation. That was not the point. The point was, for example, that General Fleming I think has announced that he already has plans for the spending of \$5,000,000,000 in public works. Then, the House has either appropriated or authorized appropriations of \$107,000,000 for planning, and all this bill does is get another report from another committee to be considered by an additional committee that the House will appoint, but finally by the Speaker and the President of the Senate, to be taken apart and referred to the appropriate committees of the House, all of which is but a duplication of the present functions of the President and his advisers and Congress.

Mr. RANDOLPH. I regret that I have read into the minority report any philosophy which the four signatures did not intend.

Mr. HOFFMAN. I speak only for myself. I do not know what was in the minds of the other three gentlemen.

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

Mr. RANDOLPH. I yield.

Mr. CHURCH. The gentleman is under the impression that the minority report objected to appropriations already made. There was no intent of that kind in the minority report. Our point is that these appropriations and authorizations are made and every Member of Congress must at that time consider the private enterprise system always, but we do not need this measure to do that.

Mr. RANDOLPH. I reiterate what I just said to the gentleman from Michigan. If I did weave or underline into

the minority report that which was not intended, I certainly regret having done so.

I do desire, however, to supplement or reinforce what I said earlier by pointing out that the individuals who have signed this minority report, and for whom I have very genuine personal regard, in many instances have voted against post-war public works programs which have been passed by the Seventy-eighth and Seventy-ninth Congresses, and I refer especially to the Federal aid airport bill and flood-control projects program, that there were votes from this group against such legislation.

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

Mr. RANDOLPH. I yield.

Mr. PATRICK. The gentleman was justified in taking his position. The gentleman from Illinois [Mr. CHURCH], one of the minority members, stated this afternoon, "This is one of the most fantastic schemes ever submitted to the Congress." The gentleman from Georgia [Mr. GIBSON] said, "The time has come for us to run the Government and let business run itself. Let business alone." Those are two gentlemen who signed the minority report, and those two statements were made where the gentleman now stands this afternoon.

Mr. CHURCH. I refer the gentleman to the statement by the gentleman from Texas [Mr. LANHAM]. The gentleman understands Mr. LANHAM's position on public works. He is certainly opposed to the pending measure, the substitute bill.

Mr. RANDOLPH. I have knowledge, I think, of the viewpoint entertained, not only this afternoon but on other occasions, by our able friend and veteran legislator, the gentleman from Texas [Mr. LANHAM]. I attempt to understand the facts behind legislation, and often there are good motives, but they may be incorrect, in connection with the legislation by certain Members who are opposing this bill.

I feel the Congress has an obligation to give leadership in going forward in a coordinated program of public works, rather than to adopt, as we have from time to time adopted in our Nation, a public-works program hastily conceived, and oftentimes carried out faultily. We have acted to take care of a situation of unemployment which existed as of a particular time. I think that in the Labor Committee of this House, where we are considering legislation at the present time, there is a feeling among the Members that apparently we come to a place where the recent labor-management conference breaks down, and the country expects Congress to step in.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. MANASCO. Mr. Chairman, I yield 5 additional minutes to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Chairman, certain questions were resolved in that conference, but when it came to an actual agreement of labor and management on a particular problem, while there was no bitter outward feeling, no unpleasanties perhaps, they just said in effect: "We

cannot get together." So the President of the United States, feeling that there had been this breakdown in negotiations, sends to Congress a proposal. He desires, as does the American people, labor-management peace in this country so there will be production of essential goods for our people during the re-conversion period. When Mr. Truman saw all this breaking apart he quickly sent to the Congress of the United States a plan to establish, by law, fact-finding boards. It is the feeling among the members of the Labor Committee and the Members of this House that the draft of the bill was conceived quickly and brought to the Capitol with a plea for immediate action, action before Christmas and that such haste would be an improper way to approach such a big problem. It is not easy to write provisions to meet our kind of industrial relations trouble.

I think we have a like situation existing, when from time to time in this country we are under the impact of unemployment or an economic crisis, and we attempt to come to the Congress quickly and provide certain public works of one type or another—roads, airports, flood control, or what not. I feel such a hit-and-miss policy has not given the type of well-rounded public-works program which the people of this country desire. I have long believed we ought to head up a coordinated program of public works, not that it be undertaken in any particular period, but that it be on the shelf, as it were, just as the wise grocer, if possible, will keep upon his shelves the products which he believes from time to time his customers may desire to purchase. He does not want a run on those groceries in one morning or afternoon. He knows, however, that the supplies are ready for purchase if and when his customers desire them.

I believe it is absolutely necessary that we think, then, in terms of our country's development in the future in order that we do not provide a job to a man for a certain day, or week, or month, but that the worker is employed in an over-all program of public-works development which, when a dollar of Government money is spent, returns many fold in dividends that Federal expenditure of moneys. Without attempting to justify the expenditures for Nation-wide programs for airports or highways, in which I thoroughly believe, I feel that it is the type of expenditure which in the future will implement private business development rather than destroy. In other words, we will do a job of funneling projects, as it were, through one channel and from that funneling we shall have ready as a backlog what the country will need in the way of public works.

Mr. Chairman, I believe we should allay our fears as to any philosophy in this legislation which would seem to destroy private enterprise and initiative in this country. I certainly would not want to destroy those traits. I would want to encourage them. I think it appropriate for me to say, as I close my statement this afternoon, that many months ago I joined with Senator VANDENBERG, of Michigan, in proposing to the Con-



gress legislation which has become law which removes the Securities and Exchange Commission regulations and controls from small industries and businesses. Where it formerly was in effect at a \$100,000 level, the level, under our proposal, was raised to \$300,000. We thus give small private enterprise and energetic business investors an incentive in this country. New venture capital outlets must constantly be increased.

This Congress, my colleagues, does have a responsibility to the American people and to the functioning of valuable Government leadership to its best advantage for public works planning. We present a bill, which may be amended, but which will occupy a storehouse of worth-while projects funneled through one agency exercising care over peacetime employment problems. We also make for a better and basically sound America when we add to its value stones of progress which have been fashioned with the aid of expert Federal and private cooperation.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. MANASCO. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. KEFAUVER].

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

Mr. KEFAUVER. Mr. Chairman, "It is time for a declaration that really means something."

These words, which I take as the theme of my remarks today, are not my own. They are a direct quote from the majority report of the Committee on Expenditures on the substitute bill for S. 380.

The gentlemen who signed that report have left no doubt as to their intentions. They have, indeed, come forth with a declaration that means something. They have made it unmistakably clear that they reject the principles of the full-employment bill, that as far as they are concerned the Government has no responsibility for employment, and that they do not intend that the Government should take the steps necessary to make jobs available. The entire structure of this substitute measure is built around this outright repudiation of the right to work. Hence there is obviously no point in trying now to incorporate in it the minimum principles originally endorsed by the sponsors of H. R. 2202. This substitute is not amendable.

I think it is high time that we should declare, in words that really mean something, these minimum principles embodied in both H. R. 2202 and the Senate version of S. 380. As I see it, these principles fall into two groups, the policy objectives, and the machinery for implementing the objectives.

H. R. 2202 clearly enunciated the right to work, defined as "sufficient" employment opportunities for all Americans able to work and seeking work, and declared that it is the responsibility of the Federal Government to assure continuing full employment.

The committee substitute, and I quote, "unqualifiedly rejects this theory." Why?

For one thing, because they argue that the right to work is not synonymous with the right of freedom, and that is the function of the Government to assure the latter, but not the former. Let me ask you, how can the Government assure freedom without seeing to it that every individual has the opportunity to earn a living? If a man has no job, how can he enjoy freedom of political participation, freedom from fear, freedom of competition, freedom to health, education, recreation and security, freedom of social and economic democracy, freedom to make the most of himself? How can a man on the dole exercise that initiative and self-reliance which is declared to be a major objective of this committee bill? Without the right to work, a man is not free.

In this connection I consider it highly significant that the substitute bill deletes all of the original references to promoting the general health and welfare of the Nation, fostering the American home and education and way of life, raising the standard of living of the American people, providing adequate employment opportunity for returning veterans, maintaining markets for agriculture, economic development of underdeveloped areas, strengthening national defense, and contributing to world peace. It also omits the specific safeguard against exporting unemployment by avoiding resort to methods that would lead to economic warfare among nations.

Gentlemen, the case for this substitute measure is rested mainly upon the thesis, that full employment is impossible. They are trying to tell the people that it is a snare and a delusion to expect jobs under our system. I quote:

Full employment never has been and never will be maintained under our system of free competitive enterprise except in wartime under huge deficits.

Unemployment, they say, is essential to our economy.

Here you have it in plain words that really mean something. All they are willing to do is state that the Government will promote the fullest sustainable employment, which by their definition is clearly something less than enough jobs for all who want and need them.

This makes it very easy to locate the principal difference between H. R. 2202 and the substitute for S. 380. The sponsors of the original bill, taking their cue from the official platforms of both parties and from the administration, committed themselves to write into the law the obligation of the Government to do everything in its power to stimulate full employment, plus the conviction that the Government is powerful enough to assure that goal. This substitute measure, on the other hand, would publicly declare that the Government has no responsibility for full employment, that it does not have the requisite tools, and that in any case it shall not take the necessary steps.

That indeed, is the essence of the so-called implementing portion of the substitute bill. Let no one make the mistake of interpreting the economic report as a kind of a national budget. The majority report explicitly states that since the committee substitute rejects the theory upon which the Senate bill was conceived, it creates no provision for such a

budget. And this is clear enough from the fact that all the five essentials which constitute a national budget are missing in the substitute draft.

First, by creation of a special Economic Council, it practically eliminates Presidential responsibility for the budget. The intent of the original bill was that the budget should be an executive function and should be cooperatively prepared by the administrative departments and agencies in close consultation with economic groups. Thus it would utilize existing functions and information, and it would be the administration's economic program. Under the substitute measure, however, the economic report would be prepared in an ivory tower vacuum by an advisory board with limited appropriations, not subject to congressional approval, and completely divorced from responsibility for carrying out its own suggestions. The budgeting process would be stymied before it ever started.

Second, you cannot budget the Nation's resources toward a given goal if you do not even know what the goal is. The present bill makes no provision for stating the objective—whether it be full employment or high employment—in quantitative terms. We would never know what we were after or whether we had ever achieved it—we would only know when we did not achieve it.

In the third place, there is no provision for collecting the essential information upon which any intelligent legislative program must be based—no appraisal of current economic trends to see how nearly we have approximated the goal. Congress would be asked to take measures to promote high employment, but it would have neither a measure of what constitutes high employment, nor a measure of how much action is required to achieve it.

The fourth and greatest gap of all lies in the absence of an economic program for combating depression. It is supposed to be the policy of the bill to promote private enterprise, but the only way in which it proposed to do so is through limited public works and unspecified loans. I say "limited," because not only must the public works be no greater than "normal"—"normal needs in normal times"—but they must "avoid competition of government with private business enterprises." "Normal," of course, means past rates of construction; the bill does not contemplate additional action in case of emergency. But as was pointed out in the debate of the Senate committee, the restriction to "noncompetitive" public works could and probably would be interpreted to exclude some of our most important and most productive undertakings like REA, TVA, flood control, housing, even outlays for public health.

In contrast to this do-less-than-now policy for stimulating private enterprise, H. R. 2202 proposes to utilize the whole tool kit of Federal policies for influencing economic activity. It specifically mentions taxation, banking, credit and currency, monopoly and monopolistic practices, wages, hours and working conditions, foreign trade and investment, agriculture, education, housing, social security, natural resources, the provision of public services, works and research, and leaves the door open for other measures



that Congress might feel would stimulate private enterprise.

In addition, just to make it crystal clear that the Government will not stint on its efforts to stimulate private production, it guarantees the expenditure of whatever Federal funds are necessary for these purposes. This is the final bulwark to the promise that the Government will do nothing short of enough to make available full employment opportunity. Yet it has been the main target for the opponents of the bill, who charge that this would necessarily involve huge deficits and undermining of the credit of the Nation.

Gentlemen, I want to be sure that you fully grasp the position of the committee on this point. In unmistakable language they tell us that above all the objective is to adopt sound financial practices, by which they mean rigid balancing of the Budget. They state that "the provision in the Senate bill against deficit spending is nullified by the concluding limitation that the goal of full employment will not be interfered with." Do you realize what this means? Not only do they consider deficits a worse evil than unemployment. But they would not even be willing to give the unemployed a dole—because you cannot finance doles by taxes, when your tax base is withering away. H. R. 2202, on the other hand, proposes to avoid deficits, doles, and unemployment. It recognizes that, aside from war, deficits are caused by depression, and that the only road to sound finance is full production and employment.

Fifth, and finally, the substitute measure stops the budgeting process in the middle, by omitting the provision for a joint resolution by the joint committee. All it would have the committee do is file a report—to join all the other reports in the dusty file. The original idea, after all, was that the President should recommend and the Congress should decide. Why provide for coordinated study of the problem as a whole—why waste the time and talents of 18 or 30 Members of Congress, if this is all that comes out of it?

As I see it, the only justification for the policy declaration, and the collection of information, and the setting of goals, and the administrative recommendations, and the joint committee—in short for the bill—is that Congress should emerge with an approved framework around which it could coordinate all of its subsequent activities. Without such a frame of reference, there can be no national economic program for achieving employment—full, high, or even "mid-dling."

"It is time for a declaration that really means something."

Mr. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, I have listened carefully to the debate on this bill today and, not only that, but during the summer and since, I have spent many hours studying this bill which has been labeled and advertised to the people of our country as the full employment bill. The title is wrong and the people have been deceived. This bill

does not provide for employment—full or otherwise.

As I listened to the debate this afternoon several questions have beset me—sincere worries about the trend of things and what is happening and has happened to our Government in recent years. On yesterday it will be remembered that the Members of this body found it necessary to pass a bill which says in so many words that robbery and extortion are crimes and felonies. For Heaven's sake, where have we drifted when it becomes necessary after 150 years under the Constitution of the United States for the Congress to declare that robbery and extortion are crimes?

Now we are considering a bill in which the authors seem to find it necessary in two or three places to reaffirm the rights of the people of this country to engage in private enterprise and go forward on their own initiative. Why is it now necessary to write into a piece of legislation in the United States of America, operating under the Constitution, a statement that private enterprise is to be encouraged and fostered? Those principles made this country what it is today. The basis of our very foundation is freedom and private enterprise, yet now and at other times in recent years we have found it necessary to do something like this.

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

Mr. ELLSWORTH. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman asked a question as to why it is necessary to reaffirm our allegiance to private industry. I think I have here the complete answer. This letter came to me this morning:

I am just a small grocer trying to make a living, but the way things are going I don't know but what the union is going to make me join to make a living. The union has been picketing for some weeks at the Standard Grocery Co. in Holland, and if they keep it up they will have to close, and it will leave me and other grocers with no place to buy. The employees of this wholesale house voted 100 percent against joining the union, and I don't think it is a free country if the union is going to hold up freight from this wholesale house in order to force them to join. My customers will not be able to buy unless this practice is stopped.

There is a man who is engaged in running a little corner grocery store.

Mr. ELLSWORTH. I think the gentleman has answered one facet of the question I asked.

Let me continue with a discussion of the bill under consideration. The authors of the bill apparently thought it necessary to restate that the people of this country have a right to engage in private enterprise and have their undertakings protected and fostered. I think it is a sad thing if that must be done. We must have traveled a long way down the road toward state socialism or some other "ism" if such basic principles of our Republic must be reenacted into law.

Just about all this bill does is authorize the appropriation of \$450,000 with which to set up a new bureau and a new congressional committee. Most of the things provided for in it can be done by existing agencies of the Government and by the Chief Executive with existing ap-

propriations and with existing personnel.

If we pass this bill are we not, as a Congress, drifting into doing something that has been the much-used device of the Executive during these last 10 or 12 years? We all know—certainly the people on our side of the aisle know—that the Presidential solution of almost any problem that has come before the Federal establishment these last 10 or 12 years has been the appointment of a new bureau, a new authority—that is a new word that has come into our Government—or a new administration or a new committee or a new body of some kind.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. CHURCH. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ELLSWORTH. I notice in the press this morning that there is even something new under the sun in this field, and that is that we have the position of "Expediter" created by the Executive. I hope that this body will not at any time soon start passing legislation creating expeditors, and I hope that it will not proceed to pass this legislation which provides only for the creation of a new bureau, and a new committee, at a cost of \$445,000, thus falling into the error of administration that the Executive has fallen into in the last 10 or 12 years. We have too many bureaus now. We have too many people on the Federal pay roll now. We should use for economic planning some who are already on the pay roll, with the appropriations already authorized, and vote down this unnecessary and wasteful proposal.

Mr. CHURCH. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, in the closing hours of this debate I think it is very important to place before the Members of the House information with respect to what I consider to be a very sad situation affecting the training of our young naval officers through what is now called the NROTC, formerly the V-12 training program.

This House recently passed a bill establishing the peacetime strength of the United States Navy at 500,000 men. This figure was recommended by the Navy Department and is the result of many months of careful planning. This peacetime Navy will need an estimated total of 40,000 regular officers. It will also need a substantial number of officers always ready for duty in the Naval Reserve.

The officer strength of the Navy must be constantly renewed by a continuous flow of newly commissioned ensigns. The Regular Navy needs these young officers to move to higher ranks through the years as older officers are lost through death, disability, or resignation. So far as the Naval Reserve is concerned, experience during the war has shown that



a Naval Reserve officer is usually unfit for immediate service at sea if he has been more than 5 years out of college. Hence, it is vitally necessary that the Naval Reserve have a constant supply of new young officers from year to year.

I have learned that the Navy Department, with these considerations in mind, began planning nearly 2 years ago for a transition from the wartime officer candidate program to a peacetime program of the proper size and type to meet the needs of a peacetime Navy of 500,000 men. Beginning in July of 1943, the Navy had on active duty in 131 colleges and universities, approximately 70,000 young officer candidates. This program—the Navy V-12 program—produced more than 50,000 qualified officers for the Navy during the war. It served the country well, and it also provided a substantial number of students to many colleges which would otherwise have had a difficult time to remain in operation. Since the trainees were on active duty in class V-12, the colleges were required to readjust their facilities in order to provide housing and messing arrangements to meet Navy standards. Also, because much of the academic work was prescribed by the Navy, the colleges have hired instructors in numbers and proportions which were different from the usual faculty pattern. For example, they hired many more instructors in mathematics and physics than would normally be required to meet their peacetime needs.

More than a year ago, when the Navy realized that the V-12 program was producing officers in greater numbers than were absolutely essential for the successful prosecution of the war, steps were taken to decrease the size of the program in a way which would not break any definite commitments to the men in training, would make the transition back to peacetime operation as easy as possible for the colleges, and would provide a steady, though decreasing flow of qualified officers to the fleet. By November 1, 1945, the program had been decreased from 70,000 to 30,000 trainees, with plans for further decreases in prospect. This process involved two basic procedures: First, decreasing the input of new trainees to the program, while permitting those who were partially trained to continue to completion; and second, increasing the average length of the college course permitted from approximately five college terms to eight terms, or the equivalent of a full 4-year college course. The second portion of this plan involved the transfer of V-12 deck and engineer trainees to the NROTC. The Congress was informed of this plan in the fall of 1944, and in order to facilitate its operation, passed a bill which became Public Law No. 1 of the current Congress. This bill provided that the postwar limitation on the number of trainees in the NROTC should be increased to 14,000, a figure based on the needs of a 500,000-man Navy and an adequate Naval Reserve. The bill also provided that the Navy Department would be permitted to continue not more than 24,000 men in the NROTC for a period of 1 year after the termination of hostilities, in order that there might

be a smooth transition from the wartime V-12 NROTC program to a new peacetime program.

Immediately after VJ-day, the Navy Department undertook steps to curtail the V-12 program as rapidly as possible, with the objective of reaching the 14,000 maximum on July 1, 1946. All pre-medical, pre-dental, and pre-theological trainees were eliminated from training on November 1, 1945, and trainees in medical and dental schools and in theological seminaries are being dropped at the end of the current term at each institution. The Navy Department also completed the process, begun in March 1945, of transferring V-12 deck and engineering students to the NROTC. It was planned that the NROTC portion of the program, together with senior engineers and naval aviation preparatory trainees, would continue training on an active duty basis until July 1, 1946, and all the colleges were so informed. This information was of considerable importance to the colleges, since they normally employ instructors for a full academic year, and also make definite plans for use of housing facilities well in advance of the opening of each academic term.

One of the chief reasons why it would be desirable to continue the program on the present basis until the end of the present academic year is that no legislation establishing the basis for training men in the postwar NROTC has as yet been presented to Congress. If such legislation can be passed during the next few months, it would make possible a direct transition from the active duty V-12 NROTC program to a new peacetime NROTC program.

A plan for the peacetime NROTC has been prepared by the Navy Department, and will soon be presented to the Congress for action. I have seen a copy of the proposed legislation, based on the Holloway Board report, which provides that every trainee in the NROTC will be given free tuition, \$50 a month while under instruction, and additional minor benefits. I am convinced that this plan will bring into the new NROTC a group of men with strong determination to become good naval officers, and a feeling of definite obligation to the Navy and to their Government. This plan is of great importance, because it will provide a considerable proportion of the future officers for the Regular Navy as well as officers for the Naval Reserve. I understand that the program has been favorably received by leading educators throughout the country, and I am confident that it will prove attractive to the type of young men whom we need in the future Navy. I, therefore, feel certain that if the present officer candidate program of the Navy were continued on the same basis until July 1, 1946, and that if, at that time, the men were given the opportunity to volunteer to continue their training on this new basis, a very large proportion of them would agree to do so. This fact is of very great importance to the Navy, since it would insure a continuous flow of young officers to the fleet. Approximately 80 percent of all the officer candidates now in the NROTC are in the upper level of instruction. If a large proportion of these men

are eliminated from training, it will not only mean a substantial loss to the Government for the money spent on their training up to this point, but it will also mean that there will be a mere trickle of young officers from this program in 1946 and 1947, followed by several classes much larger than the Navy will actually need.

Another point which deserves consideration in this regard is that many of the 52 NROTC institutions, feeling satisfied that the plans for the continuation of the NROTC were firm, have obligated themselves to construct naval science buildings at costs ranging from \$150,000 to \$250,000. It is naturally disturbing to these institutions to discover that the Congress is in process of curtailing appropriations so that the program cannot be continued in accordance with the Navy's plans even to the end of the current fiscal year. It is possible that the rescission of this small portion of the Naval Reserve appropriation at this time may have an effect upon the relationship of the Navy to the colleges which will make it difficult to complete the necessary building program in a way which will insure satisfactory facilities for the long-range program of training. We cannot blame the colleges for not investing large sums of money in this program if Congress will not permit the Navy to do its part.

I believe, therefore, as I have indicated above, that the plan of the Navy is sound and that it deserves every support that Congress can give it. What has Congress actually done? Shortly after VJ-day, the Bureau of the Budget submitted to the House Appropriations Committee recommendations concerning rescission of appropriations for various Government Departments. These recommendations included a substantial reduction in the Naval Reserve appropriation for the current fiscal year. The amount recommended by the Bureau of the Budget to be retained in the Naval Reserve appropriation, which supports the Navy V-12 program, was further reduced by the House Appropriations Committee. If the bill as originally passed by the House had become law, it would have been necessary to terminate the entire officer candidate program of the Navy on or before January 1, 1946.

When this bill reached the Senate, an opportunity was given for representatives of the Navy Department to discuss the effects of this rescission on the Navy V-12 program. As a result, the Senate Appropriations Committee recommended a compromise. The amount of money permitted to remain in the appropriation for this program—\$51,676,000—would permit the Navy aviation portion of the program to continue as scheduled to July 1, 1946, but would make it necessary to terminate the active-duty training of all other men in the program, including approximately 20,000 in the NROTC, on or about March 1, 1946. The conference committee reduced the amount to \$51,500,000, which will merely have the effect of further curtailing the number of aviation candidates who can remain in college during the spring.

If the bill, as it now stands, is permitted to become law, the men now in



the NROTC will be forced immediately to make up their minds whether or not to remain in training on the basis, not of a new and attractive plan, but on the basis of the prewar legislation, which did not provide for the payment of tuition and offered pay to junior and senior students only at the rate of one commuted ration per day. I understand that the highest possible amount which could legally be given under this old legislation during the spring of 1945 would be 65 cents per day. Obviously, there will be many NROTC trainees who will be forced to leave college and interrupt their training merely because they do not have the funds to continue in college at their own expense. No one can definitely predict exactly what this step will mean, but it is probable that the number of men remaining in the NROTC during the spring will be reduced by 40 to 50 percent. Furthermore, Congress, by its action on this appropriation bill, will force the Navy Department to break definite commitments previously made in writing to the colleges. The colleges have more than enough returning veterans to fill their lower classes. Their instructional plans will be seriously disrupted, however, by withdrawal of upper-level students and the substitution of large numbers of freshmen. We cannot blame the college authorities, therefore, for feeling, as I know many of them do, that Congress, through this appropriation-rescission bill, is taking action with respect to the officer-candidate program of the Navy, which is arbitrary and unwise. I understand that an additional sum of \$9,676,000 added to the Naval Reserve appropriation would be sufficient to continue the entire V-12 program according to the original plan until July 1, 1946. I further understand that only about one-third of this amount would actually be spent for instruction. The other two-thirds would be spent on payments to the men and for provision of housing and messing, all of which would have to be provided from some other appropriation if the men were continued on active duty on some other capacity in the Navy. In view of these facts, I consider the portion of the present bill which curtails the Naval Reserve appropriation to be unsound, and I strongly believe that it would be for the best interest of the Navy, the colleges, and the entire Nation if the original appropriation approved for this program were restored.

The schedule of schools and universities where present V-12 NROTC program is being carried out is as follows:

NROTC AND V-12 SCHOOLS COLLEGE-TRAINING PROGRAM—COLLEGE AND LOCATION

College of the Holy Cross, Worcester, Mass.  
Harvard University, Cambridge, Mass.  
Massachusetts Institute of Technology,<sup>1</sup> Cambridge, Mass.  
Tufts College, Boston, Mass.  
Worcester Polytechnic Institute,<sup>1</sup> Worcester, Mass.  
Dartmouth College, Hanover, N. H.  
Brown University, Providence, R. I.  
Yale University, New Haven, Conn.  
Princeton University, Princeton, N. J.  
Stevens Institute of Technology,<sup>1</sup> Hoboken, N. J.  
Colgate University,<sup>1</sup> Hamilton, N. Y.  
Columbia University, New York, N. Y.  
Cornell University, Ithaca, N. Y.

Rensselaer Polytechnic, Troy, N. Y.  
Union College,<sup>1</sup> Schenectady, N. Y.  
University of Rochester, Rochester, N. Y.  
Webb Institute of Naval Architect,<sup>1</sup> New York, N. Y.  
Bucknell University, Lewisburg, Pa.  
Pennsylvania State College, State College, Pa.  
Swarthmore College,<sup>1</sup> Swarthmore, Pa.  
University of Pennsylvania, Philadelphia, Pa.  
Villanova College, Villanova, Pa.  
University of Virginia, Charlottesville, Va.  
Georgia School of Technology, Atlanta, Ga.  
Duke University, Durham, N. C.  
University of North Carolina, Chapel Hill, N. C.  
University of South Carolina, Columbia, S. C.  
Alabama Polytechnic Institute, Auburn, Ala.  
Tulane University, New Orleans, La.  
University of Mississippi, University, Miss.  
University of Oklahoma, Norman, Okla.  
Vanderbilt University, Nashville, Tenn.  
Rice Institute, Houston, Tex.  
Southern Methodist University,<sup>1</sup> Dallas, Tex.  
University of Texas, Austin, Tex.  
Illinois Institute of Technology, Chicago, Ill.  
Northwestern University, Evanston, Ill.  
University of Illinois, Urbana, Ill.  
Purdue University, West Lafayette, Ind.  
University of Notre Dame, Notre Dame, Ind.  
Iowa State A. & M. College, Ames, Iowa.  
University of Kansas, Lawrence, Kans.  
University of Louisville, Louisville, Ky.  
University of Michigan, Ann Arbor, Mich.  
University of Minnesota, Minneapolis, Minn.  
University of Missouri, Columbia, Mo.  
University of Nebraska, Lincoln, Nebr.  
Miami University, Oxford, Ohio.  
Oberlin College,<sup>1</sup> Oberlin, Ohio.  
Case School of Applied Science,<sup>1</sup> Cleveland, Ohio.  
Ohio State University, Columbus, Ohio.  
Marquette University, Milwaukee, Wis.  
University of Wisconsin, Madison, Wis.  
California Institute of Technology,<sup>1</sup> Pasadena, Calif.  
University of California, Los Angeles, Calif.  
University of Southern California, Los Angeles, Calif.  
Stanford University, Palo Alto, Calif.  
University of New Mexico, Albuquerque, N. Mex.  
University of California, Berkeley, Calif.  
Colorado College,<sup>1</sup> Colorado Springs, Colo.  
University of Colorado, Boulder, Colo.  
University of Idaho, Moscow, Idaho.  
University of Utah, Salt Lake City, Utah.  
Oregon State College, Corvallis, Oreg.  
University of Washington, Seattle, Wash.  
Southwestern University,<sup>1</sup> Georgetown, Tex.

<sup>1</sup> Non-NROTC schools.

*Distribution by term level of trainees who are scheduled to be returned to inactive duty under present plans for deactivating the present active-duty V-12-NROTC program*

Type of trainee	Number	Percent of total
Eighth term NROTC.....	2,404	11.9
Seventh term NROTC.....	4,451	22.1
Sixth term NROTC.....	7,424	36.9
Fifth term NROTC.....	823	4.1
Fourth term NROTC.....	331	1.6
Third term NROTC.....	455	2.2
Second term NROTC.....	1,405	7.0
First term NROTC.....	1,308	6.5
	18,601	92.6
Eighth term engineers, physics majors and aerologists.....	1,468	7.4
Grand total.....	20,069	100.0

(Mr. BATES of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. ROE].

Mr. ROE of Maryland. Mr. Chairman, I thank the gentleman from Illinois very much indeed.

Mr. Chairman, I want to compliment the committee on the great improvement they have made in this bill. As originally introduced in the Senate the bill was very vicious. The Senate improved it. Now our House committee has made a great improvement in the bill. I cannot see any sense for any bill on this legislation, however. The distinguished gentleman from Texas [Mr. PATMAN] says we do not want to make the same mistakes after this war that we made after the first World War. The biggest mistake we made after the First World War was in loaning money to European countries to buy our merchandise, and then shipping the merchandise. The collapse was caused by the fact that in 1929 they had our merchandise and they had our money and we did not have anything. We are starting out to make that same mistake after this war. We are going to be asked to vote in a few days to loan \$4,400,000,000 to England at a rate of interest half as much as we charge when loaning money to our own GI boys.

So we do not want to make the same mistake after this war as we did after the first war. We do not want to lend money to people to buy merchandise from us so they will have both the merchandise and the money and we will have nothing but their IOU's. Gentlemen of the Committee, there is no unemployment problem in the United States today. We could use 50,000 men in my own little congressional district today if we could get them. We are definitely short of labor. The trouble with passing this bill is that we are going to deceive the people into thinking that the Government is going to take over the business of the Nation and that everybody is going to work for the Government like they do in Russia. I have no criticism to make of Russia. I realize what a wonderful ally they have been with us in the recent war. I give them credit for what they have done. I realize their present Government is a great improvement over the Government they had in the days of the Czar. But at the same time I do not want the Russian Government for America. I do not want to pass any legislation here that can be construed as the slightest step in that direction where the Government owns everything and where everybody works for the Government. The more employment our Federal Government gives, the less private employment there will be. If we start this program, the result will be that we will continue to have to employ more people in the Federal Government and there will be fewer people employed by private enterprise. We cannot collect taxes on the business that the Federal Government does. In order to have a sustained prosperity, we must have high employment, but it must be private employment and not Federal



public employment. So, Mr. Chairman, and gentlemen of the Committee, I hope that no legislation will be passed although I compliment the Committee for the fine job they have done. Their bill is a wonderful improvement over the legislation that was proposed prior to the bill which was reported out by the committee.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. LANE].

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

Mr. LANE. Mr. Chairman, the full employment bill, S. 380, upon which millions of Americans placed their economic faith, has emerged from committee surgery, looking like the ghost of its original self.

We are asked to vote for this sick bill as our champion, or vote against it, killing whatever slim hope it may offer. In neither case, are the people getting the national insurance against the miseries of depression.

We are not being given the opportunity to vote for a real bill. This anemic declaration of policy fails to tackle the roots of the problem which is; "What will take up the slack, when and if, private enterprise falters in its responsibility to the people?"

All of us are pulling for free enterprise to do the job. But if it fails periodically, as it has in the past, what then? Are we going to let our people wither on the vine in this, the richest country on earth while free enterprise takes time out to reflect on its mistakes? Hardly. The people know that we have a productive machine capable of producing in abundance. They saw the proof of that during the war. They will not accept its failure to produce and distribute in abundance, for peace. They want free enterprise to do this job, but if it falters, they will not take breadlines. They will insist on Government action to fill the gap.

In the discussion on full employment, no one has suggested that Government compete with industry or that Government should nationalize certain key industries. No. Industry is being given the green light and the second chance to succeed, where it once faltered.

Too many Americans bear the scars of industry's failure to the country from 1929 to 1941 to so easily forget. They remember how bankrupt in practical remedies industry was after 1929. In all those years industry did not come forward with one workable idea to solve the problem. Its chant was: "Back to the good old days of greed and speculation, and may the devil take the hindmost when the day of reckoning comes." They failed to realize that a new age demands readjustments. And that failure happened before the atom burst upon us, bringing with it the greatest social and economic challenge in man's history.

The people do not forget that as late as 1940 we had over 7,000,000 unemployed. They know the tragedy which these figures tell and the burden which was placed on the shoulders of so many

more. They know, what industry fails to realize, that these 7,000,000-plus represents the loss of a great market which could benefit industry foremost. Yet industry complains of the high taxes which resulted from its collapse, for which it can blame no one but itself.

The war boom, bringing full employment at good wages, was not a solution but merely a shot in the arm. And this boom was achieved through Government financing as the Government stepped in to become the chief buyer of goods and services. Industry was the agent and not the principal in achieving this illusion of prosperity. And because it came about through war, which destroys wealth, we are faced with a debt of over \$300,000,000,000.

The point is that the wartime prosperity was not achieved by free enterprise, but through the medium of a Government-controlled economy. Industry demonstrated miracles of production, but it has not as yet proved that it can solve the greater problem of distribution.

The American people are giving it another chance, hoping and praying that it will do this job, but at the same time, they are not going to sit back and rust, in the event it fails. That is why they want insurance against failure now. This insurance principle has been accepted by Americans for over 200 years. In fact, it is the base upon which some of our largest and strongest businesses have been built. On the national scale, we already guarantee bank deposits through the Federal Deposit Insurance Corporation, the mere existence of which has eliminated runs on the banks. The time has come to duplicate this on a larger scale, by insuring jobs as well as deposits. Our human resources are too precious to waste.

In 1941, someone suggested that at attainable full employment the United States could produce even more than \$99,000,000,000 worth of goods and services which were turned out in the boom year 1929. Many an economist and businessman called him a dreamer. But the war came, proving that a production of more than \$150,000,000,000 is possible. Furthermore, and this presents a major responsibility, this vast flood of production was achieved without any of the 10,000,000 young men who normally provide the backbone of the labor force.

These young men were ready to give all they had for the national welfare and they are determined that those who remained at home shall be prepared to give some for the national welfare, which means security at home as well as abroad. This must be done, by private enterprise if possible, by Government guaranties, if necessary. These men, like all who are a part of these United States, demand freedom of opportunity. In a complex economy such as ours, every increase of economic power, whether in the hands of individuals or corporations, brings with it an increased responsibility to the people of this Nation. That fact must never be lost sight of. By all means, let free enterprise try to do this job, but if it falls short, it must expect Government to step in and fill the gap.

The issue is clear and fair. Enterprise can do the job. It must do the job. But if it falters, it cannot expect to have the whole hog.

The time to provide for such a contingency is now, in a realistic way that will have our economic defenses ready for instant mobilization. The last time we were not ready because we did not expect it. But it came, and because we were unprepared the results were tragic. Have we learned nothing from that grim experience?

First, we know that the Government will have to spend public funds to deal with unemployment in any case. Prolonged unemployment on a large scale is no longer politically possible. Shall we commit ourselves in advance to spend whatever is necessary to keep men at work, or shall we spend hurriedly, wastefully, and on a larger scale to put them back to work after depression has hit? If we make the commitment in advance, we may never have to spend at all. To anticipate and be ready for an emergency is simply sound business. From a cold-blooded financial standpoint, the most dangerous thing we can do is to trust to luck and do nothing.

Job security then is a must. Give the average consumer a reasonable assurance of steady work and he will put a good part of his wartime savings back into circulation. But if you leave him uncertain of the future, he will hoard. In other words, the promise of security would take a big load off his mind, stimulate enterprise, and go a long way toward creating jobs. If we in Congress are afraid to go ahead with this program in a realistic and straightforward manner we shall betray to the people that we are uncertain and will thus help to bring on the unemployment which we fear.

S. 380 in its amputated form is merely a token. It does not provide the necessary and expected guaranties. It is letting down our veterans and war workers who did not let us down. It is a pious hope and not a legislative solution. Unless blood and substance are pumped back into this measure, it will completely fail our No. 1 responsibility to the American people, which is making certain that unemployment never again will be permitted to become a national problem.

In the telegram which Henry A. Wallace, present Secretary of Commerce, dispatched to President Roosevelt the night of his Soldier Field speech in Chicago in October of 1944, he wrote:

Your goal of 60,000,000 jobs is perhaps high, but I glory in your daring; and as you say, America can do the seemingly impossible.

Gov. Thomas E. Dewey, in the course of the last campaign, stated:

Republicans all agree that full employment should be the first objective of Government policy.

Emil Schram, president of the New York Stock Exchange, has warned us that:

Any sound postwar domestic program must contemplate the production of goods and services at a level sufficiently high to occupy all who wish to work and are able to do so.



The attitude of the great labor organizations, the American Federation of Labor and the CIO, is wholeheartedly behind the program to guarantee full employment.

It is the obligation and not merely the policy of the Government to back up this program. The people want deeds and not words. This bill has good intentions, but no practical commitments. It is an insurance policy of doubtful value.

And so we are supposed to go along and endorse a statement when we might have given guaranties.

The committee has offered for our consideration, not a full employment bill, but a form that has no substance. This House has the inglorious opportunity of voting for nothing. S. 380, as amended, is presently a gesture, and little else.

When, when will we get a full employment bill that is not emasculated by amendments? That is what the people want to know without equivocation or delay.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Mr. Chairman, why do we need this bill now if we have not needed it in the long years past? I believe this is a question that many of us mull over in our minds when we wonder about the necessity for it. I believe it is necessary because we are making great headway in this country, great progress economically and technologically. Early in the history of the United States we would not have needed this legislation because people were independent, each man had his farm, and his family lived on the farm and they worked there. They made their own clothes, they raised their own food, even if the women did have to work 14 and 16 hours a day in the home and at the loom, and the men just as long toiling in the fields, and the kids, instead of going to school, worked on the farm.

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

Mr. SAVAGE. I yield.

Mr. THOM. Is it not a fact that in the early depressions in this country it was possible to give homesteads to men who were unemployed and set them up in farming in the West? As a matter of fact, what we are doing now is to provide jobs instead of homesteads as they did 50 and 75 years ago.

Mr. SAVAGE. That is very true. That is what happened in my family. They started out on the east coast. Later they settled around Cleveland, Ohio, when the pinch came. Still later they went to Wisconsin, and finally wound up on the west coast. We cannot go any farther west or we would be in the Pacific. Now we have to pioneer in economics, and that is why I am here in this Chamber, to help to keep people from having to move farther west into the Pacific. Nowadays people cannot be the rugged individualists they once could be when we had everyone on his own farm. We gave up that privilege of producing everything on our farm and making everything in our home, and instead now have factories to manufacture goods. We gave up the privilege of wearing homemade suits and now buy our clothes

made from fabrics produced by the textile industry.

We bought our furniture that was made in the factories. In fact, we buy everything from the factories, while we used to buy a little bit of salt, a little bit of sugar sometimes and a few spices. We will never be able to go back economically and as far as technological development is concerned unless we are willing to give up all these modern conveniences. Certainly, if we go backward there will be no place to stop. The first thing you know we will be building our roads with a wheelbarrow again. So when we think about the progress that we are making technologically, then we realize economically that we have got to make plans for distribution so that all these people who have given up the privilege of being rugged individualists on the farm may have some assurances that they are going to have full employment or a reasonable amount of employment.

Not to do that means saying, "Let them starve; if there is no work for them, let them go hungry, let them go without positions." We do not stand for that. That is not according to American principles. That is not what America started out to do.

We are dealing here not with the Government. Some people say that to meddle with this is to interfere with our system of government. We are dealing here with economics, not government. We can improve our economics as we have right along and not interfere at all with people electing their Congressmen, electing their President, and electing their Senators. What we are trying to do is to keep our economics up with our modern production methods. Sometimes it is confusing when people say, "We cannot improve that because we will interfere with our form of government." Nobody wants to do that. Some say that we have to leave the system entirely free and that it will take care of employment. I want to direct your attention to the fact that the system was never freer than in the twenties. What came out of that? A depression came out of it which made it necessary to deal with economic problems. That was the very thing that it brought about; too much freedom in technological advancement was taking effect on our economy. That is what made it necessary to have things like the WPA.

We are proposing to plan in advance so that we will not have to suddenly force ourselves into a slipshod system in a hurry to take care of unemployment like we did when we went into WPA with which not even the proponents of WPA were satisfied. They had a long-time system in mind, but they found it was going to take too long to plan projects. So, suddenly, they had to start the WPA to take up the slack.

We are certainly capable of running a government and keeping our economics free enough so that we do not have to destroy our own system, which some men believe. I have talked to Members of Congress who, in speaking of unemployment, said: "Any man who wants a job can get it any time he wants to." Mr. Chairman, I can tell you from my own personal experience that is an erroneous

opinion. I have had the experience myself. Like many of you I lost a great deal during the depression. We had a business and lost money, yet we paid wages after wages cost more than the income. Finally we locked our machinery up and I went out to get a job. I was not broke then, but I went out to get work and I traveled over several States in the car. I took my family with me because I could do a great many types of work in construction, running a gas shovel, a bulldozer, doing electrical work, construction work, reinforcing steel. I had been a superintendent and foreman on construction. I could do many other things, including bookkeeping. I said, "Well, I could go out here in 1930 and 1931 and get a job." I traveled over several States and many times I came up to the gate where it said, "No help wanted." I thought, "Well, a lot of men are not trained in quite as many things as I am. I am going in and ask for a job. I have been rebuffed many times." They would say, "What is the matter with you? Can you not read the sign that said 'No help wanted'?"

That is what happened to men. It did not hurt me so much at the time, but other men were doing that who did not have a dollar. They were just tramping around and seeing nothing but "No help wanted" signs. That is going to come again. As was said here on the floor today, the system never has actually been taken out of the fix that caused the bad depression. We are still in it in a way. I admit that the pump priming of WPA did help temporarily to bring it out, but it is like taking aspirin for a toothache—it did not cure it. When this war is over and big production is over, we are going back into it again because we still have the technological development, more advanced than it was at that time, so we are looking forward to try to do something that will help alleviate the situation so that we can take care of the situation when it comes instead of relying on the WPA or some other such plan. I hope that America will never say to the workers that we are going to put our economic welfare above the welfare of you and your children and your people. My people and yours came to America to get a better place to live, to have more freedom for the people, and that is what I am fighting for.

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

Mr. SAVAGE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman said that he hoped we would never put the economic welfare of our country above the welfare of our people, did he not?

Mr. SAVAGE. Not exactly. I say we do not want to put economics above the welfare of the people; I mean, that we have got to consider human rights above property rights.

Mr. HOFFMAN. Yes, but is it not a fact that the welfare of our people depends upon the soundness of our economic system?

Mr. SAVAGE. If the economic system leaves 15,000,000 or 17,000,000 people unemployed, it is no good, because it is not serving the people, and we can make it serve the people if we have the



will. But to say, "Let us go back" is no good. A gentleman said this afternoon on the floor that we should sweep in front of our own doors. I say that Hoover had that policy. He had the policy of telling everybody in each block to feed his neighbor if he was hungry. I saw a good many blocks on the west coast that did not have any rich man in the block, and they were all hungry, and I do not believe in that policy.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MANASCO. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SAVAGE. Nobody is against the system, especially a system that lasts. I think I can put myself in the same position as the gentleman from Alabama [Mr. MANASCO] did, when he said that this system allows a humble person to rise to high position. None of us are against a system like that, but it is no argument that we should not go on. We should see to it that every last person in the country has a job so that he can feed his family. I thought it was not good to use that kind of an argument against a bill like this. We can be for the humble and still be for this bill; they go together.

It was also mentioned on the floor that Germany had full employment, that Italy had full employment, that Russia had full employment, and that China had full employment, as arguments that we should not adopt the same program of full employment. Germany had full employment only one time, and that was while she was preparing for war and during the war. During the war Germany had full employment, the only time since the big technological development began. Italy had the same thing. Russia had full employment and still, perhaps, she had a low standard of living, I do not know, but it only took 20 years to build a country that we had been doing for more than 150 years. I admit they may not have high standards of living, but let us see what they have after 150 years. I do not think that is any argument against America giving full employment. As far as full employment is concerned in China, it is one of the least industrialized big, important nations, next to India, but certainly I do not see how anyone can say that China has full employment. No number of people can go out and get a job in China. They have the same individualism that we had earlier in this country. If they can go out on a farm and eke out a living and call that employment, that may be true, but they are not making a good standard of living industrially. We cannot compare China. They are not industrialized like America. They have not given up that privilege of giving up rugged individualism like we have on the farm, so we cannot say because China has a low standard of living that America should not have full employment.

Another thing, reading the constitution of Russia as an argument against full employment is not good, because I do not think we need to reject a good thing just because Russia adopted it. If we followed that policy and every time

Russia did something good we rejected it, certainly that is no way to legislate. Men should not get on this floor and try to legislate by emotion and that kind of fear. Let us consider the bill on its merits. Let us consider our own problems, and not Italy, Germany, Russia, and China.

I believe the gentleman from Illinois [Mr. CHURCH] said as an argument against this bill that our system did a great job of production during the war. That is granted. We did a great job. But I want to say that that is no argument against this bill. In the first place, the system was not free. There was some planning. We planned from top to bottom to do the production in the war job. The system was not free. The Government ran it from top to bottom for production. Therefore, it is an erroneous argument to use against this kind of a bill because the system was not free.

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

Mr. SAVAGE. I yield to the gentleman from Illinois.

Mr. CHURCH. It was a free system before the war, and even during the war.

Mr. SAVAGE. Not during the war, it was not free.

Mr. CHURCH. It did accomplish the objects. It furnished the material to everybody in the war, did it not?

Mr. SAVAGE. The Government said where every bit of material would go, what it would be made into, and who would get it. They told the automobile companies they could not produce cars, they would have to produce planes, and so forth.

Mr. HOFFMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, I felt and still feel that our two-party system of government means and promises a lot. It promises the way the majority shall rule. That promise is the pledge of the successful or winning party. The majority rule in this Nation is on a contractual basis, the contract of the party which is in power, which obtains a majority upon an election, with the people of the Nation. When a party establishes a program it says, "This is our policy. If the people of America follow us and vote with us, this is the program they will get." The other party says the same and submits its platform. The party that is elected, having the majority vote, has a solemn obligation, a contractual relation with the people of this Nation to deliver as nearly as possible the things embodied in that program.

This policy of today—and I favor the Senate version of the bill—is a statement, as nearly as its framers have dared come forth and hope for passage, carrying the declaration of each party in its party platform, which is a covenant with the people of America. That covenant is sealed when a party is elected. The Republicans, not having been on the big end this time, are not bound as a party by a sealed covenant but are left entirely with their conscience. But even so, if I had run for Congress and espoused that as a doctrine for my people and adopted

that as a platform, I do not see how I could feel other than that I, as an elected official under my contract, under my pledge, as it were, was bound by that program.

The President of the United States, who is the standard bearer of our party, the majority party, has come forth with this as a policy, and the bill has been reported out, as I say, as nearly as they dared report it out in toto and still hope to see it become law. That, I think, is sincere. I do not share the views of my good friend from Alabama [Mr. MANASCO], my colleague, though he is my father's and mother's Congressman. I want to hand him a palm because he came up from the humble walks of life and fought his way every inch. He is a man of integrity and ability and is honored, esteemed, and respected by the people of Alabama, supported politically and morally by my own folks who vote for him—they do not vote for me because I am not in their district. But this does not present an unusual study in the political education and philosophy of those who were raised as was Mr. MANASCO of Alabama. He and I were both from humble origins. This is a sample of the American way of life. I see one way and he another. We were raised in similar, in fact identical, surrounding, sprang from the same sort of people, one of the paradoxes of democracy at work. The thing goes farther. In the history of America, in its beginnings from which it grew to be the great Nation it is today, there was Alexander Hamilton born in the West Indies of very humble parentage. He had to fight his way up. Then we had Thomas Jefferson of the aristocracy. Yet, Hamilton became the angel of those who felt that the necessary regulation of property rights was an invasion of the sanctity and security of the people. Thomas Jefferson, the aristocrat, became the champion and the charterer of the course of the humble people and the hard-bitten people. You can go to the Congressional Library and dig up the editorials written about them. In those days it was declared that Jefferson was only supported by the ragtags, rabble, and the ragged edge of society.

Yet, today, he stands as the champion of the people's rights and of the integrity of the common man and as the trail blazer for individual security as a way for a democratic people to travel. So there is no great presumption upon which one can stand up and contend that because he was raised in humble circumstances his way is the right way for people who were raised like me. It does not mean that and it never can. I think the opposition to this bill is essentially not that it will do nothing but that it will do something. That is the reason the committee found itself reporting out the bill we have before us as a House bill instead of the Senate version and not the version as originally introduced by our group bearing the name of the gentleman from Texas [Mr. PATMAN]. How are the people of America going to treat the fact that the gentleman of the Executive Expenditures Committee chose to report the weak version of the bill instead of the stronger and now assail it as



feeble and impotent? My letters from the people in Alabama who oppose this legislation, and from other places declare, as did the gentleman from Georgia [Mr. GIBSON] "The time has come to let the businessmen of America alone." You heard him, the gentleman from Georgia, a member of this Executive Expenditures Committee, whom I respect and like—he is my neighbor, if you remember the gentleman from Georgia [Mr. GIBSON] did not call it a milksoy bill. On the contrary he thinks it does too much. He is on the committee and is one of the four who signed the minority report. Incidentally, my good friend the gentleman from Illinois [Mr. CHURCH], who yielded me this time, declared this is one of the most fantastic schemes ever submitted to the Congress, and that is the word he used.

The gentleman from Georgia [Mr. GIBSON] said, "The time has come for us to run the Government and let business run itself. Let business alone." The fear of the forces who oppose this action is that there will be something done. They promise to be good boys always. But when the time of crisis comes they run away and this bill is to head that off now. Can we learn nothing from our sad history? A stitch in time saves nine. We go through our lives saying that but when the time comes to put it into practice we get scared. We are like the passenger who looks down the railroad and sees the tracks coming together. "Stop this engine." They yell it every time. They say, "Stop the train. Don't you see the tracks run together down there?" Those acquainted with the facts and those who have studied it know that the tracks do not come together. They know that you have to run the engine down there. Some must either gain a longer perspective than is theirs today or get down there before they can see it. They are afraid it will do something. They do not fear it will do nothing. Quite the opposite is their fear. They think more of themselves than of guaranteeing full employment.

We know many must be regulated, and that a stitch in time is the only way we will save ourselves from running into the same sort of depression we ran into before. That is the reason my letters and your are coming, saying, "For heaven's sake let business alone." Let them alone. This is the first step. We know what they will do. We have seen them run in their own unions. In my district they used to be called popcicle unions. We have seen how they take care of the people if we do not have proper machinery to control and manage them. "Let us alone." That is their cry. We have had it ever since we have been in. That is all a burglar wants, to be let alone. So they say, "Let us alone."

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

Mr. PATRICK. I yield.

Mr. HOFFMAN. You referred to the burglar in that argument. Are you comparing business with burglars?

Mr. PATRICK. Of course not. The gentleman was not listening very well.

Mr. HOFFMAN. Oh, yes; I was.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HOFFMAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PATRICK. Of course, such a comparison would be odious. I am stating the proposition. When business says it wants to be let alone, all a burglar asks is to be let alone. Is that not true? Is that not a proposition of honesty?—I only state this to show the extreme to which that logic will lead. See how far the reasoning follows? Of course, there is no comparison between business and a burglar.

Mr. HOFFMAN. The gentleman will agree that a Congressman wants to be let alone, will he not?

Mr. PATRICK. Yes, indeed; I know what it means not to be let alone.

Now, this is an opportunity we have. It is not only an opportunity but I think it is an obligation. We have our parliamentary processes. Those parliamentary processes are in the hands of Congress. We are responsible to the people of America, and it is in our hands; it is not only our opportunity but it is our duty to employ those parliamentary processes to secure the economics of our Nation. We should not wait until the horse is stolen and then lock the stable. The time to do it is now. Take time by the forelock and be prepared, so that when the time comes we shall have the machinery; we have the organization set up, and then we can do it.

Of course, as the gentleman from Minnesota [Mr. JUDD], the able gentleman whom we all respect, said, "Useful employment, regular employment, high level employment, have not been defined." Of course, they have not been defined. The engine has not come to that place down the railroad track. Many a law has been passed in terms that had not been defined. Oftentimes it takes a court decision, but that is the way to blaze the trail. To apprise this is the very doctrine of laissez faire. Nobody thinks that Herbert Hoover or the Republicans wanted to get into a depression. They fell into the depression because they were afraid to test a new word or tackle a new idea.

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

Mr. PATRICK. Yes; I yield gladly to the gentleman from Minnesota.

Mr. JUDD. Is the gentleman in favor of turning over to executive bureaucrats, as they are frequently called, the power to define what these words mean? Does not the gentleman believe if we are going to pass legislation that the Congress ought to decide what they mean? Somebody someday has got to. We passed a surplus property disposal bill and thought we knew what it meant, but when the directive came out we found it was something totally different from what we had in mind.

Mr. PATRICK. That has been true since America began. We have to write it, we have to put it in the griddle. Even the housewife does not know what is going to come out when she puts ingredients together to make something new in

her pantry. If it does not come out all right she tries again. That is the way we have to work if we keep pace with the demands of a thriving race of men.

Mr. JUDD. No; I do not admit that of necessity. I say that if we are going to pass legislation containing words which are susceptible of wide interpretation the Congress has the responsibility to define those words so that it will not be possible for somebody to assume any powers never contemplated by this body.

Mr. PATRICK. That has been the doctrine of laissez faire since our Nation was established.

Mr. JUDD. That is the doctrine of responsibility.

Mr. PATRICK. That is what has been done since Hamilton and Jefferson fought. That has been done all down the line. We must not be afraid to go into a field that is unexplored or afraid to deal with terms that have not been before set out. If we hold to such fears we will remain standing on the same old tracks and wondering why the world went off and left us.

If America is going to continue to be the forward-moving nation she has always been, when she is faced with a new problem she must meet it, and she cannot in this instance without going into a new field of endeavor and employing new terms and making a new fight.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. PATRICK. Mr. Chairman, can the gentleman yield me 5 minutes more?

Mr. HOFFMAN. It grieves me almost beyond bearing, but I cannot give it.

Mr. PATRICK. I see the gentleman is heartbroken. I appreciate what the gentleman has done.

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

Mr. HOFFMAN. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

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

Mr. HOFFMAN. The gentleman from Alabama [Mr. PATRICK] reads something into the platforms of the two parties that I never discovered there, and that is the promise of full employment. Both parties advocated a course designed to give full employment, but it was not through Government employment or deficit spending.

My only reason for speaking at this time is that some of the Members on our side criticized me for remaining silent and said that inasmuch as I was a member of the committee some misconception might be placed on my silence.

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

Mr. HOFFMAN. For what purpose?

Mr. PATRICK. I wish to ask the gentleman a question.

Mr. HOFFMAN. What is it?

Mr. PATRICK. Has the gentleman been beset by a great many inquiries as to why he remained silent?

Mr. HOFFMAN. How is that?



Mr. PATRICK. I say, has the gentleman been beset with troublesome inquiries as to the reason for his silence?

Mr. HOFFMAN. What a silly, foolish question.

Mr. PATRICK. That is the only kind of question I believe that could be asked of the gentleman's statement.

Mr. HOFFMAN. That is about the kind of observation I would expect from the gentleman. Is it his return for courtesy just granted him?

Mr. Chairman, the original bill which was presented to the committee was characterized as a full employment bill. As the gentleman from Texas said, we understood it was drafted by himself and by 116 other Members as cosponsors.

Mr. PATMAN. I had a minor part in its drafting, I may say to the gentleman; I was consulted.

Mr. HOFFMAN. Who had the major part?

Mr. PATMAN. Other Members of Congress and people who are interested in it.

Mr. HOFFMAN. And people who were interested. For instance? Who?

Mr. PATMAN. There are a lot of people who are interested in full employment.

Mr. HOFFMAN. Yes; I assume so.

And that bill had a false label. It was called, and was so understood throughout the country, as being a full employment bill designed to give a job, a regular full-time job at remunerative pay, to every individual who might be unemployed. One of the first paragraphs of the bill stated that it was to give employment to all Americans, and yet when the bill was under consideration by the committee its sponsors and administration witnesses who appeared refused to accept amendments which would have made provision against discrimination because of race, creed, color, state of origin, membership or nonmembership in any religious, fraternal, or labor organization.

So, as a matter of fact, it was a bill designed to give employment to the members of certain unions. A motion was made that the committee report that bill, but the motion was defeated by a vote of 3 for reporting out the bill, H. R. 2202, to 17 against reporting it out.

Then a subcommittee was appointed to draft a bill. The hearings, which are on the desk, consisting of several hundred pages, were held on the original bill. There were no hearings on the bill which will be offered as a substitute tomorrow, S. 380. The Director of Reconversion, Mr. Snyder, the Director of the Budget, Mr. Smith, former Vice President Wallace, the Secretary of Labor, Mr. Schwel lenbach, and the Secretary of the Treasury, Mr. Vinson, appeared for the administration and each and all endorsed 2202. None ever endorsed or testified on S. 380. Am I not right about that?

Mr. PATMAN. I do not know that the gentleman would be correct in saying that they endorsed 2202. Some of them did, I do not know which ones did, but all of them said they wanted something to carry out the objectives contained in 2202.

Mr. HOFFMAN. There might have been some paragraphs in that bill of which they did not approve?

Mr. PATMAN. They approved of all of it, I am sure, but they were not insisting on any particular bill.

Mr. HOFFMAN. No, they were not coercing us, but some of them, Mr. Vinson especially, said he spoke for the President and that the President wanted that bill.

I hope that you get the significance of that action and the action subsequent action of the committee. Before the committee came all of those representatives of the administration and endorsed a particular bill, yet when the committee makes its report it throws that original bill H. R. 2202 in the ashcan and brings in a bill altogether different. Am I right in that statement?

Mr. PATMAN. The gentleman is correct in saying it is altogether different.

Mr. HOFFMAN. The Congress has been high-pressured a good many times. Very frequently the administration has sent down bills and insisted on their immediate passage. We have come to know that as "must" legislation. The administration puts it right through the House. Then it goes over to the Senate and there sometimes all too often it lies buried.

Those Cabinet members came before the committee and insisted that the welfare of the Nation depended upon the reporting out and the adoption by the Congress of a full employment bill, bill H. R. 2202, yet the committee brings in a bill which in no way resembles it.

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

Mr. HOFFMAN. I yield to the gentleman.

Mr. PATMAN. Of course, it happened that this particular committee did not agree with them, but on another committee where the same number of members would be on the committee, that is, the same number of Democrats and the same number of Republicans, they could possibly get a majority. It just happened on this committee the administration recommendations did not meet with the unanimous approval of the committee.

Mr. HOFFMAN. It was 3 for to 17 against.

Mr. PATMAN. With other committees in the House it would probably have been the reverse.

Mr. HOFFMAN. "It might have been?" Those are sad words, you know. May I call the attention of the gentleman to the fact the Speaker, who controls legislative procedure and who is a part of the administration, picked that committee to refer this bill to.

Mr. PATMAN. I happen to know something about that and I know that there is no other committee he could refer it to because the rules of the House would require the bill to go to that committee. You cannot refer it to the Budget without sending it to that particular committee.

Mr. HOFFMAN. That is all right for talk, but the gentleman and every Member of the House knows very well that often bills which might well go to one committee go to another. How many bills which should have gone to the Committee on Labor have gone to the Committee on the Judiciary? Half a dozen or a dozen or more in the last session of Congress.

But getting on now to this bill, what is it? It is not the bill that the 117 sponsors asked the House to adopt, nor, as stated by the gentleman from Texas [Mr. PATMAN], a bill anything like it. So there is no reason, so far as I know, why the 117, or any one of the 117, should vote for the substitute reported out by the committee. They all say, if I understand them correctly, that the committee substitute will not accomplish the purpose they want to accomplish; that it will not do the job. So why should we fool around with it or why should they, I mean; any one of the 117 support the committee bill?

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

Mr. HOFFMAN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. It accomplishes this purpose: It is the beginning, a peculiar sort of a beginning. This bill ostensibly was brought in here for the purpose of giving work to people who industry and farming and business could not give work to in the ordinary course of the operation of their private business ventures, but this bill opens up this program and this vista of full employment, of setting up a new bureaucracy that will speedily cost the people who are struggling to operate their farms and their business not less than a million dollars a year, with a commission of experts and statisticians, and God save us when the experts get to experting around. It will cost more than they are worth.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN. Mr. Chairman, I yield myself five additional minutes.

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

Mr. HOFFMAN. I yield to the gentleman from Texas.

Mr. PATMAN. I agree with the gentleman that the sponsors should not support this movement, and I do not think they will. They will vote against the amendment.

Mr. HOFFMAN. Yes, but if you are not able to substitute the so-called Patman bill, 2202, you are going to take the Senate substitute; are you not?

Mr. PATMAN. Well, here is our problem.

Mr. HOFFMAN. Can the gentleman not answer that?

Mr. PATMAN. Yes; I can answer it if the gentleman will let me.

Mr. HOFFMAN. Please do.

Mr. PATMAN. I want to coordinate—

Mr. HOFFMAN. The gentleman can coordinate everything.

Mr. PATMAN. We will vote against this amendment. We are not going to try to improve it. We are not going to try to vote for any amendment—

Mr. HOFFMAN. To what?

Mr. PATMAN. The House committee amendment.

Mr. HOFFMAN. The gentleman means the committee report.

Mr. PATMAN. If we are successful in defeating it, why then the Senate bill will be open for consideration and we will vote for the Senate bill. We want the Senate bill.

Mr. HOFFMAN. Why do you not stick to 2202, if I may ask?



Mr. PATMAN. The parliamentary situation is such that we cannot get it considered under favorable circumstances.

Mr. HOFFMAN. Can the gentleman not, when we are in Committee, offer 2202 for the pending bill?

Mr. PATMAN. We do not feel we can have it considered under favorable circumstances.

Mr. HOFFMAN. You do not think you will get enough votes.

Mr. PATMAN. We will not get an even break.

Mr. HOFFMAN. How do you feel you will not get an even break?

Mr. PATMAN. The committee has brought in this amendment which is really the House bill like it is now.

Mr. HOFFMAN. It is no good, you say?

Mr. PATMAN. No; it is no good.

Mr. HOFFMAN. That is right.

Mr. PATMAN. It does not do what we want done; does not go far enough in that direction.

Mr. HOFFMAN. I cannot understand then why you will support the Senate bill.

Mr. PATMAN. If we cannot succeed in defeating the amendment and the amendment passes any way, then we will vote for it, because it will go to conference, and we have hopes that the conferees can write a good bill with the two before them.

Mr. HOFFMAN. So you have somebody planted over there.

Mr. PATMAN. We have no plant anywhere.

Mr. JENNINGS. It occurs to me that there is a confession here that those gentlemen who bring in this grandiose scheme for universal employment at the hands of a munificent government are not in favor of it. I think I know some people that perhaps favor that sort of thing. So they come now and say, "We are not willing to submit this to a majority vote." Of course, this vote will cross party lines. Do they confess that a majority of the House is not with them on this proposition?

Mr. HOFFMAN. That is my understanding that is the implication. If I understood the gentleman from Texas correctly he said the conditions which would then exist would be unfavorable, meaning, I assume, that he would lose out.

Mr. JENNINGS. He does not mean weather conditions, does he, he means the vote of the House?

Mr. HOFFMAN. I assume that is what he means. He sits here before me. If I am wrong he may correct me.

Mr. PATMAN. I am not admitting we would be defeated. I am saying it would be presented under unfavorable circumstances.

Mr. HOFFMAN. The gentleman means the prospects are you would not be able to get the votes.

Mr. PATMAN. I am not talking about the prospects, I am talking about consideration.

Mr. HOFFMAN. In this bill 2202 you are always talking about the prospects in the future. The whole bill is based upon the ability of someone to predict the future.

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

Mr. HOFFMAN. I yield to the gentleman from Alabama.

Mr. MANASCO. Under the rule, under which this bill is being considered, the gentleman from Texas or any other proponent of H. R. 2202 can offer that bill as a substitute for the committee amendment, and if they have the votes to adopt that amendment they have enough votes to pass the bill. It is unfair to say they do not have an even break in the committee. Is not that true?

Mr. HOFFMAN. That is the situation. I will ask the gentleman from Texas if he cannot offer H. R. 2202 as an amendment or as a substitute for the amendment offering the House bill as a substitute for S. 380?

Mr. PATMAN. We are satisfied with the Senate bill.

Mr. HOFFMAN. You think that is a better bill than 2202?

Mr. PATMAN. No; no better, but we can get the job done with the Senate bill. The parliamentary situation is such that we believe we should proceed in the manner I have indicated. Maybe our judgment is bad.

Mr. HOFFMAN. Yes; but the gentleman will admit that under the situation as it will exist tomorrow he is privileged to offer his bill as a substitute.

Mr. PATMAN. There is no question that any bill can be offered as a substitute, but we feel that our strategy would be more satisfactory and more likely to get the right result.

Mr. HOFFMAN. That is to say, you do not want to meet the issue as to whether your 2202—

Mr. PATMAN. Oh, no.

Mr. HOFFMAN. Wait a minute; let me ask the question. You will not meet the issue as to whether 2202 is good or bad. You will not submit that issue to the vote of the House.

Mr. PATMAN. We feel that we are submitting that issue on the Senate bill. We feel that that is substantially the same, and the same job can be done under the Senate bill.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN. Mr. Chairman, I yield myself five additional minutes.

But if you have faith in 2202, and if you think the House approves of it—and certainly you would not want any legislation that a majority of the House did not approve—why chase us over to the other end of the Capitol with the Senate bill and come back with the provisions that are in your 2202?

Mr. PATMAN. We will have a direct vote on 2202 when we vote on this House amendment, because the argument will be made, "Vote down the House amendment, then we will have an opportunity of getting a bill that is good as 2202."

Mr. HOFFMAN. But have you the courage to submit to the House 2202, have you?

Mr. PATMAN. It is the same thing. Courage? We are not lacking in courage, we are using strategy to get the same results on a roll call vote.

Mr. HOFFMAN. You are ducking it?

Mr. PATMAN. We do not want to get in the position where we could not get a record vote. We want a record vote.

Mr. MANASCO. Under the rules of the House, if 2202 is adopted as a substitute for the committee amendment, then they can get a roll call on H. R. 2202 when we get back into the House after the Committee rises.

Mr. PATMAN. The advice of you gentlemen is very interesting and is appreciated, but we are going to determine this strategy ourselves.

Mr. HOFFMAN. Yes; we realize that. But I just want to satisfy myself and some Members of the House want to be satisfied as to whether or not you had the courage to and would submit to the judgment of the House the merits of 2202.

Mr. PATMAN. I object to the word "courage," because we are submitting the same thing in S. 380.

Mr. HOFFMAN. Mr. Chairman, I decline to yield further.

Let me talk about the bill which is reported out by the committee. I shall oppose that bill because it does not provide for the doing of one single thing which cannot now be done by the powers that be. That bill provides for the creation of an economic council, consisting of three members to be appointed by the President, without the consent of the Senate, at an annual salary of \$15,000 each. That committee is authorized to employ experts and specialists in the District and others outside the District, at an expenditure of not more than \$345,000 per annum.

That committee gathers information. It has available all of the agencies and experts of the Government who are now on the pay roll. That committee cannot do one thing that the other agencies and departments of the Government are not now charged with the duty of doing. After it gets all its information it sends it over to the President, who today is authorized, who has the authority to call on his Cabinet officers and all of their employees to do the same kind of a job. Then the President, after he has received this report which could have been furnished him by the Cabinet officers and by other agencies, studies it and in a message transmits to the Congress the information and recommendations which the council may have made and to which he may add.

Congress gets the message and the Speaker turns it over to the Joint Committee, which is a new committee of 22 members, 11 from the Senate, and 11 from the House. That committee is authorized to expend an additional \$100,000. It studies the report which is presumed to tell us what sort of sickness we are suffering from and what sort of remedy we should take to cure it, and also the President's views on what is the matter with us and what he thinks we should do to get well. After studying that, the joint committee makes a report telling what it thinks is wrong with the United States of America and what it thinks we should take, either in treatment or medicine to cure what it thinks is wrong with us. Then the joint committee sends that—where do you think?



To the President pro tempore of the Senate and to the Speaker of the House. As was stated by Senator BARKLEY, the President pro tempore of the Senate and the Speaker of the House cuts it up and sends the parts to the appropriate committees of the House and Senate.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield? Is not that, to use a basketball term, dribbling the ball? You have seen them do it—bouncing the ball across the floor.

Mr. HOFFMAN. No; when you start dribbling the ball across the court, you are going some place and you get some place. In this bill you just go around in a circle and come right back where you started and where we are now, because all those things are provided for under our present law and present practice. After the creation of a new agency, the council, a new committee, the joint committee, after all the searchings and recommendations we are just where the present law and practice would leave us—in the committee rooms of the Senate and House standing committees.

Here is one more fact which I want to call to your attention: Each and every witness appearing in behalf of the administration, that is, those secretaries I mentioned, and I think I am safe in saying the gentleman from Texas [Mr. PATMAN] and the gentleman from California [Mr. OUTLAND], without any reservations of any kind, said that the system under which we had proceeded for the last one-hundred-and-fifty-odd years was the best ever devised and that it had given to the American man who must work with his hands for his livelihood more of all the good things of life than any other system.

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

Mr. HOFFMAN. I yield.

Mr. PATMAN. The gentleman will also admit that we said there were certain rough places every 10, 12, or 15 years that we wanted to iron out.

Mr. HOFFMAN. That is right.

Mr. PATMAN. That is, to improve on the system.

Mr. HOFFMAN. Yes; that is what you said. You wanted to tinker with it.

Mr. PATMAN. No; we want to improve it.

Mr. HOFFMAN. That is just like the boy with the clock when the family goes to church. The kid gets the clock down off the wall where it has been running for years and years and all the time keeping accurate time. But it ticks too loud, or the tune is not quite right, or the face is dusty or it is a little too fast or too slow.

There is something wrong with the old clock. It keeps time, all right, but the kid has got to monkey with it. That is the attitude of some of the gentlemen who always want to fix something just so they get a new agency, a new committee, spend some more of other people's money. They say, "Take the old clock all to pieces," and they do, and when the family comes home from church, there it is, scattered all over the floor, wheels, springs, weights, this, that, and the other, and they cannot get it back together again.

For the life of me, I cannot understand why, as long as we have the best system of government, the best economic system, you want to fool around with it, just because now and then something goes wrong. I wonder if those gentlemen expect that all of these rough spots, these ups and downs, which we all regret, are all going to be wiped out, and there will be no more unemployment, no more scarcity of food, no more discomfort or hardship, no more dissatisfaction.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN. Mr. Chairman, I will take two additional minutes.

This Congress is committed—both parties are committed—to the reorganization plan, to the streamlining of Congress; and yet, before that bill providing for reorganization has been signed by the President, in the gentlemen come and insist that we add another agency, create another standing committee. I cannot see it. Unless it is to give the reorganization machinery something to work on.

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

Mr. HOFFMAN. I yield.

Mr. FOLGER. Does not the gentleman get some consolation out of this, that the expenses of this latter committee will be borne half by the other body and half by us? We do not have to pay it all.

Mr. HOFFMAN. You are correct. Half of the \$100,000 per year is charged to the other body, but we have to appropriate the money, and it all comes out of the same borrowed funds.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. MANASCO. Mr. Chairman, I yield myself 2 minutes.

Mr. PATMAN. Will the gentleman yield to me?

Mr. MANASCO. I yield.

Mr. PATMAN. The gentleman was very anxious to have H. R. 2202 considered. If the gentleman will not insist upon making a motion to recommit, which he has a right to do, being upon the minority and the ranking member, and will yield to some Member over there who will submit that on a motion to recommit, it would suit all of us over here very well. Then we would have a record vote. So if the gentleman wants to help us work out strategy, if he will yield to a Member on his side to make a motion to recommit and to substitute H. R. 2202, it would be very pleasing to us, and there would be a record vote. I wonder if the gentleman wants a record vote on that.

Mr. MANASCO. Mr. Chairman, under that system of procedure, no amendment could be offered to H. R. 2202.

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

Mr. MANASCO. I yield.

Mr. HOFFMAN. The gentleman from Texas, as usual, did not accurately state what I said, nor did he state my position.

Mr. PATMAN. I am sorry if I did not.

Mr. HOFFMAN. You said I was anxious to have a vote on H. R. 2202. As far as I am concerned, you can throw

2202 in the ash can, and you could have done it the day after you offered it. I am not asking for that, but you introduced it, and you had cosponsors with it. You say you have faith in it.

Mr. PATMAN. Certainly, and we will get a vote on it.

Mr. HOFFMAN. Then you should have the courage to bring it out.

Mr. PATMAN. We will have a vote on it. S. 380 will get a vote on that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANASCO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, the setting of the goal of full employment for society has drawn much ridicule. It is easy to denominate it as visionary and impossible of performance.

Had I selected the title for the proposal we are considering, I should have labeled it a "bill to prevent depressions," for that is its exact and precise purpose. That title, I submit, is more meaningful.

Many people who do not think of themselves as employed persons because they are entrepreneurs, managers, or professional men would hesitate to scoff at a proposal for united government effort to ameliorate or obviate the effects of business crashes. For it is a fact that these economic phenomena pull down, in their ravages, every man Jack, high and low—stock broker, banker, storekeeper, those in retirement living on fixed income, teachers, and all ranks of employment from skilled mechanic to street sweeper.

Next to the age-old enemy of war, nothing brings upon modern civilized society so much suffering and devastation as does the paralysis of all business that strikes nations periodically under the familiar name of depression. It is one of the ills that is peculiar to highly organized industrial life. It is the successor of famine, which man's ingenuity has eradicated in most parts of the world.

Its chief end product is unemployment. The idleness of millions of men stops production, destroys values, creates government upheavals, shakes the foundation of men's faith in government, and invites desperate and dangerous men to prescribe cures and panaceas.

Owen Young, the great industrialist, who speaks from first-hand observation of our machine age, says of depression-bred unemployment:

The most dangerous surplus that can exist in any country is the idleness of men who want to work. It is ridiculous to speak of unemployment as a necessary condition of human society; it is a blot on our intelligence; it is an indictment of society's machinery; it is a drain on our sympathy; it is a promoter of charity which affects disadvantageously both those who give and those who receive. Some day we shall learn to do better, but we must learn it soon.

In the light of what has happened before our eyes in Germany, can anyone say that mass idleness is not a danger? The triumph of nazism and destruction of Germany are traceable directly and solely to the depression of the thirties. Without this economic storm, Hitler could not have succeeded. He had rapped at the doors of power ever since



1924, only to be rejected time after time, until he was on the verge of suicide. However, when increasing business chaos came he mustered the idle into his Storm Troops, keeping them from starvation by wages paid from party funds that came from the coffers of the rich industrialists. Hitler was invited into the chancellery by the failing Hindenburg, out of the deadly fear that the unemployed would drive the Reich in bolshevism. Unemployment indubitably made Hitler, and it will spawn the same kind of demagogues in the future.

In 1933, when the depression was at its worst 18 out of the 20 other American Republics experienced revolutions.

But there are those who hold that in the long run depressions are more or less a boon to mankind. This is the social philosophy of Ralph Blodget, of Iowa, an advertising man, who wrote these fantastic paragraphs:

It is to be hoped that depressions are never abolished, for they have many desirable features. Those who learn to ride the business cycle can find as many advantages in depressions as in booms—personal as well as business advantages. Smart folks take advantage of the boom \* \* \* they are then ready for the depression-time bargains, bargains in every conceivable thing, from a suit of clothes to a railroad.

That very name of "depression" is inappropriate. It horribly maligns those great periods so full of splendid opportunities and human benefits. Let us keep those periods but only abolish the name.

As far as I am concerned, this kind of argumentation falls on deaf ears, because I am too close to the great depression of 1930 to forget its ugly mien and not to nourish the hope that we shall never again be compelled to endure a similar era of distress. I suspect the corn growers of Iowa who saw their farms sold under the sheriff's hammer will enthusiastically agree with me. In fact, they might suggest the lunatic asylum for the panegyrist of panics just quoted.

Since the first international business crisis in 1847, there has been a periodicity of these world disturbances that compels us to accept them as the inescapable and inevitable by-products of our competitive society. If anyone undertakes to challenge this statement, let him first consult the economic history of the United States which records major panics for the years 1857, 1873, 1893, 1907, and 1929.

Even the stoutest defenders of the free enterprise system admit that business disturbances are a natural phenomenon of that system. Dr. Henry M. Wriston, of Brown University, to whom the full employment bill is anathema, writes in his recent book:

Depressions weed out the weak, the inefficient, the submarginal producer. Sometimes the weeding seems cruel and haphazard, but weeding there must be; so far no gentle method of condemning obsolete industry to death has been found.

The causes for cyclical disturbances are many. Some of them are fluctuations in prices; over-investment beyond capacity of public to consume, considering its spending power; readjustments caused by inventions of labor-saving machinery; uncontrolled stock market speculation; shifts or slumps in foreign

trade; disturbances in the business and commerce of related countries. Some of these factors often combine to produce the panicky results. Generally, it may be accepted that any prolonged boom will sooner or later end in an abrupt decline of business because business enterprise has literally worn itself out and needs a rest.

If, then, we must conclude that there will always be a recurrence of these disturbances, are we willing as an intelligent people to let disaster succeed disaster, without at least attempting by economic instruments to control or at least to cushion them? I am not ready to join those who are afflicted with economic despair. Man made the competitive system and he has it within his power to improve it. Its defenders do their cause no good when in the present debate they assert that full employment is not obtainable within the framework of a free competitive society. They are better propagandists for communism and its compulsory labor than Earl Browder himself.

It is to the great credit of the Roosevelt New Deal era, that at a time while liberal attitudes prevailed in the country, two noteworthy pieces of legislation were enacted that build barriers against this economic evil.

First. The insurance of bank deposits has immensely steadied our financial system so that when slow-up in business comes there will not be a grand rush to withdraw savings and deposits. Without this protection, we saw how financial panic leaped from community to community in the thirties, wrecking many institutions that could have remained open, if the wild hysteria of fear over loss of savings had not seized upon the people.

Second. Unemployment compensation that will not only serve to lift the problem of immediate food and shelter from the shoulders of the unemployed for a reasonable time, but will prevent the sudden, almost cataclysmic drop in the income of merchants and manufacturers that in former panics has destroyed business confidence and created widespread pessimism.

What we now hope to do, by the enactment of the full-employment bill, is to frankly and openly say that it is a function of government to protect its people from the ravages of economic upsets, not by waiting to salvage them after the storm has hit them, but by economic steps beforehand that will cause panics to be postponed, or at least to be mitigated in their havoc.

Some laissez faire advocates will, of course, say that the furnishing of jobs is the province of private enterprise, and that Government should be restricted to providing a favorable atmosphere in which private business can expand and supply the necessary job opportunities. However, these same persons took to the cyclone cellars, when the business debacle hit our economy in the thirties and filled the streets with idle men. They were not very vocal when Government, after the damage had been done to our economic system, stepped in to prevent what might have been riots and possible revolution, by furnishing jobs through Government investment. This idea of the neutral or

negative role of the State quickly disappears when the ugly facts of a depression confront you.

The full employment bill sets up as it were a lighthouse, to survey the economic scene, and warn us, if necessary, of impending business dangers. The President is cast in this role of lighthouse keeper. He is empowered in the Patman bill to prepare a national production and employment budget, the content of which will deal with foreseeable trends in business, much as business forecasters like Babson, Dun & Bradstreet, and others have been doing for years. Regularly the Government is now issuing estimates of crop production. Every trade association in the country outlines, usually in cold figures, the volume of business its members may expect for a year or so ahead. Why is there anything revolutionary in having the President, with the aid of Government departments, set up a preview of what the future holds for the country, as a whole, in the way of production and consumption? This budget will point out in particular those usual streams of spending that show a diminishing flow and which may conceivably be bolstered up.

Economic activity is dependent on expenditure, and the economists have roughly classified national expenditures in the following categories:

First. Private consumption of durable goods, semidurable and perishable goods, and services.

Second. Private investment for residential construction, business construction, producers' durable goods, changes in stocks.

Third. Public Government expenditures for goods and current services, including Federal, State, and local.

Fourth. Public investment by Government, Federal, State and local.

Fifth. Net foreign investment.

When it was revealed that there was dangerous lag in any of these categories of expenditure, it would be the business of the President not only to declare its existence but to suggest along with the Joint Committee on the National Budget, consisting of Members of the House and Senate, what can be done to revive that particular category of expenditure, or perhaps to investigate some other type of spending to counterbalance the shortage.

It is remarkable what substantial work has been done by economists the world over in cataloging the things that are feasible as antidepression policies. This whole literature is of no avail unless the only unified institution that has the power to deal with depressions, to wit, Government, has the courage and boldness to use these implements. So far, this House of Representatives has evinced so much timidity, that I think this volume of economic knowledge might as well not have been formulated.

May I enumerate some of the steps that may be resorted to if evidence points to business rescission:

First. Old-age pension taxes, in order to increase the wage volume available for immediate spending, might temporarily be reduced.



Second. Government, by loans, could persuade railroads in slackening times to intensify maintenance and upkeep repairs and improvements, which usually are curtailed as soon as there is the slightest reduction in car loadings. Suppliers of railroad materials constantly complain that railroads are never in the market for rolling stock, and so forth, until boom times come, when the fabricators are swamped with orders to fill deferred needs.

Third. Variation in the rate of interest, and reduction in amortization payments on mortgages in order to stimulate construction projects, both business and private.

Fourth. Grants to local governmental units in order to induce them to undertake needed capital improvements which by reason of fear and timidity springing from temporary adverse business conditions would not otherwise be undertaken.

Fifth. In such cases as present congressional appropriations for road building to extend over a period of years, a change in the timing of the use of the money, so that increased outlays should be concentrated in the slow business year, when it occurs, and a corresponding reduction or elimination of expenditure when the business indexes are favorable.

Sixth. Stimulation of foreign investment.

While thus far in this discussion, I have dealt with the devastating results of deflation in our economy, the machinery contemplated by the full-employment philosophy is likewise intended to watch for the signs of inflation, and to recommend to Congress the steps that should be undertaken to counteract it.

At the moment, the stock exchange offices are filled to the doors with people who are betting on a bull market. Inflation is as deadly as deflation, and the first is the precursor of the second.

Some Members of this House who have spoken today should remember that when the Government let business take its own course, and when there were no cries of regimentation and interference from Washington by a New Deal, this thing happened:

Between September 1929 and January 1933, according to the Dow-Jones Index of stock prices, 30 Industrials fell from an average of \$364.9 to \$62.7.

Another statement about stock behavior on October 29, 1929, from Beard's book *American in Midpassage*:

In the tumult of the day a record turnover of 16,410,000 shares was registered and the average price of 50 stock leaders fell almost 40 points.

The incalculable effects of such price fluctuation on the money and banking system of the country certainly places high responsibility on Government, entrusted as it is with the control and management of the currency system on which foundation rests the prosperity and solvency of the country.

Inflation and deflation are scientifically treated in what is probably the latest treatise on the subject, prepared and issued under the auspices of the League of Nations. That report, entitled "Economic Stability in the Postwar World," ought to be read by every Mem-

ber of this body. Sometimes I think Congress needs a study hour as the college prescribes. I venture to say that if we adjourned a day, with the understanding that every Member secluded himself to read this League of Nations report, we would come back into this Chamber prepared to act vigorously and boldly.

The heart of man is always stirred when God again fulfills His gracious promise "that while earth remaineth, seedtime and harvest shall not fail."

In due time, man will be wise enough, after much trial and error, and outright bungling, to add to the beneficence of providence, the guaranty of employment to all who need it—an ideal that is so roundly derided and ridiculed in this Chamber today.

(Mr. THOM asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. MANASCO. Mr. Chairman, I ask that the bill be read for amendment.

The Clerk read as follows:

#### SHORT TITLE

SECTION 1. This act may be cited as the "Full Employment Act of 1945."

Mr. MANASCO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. KING, having assumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government had come to no resolution thereon.

#### HOUR OF MEETING TOMORROW

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### EXTENSION OF REMARKS

Mr. SLAUGHTER (at the request of Mr. MANASCO) was given permission to extend his remarks in the RECORD and include a letter from the mayor of Kansas City.

Mr. GATHINGS (at the request of Mr. MANASCO) was given permission to extend his remarks in the RECORD and include an address by one of his constituents.

Mr. MORRISON (at the request of Mr. MANASCO) was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent, first, to extend my remarks in the RECORD in connection with a resolution I introduced today, which is the identical resolution of Senator WAGNER, reported out of the Senate Foreign Relations Committee by a vote of 17 to 1, asking for immediate congress-

sional action with reference to Palestine.

Second, I ask unanimous consent to revise and extend the remarks I made earlier this week having to do with the shortage of penicillin.

Third, I ask unanimous consent to extend my remarks in the RECORD and include a series of resolutions passed by the American Lithuanian Conference in Chicago. I am informed by the Public Printer that this will exceed 2 pages of the RECORD and will cost \$260, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Is there objection to the requests of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in the Committee of the Whole and to include therein certain statements and excerpts, and especially my testimony before the committee concerning this particular bill, including certain charts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIRKSEN (at the request of Mr. JUDD) was given permission to revise and extend the remarks he made today and include a copy of the substitute which he expects to offer tomorrow for the pending bill.

Mr. GAVIN (at the request of Mr. JUDD) was given permission to extend his remarks in the RECORD and include an editorial from the *Bristol Courier*.

Mr. HOLMES of Massachusetts (at the request of Mr. JUDD) was given permission to extend his remarks in the RECORD and include a memorandum of the Committee of the American Watch Manufacturing Industry.

Mr. D'ALESSANDRO (at the request of Mr. JUDD) was given permission to extend his remarks in the RECORD and include newspaper clippings.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and to include newspaper articles in each.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. JUDD. Mr. Speaker, I ask unanimous consent that on Tuesday, December 18, at the conclusion of the legislative program of the day and following any special orders heretofore entered, the gentleman from California [Mr. PHILLIPS] may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

#### CORRECTION OF THE RECORD

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to correct the RECORD of Wednesday, December 12, by adding to the sentence in my remarks on page 12095, column 1, beginning in line 5 and ending in line 10, the following: "cast upon them," so that the sentence shall read:







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
Issued December 17, 1945, for actions of Fri. and Sat., December 14 and 15, 1945)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed deficiency appropriation bill; agreed to \$750,000,000 for UNRRA; and to Tydings amendment to increase farm-labor item to \$25,000,000. House passed modified full-employment bill.

SENATE - December 14

- FIRST DEFICIENCY APPROPRIATION BILL.** Began debate on this bill, H. R. 4805, which was reported with amendments earlier in the day (S. Rept. 857)(pp. 12211, 12215-42). (For bill's provisions see Dec. 15, below.)  
Agreed to an amendment by Sen. McKellar, Tenn., to provide \$750,000,000 additional for UNRRA (pp. 12229-42).  
Rejected, 23-45, an amendment by Sen. Bankhead, Ala., to increase salaries of members of Congress by \$3,300 (pp. 12220-8). Sen. Tydings, Md., suggested a substitute to provide a \$5,000 increase for members of Congress and a \$2,500 increase for Cabinet members, but no action was taken (p. 12223). During debate on the Bankhead amendment, Sen. Taylor, Idaho, mentioned Secretary Anderson's recent testimony recommending higher salaries in the Executive Branch (pp. 12227-8).
- FOREIGN RELIEF.** Sen. Brooks, Ill., recommended relief shipments of food, clothing, etc., to Europe (pp. 12211-2).
- SEED ACT AMENDMENTS.** Received from this Department a proposed bill to make various amendments to the Federal Seed Act. To Agriculture and Forestry Committee. (p. 12211.)
- FEDERAL PAY BILL.** Sen. Downey, Calif., submitted an amendment which he intends to propose to this bill, S. 1415 (p. 12213).
- EXPORT-IMPORT BANK NOMINATIONS.** Received the nomination of Clarence E. Gauss, and confirmed the nomination of Lynn U. Stambaugh, to be Export-Import Bank



Directors (pp. 12242-3).

HOUSE - December 14

6. FULL-EMPLOYMENT BILL. Passed, 255-126, as reported this bill, S. 380 (pp. 12244-72).

Rejected the following amendments:

By Rep. Dirksen, Ill., to create a National Inventory Commission to make a national inventory of facilities and conditions affecting the national economy (pp. 12245-52).

By Rep. Folger, N. C., to change "free competitive enterprise" to "competitive private enterprise" (pp. 12254-5).

By Rep. Judd, Minn., (48-58) to provide for Senate confirmation of members of the Council of Economic Advisers (pp. 12255-7).

By Rep. C. Otland, Calif., (95-185) to reinstate the provisions of the original bill (pp. 12262-71).

Rejected, 136-242, a motion by Rep. Hoffman, Mich., to recommit the bill (pp. 12271-2).

Rep. Murray, Wis., listed quota requirements regarding agricultural commodities as precedents for his proposed quotas on watch imports (p. 12252).

7. HOUSING; VETERANS. The Public Buildings and Grounds Committee reported without amendment S. J. Res. 122, to provide adequate housing for veterans (H.Rept. 1442) (p. 12278). Majority Leader McCormack announced plans to bring up this bill Dec. 18 (pp. 12273-4).

8. UNO BILL. The Rules Committee reported a resolution for the consideration of S. 1580, the UNO bill (pp. 12244, 12278). Majority Leader McCormack announced plans to bring up this bill today (pp. 12273-4).

9. ADJOURNED until Mon. Dec. 17 (p. 12277).

SENATE - December 15

10. FIRST DEFICIENCY APPROPRIATION BILL, 1946. Passed with amendments this bill, H.R. 4805 (pp. 12283-310). Agreed to all committee amendments except one decreasing the amount for transmission lines in the Central Valley Project (pp. 12302-9); and to amendments by Sen. Tydings, Md., to increase the farm-labor item from \$22,000,000 (Committee figure) to \$25,000,000 and to increase from \$5,000,000 to \$7,000,000 the amount required to be apportioned among the States for this program (pp. 12286-7); by Sen. Downey, Calif., to increase the amount in the Committee amendment for the Civil Service Commission from \$1,000,000 to \$1,200,000 (pp. 12300-1); and by Sen. Lucas, Ill., to increase from \$84,259,000 to \$84,659,000 the amount available for flood control, general, War Department (pp. 12309-10).

Sens. McKellar, Tenn., and others discussed War Department's flood control work and inserted statements relative to projects involved (pp. 12292-300).

Sens. McKellar, Glass, Hayden, Tydings, Russell, McCarran, Brooks, Bridges, Gurney, and Ball were appointed conferees (p. 12310).

As passed, the bill includes provisions for:

Foreign plant quarantine (E&PQ), \$250,000 (House figure was \$125,000, Budget estimate was \$250,000).

Forest roads and trails, \$4,000,000 (same as House figure and Budget estimate) of which \$2,000,000 is for forest development roads and trails and \$2,000,000 is for forest highways.

Reforestation, \$300,000 (not in Budget estimate) for planting some 26 million trees now in forest nurseries.



## NOMINATIONS

Executive nominations received by the Senate December 14 (legislative day of October 29), 1945:

## EXPORT-IMPORT BANK OF WASHINGTON

Clarence E. Gauss, of Connecticut, to be a member of the Board of Directors of the Export-Import Bank of Washington, District of Columbia, for a term expiring June 30, 1950.

## THE JUDICIARY

## UNITED STATES DISTRICT JUDGE

Seybourn H. Lynne, of Alabama, to be United States district judge for the northern district of Alabama, vice Thomas A. Murphree, deceased.

## UNITED STATES COAST GUARD

Capt. Louis L. Bennett, United States Coast Guard, to be a commodore, for temporary service in the Coast Guard, to rank from the 1st day of November 1945, while serving as commanding officer of Coast Guard training station, Groton, Conn., or in any other assignment for which the rank of commodore is authorized.

Capt. Joseph E. Stika, United States Coast Guard, to be a commodore, for temporary service in the Coast Guard, to rank from the 1st day of November 1945, while serving as commanding officer of the Coast Guard group, Alameda, Calif., or in any other assignment for which the rank of commodore is authorized.

## POSTMASTERS

The following-named persons to be Postmasters:

## ARKANSAS

Arthur M. Matthews, Alicia, Ark., in place of F. W. Lemay, resigned.

Fred G. Williams, Bismarck, Ark. Office became Presidential July 1, 1944.

Barbara L. Payne, Patmos, Ark. Office became Presidential July 1, 1945.

## CALIFORNIA

Lilburn G. Rice, Upper Lake, Calif., in place of Roy Bucknell, retired.

## FLORIDA

Rae Moore, Darlington, Fla. Office became Presidential July 1, 1945.

## IDAHO

Roberta D. Keirnes, Pierce, Idaho., in place of C. N. Dundas, resigned.

Josephine McMurren, Weiser, Idaho, in place of R. J. Wood, deceased.

## ILLINOIS

Raphael V. McGreal, Chatsworth, Ill., in place of J. F. Donovan, transferred.

## KENTUCKY

Daisy H. Hampton, Artemus, Ky. Office became Presidential July 1, 1944.

Verne W. Dunham, Dover, Ky. Office became Presidential July 1, 1945.

Vernon Hall, McDowell, Ky., in place of Willie Hall, declined appointment.

Mattie S. Catlett, Mount Eden, Ky. Office became Presidential July 1, 1945.

Clyde W. Rice, Tyner, Ky. Office became Presidential July 1, 1945.

## MICHIGAN

Ward Gibbs, Sixlakes, Mich. Office became Presidential July 1, 1943.

## MINNESOTA

Lucile M. Bell, Lake Elmo, Minn., in place of R. A. Collopy, transferred.

Peter F. Hipp, New Brighton, Minn., in place of O. E. Schaub, resigned.

Lillian S. Mahlum, Nisswa, Minn., in place of V. M. Parks, resigned.

## MISSOURI

Emma E. Farrell, Point Lookout, Mo., in place of E. G. Willson, resigned.

## MONTANA

James P. Waters, Manhattan, Mont., in place of F. J. Hughes, deceased.

## NEW MEXICO

Fannie T. Matthews, Columbus, N. Mex. Office became Presidential July 1, 1945.

Mabel D. Woods, Farmington, N. Mex., in place of J. H. Odle, retired.

## NORTH CAROLINA

Birdie Allen, Clemmons, N. C. Office became Presidential July 1, 1943.

## NORTH DAKOTA

Milton I. Abell, Fortuna, N. Dak., in place of Cecil Wigness, transferred.

Ellen J. Powell, Powers Lake, N. Dak., in place of S. A. Lucy, resigned.

## OREGON

William W. Woody, Corvallis, Oreg., in place of V. P. Moses, retired.

Hugh E. Watkins, Myrtle Point, Oreg., in place of E. A. Schroeder, resigned.

## PENNSYLVANIA

Clifford G. Douthett, Cabot, Pa. Office became Presidential July 1, 1943.

Annie M. Riegle, Freeburg, Pa. Office became Presidential July 1, 1945.

John J. Burchill, Smokerun, Pa. Office became Presidential July 1, 1945.

## SOUTH DAKOTA

Allan R. Newman, Chamberlain, S. Dak., in place of H. E. Henegar, deceased.

Margaret A. Jones, Cresbard, S. Dak., in place of D. L. Stewart, resigned.

## UTAH

Lois C. Sargent, Coalville, Utah, in place of W. L. Sargent, deceased.

Carma C. Cutler, Kanosh, Utah. Office became Presidential July 1, 1945.

## VIRGINIA

Linwood M. Latimer, Carrollton, Va. Office became Presidential July 1, 1945.

Alex Moore, Chuckatuck, Va. Office became Presidential July 1, 1945.

John J. Wilson, Saint Brides, Va. Office became Presidential July 1, 1945.

## WASHINGTON

Kenneth J. Van House, Burton, Wash., in place of O. A. Carlson, transferred.

## WEST VIRGINIA

Elmer O. Bowyer, Dundon, W. Va. Office became Presidential July 1, 1945.

Hezekiah H. Pine, Scott Depot, W. Va. Office became Presidential July 1, 1945.

## CONFIRMATIONS

Executive nominations confirmed by the Senate December 14 (legislative day of October 29), 1945:

## FOREIGN SERVICE

TO BE ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO HUNGARY

H. F. Arthur Schoenfeld

TO BE CONSULS OF THE UNITED STATES OF AMERICA

M. Williams Blake Herbert V. Olds  
Overton G. Ellis, Jr. Rolland Welch  
Beppo R. Johansen Robert E. Wilson

TO BE FOREIGN-SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

(Correction of names as nominated October 3, 1945)

Francis H. Colombat  
Herbert D. Spivack

TO BE FOREIGN-SERVICE OFFICER OF CLASS 7, A SECRETARY IN THE DIPLOMATIC SERVICE, AND A CONSUL OF THE UNITED STATES OF AMERICA

Meredith Weatherby

EXPORT-IMPORT BANK OF WASHINGTON, D. C.

Lynn U. Stambaugh, to be a member, Board of Directors of the Export-Import Bank of Washington, D. C., for a term expiring June 30, 1950.

## POSTMASTERS

## GEORGIA

Cyrus E. Tolbert, Omega.

## MICHIGAN

Mina Cato, Ceresco.  
Frank J. Nackerman, St. James.  
Fred B. Mohr, Sherwood.  
Paul E. Telfer, Trenton.

## SOUTH DAKOTA

Pauline E. Stanislaus, Wallace.

## TENNESSEE

Louise White, Clairfield.  
Hayden Glover, Elmwood.

## WASHINGTON

J. Frank Hall, Edwall.  
Lillian Brain, Thorp.

## WISCONSIN

Jennie Ruid, Loretta.  
Vivian A. Edberg, Radisson.



# House of Representatives

FRIDAY, DECEMBER 14, 1945

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, chosen by Thee for great and blessed designs, we pray for Thy wisdom and vision to clear our motives, and for freedom from that vanity and selfishness which give only passing satisfaction. Oh, reveal unto us that certitude and teach us how to live a life that is good enough to endure forever. Forbid that we should think that a noble life can grow in godless soil, spurred only by ambitions that sting and blast our better natures. O Master, grant us a larger portion of Thy spirit that we may do the work entrusted to us, focusing our talents toward a more contented way of living, never thinking of a great God with a small outlook. We pray for maximums of belief, experience, service, and trust which will give to mankind the heights of love, of heaven, and God. Through Jesus Christ our Lord. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1471. An act to transfer certain land and personal property in Limestone County, Tex., to the State of Texas, acting by and through the State board of control.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (H. R. 4129) entitled "An act to provide for reorganizing agencies of the Government, and for other purposes."

## UNITED NATIONS ORGANIZATION

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 457, Rept. No. 1438), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the act (S. 1580) to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the

reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in two instances, in one to include a letter from a young marine, and in the other to include a letter from the clerk of the superior court of Boston urging the establishment of a veterans' building in the city of Boston.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech which I was supposed to make at Columbus which I cannot make and which they will miss.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KINZER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a memorandum of facts concerning the American watch manufacturing industry.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an editorial.

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a speech, There Will Always be a U. S. A. if We Don't Give It Away.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DOLLIVER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to insert an editorial from the Bee and Herald, of Jefferson, Iowa, A Suggestion on the Housing Shortage, and in the second instance to insert a letter from a prominent citizen of Waterloo, Iowa, concerning military training.

Mr. DWORSHAK asked and was given permission to extend his own remarks in the Appendix of the RECORD and include therein a brief statement on veterans' legislation.

Mr. FULTON asked and was given permission to print in the RECORD three resolutions of the India League of America adopted at Steinway Hall, in New York, on Wednesday, December 12.

Mr. HAGEN asked and was given permission to extend his remarks in two

instances, in one to insert his own remarks on the subject of consumer credit, and in the other with reference to the occasion of the presentation of the Nobel peace prize to Secretary Hull, a speech on that occasion by Gunnar Jahn, former Norwegian Minister of Finance, and chairman of the committee.

## CALL OF THE HOUSE

Mr. MANASCO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. RAMSPECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 203]

Anderson, Calif.	Gearhart	Merrow
Andresen,	Geelan	Murdock
August H.	Gerlach	Murphy
Andrews, Ala.	Granger	Norton
Balley	Grant, Ind.	O'Hara
Baldwin, Md.	Hall,	Powell
Baldwin, N. Y.	Leonard W.	Quinn, N. Y.
Barden	Hancock	Robinson, Utah
Barry	Harless, Ariz.	Rockwell
Bates, Mass.	Hart	Roe, N. Y.
Blackney	Hartley	Rogers, N. Y.
Bland	Healy	Sasscer
Boren	Heffernan	Schwabe, Okla.
Bradley, Pa.	Hess	Sharp
Brehm	Horan	Short
Cannon, Fla.	Izac	Simpson, Pa.
Carlson	Jackson	Starkey
Chiperfield	Jennings	Stevenson
Clark	Jones	Stockman
Cole, N. Y.	Jonkman	Sumner, Ill.
Colmer	Kee	Summers, Tex.
Combs	Keefe	Taylor
Courtney	Kefauver	Thomas, N. J.
Curley	Kelly, Ill.	Towe
Davis	Keogh	Wadsworth
De Lacy	Kirwan	Wilson
Dickstein	Kopplemann	Winter
Dingell	Lewis	Wolverton, N. J.
Douglas, Calif.	Luce	Wood
Doyle	Madden	Woodhouse
Drewry	Maloney	
Fogarty	May	

The SPEAKER. On this roll call 331 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## EMPLOYMENT-PRODUCTION ACT

Mr. MANASCO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House



on the State of the Union for the further consideration of the bill S. 380, with Mr. THOMASON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose last night, the first section of the bill had been read, and it is now open to amendment.

Mr. LAFOLLETTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of making a statement. I said yesterday in my remarks that at the conclusion thereof I would include a statement, together with the bill H. R. 4181, which I had introduced and proposed to offer as a substitute. The bill and papers were properly marked, and I laid them on the table here in the well of the House. In collecting the other material which I had I inadvertently took those two exhibits and did not discover it until this morning. Naturally, they are not in the RECORD this morning. Under the circumstances, I feel I must bear the consequences of my own inadvertence. The bill was very long, and I doubt if many Members have read it, although they might have had an opportunity to read it this morning if it had been included in the RECORD. It was not included, so I shall not offer it as a substitute amendment. I want to offer that explanation of my own error. I am sorry that I cannot get a vote on it, although I have no delusions as to whether it would carry. I will not take any more time of the Committee, but merely make this statement in explanation of why the Members did not find in the RECORD that which I said would be in it.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I heard considerable of the debate on yesterday and I did not have an opportunity to speak. I am going to speak frankly. In the first place, it is my opinion that a great deal of the debate yesterday carried with it a philosophy of defeatism and despair. I want to repeat with all the emphasis at my command what I said in a question to the Chairman of the Committee, namely, that in my judgment the root cause of the destruction of democratic institutions in Germany and in every other country that has lost its democratic institutions has been economic conditions under which the the people of that nation found it impossible to have any hope for a decent life.

The worst feature of those economic conditions has always been unemployment itself. The danger to constitutional democracy, to freedom, is not from full employment as was implied so frequently on yesterday, but rather from unemployment. That is the first point I want to make.

The real question before the House is not whether we shall accomplish the job perfectly, which a democracy never does, but whether in truth we shall make a sincere effort. The question is whether we will have the courage to state it as a policy of Congress to enact from time to time measures necessary for the maintenance of an opportunity for employment for all Americans ready and willing to work.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a correction?

Mr. VOORHIS of California. Not at this time. I am sorry.

Many Members rose on the floor yesterday and said, "You can do all this without a bill. You do not even need a bill." I would agree that is largely true as to the committee substitute. For that substitute contains little that is different from the situation prevailing in the past. I agree there is little need of a bill like the committee substitute, because, except for the setting up of the council, it does not seem to me the committee substitute does much of anything except what can be done and has already been done.

Now, is that enough? I submit, Mr. Chairman, it is not enough. I submit to those Members who spoke yesterday, "Give American free enterprise a chance," which is what I want to do, but I want to give it a real chance—I submit to them that they forget that in 1929, after there had been the greatest possible freedom for industry to pursue its own course and develop in any way it saw fit, the bottom dropped out of the economic situation, and the very people who were soon to condemn every New Deal measure that was taken, came and begged the Government of the United States to save them from utter ruin.

The burden of my speech is simply this: That in this, the beginning of the age of atomic energy, it is absolutely necessary that there be a reasonable appraisal of where the job of government lies, and where the proper field of private enterprise lies, in solving the problems of a great nation like the one in which we live. That solution will never be found, on the one hand, by those people who insist on unlimited extension of governmental activity, nor, on the other hand, by those who say that government must not even act to prevent the growth of monopoly power or to control the supply of money in the Nation. There are duties of government today which, if performed wisely and well, can increase the true freedom of not only our people but also our industry and agriculture. Some of these are preventing inflation and deflation; developing a security system which will be broad enough to really undergird the consumer buying power of the country; having a tax system which will offer an incentive to business expansion and production. None of these measures involves deficit spending. It is unnecessary to rely wholly or even largely on public works as a means of overcoming unemployment. If anyone really wants the system of freedom to continue, his first duty is to take steps which can prevent unemployment in the future, and to take a stand in this Congress for the opportunity of Americans to work. In my judgment, the Senate bill is a good bill on the whole. I want an opportunity to vote for the Senate bill, and I am going to try to get an opportunity to vote for the Senate bill by voting against the committee substitute.

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

Mr. VOORHIS of California. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman from California had his opportunity only yesterday. The committee gave the gentleman a whole day's session, as indicated in the hearings.

Mr. VOORHIS of California. That is true.

Mr. CHURCH. And now you are criticizing the committee and the chairman.

Mr. VOORHIS of California. I did not say a word about the committee not giving me an opportunity. Of course, I was before the committee.

Mr. CHURCH. The gentleman said he did not have an opportunity to speak yesterday.

Mr. VOORHIS of California. No; I did not. I beg the gentleman's pardon. I said I hoped I would have an opportunity to vote for the Senate bill; that I was going to try to get such an opportunity to vote for it. I said that on yesterday I did not have an opportunity to address the Committee. That was not criticizing a single soul when I said that. I had to leave at 6 o'clock. That was the reason.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like the attention of the gentleman from California [Mr. VOORHIS]. The gentleman is complaining he did not have an opportunity to speak yesterday. Did the gentleman ask anyone on this side for time?

Mr. VOORHIS of California. Let me say to the gentleman the only reason I made that remark was because I wanted to make a rather general speech on the bill, but the chairman of the committee promised me time on yesterday. Unfortunately, however, I had to leave, for reasons that are quite personal with myself, before they got to my time. When I made that remark I implied no criticism. I only regret the fact.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment, and in connection with the amendment I may say for the benefit of the House that the text of the amendment appears on page 12150 of this morning's RECORD.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Strike out the language of the Committee substitute and insert the following:

"That (a) Congress hereby finds that—

"(1) Recurring economic depressions, with the resulting poverty and unemployment, are not inevitable and unavoidable;

"(2) The effective operation of the national economy depends upon the same factors and controls as those affecting all industry;

"(3) Periodic, comprehensive inventories and accountings of the existing plant, together with intelligent appraisal, based on such inventories and accountings, of the potentialities for the immediate future are indispensable to the efficient and successful operation of any industrial enterprise;

"(4) A periodic, comprehensive inventory by the United States of all of the facilities and conditions affecting the national economy is indispensable, not only to an intelligent appraisal of the potentialities of such economy for the immediate future but also to the efficient, stabilized operation of the national economy.

"(b) It is hereby declared to be the policy of the United States, by making provision for



such periodic national inventories and for appraisals based thereon, to determine the causes of economic depressions, with their resulting poverty and unemployment, to prevent them from recurring, and to stabilize the national economy at a high level of production and employment.

"SEC. 2. (a) There is hereby created a commission, to be known as the National Inventory Commission, which shall consist of 30 outstanding persons representative of industry, labor, agriculture, small business, finance, and the public, respectively, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of \$15,000 per annum. The Commission shall annually select a chairman and vice chairman from among its members.

"(b) The Commission shall annually make a national inventory of the facilities and conditions affecting the national economy. Such inventory shall include, but shall not be limited to, inventory of—

"(1) The natural resources of the United States;

"(2) Financial commitments, both at home and abroad;

"(3) Requirements for consumer and capital goods;

"(4) The economic effects of cut-backs in war production;

"(5) The problems of reconversion;

"(6) State and local needs for highways, paving, schools, hospitals, and other public and community facilities;

"(7) Backlogs of orders;

"(8) The amount and distribution of savings;

"(9) Foreign balances available for expenditure;

"(10) The size, value, and productive potential of the industrial plant of the United States;

"(11) The size, value, and productive potential of the farm plant of the United States, and the amount and distribution of indebtedness thereon;

"(12) The size, value, and productive potential of small business;

"(13) The housing requirements in the United States;

"(14) The needs of veterans;

"(15) Employment and unemployment, and its distribution by regions, States, and areas;

"(16) Wage payments in the United States.

"(c) The Commission shall, not later than January 1 of each year (beginning with the year 1947) submit the national inventory to the President, and shall append thereto such recommendations, within the framework of the free competitive enterprise system and with due regard for national solvency, as it deems advisable with respect to—

"(1) Better functioning of the system of free competitive enterprise;

"(2) Taxes;

"(3) Cyclical balancing of the budget;

"(4) Retention, abandonment, or modification of price controls, and rationing controls;

"(5) Liquidation of emergency agencies of the Government;

"(6) Cost of Government;

"(7) Extension of social security;

"(8) Administration of the public debt;

"(9) Stimulation of risk capital;

"(10) Revitalization of competition and removal of Government from competition with private business;

"(11) Speculative accumulation of inventories;

"(12) Reduction of building costs and stimulation of construction;

"(13) Public works at the national, State, and local levels;

"(14) Stimulation of invention and the development of new products;

"(15) Utilization of foreign patents and processes to develop new enterprise;

"(16) The use of Federal works programs not as relief but to stabilize and expand the construction industry;

"(17) Stabilization of the national economy at a high level of production and employment.

"(d) In carrying out the provisions of this act—

"(1) The Commission is authorized to employ and fix the compensation of such specialists and other experts as may be necessary, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ such other officers and employees as may be necessary, and fix their compensation in accordance with the Classification Act of 1923, as amended;

"(2) The Commission may conduct such hearings, investigations, and inquiries as it deems necessary;

"(3) The Commission may constitute such advisory committees, and may consult with such representatives of industry, agriculture, labor, consumers, and other groups, as it deems advisable;

"(4) The Commission shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies.

"SEC. 3. As soon as practicable after receiving the national inventory from the Commission, the President shall transmit such inventory (including the recommendations made by the Commission) to the Congress, together with his own recommendations with respect thereto. The national inventory and the President's recommendations, when transmitted to the Congress, shall be referred to the Joint Committee on the National Inventory (created by sec. 4).

"SEC. 4. (a) There is hereby established a joint committee of the Senate and House of Representatives, which shall be known as the Joint Committee on the National Inventory (in this section called the joint committee), and which shall be composed of the chairman and ranking majority party member, and the two ranking minority party members of the Senate and House Committees on Appropriations, of the Senate Committee on Finance, of the House Committee on Ways and Means, and three other Members of the Senate to be appointed by the President of the Senate, and three other Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

"(b) It shall be the function of the joint committee—

"(1) To make a continuing study of matters relating to the national inventory; and

"(2) As a guide to the several committees of Congress dealing with legislation relating to the national inventory, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in connection with the national inventory, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

"(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

"(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropria-

tions, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

"(e) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman, and shall not exceed \$100,000 for each fiscal year."

Mr. BENDER (interrupting the reading of the amendment). Mr. Chairman, since this appears in the RECORD on page 12150, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. SMITH of Ohio. Mr. Chairman, I object; the amendment ought to be read.

Mr. HOFFMAN (interrupting the reading of the amendment). Mr. Chairman, would it be in order now to ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD?

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

Mr. SMITH of Ohio. Mr. Chairman, this amendment, in my judgment, is a recapitulation or a restatement of some of the main principles involved in the Senate act and in the Patman bill, and I object to the request because I think every Member of the House should hear the amendment read.

The Clerk concluded the reading of the amendment.

Mr. WHITTINGTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, on behalf of the committee I am constrained to make the point of order against the proposed substitute that it is not germane to the Senate bill or to the substitute bill proposed by the committee.

With the Chair's indulgence I call attention to the fact that the Senate bill undertakes to assure full, continuing, remunerative employment by supplementing the deficiencies of the private enterprise system by Federal expenditures and disbursements. I emphasize that the purpose is to provide for what is termed in the Senate bill full employment.

Secondly, under the Senate bill, in order to promote the objectives of this full remuneration employment to all, assured as stated, a national budget of Federal expenditures and disbursements is proposed. The Senate bill is confined to the matter of employment. The proposed substitute of the House, while also confined to employment, adopts an entirely different view. The substitute undertakes to provide and not to assure high levels of employment or maximum employment, production, and consumption by giving to the private-enterprise



system of the country an opportunity to function, and it provides for an economic report by the President of the United States with respect to the subject in hand, to wit, employment. It sets up an advisory council of three outstanding citizens comparable to demobilizers and to those who provide for reconversion at salaries of \$15,000, and whatever be said about the expenditures by those three men, their expenditures are limited and the amount would be fixed hereafter by the Congress of the United States in approving appropriations. But they are confined to the matter of consideration of employment, of the loans, and of the programs that have been adopted by Congress, and with any supplemental recommendations with respect to additional expenditures or outlays or additional legislation to promote employment.

The proposed substitute offered by the gentleman from Illinois goes far afield. He has embraced in his language many desirable matters, but fundamentally he provides for an inventory of the United States. I read the first provision of his substitute:

"The natural resources of the United States and the needs of the States, of the local agencies for highways and schools and hospitals and other facilities"; a national inventory covering the property and covering the operations not only of the National Government, but of the States composing the National Government. The objective is an inventory, and inventories are sound, and if there are not adequate provisions in our budget for inventories, the place to correct it is under that system.

Secondly, it proposes to establish a commission on national inventory, to be composed of 30 persons, at salaries of \$15,000 each, with no limitation upon the amount that they might expend for the purpose fundamentally not of providing employment, but undertaking to make an inventory of the properties and of the operations of the Federal Government and the State governments as well.

To show that such is the intent and purpose of the proposed substitute, the matter is submitted to the President, and I quote from the substitute, "for him to transmit to Congress with his recommendations with respect thereto, to wit, the national inventory."

It may be correct and it may not; it may be desirable and it may not. But with all due deference, having covered practically the entire field of governmental operations, it does strike me that this proposed substitute offered by the gentleman from Illinois goes far afield and undertakes to substitute for the proposed employment solution embraced in the two bills before the committee an entirely different proposal, an entirely different matter dealing not only with inventories, and not only with inventories of the Federal Government, but restricting and limiting only the matter of the inventories to the consideration of the joint committee.

Mr. Chairman, I feel, as I said, that under the circumstances I am constrained to make a point of order against the amendment.

The CHAIRMAN (Mr. THOMASON). The Chair is ready to rule.

The Chair thinks the amendment is clearly germane. The Senate bill, the committee amendment, and the amendment offered by the gentleman from Illinois, all deal with economic policy, recommendations, programs, and so forth, thereon relating to the question of full employment. Therefore, the point of order is overruled.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for an additional 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, I think the discussion on yesterday reflects a rather interesting division of sentiment in the House with reference to this generic problem of unemployment in a time of dislocation. There are some who evidently want the Senate bill. There are some who want the House bill. There are some who want no bill at all. There are some who want a modification of the bills that have been presented in both the House and the Senate. This effort in preparing a substitute to provide for a National Commission on National Inventory is nothing more than a humble effort to aid the cause, as it were.

It comes about from the experiences we had early in the war with respect to a problem of national proportions. Do you remember the day rationing was imposed upon tires and all kinds of rubber products in the country? We discovered very suddenly that there was a very critical condition confronting this Nation. It was ventilated very freely before a Senate committee, and the result was headlines, incriminations, and recriminations between administrators and Cabinet Members of the Government on this whole rubber problem.

What was done? The President of the United States reached out and found two private citizens and charged them with the responsibility of studying this question. One of them was Mr. Bernard Baruch. They inventoried our position in rubber, our needs, what we had. They made and recommended a program. They estimated the cost. The result was that there sprang up in the country industrial plants which last year produced well over 1,000,000 tons of rubber.

Good results flowed from the making of an inventory. So I was very much interested some time ago in the report Mr. Baruch made to a Member of this House, the gentleman from Tennessee [Mr. GORE]. It was on the 14th of November that he dispatched a letter to the gentleman from Tennessee, and I want to read only one paragraph, if the House will indulge me.

Evidently there had been a meeting and it was in comment on that meeting, that Mr. Baruch said this:

Here is what I wanted to say: Before we can decide the question of inflation and all the other economic problems, domestic and

foreign, facing us we must get an over-all picture of the balance sheet of the country—a kind of inventory that would show these facts.

Then he alludes to debt, distribution of savings, productive capacity, how to divide what we produce, what to allocate to rehabilitation for foreign countries, what to do with the surplus, and finally, to produce and produce and produce.

Now, then, if you can solve one problem that way, certainly you can solve what may be the biggest problem that may confront the country by the setting up of a group of 30 men representative of finance, the public, of labor, of agriculture and industry, and small business, and give to them the responsibility of rendering a national balance sheet to the President and to the Congress of the United States. It is quite in line then with what we are attempting to do at the present time. It may be said that there is already a council of advisers in the pending bill. That is quite true. But let me point out what I think is a weakness. On page 15 of the bill you will notice this language:

There is hereby created in the Executive Office of the President a council of economic advisers.

Let me repeat. "There is hereby created in the Executive Office of the President a council of economic advisers."

We have a council there now in the form of the Budget Bureau. When they last came before the Committee on Appropriations to procure funds for their operation they reported they had 587 people on the pay roll. For the fiscal year 1946 we gave them \$2,900,000 for their operation. In response to my questions to Director Smith of the Bureau of the Budget last year, he said, "We do have authority to pass upon all planning and planning funds that are submitted by any agency in Government."

Now, it is proposed today to set up another council in the Office of the President, a council of only 3 when you have a Budget Bureau that has been functioning for 24 years with 587 people on the pay roll, exclusive of the 144 who were transferred there from the Office of War Information. Now my contention is that this is an over-all problem and that unemployment and employment is simply a facet of a national problem. It becomes necessary then to determine our capacity, to determine what commitments we have made both at home and abroad, and to make an exploration of the national debt, to make an exploration of all economic conditions in the country and to do it by means of an independent group.

Is that not the technique we have followed heretofore with respect to other economic and administrative problems? We have, for instance, today a Veterans' Administration looking after the affairs of millions of veterans. It is an independent agency of Government and Congress was so interested in its independence that when the reorganization bill, the conference report on which was completed only yesterday on this floor under the splendid leadership of the gentleman from Mississippi [Mr. WHITTINGTON], we said in the bill that the independence of



that agency must be preserved and that it must not be disturbed in any reorganization bill.

It is 58 years ago that we consolidated all the railroad affairs under the Interstate Commerce Commission. We kept it an independent agency. In the reorganization bill we protected its independence no later than yesterday as that bill was before us. When we had an economic tailspin in 1929 and \$50,000 fur coats and \$50,000 apartments went on the market, there was a great slump in equities and values and the savings of people were wiped out by the millions.

Under the leadership of the splendid and beloved Speaker of this House, who was then chairman of the Committee on Interstate and Foreign Commerce, there went across this floor and onto the statute books of this Nation the Securities and Exchange Act, to give us control of the security markets of this country. We preserved the independence of that agency and protected it in the reorganization bill. If that approach is good for the tremendous problems that confronted the economy of the country in those days, then why should we not have an independent agency outside of the office of the President to make an inventory, to make a survey, to ascertain the conditions that have a bearing upon unemployment, and then to make a recommendation that shall involve every factor and every incentive? In that independent inventory we have got to know something about the distribution of manpower. Every release I have seen from the Department of Labor says there are 3,000,000, or 4,000,000, or 5,000,000, or 8,000,000 out of work. Have you ever seen it broken down by areas? The industries in my district today are advertising over the radio for help. Why not get a clear picture? An inventory commission could give us a clear picture of every industrial area in the country, to determine exactly and precisely what that problem is.

What about materials? Think of the letters on your desk today, shrieking out in protest against the housing situation in this country. We should build many houses, but it requires material. What is the availability of lumber, soil pipe, sheeting, and everything else that goes along with it? Who in Government today has a clear picture of that subject?

What about the distribution of savings? How much in the hands of the consumer? How much in corporate treasuries? How much in trust funds? How much in the hands of the banks? How much of it is spendable today? I have seen no balance sheet to indicate what we can expect in that respect.

I think the inventory requires also that we look at the question of foreign trade and tariffs. The president of the watchmakers' union was at the White House last week. He protested that in the month of October alone over 2,000,000 Swiss watch movements came into this country. The number of Swiss watch-making plants has increased from 50 to 500, when our own people at Waltham, Mass., and Elgin, Ill., were busy producing precision fuses for war and for victory.

Now, here come so many imports from the outside that threaten employment in the country. Only through an inventory commission, in my judgment, can you appraise that kind of development, put it together and render a balance sheet to the President and to the White House.

We are going to have to analyze this whole question of debt and its amortization. There is the question of devaluation of gold. When the going gets too thick, it is still possible to go back to the Agricultural Adjustment Act of 1933, and still squeeze 9 cents out of the dollar of the United States. What about it? What effect is it going to have upon confidence, upon the profit motive, upon incentives, upon all those things that encourage the free enterprise system and that finally produce jobs?

In the main, that is the whole story. This substitute, though it seems a little bit long, is considerably compressed, in comparison with the committee bill, but it sets up an independent commission on national inventory to look at every factor so that then we can address ourselves more intelligently to the question of a high level of unemployment, and to make a report to the President. Then have the President add his recommendations, and submit them to the joint committee on national inventory, made up of selected Members of the House and Senate. There is the whole story.

I fully concur in the sentiment that Mr. Baruch uttered to the gentleman from Tennessee [Mr. GORE] in that letter of October 5, when he said:

Here is what I wanted to say: Before we can decide the question of inflation and all the other economic problems, domestic and foreign, we must have a kind of inventory that would show us the facts.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SMITH of Ohio. The gentleman provides for recommendations to be made by the commissioners to be appointed on various matters, one of which is the cyclical balancing of the budget.

Mr. DIRKSEN. That is right.

Mr. SMITH of Ohio. Would the gentleman give us a few illustrations of where cyclical balancing of the budget has been practiced and how it worked?

Mr. DIRKSEN. It has never been the practice since 1931 or 1932. Even in the days of President Hoover there was no balanced budget, and in all the years since, of course, there has been no balancing of the budget. Now, we go along with expenditures greater in some years than they are in other years. Perhaps it may not be possible to balance the budget in every year but certainly we can have a balancing of the budget once every 2 years or some stated period of time, a cyclical balancing of the budget, once every 3 years or 5 years. The fact of the matter is that for sixteen or so years we have never had a balancing of the budget. I think it is imperative as a matter of fact that there be some kind of balancing of the budget. If you cannot do it every year then let us do it on a cyclical basis involving 2 or 3 years at a time.

Mr. SMITH of Ohio. Can the gentleman cite an instance in history when that has been the practice, to have a so-called cyclical balancing of the Budget?

Mr. DIRKSEN. As a matter of fact, you can compare no country on earth with the United States in the matter of the size of the Budget, for our Budget is probably greater than that of all the other countries combined. But if we cannot do it every year, then we ought to work out some system whereby it can be done periodically, and that is what I have reference to.

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

Mr. DIRKSEN. I yield.

Mr. FOLGER. I am very much impressed, but I wish to ask the gentleman if that would not involve a tremendous force and expenditure of money. Would it not be colossal?

Mr. DIRKSEN. The gentleman from North Carolina has asked whether it would not involve a tremendous force and a tremendous amount of money. It may involve a substantial amount, but do not forget the billions that we lost when we went through the valley of the shadow of dislocation once before.

And, finally, may I add this: If it is good business for business to take an inventory every year, then it is good business for the biggest business on earth to take an inventory, namely, the United States Government.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

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

Mr. HOFFMAN. Mr. Chairman, it grieves me greatly to oppose anything suggested by the gentleman from Illinois [Mr. DIRKSEN]. During the last campaign he made a very very wonderful and effective speech over in my district advocating my reelection. If there is any individual in the whole Nation whom I have ever had the privilege of meeting, who has more speaking ability and eloquence, more downright persuasive power, than the gentleman from Illinois I cannot recall his name at the moment.

The gentleman from Illinois is a member of the Appropriations Committee. He has a vast knowledge of our financial condition, of the money we have and do not have, of what appropriation should and should not be made. I regret that the gentleman with all his eloquence and persuasive power could not have seen fit to have given the committee 5 minutes of his time when this bill was under consideration.

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

Mr. HOFFMAN. I yield.

Mr. DIRKSEN. I think since the 5th day of September when Congress reconvened—and my friend from Michigan [Mr. RABAUT] and others will bear me out—we have had hearings in the Appropriations Committee continuously 6 days a week and there has been no possibility of going before other committees.



Mr. HOFFMAN. No Member renders more continuous and worth-while service than the gentleman from Illinois [Mr. DIRKSEN]. If the gentleman could just have sent us over, say a memo on it, that would have been appreciated.

The gentleman has advocated economy time and time again. Now he comes before us and in place of a committee of three members of a council at \$15,000 he says we ought to have 30 at \$15,000 each, and he wants to make an inventory of everything the country has.

That would have been fine if we had started back years ago. I suggest to the gentleman that if he will just wait 6 months there will be less to inventory; and his plan if he waits a little longer perhaps there will be still less to put in an inventory, we will have given it all away. Let us not blow hot, let us not blow cold on the same day; let us either be for economy by act as well as by word, or against it by word when we are for spending by act. The gentleman is on the Reorganization Committee, is he not?

Mr. DIRKSEN. That is right.

Mr. HOFFMAN. That is a committee to cut down Government agencies, cut down Federal expenditures. Yet he comes here now and offers an amendment which calls for an inventory of our national assets, our resources. Unless I am mistaken, and if I am the gentleman will correct me, there is no limit, not even the sky, to the amount of money that these 30 \$15,000 a year men can spend. If he gets his inventory, it will show that our stock of dollars is short, in fact we not only have none we do not owe, but, we owe for those we do not have, but would that keep us from loaning Britain four or more billion dollars or end our spending—it would not. Oh, it grieves me to oppose the gentleman's amendment, I will say to the gentleman.

Mr. DIRKSEN. It should not.

Mr. HOFFMAN. Let us be consistent. I know the gentleman is eloquent, I know he is persuasive, but why not be consistent?

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

Mr. HOFFMAN. Yes; I will be happy to.

Mr. DIRKSEN. With respect to expenditures, let me say to the gentleman that only last week when the deficiency bill went across here it contained items for the Department of Commerce for the gathering up of all sorts of facts of a piecemeal nature and it embraced an appropriation of over \$5,000,000. My friend from Michigan never raised his voice in opposition to it.

Mr. HOFFMAN. I never voted for it. The gentleman has voted for a dozen appropriations I voted against.

Mr. DIRKSEN. The gentleman by his tacit consent let that thing go across the floor of the House. If you are going to have a piecemeal approach you can do an over-all job infinitely cheaper than that.

Mr. HOFFMAN. Does the gentleman mean to infer that if I had protested and spoken against the passage of the bill it would have had any effect on the vote?

Mr. DIRKSEN. I do not know; probably not.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I think we have had enough inventories and I hate to see anybody from the Republican side ask for it because our people are getting tired of having Government snoopers from the OPA and WPB asking questions. If we have not any hope from the Republican Party, where is the hope?

Mr. HOFFMAN. Mr. Chairman, in conclusion all I am asking is that we vote down this amendment because it is just another enlarged agency for more Federal spending.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MANASCO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN]. I have not had an opportunity to study it as carefully as I would like, but I notice there are some 18 or 20 objectives in the amendment offered by him. Many of them are very laudable objectives and I am sorry he did not see fit to submit them to our committee because we might have included one or two of them in the consideration of the bill.

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

Mr. MANASCO. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman will recall that the gentleman from Michigan [Mr. HOFFMAN], and several of us were interested in not closing the hearings. The gentleman from Illinois [Mr. DIRKSEN] was listed as a witness we wanted to hear. Our committee did not give him the opportunity because it closed the hearings.

Mr. MANASCO. Of course, we had requests from three or four hundred people to appear, but I think every member of the committee heard enough. We had about 7 weeks of hearings.

Mr. Chairman, the majority of our committee believes that the President of the United States should have some machinery to make continuing studies of our economic problems. I realize that there is a place the Government occupies in our economic system to advise and counsel industry, wholesale distribution systems, our investing public, and other segments of our society. Heretofore we have made attempts to do that loosely. The gentleman referred a moment ago to the Department of Commerce that was given four or five million dollars to make certain studies. At the present time we have over 75 agencies in the Federal Government gathering statistics. We hope that in the reorganization plan the President will send down under the Reorganization Act adopted yesterday many of these statistical-gathering agencies will be consolidated. We realize that Government statistics are of great value to industry and the wholesale distribution trade, but, unfortunately, we have no coordination of those agencies. In many instances, by the time a fellow finds which agency is getting the information he desires it is too old to be of any benefit to him. We do hope that

the President remedies that situation in the reorganization plan.

We realize that the Bureau of the Budget could make some of the studies recommended in this legislation, but we think that a separate agency not connected with any of the old so-called bureaucratic agencies should make these studies. We do not want people going around snooping in safety deposit boxes or people's socks or under the bed, trying to make investigations to carry out the intent declared in section 2 of the amendment offered by the gentleman from Illinois. I think it is safe to say that if this substitute offered by the gentleman were adopted and became law it would ultimately cost the taxpayers of the United States billions of dollars. We limited the amount of expenditures by the Council set up in our substitute bill to \$345,000. We did that purposely, because many of you have seen Government bureaus grow from 20 men to 20,000 men, and they can come before the committees of Congress and justify that increase. It is very hard to resist them. That is the reason we placed a ceiling so that when they come before the Committee on Appropriations they cannot go beyond \$345,000. We think that that machinery will give the President an adequate staff.

They can utilize the services of other Government agencies in making these studies to be made under our committee substitute and can do a worth-while job for the people of our country without jeopardizing in the least our economy or without increasing appreciably our public debt.

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

Mr. MANASCO. I yield to the gentleman from Minnesota.

Mr. JUDD. Would not this new agency that the gentleman's substitute would set up be a permanent haven for all the old run-down economists, analysts, and stenographers of the OPA, the WPB, the OSS, and the OWI and all the other agencies which we would like to see terminated just as soon as possible?

Mr. MANASCO. Yes; and many others in that same category. I sincerely trust the amendment will be voted down.

Mr. CELLER. Mr. Chairman, I move to strike out the last two words.

Mr. MANASCO. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. CELLER. I yield to the gentleman from Alabama.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes, the last 5 minutes to be reserved to the gentleman from Mississippi.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CELLER. Mr. Chairman, the gentleman from Illinois made passing reference to a visit by a gentleman to the White House who sought a quota on Swiss watches. I cannot let that reference go by without making comment on it. We cannot have full employment in this country unless and until we have exports to the extent of about \$10,000,000,000. International trade is no



longer a one-way street. People must have the dollars with which to buy our goods or, if they lack the dollars, we must buy goods from those to whom we send our exports; otherwise we are stymied. The Swiss send their watches to us. We send to the Swiss quantities of agricultural products. If we put a quota on Swiss watches, as was demanded by that gentleman who visited the White House, we encourage not only the Swiss to put quotas against our own goods, but encourage other nations to put quotas against our goods, and with that sort of trade irritations it would discourage and tend to preclude our share of international trade. With such trade we make for unemployment. That gentleman who went to the White House represents a company union, a company-controlled union. He represents companies that are now under indictment by the Department of Justice. Surely, the gentleman does not want to come to the aid of three companies particularly who had been indicted—indicted for violation of our anti-monopoly laws. Monopolies and cartels discourage competition and freer trade and thereby reduce our productivity with consequent loss of jobs. The monopolistic practices charged against these companies are the practices that so interfere with our national economy as to reduce employment. You can pass all the so-called full employment bills in the world, but monopolies kill fullest employment. The watch companies and their machinations to stifle competition really ruin the purposes of any bill like the one before us.

No. All kinds of quotas are ruinous to our national economy. Quotas mean monopoly and favoritism. It becomes a mad scramble as to who gets which. If you set up a Swiss watch quota there will be a continual trek to Washington and all and sundry interested to get a larger piece of the quota pie. Any quota would give the American watch manufacturers, under indictment, a firmer grip on their monopoly. They would have a lush time, lifting skyward the price of their product. They would get away with huge profits because there would be a decided dearth of watches since no Swiss watches of any appreciable number could come in. They could not supply the terrific demand for watches. Prices would leap. Then profits would swell.

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

Mr. CELLER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The gentleman must be fair. The three largest watchmakers in the United States have all sent information, data, and letters to every Member of the House and of the Senate.

Mr. CELLER. So have the American Watch Assemblers Association, but the three large watchmakers—the Waltham, the Elgin, and the Hamilton—are now under indictment by the Department of Justice. Do not forget that. Also they have blatantly advertised heavy demand for their product. They know that the shelves of all retail jewelers are bare of watches of all sorts. Try to get any kind of watch. You will fail. The Amer-

ican watchmakers would double and triple that scarcity if we had a quota against Swiss watches.

Mr. DIRKSEN. The gentleman would not want to leave the implication that simply because some clerk down at the Department of Justice has seen fit to draft an indictment that makes them culpable of any wrong?

Mr. CELLER. The gentleman does not believe that. That indictment was the result of many, many months of investigation. It was the result of deliberations of a grand jury.

May I say to the gentleman, however, that the CIO and the A. F. of L., both of which organizations are very much interested in jobs, are opposing any Swiss quota. These labor groups have expressed strong opposition to any quota. I assure the gentleman those organizations, which are vitally interested in removing the spectre of fear of loss of jobs, should know what they are talking about. I hope the gentleman will canvass in his own mind the facts concerning this matter of Swiss watches. I have great respect for the gentleman. When the full facts are known to him, I am sure he will revise his judgment.

Mr. HOLMES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Massachusetts.

Mr. HOLMES of Massachusetts. Two weeks ago I introduced a bill to place a quota of 25 percent on the import of Swiss watches, based on the production of the watch industry in 1940.

Mr. CELLER. Yes, I am aware of the gentleman's bill. I understand the gentleman's bill. He is seeking to get a quota by legislation. He will fail. His bill would destroy our entire international-trade program.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. As I understood the gentleman, he said we ship lots of agricultural products to Switzerland. I want to keep my good friend from New York straight by saying—

Mr. CELLER. I refuse to yield further. I ask the gentleman to read the treaty between the United States and Switzerland, and he will find that there is an intent on the part of both Governments that the Swiss take large quantities of agricultural products. During the war, because of the lack of shipping, the Swiss could not take those agricultural products. They are very anxious to take them now, but they will not take them if there is any attempt to put a quota on their productivity.

May I say to the gentleman from Illinois that the American Watch Assemblers Association, who oppose the quota, is a wholly American industry.

It has to do not only with the importing of movements. They make in the United States the cases, the metal and leather straps, the bracelets, jeweled pieces, and assorted accessories and adjuncts that go into watch making. They employ just as many men as the American Watch Manufacturers employ. They were engaged in the manufacture of war precision and airplane and radar

instruments and tools to just as great an extent as was the American watch industry. They won just as many Army and Navy E awards as did the American watch industry. Both groups participated in the war effort. The American watch group cannot claim a monopoly in that regard.

On this bill, may I say I am in favor of the amendment offered by the gentleman from Illinois. I believe that unless we come to the conclusion that the right to a job is as inalienable a right as the right to life, liberty, and the pursuit of happiness, we are going to get into the economic doldrums.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I thank the gentleman for his kindness in yielding. May I say to my good friend from New York that I not only can read but I do read. If he cares to look the situation up and do a little reading himself of the OPA order, he will find that contrary to the law of this country Swiss cheese is coming in here with a 12¾-cent a pound ceiling above American-produced cheese.

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

Mr. MURRAY of Wisconsin. I will not yield to the gentleman; he would not yield to me.

What can the Tariff Commission do about that? They have no more power than I have.

Mr. SMITH of Ohio. Mr. Chairman, we are witnessing an outstanding exhibition of what the French historian and statesman, Guizot, called, "the great delusion, faith in the sovereign power of political machinery." This is, of course, nothing out of the ordinary since it is representative of the dominant psychology that has prevailed in the Congress in the last 10 or 12 years. The attitude of mind seems to be that every social and economic defect, imaginary or real, can somehow be corrected through the creation of an additional Federal board, bureau, or agency.

Mr. DIRKSEN's amendment calls for the establishment of a national Inventory Commission, appointed by the President, composed of 30 members, each of whom is to receive an annual salary of \$15,000. The members of this body are to be selected from "outstanding persons representative of industry, labor, agriculture, small business, finance," and, of course, the dear "public." It would be the business of this commission to make an inventory of all our natural resources; financial commitments at home and abroad; requirements for consumer and capital goods; State and local needs for highways, paving, schools, hospitals, and other public and community facilities; the amount and distribution of savings; the size, value, and productive potential of the industrial plant, and also farm plant; the size, value, and productive



potential of small business; housing requirements; veterans' needs; employment and unemployment and its distribution; wage payments; and so forth.

The first inventory is to be submitted to the President by the Commission not later than January 1, 1947. The Commission shall append to such inventory recommendations, "within the framework of the free competitive enterprise system and with due regard for national solvency," with respect to better functioning of the system of free competitive enterprise; taxes; cyclical balancing of the budget; retention, abandonment, modification of price controls and rationing controls; cost of Government; extension of social security; administration of public debt; stimulation of risk capital; revitalization of competition and removal of Government from competition with private business; speculative accumulation of inventories; reduction of building costs and stimulation of construction; stimulation of invention and the development of new products; the use of Federal Works programs not as relief but to stabilize and expand the construction of industry; stabilization of the national economy at a high level of production and employment; and so forth.

The Commission would be authorized to employ and fix the compensation of such specialists and other experts, officers, and employees as may be necessary. The Commission may conduct such hearings, investigations, and inquiries as it deems necessary.

It is provided the Commission shall submit its national inventory to the President with recommendations in respect thereto. In turn the President shall submit the national inventory with recommendations of his own to another body which the Dirksen amendment seeks to establish, called Joint Committee on the National Inventory, to be composed of Members of Congress.

This joint committee is also authorized to hold hearings as it deems advisable, to at will go into the affairs of any and all enterprises in the United States.

There are numerous other provisions in the Dirksen amendment, but we have stated enough of them to show the broad implications of his proposal. We have here many of the provisions and practically all of the basic ideas contained in the sections relating to the National Budget as provided in the Senate Full Employment Act and the Patman full employment bill.

In my testimony before the Expenditures Committee opposing the so-called full employment bill I pointed out the similarity between the National Budget provided in those measures and the Soviet national budget. The point is that the psychology embraced in formulating the Dirksen amendment is essentially socialistic and is in nowise related to anything required of a legislative body to maintain a true republic. When one examines the individual items embraced in this amendment one is constrained to conclude that they represent that dogmatism and mysticism characteristic of Jacobin thinking. Let us look at a few of these items.

It is provided that the commission shall, within the framework of the free competitive enterprise system and with due regard for national solvency, make recommendations with respect to cyclical balancing of the budget. Now who can define cyclical balancing of the budget? I asked the gentleman from Illinois [Mr. DIRKSEN] whether he could cite any examples of cyclical balancing of the budget. His reply indicated that he knew of no such examples. Of course he does not, nor does anyone else. So far as I know there is no record of any such reality. The gentleman from Illinois may have had in mind that the Government might be financed for a time by keeping expenses under income and then in turn reverse the process whereby outgo would exceed income, so as to balance accounts over a long-run period. But is this a rational concept? I do not believe it is. In my opinion it is typically representative of socialist thinking, faith in the power of words. If it is not that, then it can be nothing other than an excuse for deficit financing.

The terms "stimulation of risk capital, revitalization of competition, stabilization of the national economy at a high level of production and employment," and so forth, are all indefinable, mere clichés, and can, in my judgment, by no stretch of the imagination be brought within the realm of rational thinking.

The gentleman from Illinois [Mr. DIRKSEN] remarked that enterprise keeps an inventory of its affairs and he asked why should the Government not do likewise. This concept is commonly held by Members of the House. Indeed, it dominates largely our thinking. It exhibits the great distance this legislative body has departed from comprehending what the true functions of the Federal Government are.

Certainly private industry keeps tab on its affairs, but only on its own. But the Congress seems to be minding everybody else's business but its own.

Why should the Congress want an inventory of all the economic factors of the Nation? What would it do with it after it had made it?

What does the Soviet regime do with its national inventory? It uses it as a coercive instrument to keep the people rigidly regimented, to virtually hold them in slavery. To the extent that our Government would use the machinery which this amendment calls for it would do to our people precisely what the Soviets do to theirs.

The Dirksen amendment embodies almost the entire congeries of concepts that make up the Socialist philosophy. It provides that it shall be the policy of the United States, through the political machinery that would be set up by his amendment, to determine the causes of economic depressions and to prevent them from recurring. If the author of this amendment can show me two economists who could agree upon the causes of depressions and their cure, I would like to have him do so. They just do not exist. This proposition postulates nothing less than that the political machinery, which it would establish would somehow be possessed of those at-

tributes of God which come under the head of omniscience and omnipotence.

Congress should, indeed, make an inventory—not, however, of something it is wholly incapable of comprehending, namely, the social and economic life of the Nation, but of the affairs it can really call its own, namely, what constitutes its real function and duty under the Constitution. It should begin by redefining the principles of the Republic which was vouchsafed us by the founding fathers.

Mr. Chairman, we have here a rather outstanding exhibition of what the French historian, Guizot, called "the great illusion, faith in the sovereign power of political machinery." Those of you who have studied the budget of the Soviet Union will see that these things are done by it.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON] to close debate on this amendment.

Mr. WHITTINGTON. Mr. Chairman, I hesitate to detain the Committee. There is no Member whom I esteem more highly than the gentleman from Illinois. He is versatile and he is comprehensive. His comprehensiveness is only exceeded by the versatility and comprehensiveness of his proposed substitute. He emphasizes the matter of a proposed inventory Government departments are required to keep inventories. The first thing you would expect of a committee is to advise you what is being done under existing law. I favor strengthening the law providing for inventories. The House passed in the Seventy-eighth Congress a bill to provide better facilities for inventories. It went to the other body, and it reposes there still.

But we have under consideration a bill limited as nearly as may be to the matter of employment. To show you how many matters are covered by the proposed amendment that we might well eliminate, studies are to be made with respect to the liquidation of emergency agencies of the Government. They will shortly expire. Why bother to go into an investigation of those agencies?

"The better functioning of agencies." It covers all matters.

Whatever may be said with respect to the committee bill, in order to enable the President to submit and in order to aid him in preparing his economic budget with respect to employment, we establish in his office—and the bill so states—three outstanding officials on a par with the Cabinet to advise him with respect to the great question of employment. We put them at his command. We did that because the testimony before the committee showed that President Hoover and President Roosevelt would have been in a better position if they had had the benefit of their advice.

Something has been said about the amount they will expend. The Senate bill contemplates the expenditure of at least billions of dollars. My judgment is that to promote production during the war we have done it by the establishment of small commissions and small committees, whether it be the War Production Board or the OPA, and when we provide them with millions of dollars, it



occurs to me we could do no less than to put an absolute ceiling of \$300,000 on the amount that may be spent by these men in the Executive Office of the President of the United States; just as the Director of the Budget is in his office. I say the Director of the Budget, like members of the Cabinet, does not have the time required. They are all too preoccupied. If the Director of the Budget, in order to provide for our normal expenditures, has a staff costing two or three million dollars, it occurs to me it would be economy, before we embark upon a policy of expending billions of dollars in lump-sum appropriations, and it would be the part of wisdom and the part of economy to put a ceiling on the amount that the advisers of the President may spend. It strikes me, with all due deference to my good friend, that when the Senate began hearings on this bill in July and the House began hearings on September 25, in a matter that has engaged the attention not only of the Congress, but of the country, if the gentleman had had any confidence in his proposal, if he had wanted to have a committee to pass on it, with all due deference and in all kindness, in a matter of this magnitude, while I am willing to trust the gentleman when I can, it does occur to me the least that could be done with a proposal of this sort is to demand that a committee of the House or a committee of the Senate take a look at it.

I trust the amendment will be overwhelmingly defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

The question occurs on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was rejected.

The Clerk read as follows:

POLICY OF THE UNITED STATES

SEC. 2. Congress hereby declares that it is the continuing policy of the United States—

(a) By means of—

(1) preserving and encouraging the American economic system of free competitive enterprise and fostering the investment of private capital in trade, agriculture, commerce, and in the development of the natural resources of the United States;

(2) aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business, and to promoting continuous growth in the quality and quantity of facilities of production;

(3) encouraging individual initiative;

(4) avoiding competition of government with private business enterprise; and

(5) adopting sound fiscal policies and maintaining the credit of the United States;

and thereby creating under, and in a manner consistent with, the American system of free competitive enterprise, the maximum opportunity for employment (including self-employment), to attain and maintain a high level of employment (including self-employment), production, and purchasing power.

(b) By means of investigating and determining the causes of economic fluctuations, and providing for continuous study of economic conditions and economic trends, to make provision for diminishing such fluctuations and avoiding the causes thereof.

(c) By means of—

(1) encouraging State and local governments to plan and adopt sound programs

of public works for their normal needs in normal times, capable of acceleration and expansion when widespread unemployment in the State or in any substantial portion thereof exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

(2) planning and adopting programs for loans by the United States, consistent with a financially sound fiscal policy, for use when widespread unemployment in the United States or in any substantial portion thereof exists or threatens;

(3) planning and adopting a program of sound public works, consistent with a financially sound fiscal policy (such works to be performed, except as otherwise authorized by law, by private enterprise under contract), for the normal needs of the United States in normal times, capable of acceleration and expansion when widespread unemployment in the United States or in any substantial portion thereof exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

to stimulate private enterprise in the periods in which widespread unemployment exists or threatens so as to stimulate and promote employment (including self-employment), production, and purchasing power in a free competitive economy, thereby aiding and assisting employables (including self-employed) in such periods to secure employment, and to aid in removing or preventing inflationary or deflationary conditions in periods in which such conditions exist or threaten.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and also to revise and extend the remarks I made earlier.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, I just want to take a few minutes to say something about quotas, because it has something to do with jobs. One would think, from listening to the debate, that quotas were something new. What is so sinful about putting quotas on watches coming into this country? We have many quotas. I will just enumerate a few of them.

We have a quota on wheat put on at a time when wheat was 54 cents a bushel, after 7 years of the more abundant life, in 1939. It was put into effect in 1940, and only 800,000 bushels of wheat are allowed to come into this country, or less than one-tenth of 1 percent of the amount of wheat produced in this country.

We have a quota on potatoes. We allow only a million bushels of potatoes to come into this country unless we have a yield of less than 350,000,000 bushels in this country.

We have a quota on tobacco seed, as you will remember, put on under the Kerr bill. Now we are not allowed to ship any tobacco seed out of this country. I suppose it is part of the good neighbor policy and was put on because we do not want anyone anywhere else in the world to raise our kind of tobacco in competition with us.

There is a quota on milk. Only 4,000,000 quarts of milk can be imported to this country, which is almost nothing in comparison with the 120,000,000,000 pounds of milk produced in the United States.

There is a quota on beef cattle. We do not have any quota on dairy cattle. I do not know why that is, but maybe you can explain that one.

Why should it be so sinful all at once to want to put a quota on watches? That is the reason why the time has come when we cannot go down both sides of the street with the American people. The watchmakers of this country are going to have jobs producing American watches, if some quota is put on the number imported. And the glass boys and all the rest of these small industries in this country are going to have unemployment if the American workman is not protected.

If we are going to come to the point where we run the economy of this country on nothing but automobiles, we are surely going to find out that we are going to have a lot of people unemployed.

What good is it to have a fixed economy if we cannot give a man a job? What good is it to have 10,000,000 unemployed in 1940? What good is it to have an economy that does not give people jobs?

What good will it be to put on 140 cents per hour minimum wage if it does not produce jobs? What the people need to buy groceries with is the money that will come from providing jobs.

What good is it going to do the people of our country if we are going to let the people in Czechoslovakia make all the shoes, the people in Belgium make all the glass, and the people in Switzerland make all the watches? I for one cannot go along down the road under this hypocritical hypothetical trade agreements policy and approach to furnishing jobs for American workmen.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. GALLAGHER. I wish to ask the gentleman if he knows where a person can go to buy a watch in America at the present time?

Mr. MURRAY of Wisconsin. I presume one can; I have not had occasion to.

Mr. GALLAGHER. I have been trying to.

Mr. MURRAY of Wisconsin. The gentleman has been trying to. I take it that if he has got the money he can buy it. Yes; they brought in enough watches that he ought to be able to buy one. They brought in 28,000,000 during the war from Switzerland.

Mr. GALLAGHER. I mean American watches.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. JENKINS. It was brought out before the Ways and Means Committee that the watchmakers under this program do not get enough to do. Provide them employment and you can buy watches made in this country.

Mr. MURRAY of Wisconsin. The point is whether we are going to give the



American people a chance to have American jobs at American wages or are we going to turn our markets over to others with low wage rates.

I have just about come to the conclusion that there are a lot of people here who want to give America away.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am opposed to quotas of any sort, because if you are going to have quotas, you are going to Balkanize the nations of the entire world, and you are going to build up all kinds of walls against the products of American industry. It is a policy entirely contrary to the Hull policy of reciprocity. Quotas are contrary to the very pronouncement that was issued by the State Department only a few days ago which accompanied the Anglo-American loan pact. It was specifically stated therein that it opposed quotas. Our State Department must square its actions with its preachment. I cannot, should not encourage any quotas. Switzerland watches to a great number have come in. Why? Because there were no watches of any sort to supply the terrific demand. Besides, the War Department strained every effort to have the watch importers bring in as many Swiss watches as possible. The War Department bought for our G. I.'s millions of Swiss watches. The War Department urged the watch assemblers to bring in every possible watch. Now, because of Government action, the American watch manufacturers would "strafe" the importers. That was unjust. Despite that large importation there are no watches left. Further, the demand for imported watches will gradually slough off as American watches again come into the market. In a few months all will be normal again and all can be satisfied—without any quota. I am not going to belabor the situation further. I want to get to this bill and give my views on it for the interest of my own constituents in my State.

Mr. Chairman, we ask, President Truman asked, and President Roosevelt asked for a genuine bill. The bill that has been given to us is so weighted down as to be valueless. We ask for wool, we get shoddy. We ask for gold, we get dross. If we pass this bill, the specter of unemployment will still hang over the heads of millions of working men and women throughout the length and breadth of the land. That includes not only city but rural workers and suburban workers. It means farm laborers, it means industrial workers and service industry workers.

This bill, to my mind, is just an ersatz bill. It is a synthetic bill that gives us practically nothing. It is a bill that contains a bundle of pious wishes, pontifical promises, and dulcitudes. There is no implementation of action. It is just preachment. If somebody asked me why it is that, I would say, with all due respect to the gentlemen of the committee, it was something written by the best minds of the eighteenth century. The committee members failed to realize that "time marches on." They would maintain the status quo, that the unemployed

shall always be with us. Well, the unemployed should not always be with us.

To my mind, we must develop some sort of economic substitute for war contracts and war work; otherwise, then, jobs and full employment are taken off the masthead of the Nation. Our economy is producing now in goods and services about \$160,000,000,000 a year. That means in general a satisfactory level of employment, approximately 60,000,000 jobs, more or less. That level must be continued.

There is no such thing as full employment. There is always the situation where men are going from one job to another. There is always some unemployment. But 60,000,000 jobs is a good goal to shoot at, particularly when all the "Johnnies are coming marching home." We cannot afford another jobless depression. We cannot risk another march to Washington of the unemployed as happened during the Hoover administration.

Eric Johnston, president of the United States Chamber of Commerce, who cannot be accused of any socialistic tendencies, in a book recently published, had this to say:

The American economy set-up has been predominantly private capitalistic. But that does not arbitrarily exclude the utilization of State power and State economy for specific purposes.

Those specific purposes that he had in mind were the creation of jobs. He implied that when private industry falls down in creating fullest employment the State and Federal powers must be invoked to supplement private activities to create jobs.

When we were considering TVA there were no charges made that that was socialistic. That was a matter of Federal spending and it was a matter of job creation. The opponents of a genuine full-job bill bitterly complain that there should be no Federal spending to create jobs. They sang a different tune with TVA.

This bill now before us, in my opinion, is like trying to put out a future depression conflagration with a seltzer-water bottle. It cannot be done. Government, in my judgment, must first do everything to stimulate and encourage increased employment in private industry in part by the following:

First. Reducing taxes.

Second. There should be no double taxation like taxes on corporation profits and taxes on dividends.

Third. We should lighten some of the SEC burdens, particularly on small business.

Fourth. There should be a curtailment of consumption and sales taxes.

Fifth. We should curb monopolies and cartels.

Sixth. There should be a more liberal policy in the RFC and the Smaller War Plants Corporation in making loans, particularly to small business.

Seventh. We must aid, to the fullest, veterans.

Eighth. We must dispose of surplus property for the benefit of small farmers and small businessmen.

Ninth. We must offer encouragement to aviation, railroad, and merchant-ma-

rine industries—by subsidies, if necessary.

Tenth. And we must encourage international trade by increasing our exports as well as our imports.

To the extent that private enterprise cannot insure full employment, the Government must fill the gap.

The bill before us is woefully insufficient in all this.

I prefer the Senate bill.

It says that the President shall submit to Congress a national production and employment budget.

A twofold program is set forth for balancing national production and employment budget.

First. There is to be a general program for encouraging increased non-Federal investment and expenditure. This may call for new policies or programs dealing with banking and currency, taxation, wages and working conditions, social security, and related fields.

Second. To the extent that this program may not be sufficient to balance the budget, a second program is called for—a program of Federal investment and expenditure. This program would be designed to contribute to the national wealth or well-being. It could include specific programs for assistance to business, public works, public services, conservation, and other public activities. On the performance of all public construction, work should be by private concerns. That is the answer.

A barometer reading of national economy should be taken periodically. Danger signals can be set in various economic fields. When private business seems insufficient to cope with the situation of threatened joblessness. Where purchase power lags so as to threaten stock piling of civilian and capital goods due to lack of demand and lack of money in hands of purchaser.

Then an economic level can be set. Then Congress must act to inaugurate plants for Federal expenditures.

In other words, if all else fails, the Government must step in by setting up plans and appropriations for public works like Federal housing, slum clearances, Missouri Valley authorities, St. Lawrence waterway, and other TVA's for hydroelectricity of rural areas, river and harbor developments, flood control, reforestation, urban rehabilitation, expansion of aviation, improvement of railroads, and merchant marine—but all the public works shall be through private contractors and private concerns. The State also must aid in these public services and conservation programs.

If the parliamentary situation is such that I have no choice and must take a half a loaf, I must do so, and then vote for the bill, weak as it is, in the hope that in conference it will be strengthened and put into more palatable form. I hope the conferees will see the light and finally give us an honest-to-goodness full-employment bill.

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that all debate on this section close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.



The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, I want to mention something that is really important to prevent the next depression. Of course, you know there is really nothing in any of the bills that have been suggested that would help prevent a depression. If any of these bills had been passed and been in operation in 1921, would it have prevented the 1921 depression? Certainly not. Long before the 1921 crash sensible experts, like Benjamin Anderson, were saying that what Government must do to prevent the next depression was to stop the inflationary spending for foreign loans; cut down expenditures and go back to American principles. What did Congress do? Nothing. If this bill had been in operation before 1929, would it have prevented the crash? No. Long before the 1929 crash, in 1927, the same experts, like Benjamin Anderson and others whom I could name, were saying, "Cut out the inflationary money; go back to common principles," they warned. "The Federal Reserve bank in 1927 had started an inflationary, cheap-money policy which was intended only for the benefit of Britain. This policy will not even help Britain, but it will certainly bring on a terrible depression." What did Congress do? Nothing. The candidates for President in both parties surely knew, because the little employees like me, who were working in New York at the time knew it, that the rug had already been pulled up from under inflation, and that it was only a matter of time before the crash. But they both promised full employment. What would such a bill do if it were in operation today? Once more the same men, like Anderson, whose articles have come to your desk, have said, "Cut out the inflationary spending. If you do not, we are going to have the worst depression this country has ever known." What does Congress do? Nothing but pass a communistic full employment bill, hiring some more New Deal experts to fool the people into believing that the inflationary spending is right.

If you really want to perform a miracle, why do you not take an interest in the fact that the Government has cut out the new synthetic rubber industry, making alcohol out of grain. To preserve this industry would prevent the next depression for agriculture, according to the hardest headed grain men in Chicago. During this war that industry cut down costs 100 percent. We are told—and it was testified to before the Committee on Ways and Means, and the gentleman from Nebraska [Mr. CURTIS] has copies of the testimony he can give you—that that industry, if permitted to develop with a little assistance and protection from the Government, would absorb all the agricultural surpluses in both the North and the South, because it uses any kind of grain that contains starch. It would bring cheaper food to the people in the cities, meat, milk, and eggs, because there is a resulting by-product that the farmers can use for grain. It would prevent the depression for agriculture, help prevent it for the rest of the country, according to the

best and ablest grain men in the country. Why do you not do something about that instead of passing phony prosperity bills?

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLGER:

Page 10, line 22, strike out the word "free" and after the word "competitive" insert the word "private."

Page 11, line 12, strike out the word "free" and after the word "competitive" insert "private."

Page 12, line 23, strike out the word "free", and insert the word "freely."

Mr. FOLGER. Mr. Chairman, I missed my opportunity a while ago to make the observation that I think the substitute we are presently considering is largely, oh, I would not say a conglomeration of platitudes, but a declaration of one thing and another that does not do anything or tend to accomplish anything.

The amendment offered by the gentleman from Illinois [Mr. DIRKSEN], in my opinion, would provide machinery by which we would not travel haphazardly in this country in an economic way any longer. I think it would be the providing of an inventory and a place for the filing of information from time to time that would make us able to apprehend what the months and years would bring forth in our economic situation. But that amendment having been voted down, I am minded to suggest that in this accumulation of words we have in this amendment to S. 380 we do not go back to the days of 1921 to 1933 and guarantee to business in this country an absolute freedom to do as they please. I think the word "free" is unfortunately stated here as a policy, and I do not wish to subscribe to it.

On page 10 are the words "preserving and encouraging the American economic system of free competitive enterprise." What are we going to draw from that? That enterprise may conceive itself to be privileged to do just as it pleases, that it is free, not freely competitive, but free? We do not want any more of that thing happening in this country. They are not free any longer than the Government says they are operating in a competitive way.

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

Mr. FOLGER. I yield to the gentleman from Alabama.

Mr. MANASCO. Of course this substitute does not repeal any existing laws or restrain industry or anybody else.

Mr. FOLGER. May I say to the gentleman that I do not believe the substitute repeals anything, but we are just dealing in platitudes, and I do not want the words "free enterprise" in there because the Government is here yet to command what is right and prohibit what is wrong, even when it is related to enterprise of any sort or the business interests or any other interests of this country.

Then we find the same thing on page 11, that we are going to do everything we can, or something of that sort, and in a manner consistent with the American

system of free competitive enterprise. It is a repetition of an assurance. If it means anything at all, it is a repetition of an assurance to enterprise that "we are not going to interfere with you at all, we are going to leave you free to work your own will regardless of what effect it may have on the welfare and the common weal of the people of this country." I am unwilling to subscribe to such a declaration and will not vote for it on that account.

The CHAIRMAN. The gentleman from New York [Mr. EDWIN ARTHUR HALL] is recognized to close debate on this amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, when I was home last summer and had the opportunity of talking with people in my district, the paramount subject on the lips of everyone was, "How is Congress going to solve the unemployment situation?" I have noted a certain vein of thought running through this debate. It is being said that it is not within the province of the Congress to consider unemployment. We give way to groups of industrialists and businessmen and listen to long treatises and discussions about what those particular individuals think about employment. We read columns in the newspapers and embellished headlines about what labor unions and trade-unionists think about unemployment and how it should be solved. It seems to be within the province of college professors and scholars and all those groups of pedagogs to talk about the foremost problems of the country in relation to employment and unemployment. Certainly, therefore, it is the prerogative of this House to talk about how the country is going to solve the employment problems of the day.

Directly after our victory over Japan, I viewed the prospects of reconversion and of reemployment in peacetime pursuits with a great deal of optimism. As the ensuing weeks and months passed, I confess I departed into the doldrums of despair over the delay we have permitted with respect to the problems of peacetime industry that we ought to be facing. I regret that it has come almost to the time for a Christmas recess before anybody thought it necessary to talk about unemployment. I think this Congress should give ear to the consideration of this legislation and to vote it either up or down as the majority decides. I call another point to the attention of the House. The rise of national socialism in Germany and throughout the continent of Europe was brought about through one cause. There were millions of idle men in Germany after the First World War. By the year 1922 they were gathering nightly and by day in beer halls and dance pavilions and other places of congregation with nothing to do. They were unemployed and desperate and were ready to give ear to the odious ideology of nazism and all the other dangerous ideologies which unemployment gives vent to. I say to you that the only way to prevent the danger of the rise of any unwelcome ideology in our country today is to see that every man and woman is given an opportunity to earn their daily bread. Never again must idle time hang heavily upon



the people of our Nation. We should try to prevent this problem from arising. It is our responsibility as much as it is the responsibility of those who speak for labor, business, and the professions. The Congress of the United States, the elected representatives of the people, must see to it that the millions of veterans who are returning and who are taking their places once more in peacetime activity must be taken care of. The ills of the country must be solved.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. FOLGER].

The amendment was rejected.

The Clerk read as follows:

#### ECONOMIC REPORT OF THE PRESIDENT

SEC. 3. (a) The President shall submit to the Congress within 60 days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the Economic Report) on economic conditions affecting employment in the United States or in any considerable portion thereof, on the extent to which the policies declared in section 2 are or are not being achieved, and on the extent to which the various programs and activities of the Federal Government are, and the extent to which they are not, contributing to the achievement of such policies.

(b) If at the time of submitting the Economic Report, high levels of employment, production, and purchasing power are not being maintained or are threatening to decline, the President shall include in the Economic Report, in addition to the matter required to be included under subsection (a), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which then-existing legislation may be utilized for attaining high levels of employment, production, and purchasing power, and of the plans therefor and means of financing the programs thereunder, and his recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation) as he deems necessary for attaining such high levels.

(c) If at the time of submitting the Economic Report widespread unemployment exists in the United States or in any substantial portion thereof, the President shall include in the Economic Report, in addition to the matter required to be included under subsections (a) and (b), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which such unemployment may be alleviated under then-existing legislation, and of the plans therefor and means of financing the programs thereunder, and his recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation) as he deems necessary for alleviating such unemployment and attaining high levels of employment, production, and purchasing power.

(d) If at the time of submitting the economic report inflationary conditions exist or threaten, the President shall include in the economic report, in addition to the matter required to be included under subsection (a), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which such conditions may be alleviated under then-existing legislation, and his recommendations for such further legislation (including recommendations for

the reduction or suspension of public outlays) as he deems necessary to alleviate such conditions and to prevent them from recurring.

(e) The President may, from time to time, transmit to Congress, such supplemental or revised reports, or such supplemental recommendations, as he deems necessary to achieve the policies declared in section 2.

(f) The economic report, and any supplemental or revised reports or recommendations, when submitted to Congress, shall be referred to the Joint Committee on the Economic Report (created by sec. 5).

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 4. (a) There is hereby created in the Executive Office of the President a council of economic advisers (hereinafter called the Council). The Council shall be composed of three members who shall be appointed by the President and each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policies declared in section 2, and to formulate and recommend national economic policy to promote employment and production under the American system of free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman, and the Council shall annually select one of the members as vice chairman, who shall act as chairman in the absence of the chairman.

(b) The Council is authorized to employ, in the District of Columbia, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ, in the District of Columbia, such other officers and employees as may be necessary for carrying out its functions under this act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

(c) It shall be the duty of the Council—

(1) to assist and advise the President in the preparation of the economic report;

(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, to analyze and interpret such information in the light of the policies declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policies, and to compile and submit to the President studies relating to such developments and trends;

(3) to appraise the various programs and activities of the Federal Government in the light of the policies declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policies, and to make recommendations to the President with respect thereto;

(4) to formulate and recommend to the President national economic policies for promoting the American system of free competitive enterprise, avoiding economic fluctuations or diminishing the effects thereof, and for maintaining a high level of employment (including self-employment), production, and purchasing power;

(5) whenever in the opinion of the Council high levels of employment, production, and purchasing power are not being maintained or are threatening to decline, to make a report to the President on what, in its judgment, are the causes thereof, and on the

extent to which then-existing legislation may be utilized for attaining high levels of employment (including self-employment), production, and purchasing power, and to include in such report its recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation in a manner consistent with sound fiscal practices) as it deems necessary for attaining such high levels;

(6) whenever the Council determines that widespread unemployment exists in the United States or in any substantial portion thereof, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which such unemployment may be alleviated under then-existing legislation, and to include in such report its recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation in a manner consistent with sound fiscal practices) as it deems necessary to alleviate such unemployment and to attain a high level of employment (including self-employment), production, and purchasing power;

(7) whenever in the opinion of the Council inflationary conditions exist or threaten, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which such conditions may be alleviated under then-existing legislation, and to include in such report its recommendations for such further legislation as it deems necessary to alleviate such conditions and to prevent them from recurring;

(8) to make and furnish, when requested by the President, such studies, reports thereon, and recommendations with respect to matters of Federal economic policy as he may request.

(d) The Council shall make an annual report to the President not later than January 1 of each year (beginning with the year 1947) and shall also make interim reports quarterly (following January 1, 1927).

(e) The President is requested to make available to the Joint Committee on the Economic Report, if it desires, the various studies, reports, and recommendations of the Council which have been submitted to the President.

(f) In exercising its powers, functions, and duties under this act—

(1) the Council may constitute such advisory committees, and may consult with such representatives of industry, agriculture, labor, consumers, and other groups, as it deems advisable;

(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

(g) To enable the Council to exercise its powers, functions, and duties under this act, there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

Mr. JUDD. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 15, line 20, after the word "President", insert the words "by and with the consent of the Senate."



Mr. JUDD. Mr. Chairman, this is the amendment of which I spoke yesterday. It provides simply that the members of the Council of Economic Advisers shall be appointed by the President, by and with the consent of the Senate.

This amendment was offered in our committee and was defeated by 1 vote.

Personally, I wanted the Council of Economic Advisers to be an independent agency, not in the Executive Office of the President, and I tried to get that done. I agree thoroughly with the argument made this morning on that point by the gentleman from Illinois [Mr. DIRKSEN]. I had hoped that the Council of Economic Advisers might be something like the National Research Council, an independent establishment not immediately under the Congress, not immediately under the President; that it would be a group of economic financial experts, sort of elder statesmen, who would be able to stand aloof from the general political struggle and perhaps be able to see in better perspective than we in the Congress can, or the President and his Cabinet Members and their subordinates can, because the latter and we are so overwhelmed every day with other duties. However, that proposal was rejected in the committee.

It seems to me the very least we can do is to provide that these men who are to have such influence, in the sense of their reports carrying great weight with the country, should certainly be scrutinized carefully by the Senate and receive their appointment only if the Senate consents.

Cabinet members, who are of the President's own official family, must be confirmed by the Senate. The under secretaries of the various Departments must be confirmed by the Senate. Yesterday we passed the Government reorganization bill, which provided that appointment of anybody as head of an agency or member of a board in charge of an agency, if the appointment is not under the classified civil service, must be confirmed by the Senate. That was for appointees whose salaries were even less than \$10,000 a year. That was only yesterday, yet today in this bill we authorize a Council of Economic Advisers whose members will have salaries of \$15,000, and we do not require that the appointees be scrutinized and confirmed by the Senate.

No one could properly object to the President's appointing to the Council one member, for example, who had a particular economic theory, such as deficit spending; but certainly we should put in every possible safeguard to make sure that not all three of the members of the Council are of one particular economic or political philosophy. I hope no President would make such appointments, but if he should, surely the Senate would not approve them all.

One of the majority members of the committee said to let it go because the Senate would put it in anyway in conference. I suppose the Senate will, but I do not know any reason why we should not make the bill as nearly correct as possible before it leaves this body rather than to assume that the other body will

correct oversights or defects that we leave in the bill.

I hope my amendment will be adopted.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my distinguished colleague from Minnesota.

Mr. H. CARL ANDERSEN. I feel that the amendment offered by the gentleman from Minnesota is very much worth while. Certainly it should receive the support of the membership.

Mr. JUDD. I thank the gentleman. I cannot see any reason why in this particular instance the appointment by the President of such high officials should not be with the advice and consent of the Senate when that is required in the case with almost all other top officials.

I hope the Members on both sides of the aisle will support this amendment.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, it is not correct to say that all of the President's advisers are approved with the consent of the Senate. These officers are to aid and assist the President in drafting his economic plans and presenting them to Congress, just as the Director of the Budget aids and assists the President in submitting his budget. Let me remind you that the Director of the Budget is appointed by the President and holds office at his pleasure, and he does not have to be confirmed by the Senate. We think that in all fairness to the Chief Executive whether he be the present occupant of the White House or someone who may occupy the White House in the future, that these men who are his close advisers, these men who are to aid and assist him in the preparation of his report should be on a par with the Director of the Budget who is not confirmed by the Senate. We therefore provide in this bill that it shall not be necessary for these men to be confirmed by the Senate. They hold office during the pleasure of the President.

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

Mr. WHITTINGTON. In just a moment.

If we mean to enable the President to submit a constructive proposal for the solution of the problems of unemployment, it does strike me that we can do nothing more nor less than to give him the men of his choice to aid him and assist him in preparing his budget.

I now yield to the gentleman from Minnesota.

Mr. JUDD. Does the gentleman believe that these three officers are on the same level or perform exactly the same duties as the Director of the Budget? The Director of the Budget has the duty of studying the executive branch of the Government. These other advisers will have the duty of studying the entire economy of the Nation. It

seems to me even more important that these men should be approved by the Senate.

Mr. WHITTINGTON. We find ourselves here with economic problems. The Director of the Budget is the adviser to the President with respect to the problems of the Budget. In my opinion it is nothing more nor less than fair to give the President the men of his choice to work with him in the matter of submitting this report of employment needs.

We rejected the gentleman's amendment in the committee.

Mr. JUDD. By one vote.

Mr. WHITTINGTON. That makes no difference; it was rejected in the committee, nevertheless. I repeat my statement, with all due deference to the gentleman from Minnesota.

It does strike me that unless we want to hamper the President then we ought to give him the free choice of advisers just as the experts of the members of the joint committee of the House and Senate do not have to be appointed with the advice and consent of the Senate—we give this committee free choice to select its own experts and they do not have to be approved by anybody. Is there any reason why we should not at least give the President of the United States the same privilege and the same opportunity when it comes to the selection of his advisers?

In my humble judgment this amendment should be rejected.

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

Mr. WHITTINGTON. Does the gentleman desire to ask me a question?

Mr. JUDD. Does the gentleman think his argument that the members of the joint committee do not have to be confirmed by the Senate holds true in the case of these advisers to the President? Are the two sets of experts analogous?

Mr. WHITTINGTON. I beg the gentleman's pardon.

Mr. JUDD. We have a system of checks and balances.

Mr. WHITTINGTON. I repeat my statement. There is no misunderstanding between my friend and myself. The cost of the experts to be employed by both the House and Senate is limited to \$50,000. These are to be appointed without reference to confirmation by the Senate, and I repeat that the President ought to have advisers of his own choosing.

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

Mr. WHITTINGTON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman from Minnesota stated that we have a system of checks and balances. When have we had a check and balance since the New Deal came into power?

Mr. JUDD. We have had a lot of checks.

Mr. WHITTINGTON. Mr. Chairman, in all fairness, it does strike me that unless we mean to hamper the President this amendment should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].



The question was taken; and on a division (demanded by Mr. THOM) there were—ayes 48, noes 58.

Mr. JUDD. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the section just read there is a provision for the work of the Economic Council, and in that section it is also provided that the council shall make studies when either a deflationary trend or an inflationary trend threatens the country. As is true throughout the committee substitute, there is no statement as to what policy should be pursued by the Congress in those events but only a proposal that facts shall be laid before the Congress by the Council.

Mr. Chairman, it is my opinion that the real question lies even deeper than whatever differences of opinion we may have as to whether the House ought today to enact the committee substitute or enact the Senate bill. The real question will come as to what we do after we get through with this legislation. The importance of the present legislation lies in the question of whether or not the Congress will have the courage to go on record unequivocally for a policy which can give steady opportunity for employment in the Nation.

There is every likelihood at the moment that we will drift into a serious inflationary period in the next few years unless great care is exercised. In my judgment, this is not a time for tax reduction but, rather, for courageous action to prevent that inflation from coming. The main way we can prevent inflation is to prevent the Government from borrowing newly created money from the banking system. We recently provided for a tax reduction of some \$6,000,000,000 and, on the other hand, started borrowing \$11,000,000,000. We might much better have borrowed \$5,000,000,000 and left the taxes where they were. But following that period of inflation, unless measures better than ever were taken before in this country are taken to prevent it, we shall be confronted with another deflation and collapse of prices, production, and employment, which is when the real danger will confront us.

Against that danger we ought to guard now. In the debate on this bill, as well as at other times, we have been repeatedly told that anyone who foresees the possibility of a period of unemployment in the future is a prophet of doom; that we ought to have confidence that such a thing will not happen, and therefore we should wait until those conditions are ruinously upon us until we do anything about them. I submit that is very shortsighted, indeed. I submit it is dangerous. The job of this Congress is to adopt measures beforehand that can maintain a high level of national income employment and production and prevent the downward spiral from ever getting started in the first place.

If, Mr. Chairman, the Senate version of this bill were passed, what would we be committed to? I call your attention

to subsection (d) of section 2, page 3, which outlines a number of policies in different fields of governmental action which that bill says should be pursued as best they can be for the purpose of maintaining a full flow of demand, production, and jobs. The committee substitute lays primary emphasis upon two things, public works and loans. I do not believe myself that that is either primary or adequate. I believe that much more fundamental are some of the things I mentioned in my speech earlier today.

(Mr. VOORHIS of California asked and was given permission to revise and extend his remarks.)

Mr. MANASCO. Mr. Chairman, I ask unanimous consent that the reading of the remainder of the bill be dispensed with, and that it be printed in the RECORD at this point, and that it be open to amendment section by section.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The remainder of the bill is as follows:

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

SEC. 5. (a) There is hereby established a joint committee of the Senate and House of Representatives, which shall be known as the Joint Committee on the Economic Report (in this section called the "joint committee"), and which shall be composed of the chairman and ranking majority party members, and the two ranking minority party members, of the Senate and House Committees on Appropriations, of the Senate Committee on Finance, of the House Committee on Ways and Means, and three other Members of the Senate to be appointed by the President of the Senate, and three other Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee—

(1) to make a continuing study of matters relating to the economic report;

(2) to study means of coordinating programs under existing laws relating to loans, public works, and other outlays in order to further the policies of this act; and

(3) as a guide to the several committees of Congress dealing with legislation relating to the economic report, not later than May 1 of each year (beginning with the year 1947), to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the economic report, and from time to time make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, techni-

icians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

(e) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman, and shall not exceed \$100,000 for each fiscal year.

#### INTERPRETATION

SEC. 6. Nothing in this act shall be construed as calling for or authorizing—

(1) any change in the existing procedures an appropriations, or authorizations of appropriations;

(2) the carrying out of, or any appropriation for, any program set forth in the economic report; or

(3) the disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information, without the consent of the firm or person affected.

Amend the title so as to read: "An act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy."

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on page 12206 of the RECORD of December 13, appears a statement that impressed me very much, and I quote:

The most dangerous surplus that can exist in any country is the idleness of men who want to work. It is ridiculous to speak of unemployment as a necessary condition of human society; it is a blot on our intelligence; it is an indictment of society's machinery; it is a drain on our sympathy; it is a promoter of charity which affects disadvantageously both those who give and those who receive. Some day we shall learn to do better, but we must learn it soon.

That statement was made by one of the greatest industrialists of our country, Owen Young, and I think that Mr. Young's statement is worthy of deep consideration. We have a bill before us today and we are in a rather peculiar situation from a legislative angle. To those who believe in trying to implement private business—and that is what I believe in; not to substitute but to implement—when the forces of deflation visit us and unemployment takes place with the resulting distress that follows not only to the worker but to the farmer and to all classes of our economic society, business, and management, sound legislation of this nature constitutes an implementation of our free competitive system. We have before us the Senate bill as well as the bill reported out by the committee. I have heard many friends interested in legislation of this kind express themselves in opposition to the committee amendment. Personally, I favor a bill that would contain stronger language, but I am supporting the committee amendment, and I hope that those who favor legislation of this kind on both sides of the aisle will support the bill, because



we are undergoing a particular legislative process in Congress today.

This is not the final action, this is not the final vote. After we vote on this bill today, if the committee's provision is carried, it goes to conference, and then later if the conferees agree it comes back to both branches. If they do not agree, under the rules of the House after so many days have elapsed, 20 days as I recall, a motion can be made for the House to instruct the House conferees.

Those who favor the passage of legislation but who are not satisfied with the House bill, let us see what position you are in if the House bill should be defeated, the committee amendment constituting the House bill.

Suppose in the Committee of the Whole House on the State of the Union the committee amendment is defeated. When you come back into the House you come back with the Senate bill. Are you going to have a chance to vote on that? No. My good friend the gentleman from Michigan [Mr. HOFFMAN] is not going to let that happen. He is going to offer a motion to recommit. He remains silent, and that confirms my statement. He is within his rights in that. The motion to recommit is the right of the minority. An individual member of the minority may offer it although the motion may not represent the viewpoint of a majority of the minority or even a substantial percentage of the membership of the minority. Any one of the minority party who wants to offer a motion to recommit the Speaker is bound to recognize under the rules and customs and practices.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McCORMACK. I thank the gentleman from North Carolina [Mr. COOLEY]. We will assume that the committee bill is not defeated in the Committee of the Whole but comes into the House. When the bill is reported back into the House it comes up on a vote for adoption by the House, there being one amendment. No matter how many amendments are made to the committee amendment, there will be but one amendment before the House. When we get into the House the vote will be on that.

Suppose my good friends who favor the passage of legislation but are not satisfied with the provisions of the committee bill—and I put myself in that category—should then vote on a roll call against the committee amendment. Where are you then? You are back with the Senate bill. But do you get a vote? No. The vote on the committee amendment comes after the previous question has been ordered. The motion to recommit comes later. Then if the committee amendment is defeated in the House, my good friend the gentleman from Michigan [Mr. HOFFMAN] will submit his motion to recommit. I assume he

is going to do it. He is opposed to the bill. The gentleman is standing. Is the gentleman going to offer a straight motion to recommit?

Mr. HOFFMAN. I am going to vote to substitute the House bill for the Senate bill.

Mr. McCORMACK. Yes; but in the House.

Mr. HOFFMAN. The gentleman is going to vote the same way, is he not?

Mr. McCORMACK. Is the gentleman going to offer a motion to recommit?

Mr. HOFFMAN. I say, is not the gentleman going to vote the same way?

Mr. McCORMACK. I have made my statement. I am voting for the committee bill. But is the gentleman going to offer a motion to recommit?

Mr. HOFFMAN. I am going to vote just as the gentleman is.

Mr. McCORMACK. Is the gentleman going to offer a motion to recommit?

Mr. HOFFMAN. Let me answer, please.

Mr. McCORMACK. Oh, please; two pleases. Answer it.

Mr. HOFFMAN. I am going to follow the gentleman and vote to substitute for the Senate bill the House bill. Then I am going to offer a motion to recommit and vote for that. I will vote for both of them.

Mr. McCORMACK. The gentleman is always frank.

Mr. HOFFMAN. Always so.

Mr. McCORMACK. After two pleases he admitted that I had read his mind.

Where does that leave us?

Mr. HOFFMAN. You did not read my mind. That is just common sense.

Mr. McCORMACK. That is reading a man's mind. One has to have a little common sense to read the mind of another, particularly the versatile mind of the gentleman from Michigan [Mr. HOFFMAN].

Now, where does that leave us? There you see the parliamentary move. If by any chance the motion to recommit is carried, and there is a strong chance of it under these circumstances, where are we? We are back in committee. I am taking the floor for a constructive purpose as one who favors this kind of legislation and recognizes it as an implementation of our free competitive economic system.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BRADLEY of Pennsylvania. I understand the gentleman is afraid, and probably his views are justified, that if we do not pass the House bill there will be no legislation at all due to the procedure which the gentleman from Michigan will try to pursue.

Mr. McCORMACK. The gentleman has never made a more correct statement in his life. I have never heard him make a statement that I thought was incorrect and I have heard him make many correct statements. But with respect to this particular statement, he never made a more correct one in his life.

There is the situation. So let us try to look at it constructively. This vote is a vote to send the bill back to conference. After the conferees meet, it comes back to the House. We are going

through the regular legislative procedure provided for by the rules of Congress and by the laws of the Nation and the Constitution itself. I am speaking for progress by this legislation. Legislation which passes through Congress is a series of compromises. But the situation today legislatively is such that those who favor the passage of this legislation are faced with the possibility that unless they think correctly and soundly they will be contributing to the defeat of the legislation. I hope the Committee amendment will be agreed to. I hope it will be passed by the House and sent to conference.

Mr. LAFOLLETTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have come to the well of the House with only one paper this time and perhaps I will not lose it. I am afraid I am not going to be able to throw much light on this parliamentary situation because I always get my feet tangled up in it as if it were flypaper. The difference of opinion, of course, as to the original bill, the bill which I introduced, and the Senate bill before the amendments of the committee were written into, was based on the philosophy of the obligation of government. Yesterday we discussed a little the idea that there were no sovereign States of any kind. The people are sovereign. You cannot speak of the rights of government, you cannot speak of the rights of the Federal Government, you only speak of the rights of the people. Government has obligations in carrying out its functions. It may have some corollary privileges such as those of taxation and regulation but actually the Government only exists to serve the people. In that regard, I think if you are going to have a democratic economy in America and to extend the concepts of democracy, which are inherent in our thinking and which are presently expressed in our fundamental governmental documents, that we must realize that the Government exists to serve the people. This idea of the obligation of Government to serve the people must also extend to include the right to eat as well as the right to vote. For that reason I have resolved for myself the decision that I must support legislation which proceeds upon that theory.

One body of the Congress of this Nation has had an opportunity to act on legislation having that philosophy. It is a matter of interest, and I think I am entitled to call to the attention of my colleagues on this side, the fact that in that body those people who were chosen by direct vote of the people from the States of Minnesota, Vermont, Ohio, Illinois, Indiana, Kansas, Oregon, Missouri, Michigan, New Jersey, Iowa, California, North Dakota, West Virginia, Massachusetts, and Wisconsin, all Republicans, supported this legislation.

As to those people who came into the other body from the States of Nebraska and New Hampshire, all of them elected by the Republican Party, one-half of them have expressed a philosophy similar to that of those from the other States I have mentioned.

It is beginning to be a surprising thing, is it not, that this body which, in a sense, is closer to the people, is a little slower



to respond to new concepts of democracy than the other body. I only leave that as a thought for my colleagues, that somebody, some place, is going to be terribly embarrassed by the conflict between certain representatives of the Republican Party in one branch of the Congress and those in another.

I would like to leave that thought for my Republican colleagues before we vote at all.

The following remarks were not made in the presence of the Members before the debate on the motion to recommit was taken.

Under the general leave granted to extend my remarks, I am setting out the language of the amendment to the motion to recommit which I would have offered had not the motion for the previous question intervened and then prevailed. The motion read as follows:

Amendment in the nature of a substitute to the motion to recommit of the gentleman from Michigan [Mr. HOFFMAN].

I move to recommit the bill (S. 380) to the Committee on Expenditures in the Executive Departments with instructions to that committee to strike out all of the committee amendments and then to restore all of the language of the original Senate bill 380, and to report the same back to the House forthwith.

Had the motion for the previous question been voted down it would then have been in order for my amendment to have been offered.

Thus a vote against the motion for the previous question was a vote squarely for an opportunity for the membership of the House to vote on the Senate bill. Indirectly, then, a vote against the motion for the previous question was a vote for the Senate bill. That is why I demanded the yeas and nays.

I am sorry not a sufficient number of the friends of the full employment philosophy rose to enable the yeas and nays to have been ordered, so that we could have had a record vote on the issue involved in S. 380 as it passed the Senate. Perhaps I must take some of the blame for not advising the membership earlier of my strategy. I could not because it occurred to me only as I made the parliamentary maneuver.

Being opposed to the House bill for the following reasons set out in the report:

#### SEPARATE VIEWS

We, the undersigned members of the committee, have voted to report the foregoing legislation to the House for the reasons and with the reservations which we here express:

1. We believe that adherence to the democratic process required us to vote to report legislation out of the committee so that the full Membership of the House could have the opportunity to pass upon the subject matter involved.

2. We believe that when our free-enterprise system encounters a period of failure to serve the economic needs of a free people, as it has from time to time in the past and doubtless will from time to time in the future, legitimate and effective emergency measures designed to prevent crisis, chaos, and collapse must be undertaken by the Federal Government in order that the system may be preserved and the interests and welfare of all our people may be protected. We believe that the obligation of the Federal Government to defeat disintegration within our Nation is as positive and inescapable as its obligation to

defeat aggression from without, and in neither case is its obligation sufficiently recognized and assumed by a mere declaration of policy.

3. The integrity of the national debt, the Nation's obligations to its war veterans, the necessity of maintaining adequate means of national defense, and the necessary costs of the operation of the Government necessitate a volume of revenue from taxation which, in an economy committed to mass production, cannot be achieved without the constant maintenance of a high level of income-creating purchasing power, widely distributed among the people. This we believe can normally be achieved by the operations of private enterprise in a truly competitive economy. But we believe the freedom itself of private enterprise must be expected, from time to time, to produce abnormal disturbances of the economic system, and we believe that before such a disturbance can develop into a collapse of income-producing and tax-supporting purchasing power it is the obligation, and should not be deemed merely a policy, of the Federal Government, in the interest of all the people, to undertake measures to effect the earliest possible economic recovery. We believe that employment and adequate wages are indispensable conditions to such a recovery.

4. Because the proposed legislation fails to give to the obligations of the Government adequate recognition and expression, we find it impossible to agree in all respects with the committee report.

CHARLES M. LAFOLLETTE.  
WILLIAM L. DAWSON.  
EDWARD J. HART.  
ALEXANDER J. RESA.

I did all that I could to effect a roll-call vote on the issue between the two bills. I do not regret my votes or my actions.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. LAFOLLETTE] has expired.

Mr. RICH. Mr. Chairman, I want to read section 3 of this bill:

The President shall submit to the Congress within 60 days after the beginning of the regular session, an economic report on economic conditions affecting employment in the United States—

And so forth. Then I want to read from the Constitution, which gives the duties of the President.

Section 3 of the Constitution:

He shall, from time to time, give to the Congress information on the State of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

The President at all times has the right to do what this bill contemplates doing. He is to keep the people of this country informed. He has that right. He has that power. He has everything to do it with if he so desires.

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

Mr. RICH. I yield to the gentleman from Minnesota.

Mr. JUDD. But this bill makes it also a duty for him to do it.

Mr. RICH. That is right. He is compelled to do it now. That is his privilege and right under the law as it now stands.

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

Mr. RICH. I yield.

Mr. FOLGER. Does not the Constitution make it his duty as well as his privilege?

Mr. RICH. I am sure that it does. He is supposed to do those things. As long as we have that explicitly stated I cannot see really that this legislation is going to do for the country what the majority leader said a while ago when he said we want to pass this bill and then he wants to improve on it. I do not like the improvements that are made by the majority leader and the New Deal on the legislation that is passed by this Congress that he is the majority leader of. You men know what happened in the last 6 or 8 years, on a lot of New Deal legislation and you are all sick and tired of a lot of the so-called improved legislation and want now to do away with it. That is just what is going to happen with this legislation if you enact it into law.

It is not a question of taking this bill as it is here that I am afraid of, it is what is to follow if you pass this legislation that I am afraid of.

So far as this bill is concerned, so far as the chairman of the committee and the gentleman from Mississippi [Mr. WHITTINGTON] are concerned, they have been working hard on it and have tried to give us what they thought was the best, but they have been driven to the point of bringing in something quickly, bringing in anything to get it passed before Christmas, so they have not even now done the best they could if proper time were taken. They could do better I know, if they had more time. But they have tried to follow the mandate of the majority leader and the President who said they wanted legislation. So here it is, take it or leave it.

They call it the full employment legislation. It is only going to fool, harass, and humbug the American people.

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

Mr. RICH. I yield to the gentleman from Wisconsin.

Mr. HENRY. Is not the distinguished gentleman from Pennsylvania in the position I now find myself since hearing the majority leader speak? Before he spoke I had intended to vote for the bill because I thought it was a good one, but since hearing from the majority leader I am beginning to wonder whether or not I should vote for it.

Mr. RICH. I believe if the gentleman follows his present inclinations he will be better off, and I believe that if the entire membership would do it, they would be better off themselves, and I am sure the country would, because the advice and counsel of the majority leader does not seem to work out to the benefit of the American people, and if he were my majority leader I would not follow him.

We have had before us in the consideration of this legislation, the bill H. R. 2202. That has been the bill that we considered in all our hearings for 7 weeks. We have had many men, prominent men good men, come in and testify against this legislation because of the fact they believe that eventually it will lead to regimentation. As somebody said yesterday, "See what happened to Germany. See what happened to Japan. We do not want that to happen



to America." Now, we are regimenting, regimenting, and eventually if we pass this legislation so similar to other bills, we have passed, we will reach the point where we take over the business of this country from private enterprise and set up a dictator to tell you where to work, what to do, how to do it, what pay you receive, and so forth, and so forth. Notwithstanding the fact that it is alleged the pending measure does not interfere with the private-enterprise system, it will eventually take over the private-enterprise system and then you will have communism. That will be the final outcome unless you stop, look, and listen.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. OUTLAND. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

The CHAIRMAN. The gentleman from California is recognized for 10 minutes.

Mr. OUTLAND. Mr. Chairman, last July some of us who were interested in trying to get legislation designed to bring about conditions in this country where every man able to work and seeking to work could find a job, met and organized a steering committee for what seemed to us to be the best legislation toward that end, H. R. 2292, introduced by the gentleman from Texas [Mr. PATMAN]. That original steering committee grew from a comparative few up to the present membership of 116, including Members of both parties in this House. We felt that there was strength in the bill, because it did two things: Because it stated governmental policy, first, that every American willing to work and able to work had the right to an opportunity for a job; and, secondly, that if every possible effort on the part of private industry failed, then the Government had certain responsibilities under the law. Furthermore, it provided the initial machinery to carry out this policy.

It has been stated that this measure is socialistic, communistic.

Mr. Chairman, whenever you have no argument to come back with you start to call names, you start to say something is communistic, you start to say something is red. I see nothing communistic or socialistic in the Congress of the United States passing a bill which states that the democratic right of the opportunity to earn a living and secure a job shall be reaffirmed in this body. I can see no reason why we should start waving the red flag, as has been done here, about a decent, constructive bill.

I was hoping that we in this House would have the opportunity to vote upon such a decent and constructive bill. I was hoping that the parliamentary situation would be such that there would be a clear record for the American people where every man and woman in this House would be on record. I was hoping, Mr. Chairman, that the situation would be such that every person in this House would be able to state clearly, not only

to his constituents but to the rest of the American people where he stood on this legislation. I am sorry, I regret very deeply, that from developments that are taking place there evidently will not be such a position possible.

I recall a few years ago when it was my job to work in connection with the Federal Transient Service in Los Angeles. It was my duty to take care of the boys who were bumming all over the country on freight trains simply because they were looking for jobs or because the mortgage was being foreclosed on their farms. They came to California from every State in the Union. There is not a Congressman here who did not have youngsters from his district riding freight trains. When you asked them why they were there, they told you they were looking for jobs. I am wondering if a few years from now we are going to be facing a situation like that again when the transients are going to be on the highways and freight trains, when you have apple sellers on the streets, when you have the relief rolls of every town and county crowded and people will look back and ask: "What did you do in Congress at that time about it?" We will say, "What did we do? We enacted a pious declaration and sent it to conference."

Mr. Chairman, if this Congress does not take more concrete steps toward the prevention of human suffering, toward the prevention of unemployment, than have been taken thus far the American people are going to have the right to stand up and say, "Why did you not do something that was a little more constructive?"

I heard it said yesterday that pledges made in party platforms did not mean anything, that a lot of it counted for nothing. The candidate for President on the Democratic ticket and the candidate for President on the Republican ticket stated very clearly that if private enterprise could not provide work it was the responsibility and the duty of the Government of the United States to see that it was provided. Whether you happen to be on the minority side or whether you happen to be on the majority side, the responsibility is almost equally yours in seeing that this responsibility is carried out.

I, for one, believe in taking declarations like that seriously. I think our American form of government is at stake if all that a party platform states or all that a party candidate says amounts to nothing.

I would like to say one more word, and that is this: Mr. Chairman, we may not get a strong full employment bill out of this House. We probably will not. We may not get a strong full employment bill out of Congress. We probably will not. But those of us who have been carrying the ball here trying to get such a full employment bill hope we will be able to build up the record of public opinion for the future and that some day, sometime, a future Congress will enact legislation far stronger than we are hesitating to enact now.

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

Mr. OUTLAND. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Regardless of what the candidates for the Presidency said, I have before me the platforms of both parties and the platforms are silent as to the Senate and the House bill.

Mr. OUTLAND. Does the gentleman concur in the statement his chairman made yesterday?

Mr. WHITTINGTON. I answer that question by saying "No." My statement speaks for itself.

Mr. OUTLAND. Will the gentleman answer directly?

Mr. WHITTINGTON. Yes.

Mr. OUTLAND. The statement was made yesterday that Mr. Roosevelt and Mr. Dewey made certain statements.

Mr. WHITTINGTON. No. There is nothing in the party platforms to that effect.

Mr. OUTLAND. The gentleman is wiggling out of it.

The CHAIRMAN. The time of the gentleman from California has expired.

Are there any amendments to section 5? Are there any amendments to section 6?

[Mr. BENDER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the final months of the war this Congress served as a forum for all sorts of expressions relative to reconversion from wartime operations to the normal peacetime activities of the country. During those months this Congress very definitely assumed the responsibility for charting the course of the Nation during the reconversion period. The people of the country were very definitely led to believe they could expect leadership from this Congress. We promised action. We produced practically nothing.

The President appeared before the Congress and made certain specific proposals for our consideration. All those proposals were aimed at a speedy return to full-time employment at decent wages, with an assurance of security for all the people.

This Congress has been successful in providing big business with financial cushions. It has been successful in pushing the clock back. Aside from these monumental accomplishments, I am unable to see that we have taken any positive step in carrying out the responsibility which we so willingly assumed.

The President proposed a program of full employment. The Senate held hearings and finally enacted a law, far from the original proposal, but nevertheless a law which did constitute a step in the right direction. The House now has for consideration what is termed a "high level of employment" bill.

Having in mind the responsibility which this Congress undertook—having in mind the fact that Members of Congress believe the country should look here for leadership—this measure, as reported by the committee, is a saddening spectacle. It is merely an acknowledgment that we hope everyone can find



a job somewhere. It constitutes nothing but some very boring reading matter.

The House has an opportunity today to enact the full employment bill as it came from the Senate. While I for one am not entirely satisfied with that bill it must be admitted that it does contain certain definite proposals looking to action on the part of this Government of the people—proposals which are intended to promote a stabilization of our economy.

I have heard many Members of this House find fault with the late President Roosevelt. I have heard many Members insist that the Hoover depression came to an end only because the war brought with it full production and full employment. If those Members are sincere; if they do not want to witness a repetition of the horrible tragedies that accompanied the Hoover depression, then they must admit in their hearts that this Congress must take constructive action to provide full employment for all the people.

It is not enough to criticize. It is not enough to find fault. The people are far less interested in what was wrong with the past than they are with what is being done to protect their future.

The people of the country have heard a great deal about cooperating with the peoples of other lands in order to promote peace and prosperity throughout the world. They have witnessed the discussions leading up to an appropriation of millions for United Nations relief. They have read and listened to debates over the proposed loan of billions to Britain intended to help that country regain its equilibrium. They admit that we must do a lot of these things to relieve distress and suffering in other nations. Yet they have a perfect right to expect that their chosen representatives in this Congress will do a little thinking about the needs and the hopes of the people of our own country.

It is natural that the little people of the land should become concerned when they see this Congress willing to provide millions for other countries—and windfalls for big taxpayers—and then see this Congress suddenly become niggardly when it comes to—not appropriating millions for home—but merely adopting a constructive proposal for security which seems to depart somewhat from the hoary systems of the past.

I am heart and soul in favor of a full employment bill. I believe it is no more than just and proper that this Congress should enact a real full employment bill. I believe with every fiber of my being that to enact the weak-kneed measure as proposed by the committee will be an act of cowardice on the part of this Congress. It will mean we have shirked our responsibility.

There are Members of this House who claim to be the great defenders of private enterprise. They profess to see in the original full employment bill a threat to private enterprise. The only real threat there is does not lie in the original proposal or in the bill as passed by the Senate. The real threat to private enterprise lies in the attitude which sponsors this committee measure. It lies in laissez faire—in an attitude of

do nothing. The threat to our system of government lies in the possibility of another depression for which we have made no plans. It lies in another plan of relief and charity which the people of the country will reject with vehemence.

I believe in private enterprise. I believe in it because I do not want to see labor unions controlled by their Government. Because I believe in private enterprise I am certain it must be made to work or there just will not be any.

I believe in profits for private industry—but I do not believe there is anything sacred about profits. I do not believe we must shut our eyes to every other factor in our economic life and do nothing but cry horror everytime someone suggests doing something for the laborers of the country who make those profits.

I believe in being rid of regimentation and Government control. But I do not believe this Federal Government can be turned into a dummy to sit idly by while millions clamor for security.

I can recall vividly the cries that rent the heavens when the original social-security proposals were made. The SEC would destroy profit and would destroy the capitalist system. Bank-deposit insurance was a dire threat to the American system of government. Old-age retirement, unemployment insurance, were all branded as Communist inspired methods to overthrow our democracy.

In spite of all the horrible predictions we survive. We have actually become the greatest nation in the world under the leadership of the great Franklin D. Roosevelt.

The same horrible things are predicted again when it is suggested that we try to provide some assurance that all the people able and willing to work can have a job. We are called radicals because we propose that we no longer rely on things as they were—because we propose that we take a hand in fashioning the future—so that that future can be one that is free from fear and free from want.

Do we threaten private enterprise when we propose that? If we do then so did the founding fathers of our land who grew discontented with things as they were and themselves took a hand in shaping the destiny of the people of this New World.

They were the radicals of their day. I take pride in possessing some of their get up and go.

The rugged individualists of a few years ago appear to have grown more stodgy than ever and now refuse to contemplate that we can do something for ourselves. The men who pleaded that every man is the master of his own destiny—now cringe at the thought of acting as masters and plead instead that every man must be the victim of his own fate.

Personally, I repudiate all that living in the past. I believe in my country. I believe in the little people who have contributed so much toward making it great. I have confidence that we can undertake a bold program and make it go. I am positive we have the ability and the know-how to make a greater life for all our people. The only real threat to our

democracy comes from an absence of courage—from a blind opposition to everything progressive—from a stolid reliance on methods of the past—methods, incidentally, which failed when put to the acid test.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BIEMILLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIEMILLER. Is the gentleman aware of the fact that there is going to be a basic amendment offered to the bill?

The CHAIRMAN. The Chair is unable to answer that.

The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

[Mr. CURTIS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. COFFEE].

Mr. COFFEE. Mr. Chairman, I am very proud and pleased to join and concur with the sound philosophy and remarks given voice by the able and eloquent gentleman from Ohio [Mr. BENDER], as well as the arguments advanced by the brilliant gentleman from Indiana [Mr. LAFOLLETTE]. In my judgment, the committee substitute is sounding brass and tinkling cymbals. It is neither fish nor fowl, nor a good red herring. It resembles what was once said by the historian concerning the Holy Roman Empire: "It is neither holy nor Roman nor empire." But I may vote for the sterile committee substitute as being a modicum better than no bill at all. Yet in truth this substitute bill before the House is a congeries of ponderous, pontifical nothings.

In my State at one time a Tory-controlled legislature was asked what they were going to do for the taxpayers who were suffering so much. The leader of the majority party said, "It is about time we thought about the taxpayers." So he introduced a resolution to the effect that the legislature give three cheers for the taxpayers.

That is analogous to what this does. This says to the people who are interested in solving the unemployment problems of the American Nation, "We believe that something ought to be done in a vague sort of way for unemployment." We are sympathetic. We feel for you unemployed. We shall study the problem. Then we have heard speech after speech made by gentlemen, conservative Democrats from the South, and Republicans, that we should return the whole country to "private enterprise," a much used shibboleth phrase, sometimes referred to as free enterprise. Well, some cynic has said the only thing we learn from history is that we learn nothing from history. It seems to me that the majority of this House have learned



nothing from the history of the American Nation in the last 25 years.

What happened to Herbert Hoover, the President of the United States in 1929? He went out in the greatest defeat in American history. Why? Because overwhelming unemployment inundated the Nation.

Now, the only remedy, apparently, offered by the tory coalition controlling this Congress is to recommend we revert to the good old days. I remember the campaign of 1920, when a man by the name of Warren G. Harding, of Ohio, said what we should do is to "go back to normalcy." Scores of Members are echoing the same old platitudes on the floor of this House today. "Go back to normalcy." What did that normalcy achieve? Depression and its lugubrious concomitant, unemployment. What has been offered by this Congress to solve the same conditions which brought about the panic of 1929? Nothing. Nothing. What is there in the offing which will preclude a recurrence of the same unemployment that prevailed in 1929? Nothing. After the last war we had a boom and then a depression. After this war we are going to have a boom and a depression. That is an indubitable prognosis. It is incumbent on Congress to enact remedial legislation to forestall it. Otherwise chaos will ensue.

There were some forward-thinking, progressive American citizens who had the temerity to suggest that the problem of unemployment was about to confront the American Nation, and something practical should be done to correct it. The answer to those gentlemen from conservatives in this House is they are Reds. Chest-thumping protagonists of the status quo ante bellum read sections from the Soviet Union Constitution and attempt speciously to impute to Communists the origin of the Patman proposal, in behalf of which many of us have served on the steering committee.

Mr. Chairman, it is my experience that when a speaker cannot support his advocacies with cogent argument, nor refute his opponent, he resorts to red-baiting. That tactic demonstrates the weakness of the committee position. Tom Dewey, Franklin D. Roosevelt, and Harry Truman have proclaimed their warm championship of full employment. The Senate bill or the Patman bill, offered now by the gentleman from California [Mr. OUTLAND], are the signboards truly pointing the way to that desideratum, full employment. The committee substitute probably will be the only bill which finally on a record vote will be before us.

The CHAIRMAN. The time of the gentleman from Washington has expired.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired. The gentleman from Pennsylvania [Mr. FLOOD] is recognized for 3 minutes.

Mr. FLOOD. Mr. Chairman, I regret I find myself at this moment in disagree-

ment with my good friend the distinguished majority leader, but I must state my position this way: I am in favor of a full employment bill as President Truman and the people of this country want full employment.

The bill that is presented to the House today by the committee is neither fish nor fowl. It reminds me of the fellow standing in the zoo looking at a giraffe and saying "There ain't no such animal." This committee reminds me of a small boy walking down the middle of a highway whistling because he is going past a cemetery.

I am not going to compromise my people here on the necessity and the urgency and the demand of the people of this country for a full employment bill. This bill before us today is not a full employment bill nor has it any resemblance to such a bill. Let us look at it, and I want to address myself to my friends who with me are cosponsors of the full employment bill. I want to address myself to the parliamentary situation, and that is this: We are now in the Committee of the Whole House on the State of the Union and I say you who are cosponsors with me should vote down this committee bill which is nothing but an amendment to the Senate bill. Now, do you understand that? Your vote is "No" on this proposition. If you lose on that, when we get back in the House you will vote again on the Senate bill as amended by this amendment that was passed over your vote of "No." Then you vote "No" again in the House. If there is a motion made to recommit, as there will be, then you vote not to have this whole thing re-committed to the committee. That gives us a chance to get a roll call on the House bill and vote it down. Then you will get something. Now, understand that clearly. You are cosponsors of the full employment bill. Now, let us vote for a full employment bill, but this is not it.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to my colleague from Pennsylvania.

Mr. BRADLEY of Pennsylvania. The gentleman wants to bear in mind that if a motion to recommit carries, the bill is dead.

Mr. FLOOD. The bill may be dead, but the position taken by the majority leader is that you had better get half a loaf than none, you had better get what you can out of the wreck. I cannot agree. I say we can, will, and must force this issue and get a real bill.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield further?

Mr. FLOOD. Just a moment.

If this bill is recommitted it does not mean that the subject is dead. It will be very much alive in the hearts and minds of the great masses of the people of this country who are suffering from existing conditions that require a full employment bill for their solution and demand they get it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from Kentucky [Mr. ROBSION] is recognized for 3 minutes.

[Mr. ROBSION of Kentucky addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ROBSION of Kentucky asked and was given permission to revise and extend his remarks.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OUTLAND: On page 1, line 3, strike out the language of the committee substitute and insert the following:

"That this act may be cited as the 'Full Employment Act of 1945.'

"DECLARATION OF POLICY

"Section 2."

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that the matter pending before us under the rule is the substitute. The amendment offered by the gentleman undertakes to amend the original Senate bill.

Mr. OUTLAND. Mr. Chairman, this is the House bill.

Mr. WHITTINGTON. I beg the gentleman's pardon. The House bill begins on page 10.

The CHAIRMAN. Does the gentleman from California offer this amendment to the committee bill?

Mr. OUTLAND. Yes.

The Clerk read as follows:

Amendment offered by Mr. OUTLAND: Page 10, line 15, strike out the language of the committee substitute and insert the following:

"That this act may be cited as the 'Full Employment Act of 1945.'

"DECLARATION OF POLICY

"SEC. 2. The Congress hereby declares that—

"(a) It is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce, and in the development of the natural resources of the United States;

"(b) All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and who do not have full-time housekeeping responsibilities freely to exercise this right;

"(c) In order to carry out the policies set forth in subsections (a) and (b) of this section, and in order to (1) promote the general welfare of the Nation; (2) foster and protect the American home and the American family as the foundation of the American way of life; (3) raise the standard of living of the American people; (4) provide adequate employment opportunities for returning veterans; (5) contribute to the full utilization of our national resources; (6) develop trade and commerce among the several States and with foreign nations; (7) preserve and strengthen competitive private enterprise, particularly small business enterprise; (8) strengthen the national defense and security; and (9) contribute to the establishment and maintenance of lasting peace among nations, it is essential that continuing full employment be maintained in the United States;

"(d) In order to assist industry, agriculture, labor, and State and local governments in achieving continuing full employment, it is the responsibility of the Federal Government to pursue such consistent and openly



arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditure ;

"(e) To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment; and

"(f) Such investment and expenditure by the Federal Government shall be designed to contribute to the national wealth and well-being, and to stimulate increased employment opportunities by private enterprise.

#### "THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

"Sec. 3. (a) The President shall transmit to Congress at the beginning of each regular session the National Production and Employment Budget (hereinafter referred to as the 'National Budget'), which shall set forth in summary and detail, for the ensuing fiscal year or such longer period as the President may deem appropriate—

"(1) the estimated size of the labor force, including the self-employed in industry and agriculture;

"(2) the estimated aggregate volume of investment and expenditure by private enterprises, consumers, State and local governments, and the Federal Government, require to produce such volume of the gross national product, at the expected level of prices, as will be necessary to provide employment opportunities for such labor force (such dollar volume being hereinafter referred to as the 'full employment volume of production'); and

"(3) the estimated aggregate volume of prospective investment and expenditure by private enterprises, consumers, State and local governments, and the Federal Government (not taking into account any increased or decreased investment or expenditure which might be expected to result from the programs set forth in such Budget).

"The estimates and information herein called for shall take account of such foreign investments and expenditure for exports and imports as affect the volume of the gross national product.

"(b) The extent, if any, by which the estimated aggregate volume of prospective investment and expenditure for any fiscal year or other period, as set forth in the National Budget in accordance with paragraph (a) (3) of this section, is less than the estimated aggregate volume of investment and expenditure required to assure a full employment volume of production, as set forth in the National Budget in accordance with paragraph (a) (2) of this section, shall for the purposes of this title be regarded as a prospective deficiency in the National Budget. When there is a prospective deficiency in the National Budget for any fiscal year or other period, the President shall set forth in such Budget a general program for encouraging such increased non-Federal investment and expenditure, particularly investment and expenditure which will promote increased employment opportunities by private enterprise, as will prevent such deficiency to the greatest possible extent. The President shall also include in such Budget such recommendations for legislation relating to such program as he may deem necessary or desirable. Such program may include, but need not be limited to, current and projected Federal policies and activities, with reference to banking and currency, monopoly and competition, wages and working conditions, foreign trade and investment, agriculture, taxation, social security, the development of natural resources, and such other matters as may directly or

indirectly affect the level of non-Federal investment and expenditure.

"(c) To the extent, if any, that such increased non-Federal investment and expenditure as may be expected to result from actions taken under the program set forth in accordance with subsection (b) of this section are deemed insufficient to provide a full employment volume of production, the President shall transmit a general program for such Federal investment and expenditure as will be sufficient to bring the aggregate volume of investment and expenditure by private business, consumers, State and local governments, and the Federal Government up to the level required to assure a full employment volume of production. Such program shall be designed to contribute to the national wealth and well-being and to stimulate additional non-Federal investment and expenditure. Any of such programs calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private concerns under contracts awarded in accordance with applicable laws, except where the performance of such work by some other method is necessary by reason of special circumstances or is authorized by other provisions of law.

"(d) If the estimated aggregate volume of prospective investment and expenditure for any fiscal year or other period, as set forth in the National Budget in accordance with paragraph (a) (3) of this section, is more than the estimated aggregate volume of investment and expenditure required to assure a full employment volume of production, as set forth in the National Budget in accordance with paragraph (a) (2) of this section, the President shall set forth in such Budget a general program for preventing inflationary economic dislocations, or diminishing the aggregate volume of investment and expenditure to the level required to assure a full employment volume of production, or both.

"(e) The programs referred to in subsection (b), (c), and (d) of this section shall include such measures as may be necessary to assure that monopolistic practices with respect to prices, production, or distribution, or other monopolistic practices, will not interfere with the achievement of the purposes of this act.

"(f) The National Budget shall include a report on the distribution of the national income during the preceding fiscal year, or such longer period as the President may deem appropriate, together with an evaluation of the effect upon the distribution of the national income of the programs set forth in such Budget.

"(g) The President may from time to time transmit to Congress such supplemental or revised estimates, information, programs, or legislative recommendations as he may deem necessary or desirable in connection with the National Budget.

#### "PREPARATION OF NATIONAL BUDGET

"Sec. 4. (a) The National Budget shall be prepared in the Executive Office of the President under the general direction and supervision of the President and in consultation with the members of his Cabinet and other heads of departments and establishments.

"(b) The President shall transmit to the several departments and establishments such preliminary estimates and other information as will enable them to prepare such plans and programs as may be needed during the ensuing or subsequent fiscal years to help achieve a full employment volume of production.

"(c) The President may establish such advisory boards or committees composed of representatives of industry, agriculture, labor, and State and local governments, and others, as he may deem advisable for the purpose of advising and consulting on methods of achieving the objectives of this act.

#### "JOINT COMMITTEE ON THE NATIONAL BUDGET

"Sec. 5. (a) There is hereby established a Joint Committee on the National Budget, to be composed of the chairmen and ranking minority members of the Senate Committees on Appropriations, Banking and Currency, Education and Labor, and Finance, and seven additional Members of the Senate, to be appointed by the President of the Senate; and the chairmen and ranking minority members of the House Committees on Appropriations, Banking and Currency, Labor, and Ways and Means, and seven additional Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation of the Joint Committee shall reflect the relative membership of the majority and minority parties in the Senate and the House of Representatives.

"(b) It shall be the function of the Joint Committee—

"(1) to make a study of the National Budget transmitted to Congress by the President in accordance with section 3 of this act; and

"(2) to report to the Senate and the House of Representatives, not later than March 1 of each year, its findings and recommendations with respect to the National Budget, together with a joint resolution setting forth for the ensuing fiscal year a general policy with respect to such National Budget to serve as a guide to the several committees of Congress dealing with legislation relating to such National Budget.

"(c) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the committee and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

"(d) The Joint Committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpoena, or to testify when summoned, under authority of this section.

"(e) The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistance as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and establishments.

"(f) The expenses of the Joint Committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman.

#### "RATE OF EXPENDITURES

"Sec. 6. (a) The President shall review quarterly all Federal investment and expenditure for the purpose of ascertaining the extent to which the current and anticipated level of non-Federal investment and expenditure warrants any change in the volume of such Federal investment and expenditure.



"(b) Subject to such principles and standards as may be set forth in applicable appropriation acts and other statutes, the rate of Federal investment and expenditure may be varied to whatever extent and in whatever manner the President may determine to be necessary for the purpose of assisting in assuring continuing full employment, with due consideration being given to current and anticipated variations in savings and in investment and expenditure by private business, consumers, State and local governments, and the Federal Government.

"AID TO COMMITTEES

"SEC. 7. The heads of departments and establishments shall, at the request of any committee of either House of Congress, furnish such committee with such aid and information with regard to the National Budget as it may request.

"INTERPRETATION

"SEC. 8. Nothing in this act shall be construed as calling for or authorizing—

"(a) the operation of plants, factories, or other productive facilities by the Federal Government;

"(b) the use of compulsory measures of any type whatsoever in determining the allocation or distribution of manpower;

"(c) any change in the existing procedures on appropriations; or

"(d) the carrying out of, or any appropriation for, any program set forth in the National Budget, unless such program shall have been authorized by provisions of law other than this act.

"(e) the disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information."

The CHAIRMAN. The gentleman from California [Mr. OUTLAND] is recognized for 3 minutes.

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

Mr. OUTLAND. Mr. Chairman, this particular amendment that I am offering is the original bill that those of us in the House cosponsored last July. It is a bill which states that it is the policy of the United States Government, after private industry has failed, and only after private industry has failed, to see that job opportunities are provided for those Americans able to work and willing to work. Throughout the bill every possible safeguard is thrown around the principle of private enterprise. Every possible means is taken to see that business, industry, and agriculture in this country are protected. But what this amendment does say is that after everything else has failed, that the Federal Government has the responsibility of coming in.

You will recall that during the last depression how every mayor, every Governor of every State in this Union, came to Washington asking for relief. We did not hear anything about communism then. We did not hear anything about socialism then. All we heard was the cry for help, because that help had to come from the Government as a whole. That is what is taken care of in this original House bill.

It seems to me, Mr. Chairman, that if we in this Congress are going to fulfill our responsibilities to the American people, we are going to have to take constructive action such as this. We are going to have to take other measures during the reconversion period here on the

home front to prevent depression, to prevent the serious conditions which will arise in the future. We cannot wait until the catastrophe hits us. We have to act now.

I hope with all my heart that we will not make this a partisan issue; that Members on both sides of the aisle will join together in voting for this amendment, which would be truly a full-employment bill. Any other action is meaningless.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I am going to support the amendment offered by my colleagues from California, of course. Furthermore, if that amendment should not carry, I am going to vote against the committee substitute in order to try to get the Senate bill before the House; in other words, I am going to vote my convictions on this matter.

Those convictions, very briefly, are as follows: That it is all-important that in Democratic fashion in this great national legislature in the United States there should be a declaration that it is the policy of this Nation not to permit mass unemployment to come to this country again; that it is the policy of this country that we shall maintain so effective a balance between the floor of buying power on the one hand and production on the other as to assure the opportunity for employment for our people. How? I read a passage from the Senate bill itself which is similar to a provision in the Outland amendment:

(d) To that end the Federal Government shall, in cooperation with industry, agriculture, labor, State and local governments, and others, develop and pursue a consistent and carefully planned economic program with respect to, but not limited to, taxation; banking, credit, and currency; monopoly and monopolistic practices; wages, hours, and working conditions; foreign trade and investment; agriculture; education; housing; social security; natural resources;

And so forth. What means do we have in the committee substitute to consider these matters, to consider for once the vital, over-all economic problem of America? We have a committee proposed in the committee substitute which is composed of the chairman and the ranking minority members of the two busiest committees of this House, the Committee on Appropriations and the Committee on Ways and Means. I have great respect for those gentlemen, but how in the world, with their normal duties, are they going to be able to consider the tremendous question of a policy on the maintenance of national prosperity and employment? It is utterly impossible. But in the bill passed by the Senate or in the amendment offered by my colleague from California there is provided a committee of 30 members which will be able to devote its whole time to this all-important task and duty. If we adopt the amendment offered by my colleague from California, or if you adopt the Senate bill we are not committing this Nation to a new economic course of action, but what we are saying is that we will do all those things which

will contribute to the necessary goal of not permitting a depression to visit this Nation again. Believe me, those of us who seek to do that thing are the true friends of freedom of enterprise and every other kind of freedom in this Nation. The alternative proposal is that we hide our heads in the sands of time until there comes again a great economic catastrophe in this Nation, at which time the survival of freedom will indeed be difficult.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, this bill is called the full employment bill. To begin with, that is a sad misnomer. It should be called the employment bill of a council of three at \$15,000 a year. That is really all that is in the bill. It is not obnoxious because it will not hurt anybody and it will not do anybody any good. "Full employment" is a good slogan, even though it gives full employment to only three.

This bill provides that a council of three be appointed to tell the President what the President already knows better than the council when the conditions exist. It tells them to figure out for the President what to do, but I do not know what these little hired men of his could tell him that the Secretary of Labor and the Secretary of Commerce and the Secretary of the Treasury and the Attorney General could not tell him, and what every Member of Congress on either side of the House could tell him if he were willing to listen to them.

I am sorry you spent so much money printing this bill with nothing but meaningless words. They are not worth the price of the paper on which you printed them. I cannot see anything in this bill, yet I cannot see any harm in it. It has put me in the position for the first time on the floor of this House of voting for something and getting nothing for it, neither good nor bad.

Usually a bill has at least some objectionable or some good features about it, but all I see to this is that somebody shall tell the President when there is unemployment—a condition that any President, whoever he is, will already know. There is not a governor of a State of this Union who cannot do that; there is not a Member of Congress and there is not a single employee of the Congress or of the Federal Government that does not know when it exists.

The question is, when unemployment exists, what are you going to do about it? And there is nothing in this bill that tells you what to do about it. There will be unemployment—plenty of it. We are going to have a lot of headaches before we get back to normal times or to peacetime. We will have headaches that will be deliberately manufactured by a few, and we will have headaches that you cannot avoid during the transition. I am very sorry that I am put in the position of having to vote on a bill that really means nothing.

It is true that "full employment" is a good campaign slogan for election, but the people have a right to expect something better than that from us. I shall vote for this bill only because then it



will go to conference, and I sincerely hope that the conferees will rewrite it and make a bill out of it—a bill that will, at least, have a definite purpose and a reason for being passed.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

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

Mr. GRANGER. Mr. Chairman, again we are confronted with a choice. It is like the choice that is sometimes given to a criminal when he has been convicted. They ask him whether he would rather be shot or hanged.

The committee bill is a grand departure from what the sponsors of this measure intended. This measure could well be referred to as the Alabama Hay Ride of 1946. It has no meaning. As the gentleman from North Dakota said, it will do no good nor no harm as far as anyone can learn. The only thing that gives it any dignity at all, in my opinion, is that one of its sponsors is that great man, the gentleman from Mississippi [Mr. WHITTINGTON], the great Congressman that I admire so much. I hate to see him mixed up in a mess of this kind.

We have worked a long time on the Patman full employment bill. We thought we were carrying out the mandate of the Democratic Party in offering legislation that would meet the requirements as outlined by the President of the United States in his appeal to the Congress for this legislation. The whole concept of the bill we sponsored has been scuttled. In my judgment, what we are doing here is absolutely meaningless. I do not know whether I could even support it if it were a question of whether or not to refer it back to the committee. The only impelling thing to cause me to vote for the committee version is whether or not I would want it to go out to the country that one of the major recommendations proposed by the President had been defeated by the Congress. That is an important consideration.

[Mr. KEFAUVER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

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

Mr. HOLIFIELD. Mr. Chairman, this is certainly not a time for oratory, even if I were capable of it. This is a time to state clearly that the 117 sponsors of the full employment bill have an opportunity at this time to vote on the bill which they sponsored, H. R. 2202, commonly known as the Patman bill. It is now being offered as an amendment to the committee amendment to the Senate bill. This gives you for the first time a chance to vote on the subject which you sponsored. So let us keep that in mind in voting on this particular amendment. I have no time for recriminations. I think the committee has tried to do a good job in bringing out the bill which they have reported. I think this amendment that is offered has better substance in it.

I want to call to the attention of this House that in 1920 things were pretty bad in Italy, and Mussolini marched on Rome and took over because of unemployment.

In 1933, Hitler took over Germany because unemployment prevailed throughout Germany. We know we will face a condition of unemployment when this war is over and deflation arrives. We do not want what happened in Italy and Germany to happen here because of our unemployment. We know we have to make some plan to look forward and meet that situation. H. R. 2202 is a well-thought-out plan. It is not communistic or socialistic. It is democratic. It gives the commission the right to bring before the President certain data. The President makes certain recommendations to Congress. The Congress can then discard his recommendations or approve them at that time. - Anyone who tries to draw a red herring of radicalism or communism or socialism across the trail regarding the vote on this amendment is merely beclouding the issue.

You will now have an opportunity to vote as to whether we shall plan to take care of unemployment or whether we will let unemployment descend upon us without planning, and then try to take care of it as best we can at that time, because that is just exactly what the Congress will have to do. We planned to win the war. Why can we not plan to eliminate these cycles of depression that inevitably follow every war?

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

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

Mr. BIEMILLER. Mr. Chairman, there are many in this House who are worried that the free private enterprise system may be replaced by some other system. I think those Members should recognize quite frankly that there is just one way the American free enterprise system will fall. That is if we continue to have recurring depressions, with large numbers of unemployed and nothing being done about it. Those who oppose the Outland amendment, which is the original Patman full employment bill, are those who should think twice, because in opposing it you are saying, "We do not want to plan against the period of unemployment. We are willing to take our chances, and have fifteen or twenty million unemployed roaming the streets of this country, and thereby create a crisis in which a great radical movement can develop; a movement which would demand a radical change in our Government."

During the war we were all pleased by the tremendous job that was done of turning out war material. It is true our country did the greatest job the world has ever known. I submit that job was done through a partnership of management, labor, and Government. It was a tripartite job. All three elements played an important role in the partnership. What the original Patman bill now before you does is to set up a similar kind of proposal for a period of peace. It is

trying to apply the techniques that we learned during the war, techniques that produced results, except that we want to apply them this time to build peacetime prosperity, rather than in building engines of destruction.

I submit to this House, the techniques that did turn out the kind of production we had during the war ought to be equally useful during a time of peace. The techniques that produced all the weapons necessary to down the most ruthless war machine the world had ever seen, should be used now to make sure that we have housing and food and clothing and all of the good things of life for our population. That is the plea which the authors of the full employment bill lay in front of you. We are not trying to change the basic concepts of American life in any way. We are trying to give you some fire insurance—insurance against a great conflagration which will sweep this country and sweep the entire world if we do not make plans to prevent it. In my opinion the committee bill is a very sad substitute and I sincerely hope the committee will vote to restore the language of the original bill.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Chairman, last February the distinguished gentleman from Texas [Mr. PATMAN] introduced House bill No. 2202, which was designed to make the immortal Franklin Roosevelt's dream of 60,000,000 jobs for the toilers of America come true. Later the country's leading humanitarian statesman, former Vice President Henry Wallace, made the 60,000,000-jobs expression familiar to every progressive in the land.

Soon after the introduction of the Patman bill, I became one of its cosponsors, and subsequently a member of the executive committee charged with the responsibility of endeavoring to prevail upon the House to approve it. Unfortunately, this liberal bill was referred to a committee in which it had no more chance to escape ignominious death than Socrates had in Athens or the Saviour had in Jerusalem.

The measure which the committee has brought forth after the manner in which the mountain labored and brought forth a mouse, is no more like the Patman bill than the jackass in the lion's skin was like the king of beasts which the skin had previously adorned.

Fortunately for the progressive Members of the House, there will soon be an opportunity to vote to substitute the Patman bill for the committee measure. To my regret, the existing parliamentary situation is such that the vote on the motion of the able gentleman from California [Mr. OUTLAND] to substitute the Patman bill must, at the best, be successively by voice, division, and tellers, and no record will disclose the manner in which any Member's duty is discharged in this matter.

If the proposed substitution is defeated, the Members who desire a full employment bill will be confronted with this dilemma: They can either vote for the wholly inadequate and notoriously unsatisfactory committee measure, in the



hope that if it is adopted it will be greatly improved by the conference committee of Senators and Representatives to which it will inevitably be sent; or they can vote against the committee's proposal, with the unhappy realization that if it is defeated the only chance for any sort of employment legislation during this session of the Congress will have been lost forever. In this deplorable situation, if the worse becomes the worst, I shall, with unfeigned reluctance, vote for the committee amendment.

But let me entreat the House to approve the Patman bill which, if it becomes a law, will provide adequate protection against Nation-wide unemployment.

Ever since we were dragged into the Second World War, it has been my inescapable belief that in the postwar era this country's predominant peril would be that of unemployment. That belief sprang from the recollection of the long, tragic years of unprecedented distress that followed World War I. The lack of vision, preparation, and performance which brought us to the brink of ruin after the First World War should not be permitted again to curse the country in this second postwar period.

Young men generally were promised that upon their return from the front after the defeat of Germany and Japan they would be restored to the identical jobs they surrendered when they entered the service to fight for their country and the preservation of the blessings which make it the happiest land on earth. As the far-seeing had expected, the task of performing these encouraging promises is proving to be as difficult as it would be for a camel to go through the eye of a needle.

Let me remind you that before the sun had set on the last day of the First World War practically every Government contract for military supplies was cancelled. War-serving industries, that had been operating at capacity 24 hours a day, immediately extinguished their fires, closed their doors, and began their long and laborious return to peacetime production. Overnight millions of war workers lost their jobs. And before the first trainload of soldiers returned from their camps in the United States, and weeks before the first shipload of veterans returned from overseas, every industrial center in the country was confronted with the problem of unemployment which, during its long delayed solution, brought the Nation within a hearthrob of a revolution too distressing for prolonged discussion and too disastrous for unnecessary contemplation.

Before the completion of demobilization, a panic worse than the world had ever witnessed descended upon the Nation. Subject to occasional interruptions, that panic during the next 15 years impoverished a majority of the American people. After destroying business, wrecking banks, ruining farmers, and bankrupting manufacturers, it overran the land with an army of 15,000,000 jobless men, destitute women, and starving children. It agonized the Nation until its victims everywhere cried out with the Apostle Paul: "Oh, death, where is thy sting?"

The progenitor of these heartbreaking tragedies was the unemployment which destroyed the purchasing power of the country.

Between 1918 and 1933, our governmental structure was again and again shaken by the convulsions of unemployment from "turret to foundation stone."

At sometime during this postwar period the unemployment strain upon our democracy will be as much greater than that of the last postwar period as 12,000,000 veterans of this war are greater than the four million who came marching home 27 years ago.

When the pharisaical lawyer propounded the inquiry: "Which is the greatest commandment?" the Saviour specified two, and added: "On these two commandments hang all the law and the prophets." Please mark this prediction. During the next few years, on employment will hang "all the law and the prophets" of success in the stupendous enterprise of rebuilding the world in conformity with the heart's desire of the countless millions who constantly yearn and fervently pray for generally diffused, permanent prosperity and a just and everlasting peace.

American industry may, as usual, be depended upon to employ all whom it can profitably utilize. But it is more than possible that there will be millions during the next few years whom private enterprise cannot absorb. Hence prudence dictates that plans for vast, useful public works programs should be formulated and held in readiness for execution the moment the necessity for governmental assistance appears.

As experience teaches that it is the part of wisdom to pay premiums for a fire insurance policy on one's home that may never burn instead of running the risk of having it destroyed in circumstances in which the owner alone would suffer all the loss, so common sense dictates that it is better to be prepared with the Patman bill to meet an unemployment crisis, which it is hoped will never come, than it is wait until we are overwhelmed by disasters such as were suffered during the 3½ years prior to the 4th of March 1933.

There are great self-liquidating improvements, such as that of controlling the devastating flood waters of the Mississippi and its tributaries, which will require tens of millions of days' work and billions of dollars for its achievement that, when the occasion arises, should, for obvious reasons, be prosecuted by the government of all the people.

But it is conceived that the combined demands of the Federal Government and private industry for labor may not equal the available supply during the next few years. In that case, every State in the Union should and, with undoubted economic propriety, could sponsor labor-employing public-improvement programs which, if providently executed, would, in a short time, liquidate themselves and thereafter long pay liberal dividends in utility to those by means of whose taxes such improvements had been financed.

Every State in the Union of average topography still has hundreds of miles of narrow, winding, hazardous roads which—in behalf of safety and economy

of time, gasoline, and motor equipment—should be widened or straightened—or both. Even through mountainous country the high cost of shortening the distance between important points by substituting straight for crooked roads would, in a little while, be repaid by the savings of the traveling public's time and the reductions in the cost of operating the instrumentalities of transportation.

In this aeronautical age, no State can keep step with progress without adequate airport facilities for all its important cities and industrial centers. In the construction of these ports lie innumerable opportunities for the profitable employment of surplus labor by State and municipal governments.

More than nine-tenths of our municipalities need sewage-disposal plants to conserve valuable fertilizing material and abate the nuisance that it perennially generates by polluting streams, filling the air with nauseating odors and spreading disease far and near.

These are but a few of the many valuable projects that would require unlimited labor for their consummation and to which the Federal Government's assistance, in cases of necessity, could and would be lent if the Patman bill should become a law.

Friends of full employment, our opportunity is at hand. Let us improve it by adopting the Patman bill amendment and thus, for the moment, do everything in our power to make it impossible for unemployment ever again to smite this Nation with its curse.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

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

The gentleman from California [Mr. DOYLE] is recognized for 3 minutes.

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

Mr. DOYLE. Mr. Chairman, Abraham Lincoln on March 21, 1864, said:

Property is the fruit of labor; property is desirable; it is a positive good in the world. (That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise).

Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

I am one of the coauthors of the original Patman bill and perhaps I feel impelled to speak briefly now because I find intolerant language used toward some of us who are coauthors of that bill, charges of fraud, of intention, charges of intention to defeat the American way of life; to deceive the American people. I am a lawyer by profession. In that profession we learn to respect the opinion of our opponents, even though we differ with that opinion. A state of mind in the thinking of legislators which is so closed that it does not admit of any truth or sincerity or patriotism in the plans and thinking of the other American across the aisle from you is not conducive to sound legislative results in the interest of the public good. An at-



titude of mind which thinks habitually in terms of suspicion and contempt for that other American's opinion is a form of intolerance and egotism which bears no good results for the American people.

I am 1 of the 116 coauthors of the Patman bill. I was honored to be one for I believe in the proposition that if there is full employment for the American man and women, then there will be increasingly higher levels of life. Yes; levels of daily life for the American people on all human experience fronts. In proportion as there is full employment there will be full purchasing power and full production depends upon a full ability to purchase the products of full production. Manufacturers make their money profits off of the sale of their wares. The more sales they make, presumably they make more profits. But folks who have no work cannot buy and pay cash for wares produced in our factories unless they have opportunity for the full employment best enabled to raise the standards of living of the families of America. Full production is dependent upon a full buying power; and a buying or purchasing power depends upon job opportunities for the American people. I believe it necessary and sound in our American way of free competitive enterprise that employing industry have opportunity for full steam ahead in production. We have produced for war, now let us produce for peace. Our competitive system can do this, provided, however, that a full job opportunity is available to every honest-to-God American who is industrious and forthright to work as fully as may be in decent, dignified work at a decent wage. You will see then why I am for the full employment bill of which I am a coauthor.

Furthermore, it is a clear sign of lack of understanding of other Americans to argue that those who favor full employment are favoring the State taking over free enterprise. Such an argument has no application to my thinking or intentions. Why any American should want to limit job opportunity for any other fellow American is more than I can understand. Is it untrue that the hope and aspiration of America is that all industrious men shall become free of fear and free from hunger and free from want? Freedom of press and worship and speech is an empty phrase if honest, industrious men cannot find job opportunities.

The machine age, the atomic age—there have combined together to compel us to recognize man's inhumanity to man in matters of allowing the man who works with his hands or brain to rise and live at a level of life consistent with recognition of the declaration that all men are created equal or in the image of God.

If you think that my extemporaneous remarks are this day too idealistic, then, Mr. Chairman and my colleagues, let me remind you that a nation which places too much emphasis upon the materialistic to the destruction of proper place for the spiritual is a nation which is bound to dissolve and decay.

To deny creation of a national philosophy which is bounden to not let honest

men starve and children not go without schooling and recreation, is to deny that our fellow man who is willing and anxious for employment, is nevertheless condemned to compulsory idleness with all of its damning and destroying results. Compulsory idleness comes from lack of job opportunities in almost every case. Please note that I said compulsory idleness from lack of opportunity to gainfully work at decent wages and honest toil.

And, when mass compulsory idleness comes about again as part of the depression that even you Members of this House on the Republican side admit will come if certain conditions prevail, then our free competitive system is not unlikely to be further weakened and justly condemned as inadequate. This full employment bill is a backlog to free enterprise and a friend of free enterprise in time of trial and need. Freedom of enterprise will not survive in its present form if we allow mass compulsory idleness to come about through fault on our part of procrastination or blindness to truth. Hunger, cold, lack of opportunity for schooling for children, lack of ample necessities of life—these are determining factors in the progress of our great Nation. Full production and full employment would make lack of the necessities of life impossible for honest men.

Yes, I am liberal enough to insist upon the right of all my fellow Americans to have full enough job opportunities so that they, too, regardless of race, creed, or color, can also have a sense of a rise in their standards of living from day to day.

But, if this original full employment bill does not pass this day, I shall vote for the committee amendment. While it shuns the declaration for full employment which I favored as essential, yet the committee amendment declares a national policy of "high level" of employment. It does not say how "high." But the ordinary meaning of the word as compared with the term "low" or "medium" or "average" or other applicable or comparative terms will take care of that when the time comes. And, as I had no desire to weaken the system of "free" enterprise, it appears to me that the committee amendment also keeps it strong. This committee amendment is a definite beginning in the right direction, inasmuch as the original bill may not pass today. A "high level" is not a "full level," but it is higher than our present national level of no declared policy at all as to doing away with compulsory mass idleness.

Money profits are essential, as motive for taking money risks, for the investment of initiative and for outlet for American resourcefulness and ingenuity. But, Mr. Chairman, I feel we have so far in this Congress magnified the extent of the need or desirability for piling up material gain. Man never has lived by bread alone and man never can seek primarily to acquire and acquire and acquire more and more and more of the material things to the exclusion of the spiritual, unless such man anticipates self-destruction and moral decay.

Yes; we have pretty well taken care of American industry in terms of taxes, cut-backs, excess-profits-tax cancellation and other protection from money losses growing out of this war. But what have we yet done to protect and fortify the human body and mind and soul from the ravages of war. I do not minimize the proper place of material and money gain as essential; but, I do say it is high time we recognize in terms of legislative action the fact that men and women of forthrightness and morality and industry and with the love of God in their daily lives are the realistic national wealth. Manhood is higher than money and character is richer than cash.

The obligation of government is not to control men nor is it to enrich a few at the expense of the many. There is no security for the few if there is insecurity as to the necessities of life for the many. Let us be willing that all worthy men shall achieve an abundant life. We want this for ourselves and, feeling that we are entitled to a working condition in which we can deservedly reach this level of living for ourselves we are obligated to see to it that our neighbors have like opportunity to earn it. This is free enterprise in opportunity for employment and advancement.

I see no reason to think I am unsound in arguing for full employment when these four older statesmen of America pronounced for it. Listen to them.

Franklin D. Roosevelt, Chicago, October 28, 1944:

To assure the full realization of the right to useful and remunerative employment, an adequate program must, and if I have anything to do about it will, provide America with close to 60,000,000 productive jobs. \* \* \* If anyone feels that my faith in our ability to provide 60,000,000 peacetime jobs is fantastic, let him remember that some people said the same thing about my demand in 1940 for 50,000 airplanes.

Harry S. Truman, Washington, September 6, 1945:

A national reassertion of the right to work for every American citizen able and willing to work—a declaration of the ultimate duty of government to use its own resources if all other methods should fail to prevent prolonged unemployment—these will help to avert fear and establish full employment. The prompt and firm acceptance of this bed-rock public responsibility will reduce the need for its exercise. I ask that full-employment legislation to provide these vital assurances be speedily enacted.

Thomas E. Dewey, Seattle, September 21, 1944:

If at any time there are not sufficient jobs in private employment to go around, the Government can, and must, create job opportunities, because there must be jobs for all in this country of ours. \* \* \* If there is one thing we are all agreed upon it is that in the coming peacetime years we in this country must have jobs and opportunity for all. That is everybody's business. Therefore, it is the business of government."

Herbert Hoover, Newark, September 18, 1928:

I wish to lay down the proposition that the very prerequisite, the very foundation of economic progress to our industrial and business employees is full and stable employment. A continued surplus of unemployed workers



means decreasing wages, increasing hours, and fear for the future. To protect labor, to maintain its prosperity, to abolish poverty, we must so organize our economic system as to provide a job for all who have the will to work.

When Patrick Henry said, "Give me liberty or give me death," he was not pronouncing for the protection of a material thing. It was a patriotic and positive assertion for the preservation of an everlasting and necessary principle of human conduct and of an enduring human relationship. Patrick Henry knew that where there was no liberty there was no chance for human happiness. It was for this indestructible essential of daily life for which he was willing to die.

This leads me to observe that the evolution of civilization demonstrates that material things are only of real value as they contribute to the progress and happiness of human kind. Material things are made for man and not man for material things. Any other deduction would enslave the very souls and spirits of men to unworthy objectives. I mentioned liberty as one of the indestructibles of daily living. This leads me to add to this list of the indestructibles of human progress and liberty, the freedom to think although we may think differently; good will amongst men; faith in God, faith in other human kind, too; conscience, fortitude, humility, tolerance—these are a few of the absolute necessities in the daily consciousness and conduct of our Nation. And the victory in war we recently won along side of our allies, makes these indestructibles and absolute necessities even more essential than before, in our daily approach to, and solving of, our national and international relationships.

If you are thinking or would say to me if you had the opportunity, that these remarks of mine are too idealistic and are therefore impractical of accomplishment, may I remind you that it is still a fact—and always will be—that a nation without God and a nation without ideologies which keeps that nation on her knees in the terms of a spiritual humility, is too materialistic to endure. And also, that the materialist philosophy that might makes right and that power begets privilege, without regard to justice, has never yet contributed toward the inspiration of humanity and the raising of the standard of living for the masses of the people, and away from serfdom and ignorance.

Yes, we have won our recent war against the militarists of Germany and Japan and at the same time the necessary development of and use of the atomic bomb, resulted in our own nation becoming the most destructive in the world's history in time of war or peace. Granting, gentlemen, that this development and use was essential to the preservation of the democratic way of life, this very possession of the most destructive power within the knowledge of man, likewise places upon us the most far-reaching responsibility and trusteeship for its sanest and soundest and surest use, for the perpetuation and preservation of enduring peace.

Sound judgment and the dictates of self-preservation compelled us to cooper-

ate with and understand and respect the other allied nations with whom we fought a common battle of self-defense. We did this in time of war, even though we continued to think we had material differences of opinion on some major matters with reference to their forms of government and their economic philosophies as related to our own.

And whether all of us would have it so or not, it clearly appears that our Nation is now a member of a world neighborhood of nations and that for this reason, we must either learn to live in terms of residence and responsibility in a world neighborhood, or not to live in enduring peace and security at all.

Amongst the decisive lessons which the necessities of war have taught us is that there can reasonably be plenty of opportunity and work for earning of money and for material prosperity in our Nation and in the world. God forbid that it can never again be truthfully said that our levels of life and living rise more in time of war than in time of peace, or that it can ever be said again that our economic expansion and stability depends for its life on a shot in the arm in the form of a World War tablet. The war discoveries, inventions, and advancements discovered and developed by the Public Treasury and for the public benefit and defense must now be promptly turned to the raising of the standard of livelihood for the people of America. And international cartels designed to make millions of money profit out of the slaughter, if needs be, of the youth of the world have no longer a place in a world which must live together as neighbors in order to survive at all.

And what of some of our world neighbors? Can we in good faith and with tolerance and mutual respect criticize, condemn, and even outlaw in our speaking and attitude their right to self-determination of their own ways of life. Is there no room for mutual respect, confidence, and good faith in the minds and hearts of all thinking and acting men without regard to race, creed, color, or otherwise? I do not conceive that we have exclusive ownership or control of all of the good faith, justice, liberty, and desire for peace that exists in the world. I therefore emphatically speak for international tolerance, international good faith, with increased consciousness of and participation in all reasonable steps which may be necessary to establish and preserve an enduring world peace. Gentlemen, anything less than this sort of a determining policy is to belittle the unselfish sacrifice already made by those who have died in this and other wars that we might have liberty and live more abundantly. It will likewise result in the eradication of the fundamental principles of world understanding, neighborliness, and cooperation which is essential to an enduring world peace.

There is no other way provided whereby mankind can be saved from the destruction of the essential implements of civilization. As the spreading of jealousy, hatred, suspicion, ill will, gossip, and rumor destroys the possibility of individual neighbors living in terms of neighborhood good will and neighbor-

hood security, so in like manner do the same forces destroy the possibility of international neighborhood understanding and cooperation.

We are in a period of reconversion from what to what? Is there imagination that we will ever reconvert back to the same normalcy and status existent before Pearl Harbor? Such return will be absolutely impossible for the discoveries, inventions, and improvements in transportation, communication, science, manufacture, and distribution alone will compel us to raise our standards of living, as Washington, Jefferson, Patrick Henry revolted against the status quo as intolerable, so we must have our eyes to the east and not only be willing to live and let live, but also be willing to have others also be enriched by a sense of economic and political advancement and achievement. I conceive of my beloved Nation reconverting into a land where honest and forthright men and women, without regard to race, creed, or color, have a more adequate opportunity to support themselves and their families with dignity and with fuller opportunity to work and with increasing freedom from the destructive fears and forces which are born out of the womb of greed and intolerance.

In this period of reconversion it is my belief that we have not yet adequately approached at least two major necessities in such period. First, and without criticism of any person or any committee for doing or leaving undone anything, I nevertheless feel that the GI boys, and likewise the girls who served in this war, have not yet had adequate or prompt provision made for their fair and just and earliest possible reconversion from youths in uniform to youths in civilian endeavor and life. For instance, from my native State of California comes reports to me from bankers as well as veteran groups to the fact that it is taking as long as 45 days to process a GI loan. This, of course, in practice, amounts to foreclosing the intended use of the GI bill. Then, I feel that the amount of aid and assistance presently provided in the GI bill for the continuation of education of these distinguished men and women is not adequate. Hundreds of thousands of them gave up their education voluntarily, and those who did not have that privilege were compelled to bear arms and sacrifice their education in order to serve the ideologies of our American way of life. Can we now do less than to immediately and adequately see that those who seek their schooling and are deserving have it at the earliest possible date? The standards of living do not raise sufficiently where there is lack of educational and recreational opportunities, and we must see to it that this war does not condemn this generation to be an unschooled one because of any lack on our part of doing our fullest duty to prevent such a catastrophe. No less than the fullest possible and immediate reforming amendments to change the GI bill in whatever ways may be ascertained as essential can be considered as honorable and fair treatment of those who would have died for us if needs be.



And secondly, I call your attention to the fact that we have already made much provision for the reconversion of machinery and of factories and of the necessary material things in our Nation, while we have not yet reached our responsibility of recognizing the need of reconversion by the civilians of our Nation back to peacetime life and endeavor. And is it not true that the machine of the human body and the human temperament with its human limitations of discouragement and despondency the most delicate machine there is to reconvert? Granting that it is essential under our competitive system of free enterprise that the money profit motive be encouraged and protected, nevertheless, we can, if we are not very careful, go to an unnecessary extreme in allowing cut-backs and credits and reducing sources of national income to such an extent that we will not have adequate reserves to protect the needs of the reconversion of the human element in our Nation to peacetime life and endeavor.

My experiences as a Member of this great legislative body have been most pleasant and I have received the utmost courtesy and understanding from everyone. But I am sure you are also aware of the fact that entirely too often for the welfare of our Nation and of the world we are not in possession of all of the material facts in connection with the major legislation or decisions which we have to make.

This fact is most distressing to me, for I increasingly feel that it is only in the light of an informed democracy that there will be an intelligent acting and, therefore, an enduring democracy. Illy or only partially considered legislation, I deem as legislation too poorly born. The fullest possible opportunity for discussion and debate and discovery in committee and on the floor is an essential prerequisite to sound legislation and therefore to perpetuation of our American way of life. Less haste will make less waste in the field of legislation as it does in the experiences of daily life. Our determination in this testing period of our national and international existence and relationships should be to the decision and to the end that there shall be the fullest possible revealing of the true facts and a corresponding freedom of speech and opportunity for expression by and for the American people. I have never heard of intolerance of other men's sincere opinions, having made any contribution to the preservation of our American way of life. I conceive of it as everlastingly true, that it is sound to be willing to fight for the other man's right to speak his mind even though he may not agree with me.

As no nation ever makes material or spiritual progress over the backs of and out of the abuse or misuse of the life of its children and youth, so we must increasingly take heed and make reasonable provision for the preservation and continuation of those elements in our national existence, which definitely contribute to the upbuilding of the character of American youth and against those factors in our existence, which are known to tear down and destroy. The all too rapid increase in the child and youth de-

linquency of our Nation is not only appalling, but it is a matter of immediate and vital concern to the continuation of our Nation as one of necessary homes, churches, and schools. Just what the States themselves should respectively undertake and do and just the exact field of responsibility which should be occupied by the National Government I am not sure of. But, gentlemen, the total field of the problem of the childhood and youthhood of America is rightly of national concern. Not least of all is this true, because it is from the ranks of these future citizens that come the men and women upon whom we call to sacrifice their lives, if need be, in time of war or national defense.

I shall not conclude these remarks without calling to your attention that this war would never have been won had it not been for the volunteer spirit of service and sacrifice rendered by those millions of Americans who gave of their utmost of material and spiritual resources without a cent of compensation or material reward therefor. It is this dominant spirit and fact of self-sacrifice and patriotism in the line of emergency duty to family, God, and country which has established and preserved our American way of life. Without discrediting or discounting the high services rendered by those in office or in all organizations wherein they were paid a financial compensation, either adequately or inadequately, for services rendered, yet I think it highly essential that we also give recognition to those millions of men and women and children who rendered services to God and their country and their fellowmen during this war; knowing in advance that they had no opportunity of ever receiving either financial compensation or pay therefor.

It seems to be proved by human experience, that we get back what we send forth in our loves or hates or fears or in our prejudices, suspicions, or our good will. And, I am frank to say that it seems to me that if the people of certain foreign nations could hear some Members of this House speak of their nations in terms of suspicion, condemnation, and of fear of their purposes and intent and of their alleged lack of good faith or sincere purpose for world peace, that then those peoples, hearing such declarations on this floor would likewise be justified in suspecting our motives or fairness of dealing.

As we were powerful in war for winning that war, we must likewise be powerful for winning a world peace. There is no other way, whereby mankind will be saved from self-destruction by atomic power development and war. We will either become civilized enough to live together or we will fall further and further apart and end in chaos.

So, I bespeak that we give to other peoples of the earth as much credit for good faith in their conduct, as we know we ourselves are in part entitled to. This will build world good will and build for world unity, for world collaboration for enduring peace.

The dictates of self-preservation in this atomic world—even if we are not advanced enough to place it on higher grounds—compel us to conduct ourselves

energetically and in good faith for an enduring world peace by implementing the United Nations Organization.

I want that no other parents of any other lad in any land in the universe, shall know what it means to raise their son to die in another world war.

There is no need of it. But we must mobilize our hearts and spirits and souls and material resources for it. We must be willing to give and take for the sake of peace. It is the most important goal within reach of man. It must be achieved.

We must not tolerate any conscious act which will bring us to the precipice of the destroying of world collaboration for peace. We should not need the catastrophe of another world war to bring us to the realization that we must work for peace as we also worked and prayed for the end of war. Peace does not just happen. Nor will it just continue as a matter of course. We will have to fling our heart and soul and mind into the purpose of enduring world peace. War is the common enemy of mankind; it is a beast which must be attacked in force and kept at bay. It prospers in greed, lust for power, hunger, hate, misunderstanding, ignorance of truth. There must be millions spent in education for peace through the Charter of the United Nations. Research and technological achievements together with undying human will and patriotism to principle won the war in large measure. We must direct this same perseverance to peace perpetuation. World peace depends upon world order, and American peace and security depend in large measure upon the peace and security in Europe and the rest of the world. A hungry and starving and warring world any place, means jeopardy to our peace and security—both economically and to our political philosophy.

Let us, as a Nation, create cause for happy laughter. Let us look up to God. Let us destroy man's inhumanity to man.

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from South Carolina [Mr. HARE].

[Mr. HARE addressed the Committee. His remarks will appear hereafter in the Appendix.]

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

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

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

#### H. R. 2202: FULL EMPLOYMENT

Mr. PATMAN. Mr. Chairman, this amendment is a real full employment bill. Those who want to vote for a bill that will prevent the boom and bust period that has always happened after every major war should vote for this amendment submitted by the chairman of our steering committee for full employment, the gentleman from California [Mr. OUTLAND].

This bill, if enacted into law, will enable us to plan for the future, to provide



against the things that have happened in the way of depressions and deflationary periods that have always followed a major way. It will enable us, if enacted, to have a balanced budget. So it is a bill to balance the Budget of our Government. It will prevent deficit financing, so if you want to vote against deficit financing, vote for this bill which will make plans for jobs, for national income, that will give us sufficient taxes that can be conveniently paid in order to pay our national debt in honest dollars, and when do do that, we will not have any deficit financing.

I invite your attention to page 12167 of the CONGRESSIONAL RECORD of yesterday, the speech that I made on the floor of this House, and the insertions I made, which include my testimony before the Committee on Expenditures in the Executive Departments as well as the cross examination by practically every member of that committee. I attempted to answer every question that was asked me by the members of that committee, and those questions and answers are contained in the speech that I delivered here on the floor of the House yesterday.

Our No. 1 problem today is preventing inflation. Just like we began to prepare to build up the greatest and finest war machine in the history of this world, we have this task of preventing inflation, because we know that following every war we have inflation, and then we have deflation. After the other war this deflation cost our people 500,000 farm homes and 500,000 businesses. So vote for a real full employment bill by voting for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JOHNSON].

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Chairman, so many claims have been made for and against this bill that it is difficult to determine just what good, if any, can be expected of it.

We recognize that production comes from the farms, industries, mines, and the natural resources of the country. Merely appropriating Government funds does not add any real wealth for distribution, in fact it takes away from the wealth already produced the amount of the tax money. In that way it leaves less wealth for distribution.

However, government can, it seems to me, help gather facts, disseminate information and plan for production. Our economic system and the productive mechanisms of our country are so complicated that many producers are at a loss just what to expect in the way of markets. They cannot get a clear view of the factors which may make for full employment or may make for reduced or no employment in their industry. This is particularly true of small businesses making some specialized product.

The particular point I want to make is that government, in at least one field, has, for over half a century, indulged in planning to help business. I am referring to the public-utility business. The Interstate Commerce Commission, and

the railroad commission, or public utility commissions in every State in this Union are virtually continuous planning bodies for our public utilities. They supervise the working and the expansion of the utility business. Not a single improvement can be made by any company without the approval of these commissions. Those of us who have sat through such hearings know how meticulous the commission is to be sure that a proposed improvement will be justified by the probable revenue; that the securities of the utility must not be jeopardized; that the earnings must be adequate to pay for running expenses, including labor; that the solvency of the utility must not be threatened. In fact, the Government in all those instances plans, supervises, and approves the steps to the end that the particular business may be a success and good service to the public be maintained or instituted.

Of course, you will say that the utility business is impressed with a public interest. It is in that it must maintain service and what it gives the public is some kind of a service of vital public interest. But, in a slightly different sense, the public is interested in keeping every business that employs men and produces goods for public consumption in a healthy condition. The failure of a business reduces employment and if it is widespread that makes for economic chaos. Having attained a certain standard of living, it is hard, and many times almost impossible, to live on a reduced standard. Our whole life—education, entertainment, religion, recreation—rests on our standard of living. Therefore, it is vital to our social well-being that it be maintained.

The Government certainly can gather facts and help make plans to maintain high employment. It can arrange its public works program so that it will be at the peak, when private employment is low. But public works cannot solve the unemployment problem. It can help to a degree. As I see it, we must try to take steps—after thorough study and investigation of future employment levels—to prevent great reductions in gainful employment. In this way we may obviate disastrous unemployment. In that manner, our workmen can be kept busy and the customers for the things we produce can maintain their purchasing power.

Slogan bills, such as this, are dangerous. They raise the peoples hopes too high. But judicious planning can help obviate unemployment reductions. This plan was suggested in 1928, in substance, by President-elect Hoover. It has been suggested by others. It may give the private enterprise system the needed foresight to prevent too rapid declines in employment. It may furnish the very date that a good periodical furnishes to its advertisers, the facts and methods by which a particular business may maintain its production level or even build it up. Certainly, our Government should be interested in helping that sort of a program and by judicious study on a national scale and wise planning for the future our private enterprise system may be kept in a healthy condition.

If the Public Utilities should be maintained economically healthy by Government assistance, I see no reason why the Government should not likewise try to help other business maintain good economic health and high levels of employment by furnishing it with factual data, prognostications as to the business future and suggestions on how to hold or stimulate production. Abundant production and full employment for those wanting work make not only a prosperous but a happy people.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON] to close debate.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, may I ask if the hour that has been allotted has been exhausted?

The CHAIRMAN. The hour has been exhausted, with the exception of the time allotted to the gentleman from Mississippi.

The gentleman is recognized for 5 minutes.

Mr. WHITTINGTON. Mr. Chairman, I opened my advocacy of the committee substitute by saying that the problem of employment is one of the most important confronting this or any other government. I stated that I am sympathetic with the problems of unemployment that will arise sooner or later in the country and especially in the industrial areas and the more densely populated areas of our country. I assert now as I asserted yesterday that the Patman bill and the Senate bill will not solve the employment problem. I repeat now as I said in opening the debate that all thoughtful witnesses who appeared before our committee said that if the job of unemployment is to be done it has to be done substantially by the free competitive private enterprise system to the amount of 85 or 90 percent. The Government cannot be expected through outlays to provide for more than 10 or 15 percent of all employment without deficit spending.

Those who advocated high levels of employment and full employment asserted that the Patman bill and the Senate bill would defeat the very objectives of those bills because, they said, and I repeat, that the language of those bills, the committal of those bills, the basis of those bills, is Federal expenditures and Federal investments and thereby the very objectives of providing full employment or high levels of employment in private enterprise would be endangered and destroyed at the very beginning.

We have heard a lot about employment. There has not been a single statement made as to how the Patman bill or the Senate bill will give a man a single job. What kind of employment, what kind of appropriation, what kind of disbursement, what kind of work?

I submit that we have approached this from a constructive angle in the committee substitute. The substitute says we will continue the policy of public works and loans. The substitute without committing us in advance to billions



of expenditure without knowing what they are, and to billions of investment without knowing whether they are sound or unsound, says to the President of the United States, "If we need anything else other than the works we have authorized or the loans we have authorized, Mr. President, submit your plans. We give you the ablest talent in the Nation to advise and help you submit your plans. If we have to make any more outlays, if we have to make any more expenditures, give us your plans for financing the expenditures." Is that against employment? We ask only sound plans, with adequate taxes, before Congress approves other expenditures.

We confined our operations in 1931 to public works alone. We have since supplemented it by loans. We say that if other provisions are necessary the Congress of the United States, when the President submits his program to us in his message, will investigate them, and before we approve them, before we walk blindly into billions of expenditure, we will know the character of the work, we will know whether or not they will provide jobs, we will know whether it will be a lump sum appropriation to be disbursed by the Executive or whether the taxpayers' representatives, the Senators and Representatives, shall select and adopt the works and other construction and appropriate the money they call upon the taxpayers to pay. We undertake to safeguard any expenditures that are made by saying that instead of committing ourselves to billions of investment, the President's advisors cannot spend more than \$300,000, in advising and assisting him in recommending legislation or further Federal outlays to promote employment.

Then the Committee on Appropriations will determine whether they need that much or not. We limit the appropriations of the Senate and House committees to \$50,000 each. We put a ceiling on it; it may be less. Yesterday we voted \$75,000 for one segment of our population, small business. Is it too much when we come to employment that affects 135,000,000 people, when we come to an effort to do a constructive job and to provide for real employment in the national interest that the President may be authorized to spend some \$300,000 to get the advice that all witnesses said was not available to President Hoover and President Roosevelt? We may not have fought a good fight, but, in my judgment, the committee in rejecting the Patman bill, supported as it was by only three or four votes, has kept faith with the House and with the American people and has submitted a substitute, the most constructive proposal ever brought forth by a committee of this House for Congress to provide for real employment.

The Patman bill contemplates appropriations. The vice is that before any works or plans are submitted to Congress the Patman bill commits Congress to a gigantic unworkable deficit spending program. The committee substitute does not deceive. It does not assure full-time remunerative employment to all whether they are qualified or not. It repudiates deficit spending. It promotes employment by private enterprise and it

provides that, if to stimulate employment in private enterprise, if to stimulate private construction, additional works and outlays are necessary, they shall be approved by Congress with adequate taxes to finance them. There is available employment for all workers for the present. All unemployed can be absorbed during the next year. The House substitute is a sound solution for the problem in the long-range view. I urge that the Patman substitute be rejected and that the House substitute be adopted in lieu of the Senate bill.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand it, the vote now recurs on the amendment offered by the gentleman from California [Mr. OUTLAND], the so-called Patman bill, as a substitute for the committee amendment. If that amendment is adopted, of course, the committee amendment is defeated. If the Outland amendment is defeated, then the vote recurs on the committee amendment as a substitute for the Senate bill. If the committee amendment is adopted, it means that the substitute bill of the committee will be adopted in lieu of the Senate bill.

Am I correct in that statement, Mr. Chairman?

The CHAIRMAN. The gentleman is correct.

The question recurs on the amendment offered by the gentleman from California [Mr. OUTLAND].

The question was taken; and on a division (demanded by Mr. OUTLAND) there were—ayes 81, noes 127.

Mr. OUTLAND. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MANASCO and Mr. OUTLAND.

The Committee again divided; and the tellers reported there were—ayes 95, noes 185.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the committee substitute.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. THOMASON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, pursuant to House Resolution 449, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment. The amendment was agreed to.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HOFFMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOFFMAN. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HOFFMAN moves that the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, be recommitted to the Committee on Expenditures in the Executive Departments.

Mr. LAFOLLETTE. Mr. Speaker, I offer an amendment.

Mr. MANASCO. Mr. Speaker, I move the previous question on the motion to recommit.

The question was taken; and on a division (demanded by Mr. LAFOLLETTE) there were—ayes 178, noes 70.

Mr. LAFOLLETTE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. HOFFMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 136, nays 242, answered "present" 1, not voting 53, as follows:

[Roll No. 204]

YEAS—136

Abernethy	Gathings	Mason
Allen, Ill.	Gavin	Michener
Andersen,	Gibson	Miller, Nebr.
H. Carl.	Gifford	Mundt
Arends	Gillespie	Phillips
Arnold	Gillette	Pickett
Baldwin, Md.	Gillie	Ploeser
Baldwin, N. Y.	Goodwin	Plumley
Barrett, Wyo.	Graham	Ramey
Beall	Grant, Ind.	Rankin
Bell	Gross	Reece, Tenn.
Bender	Gwinn, N. Y.	Reed, Ill.
Bennett, Mo.	Gwynne, Iowa	Reed, N. Y.
Bishop	Hale	Rees, Kans.
Blackney	Hall,	Rich
Bradley, Mich.	Leonard W.	Rizley
Brown, Ohio	Hancock	Robson, Ky.
Brumbaugh	Harness, Ind.	Rockwell
Butler	Henry	Rodgers, Pa.
Byrnes, Wis.	Hess	Roe, Md.
Campbell	Hill	Rogers, Mass.
Case, S. Dak.	Hoeven	Schwabe, Mo.
Chenoweth	Hoffman	Scrivner
Church	Holmes, Mass.	Shafer
Clason	Howell	Sharp
Clevenger	Jenkins	Short
Clippinger	Jennings	Simpson, Ill.
Cole, Kans.	Jensen	Smith, Ohio
Cole, Mo.	Johnson, Ill.	Smith, Wis.
Cole, N. Y.	Johnson, Ind.	Springer
Crawford	Kean	Stefan
Cunningham	Kilburn	Stockman
Curtis	Kilday	Sumner, Ill.
Dolliver	Kinzer	Taber
Domengeaux	Knutson	Ta'bot
Dondero	Kunkel	Talle
Dworshak	Lanham	Tibbott
Eaton	LeCompte	Vursell
Ellis	LeFevre	Weichel
Ellsworth	Luce	West
Elston	McConnell	Whitten
Fellows	McCowan	Wigglesworth
Fisher	McGehee	Winstead
Fuller	McGregor	Winter
Gamble	Martin, Iowa	Wolcott
	Martin, Mass.	Woodruff, Mich.



NAYS—242

Adams	Gordon	Murray, Tenn.
Allen, La.	Gore	Murray, Wls.
Andrews, N. Y.	Gorski	Ncely
Angell	Cossett	Norrell
Auchincloss	Granahan	O'Brien, Ill.
Barden	Granger	O'Konski
Barrett, Pa.	Grant, Ala.	O'Neal
Bates, Ky.	Green	O'Toole
Bates, Mass.	Gregory	Outland
Eckworth	Griffiths	Pace
Bonnet, N. Y.	Hagen	Patman
Biemiller	Hall,	Patrick
B'and	Edwin Arthur	Patterson
Bloom	Hand	Peterson, Fla.
Bolton	Hare	Peterson, Ga.
Bonner	Farless, Ariz.	Pfeifer
Boykin	Harris	Philbin
Bradley, Pa.	Hart	Pittenger
Brooks	Havenner	Poage
Brown, Ga.	Hays	Price, Fla.
Bryson	Hébert	Price, Ill.
Buck	Hedrick	Priest
Buckley	Heffernan	Quinn, N. Y.
Bulwinkle	Hendricks	Rabaut
Bunker	Herter	Rabin
Burch	Heselton	Rains
Burgin	Hinshaw	Ramspeck
Byrne, N. Y.	Hobbs	Randolph
Camp	Hoch	Rayfiel
Canfield	Hollifield	Resa
Cannon, Mo.	Holmes, Wash.	Richards
Carnahan	Hook	Riley
Case, N. J.	Hope	Rivers
Celler	Huber	Robertson,
Chapman	Hu'l	N. Dak.
Chelf	Izac	Robertson, Va.
Clements	Jarman	Robnson, Utah
Cochran	Johnson, Calif.	Rogers, Fla.
Coffee	Johnson,	Rogers, N. Y.
Cooley	Luther A.	Rooney
Cooper	Johnson,	Rowan
Corbett	Lyndon B.	Russell
Courtney	Johnson, Okla.	Ryter
Cravens	Judd	Sabath
Crosser	Kearney	Sadowski
D'Alesandro	Kee	Sasscer
Daughton, Va.	Kefauver	Savage
Davis	Kelley, Pa.	Sheppard
Dawson	Kelly, Ill.	Sheridan
De Lacy	Keogh	Sikes
Delaney,	Kerr	Slaughter
James J.	Kling	Smith, Maine
Delaney,	Kirwan	Smith, Va.
John J.	LaFollette	Somers, N. Y.
D'Ewart	Landis	Sparkman
Dingell	Lane	Spence
Dirksen	Larcade	Starkey
Doughton, N. C.	Latham	Stewart
Douglas, Ill.	Lea	Stigler
Doyle	Lefmke	Sullivan
Drewry	Lesinski	Summers, Tex.
Durham	Link	Tarver
Earthman	Ludlow	Thom
Eberharter	Lyle	Thomas, Tex.
Elliott	Lynch	Thomason
Elsaesser	McCormack	Tolan
Engel, Mich.	McDonough	Torrens
Engle, Calif.	McGlinchey	Towe
Ervin	McMillan, S. C.	Traynor
Fallon	McMillen, Ill.	Trimble
Feighan	Madden	Vinson
Fenton	Mahon	Voorhis, Calif.
Fernandez	Manasco	Wasielewski
Flannagan	Mansfield,	Weaver
Flood	Mont.	Welss
Fogarty	Mansfield, Tex.	Welch
Folger	Marcantonio	White
Forand	Mathews	Whittington
Fulton	Miller, Calif.	Wickersham
Gallagher	Mills	Woodhouse
Gardner	Monrone	Woodrum, Va.
Gary	Morgan	Worley
Geelan	Murphy	Zimmerman

ANSWERED "PRESENT"—1

Kopplemann

NOT VOTING—53

Anderson, Calif.	Gearhart	O'Brien, Mich.
Andresen,	Gerlach	O'Hara
August H.	Halleck	Powell
Andrews, Ala.	Hartley	Roe, N. Y.
Bailey	Healy	Schwabe, Okla.
Barry	Horan	Simpson, Pa.
Boren	Jackson	Snyder
B'ehm	Jones	Stevenson
Cannon, Fla.	Jonkman	Sundstrom
Carlson	Keefe	Taylor
Chipherfield	Lewis	Thomas, N. J.
Clark	McKenzie	Vorys, Ohio
Colmer	Maloney	Wadsworth
Combs	May	Walter
Cox	Merrow	Wilson
Curley	Morrison	Wolfenden, Pa.
Dickstein	Murdock	Wolverton, N. J.
Douglas, Calif.	Norton	Wood

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Simpson of Pennsylvania for, with Mrs. Douglas of California against.

Mr. Sundstrom for, with Mr. Andrews of Alabama against.

Mr. Wolfenden of Pennsylvania for, with Mr. Murdock against.

Mr. Jones for, with Mr. Wolverton of New Jersey against.

Mr. Jonkman for, with Mr. Snyder against.

Mr. Schwabe of Oklahoma for, with Mr. Bailey against.

Mr. Vorys of Ohio for, with Mr. Wood against.

Mr. Maloney for, with Mr. Morrison against.

General pairs until further notice:

Mr. Cox with Mr. Taylor.

Mr. Jackson with Mr. Stevenson.

Mr. Walter with Mr. Lewis.

Mr. O'Brien of Michigan with Mr. O'Hara.

Mr. Healy with Mr. Wadsworth.

Mrs. Norton with Mr. Horan.

Mr. Boren with Mr. Keefe.

Mr. Colmer with Mr. Hartley.

Mr. Roe of New York with Mr. Chipherfield.

Mr. Curley with Mr. Halleck.

Mr. May with Mr. Carlson.

Mr. Dickstein with Mr. Brehm.

Mr. Clark with Mr. Anderson of California.

Mr. Powell with Mr. Thomas of New Jersey.

Mr. Barry with Mr. August H. Andresen.

Mr. CELLER changed his vote from "aye" to "no."

Mr. KOPPLEMANN cahnged his vote from "present" to "no."

Mr. FULLER changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. McCORMACK. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 255, nays 126, answered "present" 1, not voting 50, as follows:

[Roll No. 205]

YEAS—255

Adams	Chapman	Fallon
Allen, La.	Chelf	Felghan
Andrews, N. Y.	Clason	Fenton
Angell	Clements	Fernandez
Auchincloss	Cochran	Fisher
Barden	Coffee	Flannagan
Barrett, Pa.	Cole, Kans.	Fogarty
Bates, Ky.	Cole, Mo.	Folger
Bates, Mass.	Cooley	Forand
Beall	Cooper	Fuller
Beckworth	Corbett	Fulton
Bell	Courtney	Gallagher
Bennet, N. Y.	Cravens	Gardner
Bennett, Mo.	Crosser	Gary
B'emiller	Cunningham	Gordon
Bland	D'Alesandro	Gore
Bloom	Daughton, Va.	Gorski
Bolton	Davis	Gossett
Bonner	Dawson	Granahan
Boykin	De Lacy	Granger
Bradley, Pa.	Delaney,	Grant, Ala.
Brooks	James J.	Green
Brown, Ga.	Delaney,	Gregory
Bryson	John J.	Griffiths
Buck	D'Ewart	Hagen
Buckley	Dingell	Hall,
Bulwinkle	Dirksen	Edwin Arthur
Bunker	Domengeaux	Hand
Burch	Doughton, N. C.	Hare
Burgin	Douglas, Ill.	Earless, Ariz.
Butler	Doyle	Harris
Byrne, N. Y.	Drcwry	Hart
Camp	Durham	Havenner
Campbell	Earthman	Hays
Canfield	Eberharter	Hcaly
Cannon, Fla.	Elliott	Hébert
Cannon, Mo.	Elsaesser	Hedrick
Carnahan	Engel, Mich.	Heffernan
Casc, N. J.	Engle, Calif.	Hendricks
Celler	Ervin	Henry

Herter	Mahon	Robnson, Utah
Heselton	Manasco	Rogers, Fla.
Hinshaw	Mansfield,	Rogers, N. Y.
Hobbs	Mont.	Rooney
Hoch	Mansfield, Tex.	Rowan
Hollifield	Marcantonio	Russell
Holmes, Wash.	Mathews	Sabath
Hook	Mills	Sadowski
Hopc	Monrone	Sasscer
Howell	Morgan	Savage
Huber	Murray, Tenn.	Sheppard
Hull	Murray, Wls.	Sheridan
Izac	Neely	Sikes
Jarman	O'Brien, Ill.	Simpson, Ill.
Johnson, Calif.	O'Brien, Mich.	Slaughter
Johnson,	O'Konski	Smith, Maine
Luther A.	O'Neal	Smith, Va.
Johnson,	O'Toole	Somers, N. Y.
Lyndon B.	Pace	Sparkman
Johnson, Okla.	Patman	Spence
Judd	Patrick	Starkey
Kearney	Patterson	Stewart
Kee	Peterson, Fla.	Stigler
Kcfauver	Peterson, Ga.	Sullivan
Kelley, Pa.	Pfeifer	Summers, Tex.
Kelly, Ill.	Philbin	Tarver
Keogh	Pittenger	Thom
Kerr	Poage	Thomas, Tex.
King	Price, Fla.	Thomason
Kirwan	Price, Ill.	Torrens
Landis	Priest	Towe
Lane	Quinn, N. Y.	Traynor
Larcade	Rabaut	Trimble
Latham	Rabin	Vinson
Lea	Rains	Voorhis, Calif.
Lemke	Ramspeck	Vursell
Lesinski	Randolph	Wasielewski
Link	Rankin	Weaver
Ludlow	Rayfiel	Welss
Lyle	Reed, Ill.	Welch
Lynch	Rees, Kans.	Whittington
McCormack	Resa	Wickersham
McDonough	Richards	Wigglesworth
McGlinchey	Riley	Woodrum, Va.
McKenzie	Rivers	Worley
McMillan, S.C.	Robertson,	Zimmerman
McMillen, Ill.	N. Dak.	
Madden	Robertson, Va.	

NAYS—126

Abernethy	Goodwin	Mundt
Allen, Ill.	Graham	Norrell
Andersen,	Grant, Ind.	Phillips
H. Carl	Gross	Pickett
Arends	Gwinn, N. Y.	Ploesser
Arnold	Gwynne, Iowa	Plumley
Baldwin, Md.	Hale	Ramey
Baldwin, N. Y.	Hall,	Reece, Tenn.
Barrett, Wyo.	Leonard W.	Reed, N. Y.
Bender	Hancock	Rich
Bishop	Harness, Ind.	Rizley
Blackney	Hess	Robson, Ky.
Bradley, Mich.	Hill	Rockwell
Brown, Ohio	Hoeven	Rodgers, Pa.
Brumbaugh	Hoffman	Roe, Md.
Buffett	Holmes, Mass.	Rogers, Mass.
Byrnes, Wls.	Jenkins	Ryter
Case, S. Dak.	Jennings	Schwabe, Mo.
Chenoweth	Jensen	Scrivner
Church	Johnson, Ill.	Shafer
Clevenger	Johnson, Ind.	Sharp
Clippinger	Kean	Short
Cole, N. Y.	Kilburn	Smith, Ohio
Crawford	Kilday	Smith, Wis.
Curtis	Kinzer	Springer
Dolliver	Knutson	Stefan
Dondero	Kopplemann	Stockman
Dworshak	Kunkel	Sumner, Ill.
Eaton	LaFollette	Taber
Ellis	Lanham	Talbot
Ellsworth	LeCompte	Talle
Elston	LeFevre	Tibbott
Fellows	Luce	Tolan
Flood	McCConnell	Weichel
Gamble	McCowen	West
Gathings	McGehee	White
Gavin	McGregor	Whitten
Geelan	Martin, Iowa	Winstead
Gibson	Martin, Mass.	Winter
Gifford	Mason	Wolcott
Gillespie	Michener	Woodhouse
Gillette	Miller, Calif.	Woodruff, Mich.
Gillie	Miller, Nebr.	

ANSWERED "PRESENT"—1

Outland

NOT VOTING—50

Anderson, Calif.	Clark	Hartley
Andresen,	Colmer	Horan
August H.	Combs	Jackson
Andrews, Ala.	Cox	Jones
Bailey	Curley	Jonkman
Barry	Dickstein	Keefe
Boren	Douglas, Calif.	Lewis
B'ehm	Gearhart	Maloney
Carlson	Geriach	May
Chipherfield	Halleck	Merrow



Morrison	Schwabe, Okla.	Vorys, Ohio
Murdock	Simpson, Pa.	Wadsworth
Murphy	Snyder	Walter
Norton	Stevenson	Wilson
O'Hara	Sundstrom	Wolfenden, Pa.
Powell	Taylor	Wolverton, N. J.
Roe, N. Y.	Thomas, N. J.	Wood

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Murdock for, with Mr. Wolfenden of Pennsylvania against.

Mr. Wolverton of New Jersey for, with Mr. Maloney against.

Mr. Snyder for, with Mr. Jonkman against.

Mr. Morrison for, with Mr. Jones against.

Mr. Hartley for, with Mr. Schwabe of Oklahoma against.

Mr. Sundstrom for, with Mr. Simpson of Pennsylvania against.

Mr. Wood for, with Mr. Vorys of Ohio against.

Additional general pairs:

Mr. Cox with Mr. Taylor.

Mr. Jackson with Mr. Stevenson.

Mr. Walter with Mr. Lewis.

Mr. Colmer with Mr. Wadsworth.

Mrs. Norton with Mr. Horan.

Mr. Boren with Mr. Keefe.

Mr. Roe of New York with Mr. Chipfield.

Mr. Curley with Mr. Halleck.

Mr. May with Mr. Carlson.

Mr. Dickstein with Mr. Brehm.

Mr. Clark with Mr. Anderson of California.

Mr. Powell with Mr. Thomas of New Jersey.

Mr. Barry with Mr. August H. Andresen.

Mr. Andrews of Alabama with Mr. O'Hara.

Mrs. Douglas of California with Mr. Wilson.

Mr. Bailey with Mr. Gearhart.

Mr. Murphy with Mr. Gerlach.

Mr. ROONEY changed his vote from "present" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy."

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next the gentleman from Vermont [Mr. PLUMLEY] may address the House for 20 minutes, following any other special orders heretofore entered.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. RAMEY (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his own remarks in the RECORD and include a newspaper article.

Mr. HOFFMAN (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include some clippings.

#### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

#### DISPENSING WITH CALL OF THE PRIVATE CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar on Tuesday next be dispensed with.

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

There was no objection.

#### PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. MARTIN of Massachusetts. I take this time, Mr. Speaker, to ask, if I may, what the program will be for next week.

Mr. McCORMACK. Monday: The Consent Calendar will be called on Monday. If the following three bills are not passed by unanimous consent they will be considered either in the House as in the Committee of the Whole if objection is not made, or under suspension of the rules.

H. R. 2647, providing for a 2-cent postage rate for local delivery letters.

H. R. 4652, a postal service bill relating to rural and regular carriers, providing credit to substitute employees. This is to bring certain of these carriers within the benefits of the recent pay-increase bill. This is to correct one of those unintentional inequalities that sometimes result from the passage of such broad legislation as we passed with reference to pay increases.

H. R. 3936, providing for bringing home the remains of certain persons who died and were buried outside of the continental United States.

S. 1580, the United Nations Organization bill, will be called up on Monday.

On Tuesday we will call up Senate Joint Resolution 122 relating to housing for veterans. This bill has passed the Senate, and I understand an appropriation of \$190,000,000 will be added to the deficiency appropriation bill contingent upon the passage of Senate Joint Resolution 122.

Mr. MARTIN of Massachusetts. The subject matter has already been before us and the House has granted \$25,000,000 for that purpose.

Mr. McCORMACK. Exactly. A very acute situation exists with reference to housing for veterans that must be met as soon as possible.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mrs. ROGERS of Massachusetts. Does that have to do with the moving of barracks to other localities? I understand that in one of the big colleges only five men have been enrolled for training, because there is no housing for them.

Mr. McCORMACK. I prefer not to answer the question specifically, if the gentleman does not mind, because I do not have sufficient information as to the details of the resolution to answer satisfactorily; but it is with reference to demountable housing, moving them from where they are not needed to places where they are needed to meet the

housing shortage of the veterans. As I understand, between \$180,000,000 and \$190,000,000 will be put in the deficiency bill in the Senate contingent upon the passage of this resolution.

Mrs. ROGERS of Massachusetts. I got the information by telephone just now from the Department that that was the fact as far as the Department knew.

Mr. McCORMACK. The gentleman from Massachusetts apparently knows more about it than I.

Mrs. ROGERS of Massachusetts. They did not know the legislative procedure, but it was just an impression on their part. When will that bill come up?

Mr. McCORMACK. That will be called up on Tuesday, or will follow the United Nations Organization bill.

Mrs. ROGERS of Massachusetts. A very important conference report will come over from the Senate on the GI bill. Can the gentleman tell us when that will be taken up?

Mr. McCORMACK. I will come to that later.

Then we will take up the bill S. 715, the Naval Dental Corps bill.

Thursday and Friday: The program for these days is undetermined.

There are two Navy bills pending, one of which is S. 1438, to encourage careers in the Navy for enlisted men. If a rule is reported and the unanimous consent is granted, we will try to bring that up. There is also another bill, S. 1405, relating to involuntary retirement from the Navy. There are certain conference reports that will be in order at any time.

Mr. MARTIN of Massachusetts. The one that most Members are interested in is the GI conference report.

Mr. McCORMACK. I made inquiry of the gentleman from Mississippi [Mr. RANKIN] as to when that conference report might be called up, and the best information I can get is that it will be either on Wednesday or Thursday. I cannot advise the House more definitely than that. That is the most definite information I can get.

Mr. BROWN of Ohio. I understand that there will probably be before the Rules Committee tomorrow application for a rule covering a minor bill relative to Navy officer training in order to catch the deficiency bill in the Senate. I presume measures of that sort, that the leadership finds are satisfactory, can be added to the schedule?

Mr. McCORMACK. Yes. I understand the Rules Committee also has the housing matter before it.

Mr. BROWN of Ohio. Yes; and I understand that this minor resolution must be adopted in the next 2 or 3 days in order to catch the deficiency bill in the Senate if the stoppage of officer training in the Navy is to be prevented, and that can be taken up for consideration?

Mr. McCORMACK. Yes. I assure the gentleman if that committee reports a rule, the situation next week is such that it can be considered, because we have Thursday and Friday open and undetermined. We ought to get through with the United Nations Organization resolution—Senate Joint Resolution 122—and the Dental Corps bill on Tuesday or Wednesday at the latest.



Mr. BROWN of Ohio. This measure to which I referred will not take over 15 or 20 minutes.

Mr. McCORMACK. We will be glad to take care of that.

Mr. KUNKEL. Is it definite that the conference report on the GI bill will not be taken up on Monday or Tuesday?

Mr. McCORMACK. I made inquiry of the gentleman from Mississippi [Mr. RANKIN] so that I could advise the House. As a result of my talk with him, I can state to the House, when I announce the program for next week, that the GI conference report will be called up on either Wednesday or Thursday. That is all I can say to the gentleman. If I had control of the situation, as the gentleman knows, and I told any Member or the House itself that the matter would not be brought up for Monday, it would not be brought up. The best information I have from the gentleman from Mississippi [Mr. RANKIN] is that it will not be called up on Monday or Tuesday. I told the gentleman I would make that statement to the House. My statement is that it will not be taken up before Wednesday or Thursday.

Mr. KUNKEL. I thank the gentleman. I know he is always most courteous about the giving of any possible information he can.

Mr. McCORMACK. I have no control over it.

Mrs. ROGERS of Massachusetts. I may say to the gentleman I think it is extremely important to get the conference report up as soon as possible because there is the age limitation that has been taken away in the conferees report or action and the loan provision is increased to \$4,000.

Mr. McCORMACK. May I say to the gentlewoman from Massachusetts that the gentleman from Massachusetts has no control over that. As far as I am concerned, if I had control, I would call it up just as soon as possible. But I do not know the facts.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. Is there any chance of additional appropriations for UNRRA under the authorization passed last week being taken up before the Christmas recess?

Mr. McCORMACK. That matter is now being considered by the Senate.

Mr. JUDD. But if authorization is granted in the Senate, is there a chance of getting a bill passed to make additional appropriations under that authorization before Christmas?

Mr. McCORMACK. My understanding is that if the Senate recommended \$750,000,000 in the deficiency bill, that would be concurred in by the House conferees.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. TABER. The Senate committee recommended that \$400,000,000 be appropriated for that purpose.

Mr. McCORMACK. That is what I was coming to. I understood the House Committee on Appropriations was willing

to go up to \$750,000,000, but the Senate committee recommended \$400,000,000. Whether or not the Senate will increase that amount is something else. In my opinion it is imperative that additional funds should be authorized.

Mr. MARTIN of Massachusetts. A good many people are interested in when this recess is going to begin so they may have an opportunity to make reservations.

Mr. McCORMACK. I am taking my recess Thursday night.

Mr. MARTIN of Massachusetts. Is that a hint to the rest of us?

Mr. McCORMACK. I am stating frankly when I am taking my recess. We are hopeful, as the gentleman knows, that the recess will be from the twenty-first to January 14. Of course, that is a matter of agreeing with the other body. I am hopeful that the Senate will concur in the understanding the leadership on both sides of the aisle in this body have reached.

The SPEAKER. The Chair may say that he has a reservation for Saturday night, and we will have sessions Friday and Saturday if it takes that long to get through.

#### GENERAL LEAVE TO PRINT

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill S. 380.

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

There was no objection.

#### ELECTION TO A COMMITTEE

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer a resolution.

The Clerk read the resolution (H. Res. 461), as follows:

*Resolved*, That BERKELEY L. BUNKER, of the State of Nevada be, and he is hereby, elected a member of the standing committee of the House of Representatives on War Claims.

The resolution was agreed to.

#### FEDERAL NARCOTIC LAWS

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. DOUGHTON of North Carolina, Mr. COOPER, Mr. DINGELL, Mr. ROBERTSON of Virginia, Mr. KNUTSON, Mr. REED of New York, and Mr. WOODRUFF of Michigan.

#### ADDITIONAL COPIES OF THE HEARINGS ON THE FULL EMPLOYMENT ACT OF 1945

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1446) a privileged resolution (H. Con. Res. 111), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the House Committee on Expenditures in the Executive Departments be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of the hearings held before said committee during the current session, relative to the Full Employment Act of 1945.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### ADDITIONAL COPIES OF THE HEARINGS ON AID TO THE PHYSICALLY HANDICAPPED

Mr. JARMAN. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1447) a privileged resolution (H. Con. Res. 112), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the House Committee on Labor Subcommittee to Investigate Aid to the Physically Handicapped be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of parts 1, 3, 7, and 8 of the hearings held before said subcommittee during the second session, Seventy-eighth Congress, relative to aid to the physically handicapped.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### PERSONAL EXPLANATION

Mr. MURPHY. Mr. Speaker, I left the Pearl Harbor Committee meeting to be present to vote on the motion to reconsider on the full employment bill, and returned again just too late to vote on final passage of the bill. Had I been present, I would have voted "yea."

#### EXTENSION OF REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a short editorial from the Lynchburg News of Lynchburg, Va., which I hope will come to the attention of the United States Marine Corps.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANNON of Missouri asked and was given permission to extend his remarks in the RECORD and include a statement from the Chamber of Commerce of St. Louis relative to the advantages of a local site for the headquarters of the United Nations.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial from the Contra Costa County Labor Journal.

Mr. WHITE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. LANE asked and was given permission to extend his remarks in the



We have proven to be in a very healthful position here in the United States, where we can cut production, discharge servicemen, and at the same time have overpowered our enemies. Why then, can not we very well afford to maintain our high standard of home life, rather than see it crushed by the absence and continued inductions of fathers, who are the sole supporters of families, such as myself.

Pray, our Nation has not bled itself of all of its younger generation, who are full of pep and vigor and anxiety for adventure and travel. Does the Congress of the United States want to see the high standard of home life in America and the morale of its people go back into the dark ages? Surely not, for we are a progressive and wonderful nation and we shall not see it recede into a state of chaos, but will diligently press its future progress, so that it will be the second to none in its high standards of public morale and home life.

A married man usually is not efficient away from his family, especially since hostilities have ceased and he feels there is no longer any need for him anywhere but in his home. He is most assuredly not efficient in the Army. I can truthfully say as a married man of almost 11 years that my mind is constantly on the health and welfare of my family. With my wife's health failing and my children being forced to live under the present unpleasant conditions, I cannot, therefore, maintain the effective morale needed to become the good soldier I should be.

During the time when our Nation was waging a gallant war against our oppressors, I felt it within my heart, that it was my duty and obligation to my country and family to take my place in the armed forces to defend our precious democracy and to protect my Nation and home from threatened destruction. I truthfully felt proud that I was in such good mental and physical condition to do my small part of relieving some of our courageous men who had been away from home several years. However, since the cessation of hostilities and with many young unmarried men in uniform and out of uniform, just itching for travel and adventure who could be utilized to this extent, I therefore believe that every married man that has children, should be sent back to their families, for sake of national health, safety, and preservation of the true high standard of America's once proud home life.

At the camp I just left a few days ago, there were at least a dozen young unmarried men between the ages of 18 and 21 who were nearly on the verge of tears, because they were not being shipped overseas, with our group, which incidentally numbers about 44 men, 95 percent of whom are married and have children.

Why is the War Department still sending married family men overseas and yet sending men who are single and between the ages of 18 and 25 to work in separation centers here in the States? I am speaking of the Finance Department of the Army only now, as this is the department to which I'm attached. Surely, Mr. DOYLE, there must be a definite reason, or is there?

You may think I'm being selfish, by the tone of this letter, but I most sincerely am not, and I can truthfully say this letter represents the sentiments of the thousands of fathers in our armed forces. If you think not, then you should personally interview some of them and get their opinions. I can truthfully say this letter represents all of the fathers assigned to my outfit.

We all feel that our first duty and obligation to our Nation has been fulfilled, with ending of the war and feel further that our second duty and obligation is calling us back to homes and families.

Then too, Mr. DOYLE, we have to consider the taxpayers' point of view, especially from the point of security. We know the national debt is so large now that it is almost beyond comprehension and that as a previous taxpayer and am hoping to be a future one, that if I should live to be 200 years of age, with no more wars, I would still be paying my share of expenses and costs of this war. My children and their children's children will be paying for this war as long as they live.

It costs the taxpayers of the United States approximately \$150 per month to maintain a married man with two children in the armed forces. Of my outfit there are some 50 percent or more that come within this category. It costs the taxpayers of our Nation \$50 per month to maintain a single man with no dependents in the armed forces. Therefore, would it not be more beneficial to the taxpayers in the United States, if all fathers were released from active duty, as the armed forces would then be able to maintain three single men for what it is costing to maintain a married man with two children. So out of 44 men, there are 22 of them married and having at least 2 children, the cost to the taxpayers is at the rate of \$3,300 per month, whereas, 66 single men could be maintained for the same amount.

During the past month it has been my privilege to talk with at least 150 married men with at least 2 children. One hundred and fifty married men in this category costs the taxpayers at the rate of \$22,500 per month. Four hundred and fifty single men with no dependents could be maintained for the same price. Of course, with many married fathers going overseas at this time, the cost is of course \$10 extra per man, per month.

With the war over and our Nation looking ahead to a prosperous postwar era, I must truthfully say, we are not doing much to lessen the great burden that lies on the shoulders of our citizens.

Surely the Congressmen of our great Nation, who are supposed to be the greatest body of intellectual wizards in the world can clearly see that if it costs as much to keep one married man in service now, with two children as it does to keep three single men, that this great body of men would do something about it. The strength of our armed forces could be more than doubled and the burden on the taxpayers would not be any greater and at the same time our high standards of American homelife would still remain secure.

Gen. Joseph T. McNarney stated in his first press conference since his appointment to the new post of successor to General Eisenhower, that United States military occupation of Germany would last for more than 10 years, and that he strongly favored the plan for the families of occupation troops to join them as soon as possible. As for myself and family, if I had liked Germany or any other foreign country so well as to have my family live there, I would have done so years ago. What is wrong with the good old United States of America as a place for a man to raise a family, or don't the great leaders of our democracy want its citizens to marry and raise families here any more? The United States was plenty good enough for our forefathers, and it is most certainly good enough for me, and by all that's sacred, I'll never take my family out of this Nation to reside. Even though I have never made as much money as some people, I at least have been happy and content living in the United States of America.

I sincerely think it is outrageous for any honest-thinking true American to even harbor such thoughts as asking United States citizens to take up residence in any foreign country against the citizen's will. What is our freedom and the pursuit of happiness coming to anyway?

At the present time we are undertaking the task of raising funds by means of a

Victory Loan drive or bond sales drive. This drive will fall very, very short of its goal. It is supposed to be for the furtherment of rest homes, convalescent hospitals and rehabilitation resorts, etc., for our gallant men and women who were wounded, or had their health injured by being interned in prisoner-of-war camps. This assumption may, however, be true, but the average GI Joe, and I am one of them, that I have had the pleasure to talk with, knows very well it takes lots of money to maintain a large Army and Navy and they feel that as long as the taxpayers would be gullible enough to spend money buying Victory bonds, that many high-ranking military men, probably no longer needed, will continue to hold their high-paying jobs and that as long as there is being such a large waste of their money now, that it would only be throwing good money after bad.

I personally think as a citizen of the United States, that instead of our great diplomats trying to appease and be a good-time "Charley" to every nation in the world, they should take a peek at their own country and do a little appeasing here at home. Because, mark my words, that there is a day coming and it may not be too far away, when they may wish to God they had.

Mr. DOYLE, this lengthy letter may sound like an editorial of some kind, but truthfully, I'm writing you as an admirer, supporter, and as a free-speaking citizen and taxpayer.

You may not remember me and again you may. My name is \* \* \*, address as of December 3, will be somewhere in the Brooklyn Army Base (P. O. E.). I am a former resident of Long Beach, Calif., Eighteenth Congressional District of California. I was formerly president of the Cabrillo Homes Resident Interproject Council and owner and general manager of the Little newspaper of the west side of Long Beach, known as the West Side Monitor (formerly the Interproject News of Cabrillo Homes and Navy Housing).

I know, Mr. DOYLE, that the voters and taxpayers of the Eighteenth Congressional District have the utmost confidence in you as their Representative to the Congress of the United States, in that you will do everything in your power to lessen the burden of high taxation that now rests on their shoulders and the shoulders of every other tax-paying citizen of America, and that you will do your part by insisting that the unnecessary spending of money by all departments of the Government cease, and point out how the maintenance of a sufficiently large Army and Navy for the protection of our loved homeland and as a weapon for the insurance of future peace could be obtained at a much lesser cost than at the present. This would not jeopardize our famous way of good American home life and high standards of living in any way, else what is the use of an Army and Navy at all?

Mr. DOYLE, any consideration you may render to me in this matter shall be very dearly remembered and deeply appreciated by both myself and my family, as I am making application for my discharge from the Army of the United States on the grounds of dependency and hardship. It will also be an encouragement for GIs who are in the same category as myself. If anything were to happen to my wife or my children due to present conditions, I guess I wouldn't have much else to live for.

I am forwarding certain extracts from this letter to the Los Angeles Examiner and the Long Beach Independent as a means to show the people of the Eighteenth District that no matter where a citizen and taxpayer may be, he can always feel free to call upon his Congressman and tell him his troubles, and that he will be heard with open ears and bend every effort to assist him if at all humanly possible; and, by all means, that he has the taxpayers' interest purely at heart.



and that it will remain uppermost in his mind and guide his every action and decision at all times.

Respectfully,

From your friend and supporter,  
Pvt. \_\_\_\_\_

P. S.—Surely, Mr. DOYLE, the preservation of professional football is not as important to our Congressmen as is the preservation of the American home. I certainly hope not.

### The Full Employment Bill

#### EXTENSION OF REMARKS

OF

### HON. FRANK T. STARKEY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

Mr. STARKEY. Mr. Speaker, in ancient times it was said that the mountain labored and brought forth a mouse, and many of us who doubted that such an event could occur have received a startling example recently how great labors could produce extremely small results.

Unquestionably the Committee on Expenditures in Executive Departments labored long and hard on H. R. 2202, the so-called full-employment bill. It held public hearings in September, throughout October, and for the first week in November. The testimony printed is voluminous and no more confusing or convincing than the ordinary committee testimony on controversial subjects.

But I have been under the impression that full employment was neither a controversial nor a partisan subject. The underlying ideal is so obviously in accordance with all American ambitions, aspirations, and hopes that it would seem that the only persons opposing full employment would be those who actually do not want to work and are so lazy that they do not want to see others working. Both political parties agreed to the full-employment principle in 1944. The Democratic Party platform practically begins with a statement on full employment, and Governor Dewey, in his acceptance speech, declared:

We Republicans are agreed that full employment should be the first objective of the national policy.

Apparently the two parties then saw eye to eye on what everybody admits is to be the great postwar domestic problem—or is it barely possible that the Republicans were just making political speeches in 1944?

Others who testified for the original bill were not making political speeches. Bishop G. Bromley Oxnam, president of the Federal Council of Churches, was not making a political speech when he declared that this bill was of great interest to religious bodies, since it translated ethical and democratic ideals into concrete forms meaningful to the common man. Pointing out that a man who cannot get a job is not free, the bishop asserted that this bill "will take its place in history among the significant legislative acts of our time."

Certainly the Most Reverend Robert E. Lucy, S. T. D., archbishop of San Antonio,

was not making a political speech when he testified:

By the law of nature and of nature's God, man has a right to labor for himself or for another to the extent to which some income is necessary to support himself and his family in decent and frugal comfort and to save something for the uncertain future. \* \* \* Under the full employment bill, Congress will know beforehand the probable number of unemployed in a given period. The representatives of the people must then decide whether to accord these laboring people the liberty of the sons of God to work and live or the liberty to starve. \* \* \* It is imperative that the full employment bill be passed. It is equally imperative that it be not amended to death. Strangely enough, those who most heartily fear and hate socialism are the very ones who, by the injustices of their reactionary policies, drive the people to the desperation of an all-powerful state.

The members of the committee, it is true, took to heart at least one admonition of the good Catholic archbishop of Texas. They did not amend the bill to death. They killed it and produced in its stead an entirely new bill—the Employment Production Act of 1945.

Not even its most optimistic supporter expected the original bill to provide full employment for everybody everywhere at his or her particular trade or occupation. But we did feel that it was an important step in the right direction. It was first a declaration of policy—the statement of an ideal. And let me say that a declaration may be very important. If there had not been any Declaration of Independence, there would never have been any independence for the Colonies, and the United States of America might never have come into being.

And so we made the declaration in the original bill that "all Americans able to work and seeking work are entitled to an opportunity for useful remunerative, regular and full-time employment." To implement this declaration we set up a certain program designed to stimulate trade, to encourage private enterprise, to strengthen small business, to coordinate the activities of business and Government to the end that we would attempt to foresee and predict trends in employment, in the production and consumption of goods, in the volume of investment during a given year.

Now the idea of prediction is not especially new. Estimates of national income, of Government expenditures, of volume of business are made almost every day by somebody—Government bureaus, market analysts, newspaper financial editors, and every businessman must know his particular market. In many fields now there is substantial agreement on certain estimates, and in some fields the Government bureau estimates are so accurate as to be accepted by all in that field as the best possible estimates.

The last important phase of the original bill was that when the Government, in the person of the President of the United States according to procedures approved by Congress, estimated that there was to be a shortage of jobs, Congress was to be informed of it, and inferentially we were expected to do something about it—if necessary by approving additional public works.

In some fashion, which I am unable to comprehend, this last portion of the bill seems to have angered the opponents of full employment more than any other feature. Apparently, the fact that the Government of the United States might use its collective intelligence to forestall economic catastrophe, might attempt to cure a disease before it got complete hold of the body politic, maddened many persons. They felt that we should leave economic affairs strictly alone, in the hope that they would right themselves, although all the history of the past indicates they never have righted themselves. Under the original provision of the full employment bill, Congress was going to be warned of a thief before the horse was stolen; Congress was going to be warned of a flood before the fields were already inundated, and the opponents of the full employment bill did not feel that this was right. Apparently, they believed that we should wait until the lightning strikes before putting up any lightning rods, and wait until a fire starts before installing fire hydrants and fire engines.

The new Employment-Production Act of 1945 completely abandons the idea of full employment even as a national ideal. Its declared purpose is not to assure full employment but a continuing national policy to promote high levels of employment, production, and purchasing power in a free competitive economy. It will accomplish this purpose, evidently, by asking the President to submit an economic report to Congress within 60 days after the beginning of each session on current economic conditions and any suggestions for legislation required to remedy or improve them. To assist the President in the preparation of this report a council of economic advisers is created, and to assist the council in its advice to the President a joint committee of House and Senate members to be known as the joint committee on the economic report is created. The council of economic advisers to the President is to gather authoritative and timely information on economic trends, to analyze and interpret them for the President, to assist the President in the preparation of the annual report, and make interim reports on a quarterly basis. Whenever the council determines that widespread unemployment exists it is to report to the President the causes of such unemployment and it may recommend legislation to alleviate such unemployment.

I admit that this is a very small residue of what began as promising to be a great bill. We have in this new bill little more than the establishment of a national department or division of economics for the executive and legislative branches which will coordinate the effects of all the existing economic analyses of the various bureaus and departments, adding to them information from private sources and perhaps obtaining through original investigation some new additional information. But the mere fact that the Government takes cognizance of economic matters on the highest level, that it accepts as its duty the necessity of keeping the Members of Congress and the public informed, that it further accepts the duty of rec-



ommending legislation to alleviate unemployment when found all are steps in the right direction. The bill does not go far enough, but it does point the administration toward a coordinated program of economic investigation and upon this basis we may in the future expect progress.

Although I admit keen disappointment that the original bill was not recommended by the committee I intend to vote for this bill as the best available at the present time. I do not propose to stop working for the principles of full employment, but I feel that if we only get an official economic report once a year on conditions that will serve as the basis for legislation we will have got something worth while.

### The Price the Farmer Receives and the Consumer Pays

#### EXTENSION OF REMARKS OF

HON. VICTOR WICKERSHAM

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

Mr. WICKERSHAM. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me before the New York State Fruit and Vegetable Shippers and Receivers Association, Schenectady, N. Y., December 12, 1945:

I am very pleased to have this opportunity to participate on the program of the New York State Fruit and Vegetable Shippers and Receivers Association, at Schenectady, N. Y., today, December 12. When your secretary invited me to address this meeting he very thoughtfully assigned me the subject, The Price the Farmer Receives and the Amount the Consumer Pays, or Price Spreads Between Producers and Consumers. He probably could not have selected a subject about which so much has been said in the last quarter century, but concerning which so little actually has been done, although, apparently, much effort and ability have been directed toward the problem.

I am grateful to my chairman, Hon. JOHN FLANNAGAN, Jr., for selecting me to make this talk after he received the invitation from your able secretary, Earle H. Bogardus. I am indebted to J. O. Parker, who is in charge of our marketing investigating committee for his assistance in securing some of the facts used as a basis of my address.

I am neither a short-time crystal gazer nor a long-time prophet, so I shall merely attempt to review here today some of the work that has been done on this problem in the past and give you any personal observations I may have concerning it.

Perhaps for purposes of the record, we should all remember that the investigation presently being conducted by the Committee on Agriculture of the House of Representatives into the marketing of farm products makes the third time in approximately 25 years that the attention of Congress has been directed to this very important problem. Just after World War I, the Congress created what was known as the Joint Commission of Agricultural Inquiry, and one of its important duties was to investigate marketing. Again in 1935, the Congress, by joint resolution, directed the Federal Trade Commission to ascertain the proportion of the con-

sumer's dollar going to farmers and distributors, respectively. During all the intervening years the Department of Agriculture through its various agencies has been gathering vast amounts of statistical information and publishing reports of its studies. All of these various investigations and studies have shown one thing very clearly: that is that the producers of farm food products receive a smaller share of the consumer's dollar than that received by the people who make their livelihood by distributing such products. Only twice since 1913 have producers on the average received as much as 50 percent of the consumer's dollar—that was in the year 1918 and the present war years. It may be that there is a proper and adequate explanation for that result, but in all the studies heretofore made, various criticisms have been leveled at the distributive processes and various recommendations made from time to time for their improvement. Whether the marketing margins are excessive, I am frank to admit that I do not know, but it behooves all of us to seek the answer to that problem and to explore the possibilities of improving the marketing system, for we all know that the hue and cry continues that distribution costs are too high and that the spread between the farm and the table is too great. It is better to inquire into such problems now while there is a fairly steady economic level rather than wait until a deflationary period comes and farm prices begin to fall. For then we are likely to be besieged to take action without knowing what, if anything, should be done.

How much does it cost to market fruits and vegetables? How does the Nation's bill for marketing fruits and vegetables compare with the amount received by the farmers who raise the commodities? According to information compiled by the Department of Agriculture, the total marketing charges for fruits and vegetables exceeded those of any other commodity group. In 1939, the last normal prewar year, the farmers' share of the retail cost of all fruits and vegetables, fresh and processed, was 31 percent. Producers received 35 percent of the consumers' dollar expended for fresh fruits and vegetables. In other words, it costs about twice as much to get fruits and vegetables from the farm to the consumer as the farmer is paid for growing them. The fruit and vegetable food bill of consumers in 1939 was about \$2,800,000,000. Of this amount producers received about a billion dollars, and the difference of \$1,800,000,000, or 65 percent, represents marketing margins.

Production and consumption of fruits and vegetables have increased considerably since 1920, and today approximately 20 percent of the average family food budget is spent for these products. The amount of the consumers' food dollar expended for fruits and vegetables ranks second only to meats. The value of these protective foods from a nutritive standpoint is becoming increasingly recognized. Every effort should, therefore, be made to assure that our system of marketing provides for the widest possible distribution of these products. We need only to look back to the thirties to see important failures in our distribution system, when vast amounts of fruits and vegetables were dumped and when producers were able to receive greater returns by marketing only a portion of their crops. Failures in distribution that we witnessed then must not be repeated.

If the producer of fresh fruits and vegetables received only 35 percent of the consumers' dollar in 1939, where did the other 65 percent go? Assemblers at shipping point accounted for about 6 percent, transportation about 19 percent, wholesaling and terminal brokers about 9 percent, and retailing about 31 percent. Merely to cite the marketing margins and the distribution of such margins among the various functions is not to say, however, that these margins per se

are too high or that any of the functions are unnecessary. The figures which I have just recited merely show where the margins are and serve to enable us to see how the various functional groups fared in comparison with the farmers who produced the commodities.

I should like to give you some facts from the committee report in connection with the Pace bill, H. R. 754, for inclusion of farm wages in determining parity price of agricultural commodities:

"This bill, in identical language, was twice before reported unanimously by this committee and has been approved twice by the House of Representatives, once by unanimous vote of the Seventy-seventh Congress and again by voice vote during the Seventy-eighth Congress, at which time only one vote was heard against it. It was reported to the Senate by the Senate Committee on Agriculture and Forestry during the Seventy-eighth Congress. \* \* \*

"Soon after his election in 1932 the late President Roosevelt called to a conference in Washington the outstanding farm leaders and agricultural experts of the Nation. At that time the farmers, those who provided the food and fiber to feed and clothe the people, were facing bankruptcy. Farm prices had gone down, down, down. \* \* \* The President called on these leaders and experts to confer and submit recommendations for both quick relief and long-term remedies. \* \* \*

"The period, 1909-14, was adopted as the base period. This was to be the base or standard by which future farm prices would be determined. If the cost of the farmers' necessities should go up, then these prices should rise proportionately in order to keep the two in balance—at parity.

"This conference of farm leaders and experts submitted their report. The President made his recommendations to the Congress, and on March 20, 1933, the House Committee on Agriculture reported a bill to the Congress (H. R. 3835) containing the following declaration of policy:

"It is hereby declared to be the policy of Congress to establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities except tobacco shall be the prewar period, August 1909-July 1914. In the case of tobacco the base period shall be the postwar period, August 1919-July 1929."

"That bill, with that declaration of policy, became law on May 12, 1933 (Public Law 10, 73d Cong.).

"Then, in the Agricultural Adjustment Act of 1938 parity was defined, as follows:

"Parity, as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period."

#### "PURPOSE OF THE BILL

"Probably one of the clearest and most understandable statements of the purpose of this bill is that of the late President Roosevelt, in his message to Congress on September 7, 1942, as follows:

"Parity is a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift."

"At the present time that 'fair relationship' does not exist. \* \* \* And, certainly, if a farmer must now pay three or four times as much for his labor as he paid



during the base period, his crops cannot have that equivalent purchasing power unless this increase in labor cost is taken into account in determining parity prices.

\* \* \* \* \*

**"LABOR COST NOT INCLUDED**

"But it will be observed that labor cost is not included in these parity calculations, although it is the biggest single item entering into the cost of producing a crop—32 percent, according to BAE.

"Then, if the parity principle is fair, and it is generally recognized as the fairest system that can be set up, it must be admitted that all the labor engaged in production should be included in the cost of production. That is all this bill seeks to do.

"Three things should be clearly understood and kept constantly in mind—

"1. This bill does not seek to add, and will not add, to parity prices the total amount paid to or allowed for those working on the farm. It merely adds, as a part of the cost of production, the difference or increase in the farm-wage rates since the base period (1909-14).

"2. That labor is the largest single item entering into production. It represents a greater percentage in producing some commodities than in others, of course, but the Bureau of Agricultural Economics reports that on the whole it represents 31.7 percent of the cost of production. Therefore, it can be easily understood what a rank injustice is being visited upon producers when the increase in labor cost is not included in the calculation of parity prices.

"3. That the passage of this bill, and the adjustment of the parity index and parity prices as provided by this bill, does not mean that the producers will necessarily receive the new parity prices for their commodities or that the consumers will be required to pay such a proportionate rise in the cost of such commodities. In the first place, parity prices are not actual prices paid to the producer; they are the prices the producer should receive in order for his commodities to have a "fair relationship" and an "equivalent purchasing power" with the things he must buy to live and make a crop, as promised by the Congress. In the second place, the trend of farm prices is now downward; already the prices of many commodities are below present parity prices and the producers have been assured protection or supports of only 90 percent of parity prices. The present parity prices, not including this increase in farm labor cost as provided in this bill, are only about 70 percent of true parity, and when producer prices are protected at only 90 percent of this, that is 90 percent of 70 percent, the producer realizes protection or support of only 63 percent of parity prices.

"The producers are entitled to receive parity prices for their commodities, 100 percent, and certainly while their prices are supported at only 90 percent of parity it should be 90 percent of the full and true parity authorized by this bill.

**"PROVISIONS OF BILL**

"This bill provides that, in addition to the present items considered in calculating parity, such prices shall also reflect the cost of all farm labor, including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, as contrasted with such costs of all farm labor during the base period."

"The committee calls special attention to the fact that this bill includes only those workers who are actually engaged on the farm. There are three groups included.

"First, the hired worker. \* \* \*

"Second, the operators.

"This term is intended to cover the small farm operator, the tenant and the share cropper; the men who actually live on the

farm, manage the farm, work on the farm, and in most cases work in the fields, planting, plowing, cultivating, and harvesting the crops. Upon them rests the responsibility of producing the crops to feed the Nation, without regard to hours, weather, or seasons. \* \* \*

"Third, the family worker. \* \* \* There are now over 25,000,000 persons living on the 6,000,000 farms of the Nation. \* \* \* Not included, the committee regrets to say, is the hardest worker of all, the farm wife. While she may not spend her time in the fields, she is the one who must be the first to get up in the morning and the last to retire at night. Breakfast must be prepared, the family cow must be milked, the house must be cleaned, the children must be prepared for school, the sick must be nursed, the sewing must be done, the old must be cared for, the vegetables must be gathered, the chickens must be fed, the washing must be done, the canning must be done, and on and on through the day. Finally evening comes, and after all have been put to bed and plans have been made for another dawn, a tired body lies down to rest. No; be it said to our shame, BAE doesn't include her among the farm workers and for the price of the crops grown on the farm no allowance can be included for her labor.

"BAE estimated that on January 1, 1945, the farm population was 25,190,000. It will thus be seen that if this bill had been in effect in 1944 it would have covered the wages, at the hired wage rate, of—

Hired workers.....	1,880,000
Farm operators.....	5,140,000
Family workers.....	1,250,000
<b>Total.....</b>	<b>8,270,000</b>

\* \* \* \* \*

"Yes, there are some—the committee can't believe there are many—who claim the right to buy their food at the same price they paid in 1909-14, although their own income in many cases has doubled and trebled since that time and notwithstanding the fact the farm wage-rate index is now 345 as compared with 100 in 1909-14. While they cheer other workers for asking a 30-percent increase in wages, they would deny the farmer the privilege of asking that the increase in farm-labor cost be included in figuring fair prices for his crops. While they approve others laying down their tools in support of their demands for 52 hours' pay for 40 hours of work, they expect the farmer to stay on the job, to work from daylight to dark, and to sell his crops at a price which reflects for him the same wage he received and paid over 30 years ago.

"No; the farmers don't strike, and they won't strike. \* \* \*

"First, here is how the gross income is made up, as announced by BAE:

*"Cash farm income, value of products consumed on farms, and gross farm income, 1944*

"Cash receipts from farm marketings.....	\$19,790,000,000
Government payments....	804,000,000

Total cash income..	20,594,000,000
Value of products retained for home consumption..	2,040,000,000
Rental value of dwellings..	812,000,000
<b>Gross farm income..</b>	<b>23,446,000,000</b>
Adjustments for changes in inventory.....	--415,000,000

Gross farm income, including adjustments for change in inventory.....	23,031,000,000
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"In the first place, it will be observed that the total cash receipts were only \$20,594,000,000.

"Then, as the following analysis will show, after deducting the costs of production, after allowing a wage of \$935 per year (the same average wage allowed for the hired workers) to the 5,140,000 full-time farm operators and the 1,250,000 family workers, and a return of only 3 percent on the value of unencumbered farm property, there is a net cash return of only \$2,812,150,000. For the 25,190,000 people on the farms of the Nation this means only \$111 per annum each. From this \$2,812,150,000 some provision must be made for the farm wife, the hardest worker of all, for clothing for the children, school-books, lights for the house, doctors, dentists, undertakers, etc. Here are the figures:

*"Amount of cash left in hands of the farmers*

"Total cash receipts from from marketings.....	\$20,594,000,000
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Expenses of production:	
Feed purchased.....	2,078,000,000
Livestock purchased..	647,000,000
Fertilizer and lime....	476,000,000
Cost of operating motor vehicles.....	831,000,000

Miscellaneous operating expenses, including horses and mules, seed, insecticides, containers, electricity for production, twine, ginning, operating gas and steam engines, irrigation, grazing, insurance, dairy supplies, blacksmith and miscellaneous hardware supplies, miscellaneous greenhouse and nursery expenses, veterinary bills and medicine, sugar tolls, and total short-term interest..	1,218,000,000
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Total operating expenses.....	5,250,000,000
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Buildings.....	743,000,000
Motor vehicles.....	460,000,000
Machinery and equipment.....	421,000,000
Hired labor (cash wages).....	1,760,000,000
Taxes.....	460,000,000
Farm mortgage interest.....	255,000,000
Land rent.....	1,100,000,000

Total production expenses.....	10,449,000,000
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Excess receipts over production expenses.....	10,145,000,000
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Government payments to nonfarmers; that is, owners not living on or operating farm.....	89,000,000
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Balance.....	10,056,000,000
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Allowance for 3 percent on \$42,307,000,000 value of unencumbered farm property.....	1,269,200,000
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Allowance to 5,140,000 full-time farm operators for work on the farm, care of stock, repairs of machinery, milking cows, planting, cultivating and harvesting crops, and general management of farm, at \$935 per year, same rate as paid hired workers.....	4,805,900,000
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uled to meet in January 1946 in London, to take the initiative in appointing an inquiry commission of the United Nations, to proceed to Indochina and Indonesia immediately, and to report its findings to the United Nations Organization at as early a date as possible.

(d) That we believe that the Nationalist leaders of Indochina and Indonesia, as publicly announced by them, will welcome an arbitration by the United Nations.

## Full Employment Bill

### EXTENSION OF REMARKS

OF

### HON. WILLIAM A. ROWAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

Mr. ROWAN. Mr. Speaker, pursuant to a number of requests, I am herewith presenting excerpts from a report on the full employment bill, made by the independent voters of Illinois, Inc.:

Prior to the field interviewing a complete block by block analysis of the entire district was made in order to pick a "sample" that would reflect in miniature the total characteristics of the district as to economic status, race, political leanings, occupations, etc.

All persons interviewed were asked the same series of 19 questions, designed to reveal not only the state of public information on the full employment proposals but also how, and to what extent, the citizenry of the district informs itself about what goes on in Congress.

A question: "Have you heard of any bill before Congress that will plan for enough jobs for everyone after the war?" brought replies as follows:

	Percent
No; have not heard.....	69
Have heard, but have no idea what it is..	19
Have heard, but have wrong idea what it is.....	4
Have heard, and have right idea.....	8

Following this question, the essentials of the Murray full employment bill were set forth as follows, but without naming the bill:

"What would you think of a bill like this? First, the President would find out each year how many jobs there are going to be for the coming year. Then, if there were not enough jobs for every one, Congress would give financial help to private business so that it could provide more jobs. Then if there were still too few jobs, the Government would give contracts to private business to build public works to make up the balance of jobs needed."

Response to this proposal was:

	Percent
For .....	83
Against .....	12
Doubtful .....	5

The next question asked named the bill: "Have you heard of the Murray Full Employment bill?" The replies were:

	Percent
Yes .....	17
No .....	81
Doubtful .....	2

These contrasting replies indicate a large, but uninformed, majority generally favorable to the measure. This majority is larger in some groups than in others, but is found in all groups.

Thus, by types of employment, the percentages for the proposal are:

	Percent
Business and professional.....	74
Other white collar.....	84
Shop and manual workers.....	91

Persons with college education, and those with incomes of more than \$100 per week, like the business and professional group, indicate relatively more skepticism than persons with less education and lower incomes.

By race and nationality, those for the proposal are:

	Percent
Native-born white of native parents.....	79
Native-born of foreign parentage.....	83
Foreign-born white.....	86
Negroes.....	94

In the Second Congressional District 22 percent of the population is Negro, as compared with 8 percent for all of Chicago. Half of the city's Negroes live in this district. The fact that they are for the full employment proposal so strongly makes the total percent for the proposal slightly higher than it would be if Negro population were substantially less.

The principal reason cited by those favoring the proposal is that it would provide jobs and so help avoid unemployment. Nine percent observed specifically that it would be better than direct or work relief. Following are some typical comments:

"It opens up opportunities. Places the responsibility on the Government, where it belongs. It is fair.

"It would create more buying power for everyone, which would create more business.

"Help private industry to keep going and give jobs to people without actually taking over private industry.

"A bill of this sort would enable many people to be employed who want to work.

"It would give people work. They would not be idle and could support themselves. It would do away with WPA.

"I think it is good. A man would rather work than be given something. We Negroes want a chance to work for what we get.

"Would not want my husband to sell apples when he gets out of the Army.

"Won't mind the taxes if it gives the jobs.

"It would give everybody a chance to work.

"Would help avoid a depression.

"A bill of this type would give work to everybody. As a matter of fact, the Government should do this."

The 12 percent who oppose the full-employment proposal, as presented in this survey, give three principal reasons: (1) Opposition to Government interference with, or subsidies to, business; (2) increased taxation; (3) the difficulties of making the plan work. Some of their comments are:

"Don't believe in subsidies for private business. Taxpayers pay for subsidies.

"It would involve a lot of red tape, I'm afraid. It's a beautiful thought, but I just don't think it would work out.

"There have been too many bureaucracies. The taxpayer has to pay the bill.

"Don't think Government belongs in business.

"Would be a pork barrel for private capital. Capital would take advantage by asking Government for money even if they didn't need it.

"Not a proper economic measure. Industry should stand on its own feet.

"No particular advantage. It would be paid for by taxation. A case of getting a check and handing part of it back to the Government."

One question was designed to find out whether the term "full employment" as defined by the proponents of the bill—jobs for all—is understood in that sense by the general public.

All respondents were asked, first, if they had heard the expression "full employment," and second to define it. Fifty-one percent of the definitions given by those who had not heard the expression are of the "jobs for all" type. Seventy percent of those persons who had heard the expression are "jobs for all" definitions. In both cases the remainder give a variety of answers other than

jobs for all, such as steady work, work 8 hours a day, full-time work, etc.

(The number of definitions on which this analysis is based is 13 percent in excess of the number of respondents, since some give more than one definition.)

From this it appears that a spontaneous definition of the term "full employment" by those who hear it for the first time is significantly more vague and general than by those who have heard it before. Apparently, the term takes on more of a "jobs for all" meaning after it has been heard more than once. This may be in part due to current publicity which uses the term "full employment" in the "jobs for all" sense.

Eleven percent of the responses of those who had never heard the term give a spontaneous definition of full-time work for the respondent—the opposite of a part-time job. One woman, for example, says it means a "full-time job for my husband." Only 3 percent of the responses of those who had previously heard the term give it such a personal, rather than a public, meaning.

This analysis indicates that, whether or not "full employment" is as good a slogan as "jobs for all," the majority of persons tend to associate the two. Some 30 percent, however, need further clarification of the term "full employment."

If it had been possible to test the slogan "full employment" by an opinion poll before it came into general use, it is quite possible that something better might have been found. Perhaps it would have been simply "jobs for all." In Part V of this report is further comment on the importance of testing in advance the public reaction to proposed slogans.

#### PART II. JOB PROSPECTS

Citizens of the Second Congressional District, just before VJ-day, were definitely more hopeful about their individual prospects after VJ-day than about job conditions in general.

A pair of questions brought this fact out. Asked if they think job conditions will be the same, better, or worse after the victory over Japan, those interviewed replied:

	Percent
Same .....	13
Better .....	19
Worse .....	49
Others (including combinations of above).....	19

But when the group sampled were asked about "job conditions for yourself and your family" their replies were:

	Percent
Same .....	64
Better .....	19
Worse .....	20
Others.....	7

This difference is explained by the response to the further question, "Why do you think that?" Sixty-four percent of the explanations for a same or better response said that the respondent is in a job not dependent on war activities for its continuance, such as producing civilian goods, working in a hotel, civil service, or teaching. They feel safe despite the possibility of a downswing.

Those who expect general conditions to be the same or better base such expectations primarily on their estimate of the large civilian demand following reconversion. Some mention also foreign demand for American goods. Others indicate that they have confidence in a Government program to help stimulate activity.

Forty-nine percent of the responses which are pessimistic about general conditions following VJ-day cite as their reasons: Civilian demand will not balance cut-backs; reconverted industries will require fewer employees; returning servicemen will increase competition for jobs, etc. Nine percent of the pessimistic responses are based simply on



the idea that history will repeat itself—other wars have been followed by depressions—therefore this one will be.

In the racial grouping, the proportion of optimistic answers on the general job situation is highest among the foreign-born, 28 percent, and native-born of foreign parentage, 22 percent. The proportion of pessimistic replies to this question is highest among the native whites, 59 percent, and the Negroes, 57 percent. Respondents who are foreign-born and second generation yield a considerably lower proportion of pessimistic answers, 37 percent in both cases.

Young people gave pessimistic responses about general conditions more often than older persons—72 percent of the responses from young women of 21 to 29 years, and 61 percent of those of young men, had a gloomy outlook. It is interesting to note that the young women were more pessimistic than the young men.

The question was asked: "Do you think government, business, and labor should have an equal share in handling unemployment?" The phrasing of this question was deliberate, since a careful pretest in the field indicated it would get respondents to express themselves as to interrelationships between the three groups. Even small qualifications were probed in order to make sure respondents had a chance to show preference for any one of the three.

Results on this question were:

	Percent
Yes.....	59
No.....	27
Undecided.....	10
Others.....	4

Women supported this proposal in greater strength than men—65 percent of all the women as contrasted with 51 percent of all the men. However, women over 45 were in closer agreement with the men—56 percent—than the women under 45, of whom 69 percent were in favor. In both sex groups the youngest members—men and women 21-29—were slightly more in favor of cooperation on an equal basis.

The 27 percent who did not agree that Government, business, and labor should share the handling of unemployment on an equal basis had the following opinions:

	Percent
Government should have greater share.....	28
Business should have greater share.....	28
Labor and management should work together with Government as referee.....	13
Labor should handle unemployment alone.....	10
Opposed to business, with no reference to the other two.....	6
Opposed to labor, with no reference to the other two.....	4
Other and "don't know" answers.....	11

A break-down was not made to learn what percent of each of the above groups of responses also gave a "yes" to the digest of the full-employment bill. However, it would seem from a rough inspection of the above figures that it is likely that the bill has attracted to its support not only those who favor equal sharing of the responsibility but also some from the various groups favoring other alternatives.

In other words, no matter what preference the respondents have, either for cooperation on an equal basis or for a particular controlling group, the majority still is for the digest of the bill.

A further question asked: "If there are not enough jobs for everyone after the war, do you think anything can be done about it?" Replies are positive:

	Percent
Yes.....	83
No.....	8
Doubtful.....	9

Ask what can be done, 48 percent of the responses indicate some sort of a Govern-

ment program to stimulate business, build public works, give direct relief or provide social security. Twenty-three percent recommend spreading work, or shortening hours. Nine percent suggest returning women from jobs to place in the home.

The fact that only 48 percent of the answers spontaneously named the Government as the controlling factor in a given program obviously does not mean that the balance are opposed to Government control, given the fact that the great majority support the full-employment proposal as given in this survey. We may assume that in the balance of the responses if the spontaneous suggestions were probed to find out what agency should be used to implement the program (e. g. spreading work or shortening hours), a considerable number would probably name the Government alone, or Government and business.

Break-down by income reveals only minor differences as to the percentages of answers which spontaneously mention some Government-controlled measure to relieve unemployment:

	Percent
Up to \$43 a week.....	45
\$43 to \$65 a week.....	50
\$66 to \$100 a week.....	44
Over \$100 a week.....	45

It is interesting to note that the lower and upper income groups show no difference at all in this respect.

Using the same break-down for the answers saying private industry can prevent or remedy unemployment, we find that in the three lower income groups only a negligible percentage of the answers are in this category, while 10 percent of the responses from the top income group are in that category.

Using the age-sex break-down on those answers which say the unemployment situation would be relieved if women left their jobs we find that none of the suggestions from the young men under 30 and only 4 percent of the responses from men over 30 are against women working. This is a contrast to the women's opinion on this subject, where we find the following percentages against women working:

Age:	Percent
21 to 29.....	12
30 to 44.....	16
45 and over.....	9

The percent of all female responses on this point is 12 percent. When only the responses of nonworking housewives are considered the percentage is slightly higher: 16 percent.

For this particular break-down a further analysis was made as to how each age-sex group reporting this answer stands in regard to the full-employment proposal. It is found that only one person (a female 30-44) out of the whole group is against the proposal. While this question was not especially designed for this purpose, this analysis gives some weight to the assumption that while women generally resent other women as competition for their current or prospective breadwinners, they would be less opposed if there were greater job security generally. It is interesting that in the defining of full employment only one response specified that it meant jobs for everybody but married women.

**PART III. POSTSCRIPT: RESEARCH IN-PARTICIPATION**  
(By John H. Millar, director, Citizens Research Bureau)

The project reported here is a double-barreled research experiment: (1) In opinion polling; (2) In citizen participation.

Sixty citizen volunteers, under paid professional guidance, did most of the work. Thus, costs were less than would be the case if clerks, interviewers, and analysts were paid as well as supervisors. Quality of work done by these volunteers is high. Mrs. Ruth Shils, professional consultant on the project, was

particularly impressed by how favorably the work of volunteers compares with that of paid workers on other opinion polls.

Deliberate effort was made to provide in the project a wide variety of jobs for the volunteers: Clerks, interviews, analysts, computers, etc. With a larger variety of tasks to be done, it becomes possible to involve a larger number of persons of various talents and interests.

Experimental work to improve effectiveness of volunteer political activity has particular interest to organizations such as Independent Voters of Illinois, principal backer of this project.

Political action organizations, such as IVI, stress doorbell ringing just before elections. But it is a long time between elections. It would strengthen such organizations and hold together their corps of workers if there were doorbell ringing between elections also. This project points to one way of accomplishing this.

Research in participation has wide significance. Improved methods are needed, and if developed will be used not only to increase citizen participation in government, but also in other fields: Worker participation in industry, parent participation in education, member participation in labor unions and cooperatives, citizen participation in all sorts of organized activity in a free society.

As this is written Independent Voters of Illinois is setting up a committee on research for further experimental activity of this double-barreled sort.

1. Opinion polling focused on single Congressmen and their districts will be extended, improved, and greatly speeded up. This means streamlining relationships between Congressmen and constituents. Congressman Rowan, following private conversations with other Members of Congress, hopes that use of the method may extend to many other congressional districts.

2. Information secured through such polls will make more effective the educational activity of citizen organizations working on behalf of public issues. At the same time the accurate methods of statistical control that are used will improve the administrative effectiveness of the work.

The net result of this twofold experimental work might be described as applying management-engineering techniques to volunteer citizen action.

Methods that develop, however, will be different from the standard methods of business and industry. They will be more democratic, less authoritarian. The problems are different. Situations are different. The supervision of large numbers of part-time volunteers, who work for short periods only, is quite different from standard management of full-time paid workers.

Research in participation is research in democracy. That's what democracy is: Voluntary citizen participation in the Government.

**St. Louis Invites the United Nations**

**EXTENSION OF REMARKS**  
OF

**HON. CLARENCE CANNON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

Mr. CANNON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a résumé of the advantage of the Weldon Springs area, located at the crossroads of the Nation, and suggested by the city of St. Louis as the site of the permanent headquarters of the United Nations:







Commodity Credit Corporation, \$762,000 for salaries and administrative expenses, payable from CCC funds (same as House figure, Budget estimate was \$1,000,000).

Farm labor supply program; \$25,000,000 plus unexpended balance (House figure and Budget estimate \$14,000,000); provides that at least \$7,000,000 must be apportioned to the States, limits labor supply-center construction by the extension services to \$100,000, makes \$562,023 additional available for administrative expenses, and permits the admission of agricultural workers into the U.S. through Dec. 31, 1946.

Insecticide Act: Restores \$26,500 supplemental estimate for administering this act, previously withheld by the House Committee, for additional work arising from release of new preparations flooding the market.

Wage stabilization program: Increases by \$98,700 the limitation on existing WFA funds to carry this program through the fiscal year 1946, This estimate was sent direct to the Senate (S. Doc. 128).

School lunch program: Increases by \$15,000,000 (from \$50,000,000 to \$65,000,000) (not considered by House) the limitation for this program.

Surplus property: Provides that hereafter proceeds of surplus-property dispositions shall be set aside in a special fund; appropriates this fund, not to exceed \$170,000,000 for the fiscal year 1946, to the Surplus Property Administrator for allocation or reimbursement to disposal and service agencies.

Public works planning (FWA), \$25,000,000 (House figure \$12,500,000).

Federal highways (FWA), \$25,000,000.

GAO, \$2,673,900.

Census Bureau, \$3,295,000 (House figure \$1,970,000).

Veterans' housing, \$191,000,000 (House figure \$24,500,000).

Bureau of Reclamation, \$68,754,000.

FAO, \$577,500.

UNRRA, \$750,000,000.

CSC, \$1,200,000.

11. FULL-EMPLOYMENT BILL. Sens. Wagner, Barkley, Radcliffe, Murdock, Taylor, Tobey, Taft, and Buck were appointed conferees on this bill, S. 380 (pp. 12280-2).

12. FARM LANDS; IRRIGATION. Received a Burke County (N.Dak.) commissioners resolution opposing a higher-surface operation of the Garrison Dam Pool because of flooding of fertile farm lands (pp. 12279-80).

13. LUMBER; HOUSING. Received an Ireland's (N.Dak.) Lumber Yard letter and statement criticizing OPA's lumber-price policies and their effect on housing (p. 12280).

14. ADJOURNED until Mon. Dec. 17 (p. 12313).

#### BILLS INTRODUCED

15. RECLAMATION. S. 1638, by Sen. McFarland, Ariz. (for himself and Sen. Hayden, Ariz.) reauthorizing the Gila Federal reclamation project. To Irrigation and Reclamation Committee. (p. 12213.)

16. WILDLIFE CONSERVATION. H. R. 5004, by Rep. Angell, Oreg., to provide for the protection of the Dall sheep, caribou, and other wildlife native to the Mount McKinley National Park area. To Public Lands Committee. (p. 12278.)

17. SURPLUS PROPERTY; VETERANS. H. R. 5005, by Rep. Rivers, S.C., relating to the sales of surplus property to veterans under the Surplus Property Act. To Ex-



penditures in the Executive Departments Committee. (p. 12278.)

18. PERSONNEL; HOLIDAY. H. J. Res. 289, by Rep. Fallon, Md., making the last Thursday in November a legal holiday. To Judiciary Committee. (p. 12278.)

ITEMS IN APPENDIX

19. MARKETING; PARITY PRICES; WAGES. Rep. Wickersham, Okla., inserted his recent address before the N.Y. State Fruit and Vegetable Shippers and Receivers Assn., in which he urged the improvement of marketing facilities and methods, the inclusion of farm wages in the parity-price formula as proposed in the Pace bill, H.R. 754, and cited facts and statistics prepared by BAE (pp. A5931-4).
20. VETERANS; HOUSING. Extension of remarks of Rep. Plumley, Vt., including Douglas Meredith's U.S. C of C statement before the Senate Banking and Currency Committee, giving his reasons for opposing S. 1592, the housing bill, and stating the C of C position on housing standards and policies (pp. A5947-50).  
Reps. Luce, Conn., Ramcy, Ohio, and Dolliver, Iowa, inserted newspaper editorials urging priority for veterans' home construction and favoring a housing-control program (pp. A5946-7, A5951).
21. FULL EMPLOYMENT. Speeches in the House by Reps. Starkey (Minn.), Kefauver (Tenn) and Hare (S.C.) favoring a full-employment program (pp. A5930, A5972, A5977-9).  
Speech in the House by Rep. Robsion, Ky., opposing S. 380, the full-employment, as economically unsound and unworkable (pp. A5968-9).  
Rep. Rowan, Ill., inserted excerpts from an Independent Voters of Ill. report indicating the public opinion trend on the full-employment bill in Ill. (pp. A5955-6).
22. TAXATION. Rep. Jenkins, Ohio, inserted his address, prepared for delivery at Columbus, Ohio, setting forth the tax problems before the Ways and Means Committee (pp. A5958-61).
23. FOOD AND AGRICULTURE ORGANIZATION. Sen. Capper, Kans., inserted Secretary Anderson's report on the FAO conference at Quebec (pp. A5963-6), in which he stated "The purpose of the conference was to create, organize, and give general directions to the first year's program of FAO," and that it "accomplished its purpose in a manner highly satisfactory to the delegation of the U.S."
24. LUMBER. Sen. Langer, N. Dak., inserted an Independent Retail Lumber Dealers' Assn. statement outlining their problems, including the effect of the elimination of WBP controls, and making recommendations for changes in OPA regulations (pp. A5966-8); and included the association's letter to OPA Administrator Bowles (p. A5970).
25. WOOL MARKETING. Sen. Murdock, Utah, inserted a Merrill Lynch, Pierce, Fenner, and Beane publication digesting the remedies suggested at the recent hearings held by the Senate Wool Committee, outlining wool problems and proposing a solution (pp. A5974-5).
26. PUBLIC HEALTH. Sen. Wagner, N.Y., inserted a statement, "The Need for Health Insurance" (pp. A5972-4).
27. FOREIGN RELIEF. Sen. Fulbright, Ark., inserted a Washington Post article, "Feeding Our Allies," which opposed the State Department policy on feeding Germany and advocated more food to our allies (p. A5971).





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 79<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 91

WASHINGTON, SATURDAY, DECEMBER 15, 1945

No. 223

## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, December 17, 1945, at 12 o'clock noon.

## Senate

SATURDAY, DECEMBER 15, 1945

(Legislative day of Monday, October 29, 1945)

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

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

God of grace and glory, as with an unnumbered host crowding the Bethlehem way under all skies, we come again to the feast of the Child, may we in very truth be drawn into companionship with Him who giveth all. May the delicate tints of flowers, the sweet symbolism of holly, mistletoe and fir, the memory of deep woods, of peaceful hills, and of the mantling snow which guards the sleep of all God's creatures be but the grateful frame for those gifts which are beyond price, outlast time, and bridge all space—pure joy, a merry heart, a clear conscience, and love which thinks no evil is not easily provoked and seeks not its own. So may the little Christ hands beckon us to come within the circle of His faith and love where are bright angels of good will and everyday saints and all goodness, truth, and beauty. In His dear name. Amen.

### THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, December 14, 1945, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE PRESIDENT

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

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the

House had passed the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON of North Carolina, Mr. COOPER, Mr. DINGELL, Mr. ROBERTSON of Virginia, Mr. REED of New York, and Mr. WOODRUFF of Michigan were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 111. Concurrent resolution authorizing the printing of additional copies of the hearings held before the House Committee on Expenditures in the Executive Departments during the current session relative to the Full Employment Act for the use of said committee; and

H. Con. Res. 112. Concurrent resolution authorizing the House Committee on Labor Subcommittee to Investigate Aid to the Physically Handicapped to have printed for its use additional copies of parts 1, 3, 7, and 8 of the hearings held before said subcommittee during the second session, Seventy-eighth Congress, relative to aid to the physically handicapped.

### ADDITIONAL BASIC AUTHORITY FOR CIVIL SERVICE COMMISSION

The PRESIDENT pro tempore laid before the Senate a letter from the Presi-

dent of the United States Civil Service Commission transmitting a draft of proposed legislation to grant certain additional basic authority to the Civil Service Commission, which, with the accompanying paper, was referred to the Committee on Civil Service.

### THE GARRISON DAM—RESOLUTION FROM BURKE COUNTY, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to present and have printed in the RECORD a resolution adopted by the Burke County, N. Dak., commissioners on September 21, 1945, relative to the operation of the pool of the Garrison Dam. The resolution is signed by Oscar A. Kallberg and A. J. Young.

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

Whereas the operation of the pool of the Garrison Dam at the proposed "maximum normal operating pool level" of 1,850 feet above sea level will unnecessarily inundate thousands of acres of fertile bottom lands along the Missouri River in Williams and McKenzie Counties in North Dakota, thereby removing such lands from the tax rolls of said counties with resulting loss of public revenue, and thereby taking such lands out of existing and potential production valued in hundreds of thousands of dollars annually, and thereby causing tens of thousands of dollars of severance damage to uplands, and thereby disturbing the homes of hundreds of long-time residents; and

Whereas the operation of such "maximum normal operating pool level" will damage and be a constant hazard to the city of Williston, installations of the Great Northern Railway, and the Lewis and Clark and the Buford-Trenton irrigation projects in the Williston area; and

Whereas the elaborate and costly system of levees and automatic pumps proposed by the Corps of Engineers of the Army for the protection of said city, railroad, and irriga-



tion projects is of doubtful and speculative value and without engineering precedent in reclamation history; and

Whereas disturbing and alarming fears in the minds of residents and property owners in the affected area have become widespread that the Corps of Engineers of the Army will operate said reservoir at such "maximum normal pool level," irrespective of the efficacy of its proposed protective works and irrespective of the inestimable damage, actual and potential, which will be caused thereby in the affected area; and

Whereas such fears have already served to discourage large and small commercial and industrial investments and have had a demoralizing effect on the values of all property in the affected area, with resulting insecurity of our people; and

Whereas the operation of the pool of the Garrison Dam at a "maximum normal operating pool level" of 1,830 feet above sea level will allay such fears and will avert such damage and hazard without costly or speculative protective works; and

Whereas the public interest requires that such fears be allayed, that such damage and hazard be averted, and that there be no further fear, anxiety, or uncertainty over the maximum level at which such pool may ever be operated; and

Whereas no hearings have ever been held or conducted in the Williston area concerning the effect of such pool on people and property in the affected area: Now, therefore, be it jointly

*Resolved*, That we, municipalities and organizations in the affected area, are unalterably opposed to the operation of the pool of the Garrison Dam at a maximum level exceeding 1,830 feet above sea level; that we demand that fair and impartial hearings and studies be held and conducted in the affected area by a special congressional committee; and that the maximum level at which such pool may ever be operated be, in all events, speedily, irrevocably, and authoritatively determined; and be it further

*Resolved*, That a copy of this resolution be transmitted to the North Dakota State Water Conservation Commission, the members of the Missouri Basin Interagency Committee; the Governors of the Missouri Basin States, the Commissioner, United States Bureau of Reclamation, and Chief, Corps of Engineers, Washington, D. C., the Committees on Appropriations in the United States Senate and House of Representatives, and the Senators and Representatives in Congress from North Dakota.

Adopted by Burke County Commissioners this 21st day of September 1945.

OSCAR A. KALLBERG,  
A. J. YOUNG.

#### PROBLEMS OF THE LUMBER INDUSTRY

Mr. LANGER. Mr. President, I have received the following letter from Mr. Guy L. Ireland, proprietor of Ireland's Lumber Yard, of Grand Forks, N. Dak.:

Hon. WILLIAM LANGER,  
Senate Office Building,  
Washington, D. C.

DEAR MR. LANGER: The matter of the OPA crucifying the retailer on the cross of holding down building costs is strictly up to Congress.

Raising wages and then costs to the retailer and forcing him to absorb all this raise simply means ruin. It is un-American, unfair, and all in the interest of politics. We retailers are being made the goat and none of us can hope for any correction or fair play from the OPA unless you in Congress force the issue.

Please note the attached.

Yours very truly,

GUY L. IRELAND.

I ask that the paper attached to the letter may be printed in the RECORD at this point.

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

#### OPA AND RETAIL PRICES

**Building material:** The OPA is now going from place to place setting up prices on the basis of 1942. It is, of course, evident that the manufacturer is going to get advances and that OPA is going to refuse to allow the advances to be added until we have spent 6 months or a year establishing a loss on our entire business and waiting for OPA to grant relief.

No thought is given to our increased cost of doing business.

First, in 1942, we had a union contract, 48½ cents common help and 50 cents yardmen, 54-hour week straight through; today this is 60 cents and 70 cents for 40-hour week, 90 cents and \$1.05 for overtime; this is inefficient help and the overtime we are forced to employ brings the income of these men 75 to 100 percent over 1942. All office and other help has also advanced. Local taxes go up 29½ percent for 1946.

In addition to this, we have to take green lumber and pile it up to dry; also have some milled in transit at \$9 to \$12 per thousand. OPA refuses to allow us to pass on any of this expense.

OPA allows the mills to charge \$2 per thousand, \$60 to \$90 per car, for mixed cars, four items, and now has ruled the retailer must not pass this on.

On green lumber the OPA says it should weigh rough 3,300 pounds; it weighs over 4,000; and OPA says we must absorb this 700 or more pounds at 56½ percent.

If we don't buy green and remilled stock, we just won't have enough lumber to do the farmer any good.

In addition to all this, the mill is given export prices far and above the domestic price. One mill told us they were shipping their very good flooring to South Africa and getting \$23 per thousand more for it than they could charge us or we could pay.

Everywhere you go it is the same conversation. Congress alone is responsible as responsible as long as they refuse to act on these questions and the labor question.

[Mr. LANGER asked and obtained leave to have printed in the RECORD a statement by Mr. Edwin W. Elmer, executive secretary, Independent Retail Lumber Dealers' Association for North Dakota, South Dakota, Minnesota, and two of the other adjoining States, before the Senate Small Business Committee hearing on December 12, 1942, which appears in the Appendix.]

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter addressed by the Independent Retail Lumber Dealers Association, Deward G. Schultz, acting executive secretary, to Chester Bowles, Administrator, Office of Price Administration, relative to conditions in the lumber manufacturing industry, which appears in the Appendix.]

#### BILLS INTRODUCED

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

By Mr. PEPPER:

S. 1690. A bill for the relief of A. Hayden; and

S. 1691. A bill for the relief of S. I. Wooten, F. M. Maloy, and Mrs. Alethea Arthur; to the Committee on Claims.

S. 1692. A bill granting an increase in pension to Mrs. Nellie Lambert Kernan; to the Committee on Finance.

S. 1693. A bill to grant certain benefits with respect to accumulated leave to personnel in the land and naval forces; to the Committee on Military Affairs.

#### FULL EMPLOYMENT ACT OF 1945

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, which were to strike out all after the enacting clause and insert:

That this act may be cited as the "Employment-Production Act, 1945."

#### POLICY OF THE UNITED STATES

SEC. 2. Congress hereby declares that it is the continuing policy of the United States—

(a) By means of—

(1) preserving and encouraging the American economic system of free competitive enterprise and fostering the investment of private capital in trade, agriculture, commerce, and in the development of the natural resources of the United States;

(2) aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business, and to promoting continuous growth in the quality and quantity of facilities of production;

(3) encouraging individual initiative;

(4) avoiding competition of government with private business enterprise; and

(5) adopting sound fiscal policies and maintaining the credit of the United States; and thereby creating under, and in a manner consistent with, the American system of free competitive enterprise, the maximum opportunity for employment (including self-employment), to attain and maintain a high level of employment (including self-employment), production, and purchasing power.

(b) By means of investigating and determining the causes of economic fluctuations, and providing for continuous study of economic conditions and economic trends, to make provision for diminishing such fluctuations and avoiding the causes thereof.

(c) By means of—

(1) encouraging State and local governments to plan and adopt sound programs of public works for their normal needs in normal times, capable of acceleration and expansion when widespread unemployment in the State or in any substantial portion thereof exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

(2) planning and adopting programs for loans by the United States, consistent with a financially sound fiscal policy, for use when widespread unemployment in the United States or in any substantial portion thereof exists or threatens;

(3) planning and adopting a program of sound public works, consistent with a financially sound fiscal policy (such works to be performed, except as otherwise authorized by law, by private enterprise under contract), for the normal needs of the United States in normal times, capable of acceleration and expansion when widespread unemployment in the United States or in any substantial portion thereof exists or threatens, and capable of reduction when inflationary conditions exist or threaten;

to stimulate private enterprise in the periods in which widespread unemployment exists or threatens so as to stimulate and promote employment (including self-employment), production, and purchasing power in a free competitive economy, thereby aiding and as-



sisting employables (including self-employed) in such periods to secure employment, and to aid in removing or preventing inflationary or deflationary conditions in periods in which such conditions exist or threaten.

#### ECONOMIC REPORT OF THE PRESIDENT

SEC. 3. (a) The President shall submit to the Congress within 60 days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the Economic Report) on economic conditions affecting employment in the United States or in any considerable portion thereof, on the extent to which the policies declared in section 2 are or are not being achieved, and on the extent to which the various programs and activities of the Federal Government are, and the extent to which they are not, contributing to the achievement of such policies.

(b) If at the time of submitting the Economic Report, high levels of employment, production, and purchasing power are not being maintained or are threatening to decline, the President shall include in the Economic Report, in addition to the matter required to be included under subsection (a), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which then-existing legislation may be utilized for attaining high levels of employment, production, and purchasing power, and of the plans therefor and means of financing the programs thereunder, and his recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation) as he deems necessary for attaining such high levels.

(c) If at the time of submitting the Economic Report widespread unemployment exists in the United States or in any substantial portion thereof the President shall include in the Economic Report, in addition to the matter required to be included under subsections (a) and (b), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which such unemployment may be alleviated under then-existing legislation, and of the plans therefor and means of financing the programs thereunder, and his recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation) as he deems necessary for alleviating such unemployment and attaining high levels of employment, production, and purchasing power.

(d) If at the time of submitting the Economic Report inflationary conditions exist or threaten, the President shall include in the Economic Report, in addition to the matter required to be included under subsection (a), a statement of what, in his judgment, are the causes thereof, a statement of the extent to which such conditions may be alleviated under then-existing legislation, and his recommendations for such further legislation (including recommendations for the reduction or suspension of public outlays) as he deems necessary to alleviate such conditions and to prevent them from recurring.

(e) The President may, from time to time, transmit to Congress such supplemental or revised reports, or such supplemental recommendations, as he deems necessary to achieve the policies declared in section 2.

(f) The economic report, and any supplemental or revised reports or recommendations, when submitted to Congress, shall be referred to the Joint Committee on the Economic Report (created by section 5).

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 4. (a) There is hereby created in the Executive Office of the President a Council

of Economic Advisers (hereinafter called the "Council"). The Council shall be composed of three members who shall be appointed by the President and each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policies declared in section 2, and to formulate and recommend national economic policy to promote employment and production under the American system of free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman, and the Council shall annually select one of the members as vice chairman, who shall act as chairman in the absence of the chairman.

(b) The Council is authorized to employ, in the District of Columbia, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ, in the District of Columbia, such other officers and employees as may be necessary for carrying out its functions under this act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

(c) It shall be the duty of the Council—

(1) to assist and advise the President in the preparation of the Economic Report;

(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, to analyze and interpret such information in the light of the policies declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policies, and to compile and submit to the President studies relating to such developments and trends;

(3) to appraise the various programs and activities of the Federal Government in the light of the policies declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policies, and to make recommendations to the President with respect thereto;

(4) to formulate and recommend to the President national economic policies for promoting the American system of free competitive enterprise, avoiding economic fluctuations or diminishing the effects thereof, and for maintaining a high level of employment (including self-employment), production, and purchasing power;

(5) whenever in the opinion of the Council high levels of employment, production, and purchasing power are not being maintained or are threatening to decline, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which then-existing legislation may be utilized for attaining high levels of employment (including self-employment), production, and purchasing power, and to include in such report its recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation in a manner consistent with sound fiscal practices) as it deems necessary for attaining such high levels;

(6) whenever the Council determines that widespread unemployment exists in the United States or in any substantial portion thereof, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which such unemploy-

ment may be alleviated under then-existing legislation, and to include in such report its recommendations for such further legislation (which may include recommendations for outlays in addition to loans and public works, and which shall include recommendations for means of financing the recommended legislation in a manner consistent with sound fiscal practices) as it deems necessary to alleviate such unemployment and to attain a high level of employment (including self-employment), production, and purchasing power;

(7) whenever in the opinion of the Council inflationary conditions exist or threaten, to make a report to the President on what, in its judgment, are the causes thereof, and on the extent to which such conditions may be alleviated under then-existing legislation, and to include in such report its recommendations for such further legislation as it deems necessary to alleviate such conditions and to prevent them from recurring;

(8) to make and furnish, when requested by the President, such studies, reports thereon, and recommendations with respect to matters of Federal economic policy as he may request.

(d) The Council shall make an annual report to the President not later than January 1 of each year (beginning with the year 1947) and shall also make interim reports quarterly (following January 1, 1947).

(e) The President is requested to make available to the Joint Committee on the Economic Report, if it desires, the various studies, reports, and recommendations of the Council which have been submitted to the President.

(f) In exercising its powers, functions, and duties under this act—

(1) the Council may constitute such advisory committees and may consult with such representatives of industry, agriculture, labor, consumers, and other groups, as it deems advisable;

(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

(g) To enable the Council to exercise its powers, functions, and duties under this act there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

SEC. 5. (a) There is hereby established a joint committee of the Senate and House of Representatives, which shall be known as the Joint Committee on the Economic Report (in this section called the "joint committee"), and which shall be composed of the chairman and ranking majority party members, and the two ranking minority party members, of the Senate and House Committees on Appropriations, of the Senate Committee on Finance, of the House Committee on Ways and Means, and three other members of the Senate, and three other members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee—

(1) to make a continuing study of matters relating to the Economic Report;

(2) to study means of coordinating programs under existing laws relating to loans,



public works, and other outlays in order to further the policies of this act; and

(3) as a guide to the several committees of Congress dealing with legislation relating to the Economic Report, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

(e) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman, and shall not exceed \$100,000 for each fiscal year.

#### INTERPRETATION

SEC. 6. Nothing in this act shall be construed as calling for or authorizing—

(1) any change in the existing procedures on appropriations, or authorizations of appropriations;

(2) the carrying out of, or any appropriation for, any program set forth in the Economic Report; or

(3) the disclosure of trade secrets or other information, the publication of which might have a harmful effect upon the firm or person supplying such information, without the consent of the firm or person affected.

Amend the title so as to read: "An act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy."

Mr. WAGNER. Mr. President, I move that the Senate disagree to the amendments of the House; ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WAGNER, Mr. BARKLEY, Mr. RADCLIFFE, Mr. MURDOCK, Mr. TAYLOR, Mr. TOBEY, Mr. TAFT, and Mr. BUCK conferees on the part of the Senate.

#### ADDITIONAL COPIES OF HOUSE HEARINGS ON FULL EMPLOYMENT BILL

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 111, which was read as follows:

*Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the House Com-*

mittee on Expenditures in the Executive Departments be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of the hearings held before said committee during the current session, relative to the Full Employment Act of 1945.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

#### ADDITIONAL COPIES OF CERTAIN PARTS OF HEARINGS BEFORE HOUSE COMMITTEE ON LABOR INVESTIGATING AID TO PHYSICALLY HANDICAPPED

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 112, which was read as follows:

*Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the House Committee on Labor Subcommittee to Investigate Aid to the Physically Handicapped be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of parts 1, 3, 7, and 8 of the hearings held before said subcommittee during the second session, Seventy-eighth Congress, relative to aid to the physically handicapped.*

Mr. WHITE. Mr. President, are these the usual concurrent resolutions from the House asking for the printing of certain hearings?

Mr. HAYDEN. For their use.

Mr. WHITE. Very well.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

#### OPENING ADDRESS BY ROBERT H. JACKSON AT TRIAL OF GERMAN WAR CRIMINALS (S. DOC. NO. 129)

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed as a Senate document the opening address for the United States of America, delivered by Hon. Robert H. Jackson, Representative and Chief Counsel for the United States at the trial of German war criminals.

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

#### REPORT ON THE QUEBEC CONFERENCE OF UNITED NATIONS FOOD AND AGRICULTURAL ORGANIZATION

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a report received by him from the Secretary of Agriculture on the Quebec Conference of the United Nations Food and Agricultural Organization, which appears in the Appendix.]

#### THE CAUSE OF INDIA—ADVERTISEMENT BY NATIONAL COMMITTEE FOR INDIA'S FREEDOM

[Mr. LANGER asked and obtained leave to have printed in the RECORD an advertisement under the heading "Mr. Attlee, what about the world of today—An open letter to the British Prime Minister," signed by the chairman of the National Committee for India's Freedom, published in the Washington Evening Star of November 14, 1945, which appears in the Appendix.]

#### THE ST. LAWRENCE SEAWAY—EDITORIAL FROM DETROIT NEWS

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Seaway's Opponents Gradually Fade Away," published in the Detroit News of November 29, 1945, which appears in the Appendix.]

#### LOAN TO GREAT BRITAIN—ARTICLE BY PAUL MALLON

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article by Paul Mallon dealing with the proposed loan to Great Britain, published in the Fargo (N. Dak.) Forum of December 12, 1945, which appears in the Appendix.]

#### NEED FOR EXPANSION OF GEORGIA'S HEALTH SERVICES

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a statement by the Georgia Rural Health Conference showing the need for expanding and improving Georgia's health services, which appears in the Appendix.]

#### THE NEED FOR HEALTH INSURANCE

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a statement entitled "The Need for Health Insurance," which appears in the Appendix.]

#### THE WOOL PROBLEM—STATEMENT BY MERRILL LYNCH, PIERCE, FENNER & BEANE

[Mr. MURDOCK asked and obtained leave to have printed in the RECORD a publication regarding hearings on the wool industry, issued by Merrill Lynch, Pierce, Fenner & Beane, which appears in the Appendix.]

#### FEEDING OUR ALLIES—ARTICLE FROM WASHINGTON POST

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "Feeding Our Allies" published in the Washington Post of December 15, 1945, which appears in the Appendix.]

#### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

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

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Gurney	Murdock
Ball	Hart	Murray
Barkhead	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Bilbo	Hill	Pepper
Brewster	Hoey	Radcliffe
Bridges	Huffman	Reed
Brooks	Johnson, Colo.	Revercomb
Byrd	Johnston, S. C.	Robertson
Capehart	Kilgore	Russell
Capper	Knowland	Saltonstall
Carville	La Follette	Shipstead
Chavez	Langer	Smith
Connally	Lucas	Thomas
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Tydings
Eastland	McKellar	Vandenberg
Ellender	McMahon	Wagner
Ferguson	Maybank	Wherry
Fulbright	Mead	White
Gerry	Millikin	Wiley
Gossett	Mitchell	Willis
Green	Moore	Wilson
Guffey	Morse	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. OVERTON], the Senator from Tennessee [Mr. STEWART], and the Senator from Delaware [Mr. TUNNELL] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Pennsylvania [Mr. MYERS], the Senator from Nevada [Mr. McCARRAN], the



sulted in many regulations which have not worked out in practice in the manner contemplated in theory. The war emergency gave birth to OPA and is the only excuse for its present existence. If conditions were back to normal OPA would have been liquidated, and there would not now be the need for the circuitous method that the effected groups must employ to seek relief from an untenable position. In fact, the present problem would not be with us. The present predicament of the affected groups is due entirely to wartime conditions and their immediate aftermath. OPA has a solemn and continuing duty to keep abreast of the times, and to act to prohibit the use of their regulations as vehicles of monopoly and discrimination.

Neither can OPA's failure to act expeditiously in this emergency be excused by blaming the laws of supply and demand. We reiterate that OPA's continued existence is proof that conditions are not yet normal. An Administrator's philosophy that all problems will eventually run their course and iron themselves out in time is no solace to businessmen who are being driven out of business in the meantime. The relief for the independent retail lumber dealers, wholesalers, and commissionmen must be immediate.

We trust that immediate consideration of this matter and prompt remedial action will be forthcoming.

Yours very truly,

INDEPENDENT RETAIL LUMBER  
DEALERS' ASSOCIATION,  
By DEWARD G. SCHULTZ,  
Acting Executive Secretary.

### Feeding Our Allies

#### EXTENSION OF REMARKS OF

### HON. J. WILLIAM FULBRIGHT

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES  
*Saturday, December 15 (legislative day  
of Monday, October 29), 1945*

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Feeding Our Allies" published in the Washington Post of December 15, 1945.

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

#### FEEDING OUR ALLIES A COMMUNICATION

"Join the Allies and starve! Join the Axis and be fed by the Yanks!" Posters emblazoned with this slogan should have been plastered all over China, France, Norway, and the Netherlands, because it is the truth. The United States statement on German policy, released by Secretary Byrnes yesterday, indicates clearly that these countries would be far better off this coming year if they had fought against us rather than with us.

The United States Government is going to guarantee at least 1,550 calories per day for the normal German consumer. How easy would be the minds of the French and Dutch and Belgians if they could get such generous largesse, and could spend their pitifully small stock of United States dollars to purchase the industrial materials they sorely need.

Mr. Byrnes says, "In terms of world supply and of food shipments from the United States, liberated areas must enjoy a higher priority than Germany throughout this first postwar winter." Doesn't Mr. Byrnes consider China a liberated area? Because if he does, and if we should enable China and the

other liberated areas to raise their consumption to 1,550 calories a day, there would not only be no food for the Germans but the generous diet of the United States would be considerably reduced.

The State Department policy has been variously elaborated in terms such as these: "The liberated areas will get the foods to satisfy their needs, and then whatever foods are left over will go to Germany—in other words, the Germans will get only the surpluses over and above the liberated areas' needs."

Officials familiar with the total food situation have repeatedly pointed out that there are no such surpluses, if the word "needs" is taken to mean human needs to prevent starvation. If any reasonable calorie figure is used as a criterion of human needs, there just isn't enough food in the world to satisfy the needs of all the liberated allies; every attempt we could possibly make, even continuing tight food rationing, would serve merely to alleviate somewhat a tremendous problem of limited supply versus human need.

The joker is found in Mr. Byrnes' definition of "need." According to the formula under which United States allocations of food are made, no food is provided for any claimant unless that claimant guarantees his claim with cash on the line, and our food prices are high. Regardless of true human needs, the "needs," which Mr. Byrnes has stated have first priority before the Army feeds the Germans, will be much smaller quantities, resulting from a painful calculation by the claimant government as to the amount of their very limited United States dollars which they can afford to spend on food.

But the United States Army is claimant for Germany; the 1,550 calories per German will become a firm requirement, with financial backing, submitted by the Army. And the food will be allocated to them. Mr. Byrnes' pious expression that the liberated areas would enjoy a higher priority than the Germans is just a plain untruth—the Germans stand a much better chance of eating this winter than the peoples the Axis has oppressed for the past several years.

President Roosevelt committed the country to fighting the war most efficiently regardless of the limitations of the dollar sign—the country reluctantly accepted his judgment in the matter, without being completely convinced. Do we not need someone now with the courage to commit this country of ours to the battle against hunger and poverty with the same wisdom, that the peoples of the earth who fought side by side with us should be permitted to eat at least as much as our erstwhile enemies, regardless of the limitations of their state of finances?

More and more during the coming year the little people of the world will have occasion to mourn again the passing of Franklin D. Roosevelt—apparently the only force that could make this selfish little Nation of ours see beyond the end of its balance sheets.

CHARLES MILLER.

WASHINGTON, December 12.

### The Cause of India

#### EXTENSION OF REMARKS OF

### HON. WILLIAM LANGER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES  
*Saturday, December 15 (legislative day  
of Monday, October 29), 1945*

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the Washington Evening Star in the

form of an advertisement, signed by the National Committee for India's Freedom.

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

MR. ATTLEE, WHAT ABOUT THE WORLD OF  
TODAY?

AN OPEN LETTER TO THE BRITISH PRIME MINISTER

To the Right Honorable CLEMENT R. ATTLEE.

SIR: I gather you are here in Washington, among other things, to help build the world of tomorrow. All power to you in this laudable and lofty undertaking.

I desire, however, on behalf of the National Committee for India's Freedom, which represents the vast majority of Indian nationals resident in this country, to submit a few observations for your consideration, which pertain to the world of today, in which your Government is deeply implicated.

When the British Labor Party, of which you are the head, came to power in a decisive and sweeping victory, there was widespread hope that the more flagrant abuses and venalities of British imperialism would, at any rate, be mitigated, and a departure made from the traditional torism of your predecessor in office, Mr. Churchill, and his kind. This expectation was all the more natural since, for a generation, your party had made ardent protestations of liberal internationalism, and now you had secured undisputed parliamentary power to carry your professions and principles into practice.

On examining the record of the Labor government since it came to power, we find that, whatever you and your colleagues may have done, or attempted, on the home front, there is not a ray of light to illumine the dark and dismal domain of British imperialism and colonialism.

There is no evidence today of any heart-searching on the part of the British Government, of which you are the head—no chastening of the spirit, no sign of moral regeneration, not even an honest and intelligent reorientation to the changed aspect of the world. You and your colleagues appear to be impervious alike to the hopes and the sufferings of a broken world.

What other conclusion is to be drawn from the operations of British policy in Asia today? What Churchill did in Greece you are doing on a more outrageous scale in Indonesia and elsewhere. And as representing Indian sentiment, we have a stake in these British imperial activities. Both Churchill and you have used Indian soldiers, respectively, to crush Greek and Indonesian and Indo-Chinese patriots. Why? We suggest that if this sort of dirty work must be done it should be undertaken by your own soldiery and not by Indians. You cannot be unaware of the fact that there is a vast and deep revulsion in Indian against this sordid and cynical policy of the British Imperial Government.

Indian volunteers enlisted to fight against the Axis, and in behalf of what they were told was to be a war of human liberation. They are now being employed, under virtual military coercion, to act as mercenaries, and to destroy their Indonesian and other kinsmen who seek independence, and to whom they are bound by innumerable ties of history, culture, and sentiment. Being a slave himself, the Indian must needs labor to enslave others! And you are a party to that degradation.

And why has the world been confronted with this ghastly spectacle? Mr. Churchill, very understandably, did not want to liquidate the British Empire. You appear to be bent upon a more ambitious project: To re-suscitate and reestablish the moribund empires of France and Holland in Asia—as satellites in the British solar system! And this is sought to be done, primarily, with American equipment and Indian manpower.

Since you are in Washington and have just proclaimed your concern for a foreign



policy that should be "conceived in the interest of all the people of the world," may I recall to you certain words of a great American that appears to be pertinent; Abraham Lincoln said:

"If any nation robs another nation of its freedom, it does not deserve freedom for itself, and under a just God will not long retain it."

Lincoln's words proved to be a prophecy, and not merely a warning. In the case both of France and Holland. Britain herself, at Dunkerque, has a close shave with destiny.

By the grace of God, and help of the United States, you have all been rescued—and given a new lease of national life and freedom. Yet, you and the French and Dutch imperialists, with unregenerate souls, are apparently trying to revolve again in Asia the suicidal old business of imperial enslavement and colonial exploitation.

India is the pivot and exhibit A of world imperialism. So long as India is not free, the world will not be free. It is presumably in order to bolster your own empire, and the imperial system in general, that your government is so frantically trying to put back their respective colonies into the palsied hands of the French and the Dutch.

I suggest that you cannot reverse the processes of history. There will be no peace in Asia—and in the world—so long as such policies are pursued.

You have just affirmed as "the supreme need of today \* \* \* the lifting of the bonds of fear from the human spirit, and the setting free of the human spirit." How can you reconcile your own diagnosis with the policies of your Government? Your exalted concept of the freedom of the human spirit with the blood and terror let loose by your agents and hirelings on hapless men, women, and children who, after generations of bondage, want nothing more than their own long-usurped birthright of freedom?

Furthermore, is the system of British rule in India conducive to "the lifting of the bonds of fear from the human spirit?" Many of your party leaders, and experts, well know the facts. (I would refer you in particular to Sir Stafford Cripps, and to Francis Williams, the author of that excellent and completely honest book *Democracy's Battle*, who, I understand, is here with you in Washington as your press secretary).

You, too, should have some cognizance of the inner realities of the Indian situation since, as I recall, you went out to India as a member of the Simon Commission. What your precise part, if any, was in the compilation of the commission's report, I do not know. I can only hope you were not one of its architects. For that pretentious structure perished from the weight of its bogus fame and real futility.

However, having gone out to India in such a responsible capacity, you must have seen and heard enough to discover this central truth: From the days of the mutiny until today, India has been ruled by fear—a disarmed and devalitized population at the mercy of organized militarism. Should this cycle of Indo-British relations not now be ended—the cycle whose reciprocal segments are force and fear?

There has been no appreciable advance upon the policy or the tactics of the previous British Governments which you succeeded. We are being treated in India to the same eternal procrastination, the same moth-eaten alibis, the same demands for an impossible national unity which exists nowhere on this earth, the same playing up of minorities and secretaries to defeat the demand and goal of constitutional freedom for the nation as a whole.

You and your Government have it in your power to redeem the honor of England's name in Asia, and to help forward the cause of human freedom by breaking the fetters of 400,000,000 of the people of India. Only

freedom can dissolve the bonds of fear anywhere.

I trust you may be yet enabled to live up to your professions and aspirations.

I remain, sir,

Faithfully yours,

SYUD HOSSAIN,

Chairman, National Committee  
for India's Freedom.

## Patman Full Employment Bill Should Be Accepted

SPEECH

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

The House in Committee of the Whole House on the State of the Union had under consideration the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I shall vigorously support the amendment offered by the gentleman from California [Mr. OUTLAND] which is the originally full employment bill introduced by the gentleman from Texas [Mr. PATMAN], H. R. 2202. It seems to me, Members of the House, that after two World Wars this Congress would learn a lesson. We know that after the last World War we had a disastrous unemployment. We know that after this war we are going to have a lot of unemployment, tragic unemployment unless we here in Congress do our utmost to prevent it. We know, furthermore, that sooner or later Congress is going to be forced to do something about the unemployment situation that is going to come. Why we should not adopt a real measure that means something now to take care of a situation which we know is inevitable is beyond my understanding. Why should we wait until starvation and hunger face us to act? Why shouldn't we adopt a real plan now?

Economics, business and Government are interrelated. The business of Government must be geared so as to create a national economy which will furnish jobs or make jobs available if we are going to have the kind of economy we all want. We know that if we adopt this substitute bill we are actually doing very little toward a solution. We are making no real plans for the future and no plans to avoid the repetition of what happened after the last war. Furthermore, the great people of a democracy are not going to put up with unemployment very long. The only way we can have a real democracy, a democracy that will survive, is to see that your Government works in tune with business, with economies and public works plans so the people will have an opportunity for employment. You cannot have freedom and

you cannot enjoy the great privileges under our Constitution if you are out of work. Sooner or later, no matter what we adopt here, the people are going to demand the opportunity for work. So why should we not adopt a forthright plan here and do something about it?

I remember in 1939 we had an unofficial committee headed by the gentleman from California [Mr. VOORHIS], a non-partisan group, which studied the situation at that time and tried to make plans to help the 10,000,000 unemployed at that time. We came to the conclusion that there had to be a governmental policy which would be synchronized with business and give the people an opportunity for employment. Furthermore, we now have, or shortly will have, a national debt of \$200,000,000,000 on our shoulders. If we let our employment sink to a low level, how are we going to pay interest let alone any of the principal of that debt? Business must be kept humming, employment must be kept high, or we face chaos. So why not do the courageous and right thing and recognize a fact as a fact and get behind the amendment that has been offered by the gentleman from California [Mr. OUTLAND] and show that Congress intends to meet its responsibility in doing something about this situation?

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

## The Need for Health Insurance

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Saturday, December 15 (legislative day of Monday, October 29), 1945

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a brief, informative statement on the need for health insurance.

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

### THE NEED FOR HEALTH INSURANCE

#### HOW HEALTHY ARE WE?

Because the United States is the richest of the nations and is known throughout the world for its natural advantages and its progress in education, sanitary controls, and scientific achievement, it is often declared that Americans, as a people, stand first in health. Statistics do not bear out this claim. Despite past progress in preventing sickness and prolonging life, the United States has not yet achieved for all its people—and in particular for those in the working ages—the level of security of life which has been attained in some other nations with much smaller economic resources.

In the years before the war, 7 countries had lower infant mortality rates than the United States. From 7 to 11 countries—the number differing for various age groups—had lower death rates among children and adolescents, and 20 or more countries had lower rates among persons aged 35-64. Death rates among white persons, in the United States



ciety is respected, but who, according to his testimony, came to free America 1 year before he would have been inducted in the army of his native country, can be accepted as an authority on whether or not peacetime compulsory military training is a bulwark of patriotism and democracy. We challenge the implication that patriotism and love for democracy is weak in our land, or would be strengthened by compulsory military training.

The International Association of Machinists is opposed to compulsory military training for the reasons stated and also because we have seen many evidences where deferred American workers needed during the war were suddenly drafted and their deferments canceled because of their registered opposition to injustices imposed by their employers. We can see nothing in the present proposals for peacetime military conscription to assure labor that these industry-dominated pressure practices will not be continued in time of peace, if conscription is to be a national policy.

President Truman's message to Congress, in which he recommended compulsory training, clearly sets forth the objective when he says, "Some would be trained for combat, others would be trained for whatever war service they are physically and mentally qualified to perform." In our considered opinion, this would mean nothing short of military direction of labor. In addition to control over the fighting forces. Such a plan is against the ideals of our democratic freedom, and in the light of the splendid record of American labor in the past war we sharply disagree that legislation should be enacted supporting such a program, which would destroy the workers' opportunity to exercise their freedom of occupational choice.

In closing, I would like to say that we believe the bills presently being considered by your committee which deal with the conscription of our youth in peacetime should, in all fairness to those who sacrificed so much on the fighting fronts be held in abeyance at least until they are back on their own soil, thus permitting them to have a voice in those measures, that if enacted into law will seriously effect the lives of all American veterans and their children.

DECEMBER 10, 1945.

## Suggested Full Employment Policies

SPEECH

OF

**HON. BUTLER B. HARE**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

The House in Committee of the Whole House on the State of the Union had under consideration the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State, and local governments, and the Federal Government.

Mr. HARE. Mr. Chairman, full employment for all with a fair income is an objective worth striving for, particularly when this employment is in one's own business, in his own line of work or in private enterprise, but when the question is whether the Government is going to guarantee full employment by creating jobs and paying the bills out of the Treasury of the United States the whole matter must be viewed from an entirely different angle.

There is a distinct difference between a governmental policy of encouraging private enterprise to the point where it will offer employment to all who may desire it and that which would establish a policy where the Government takes the position it owes every person a living and guarantees that it will furnish the necessary employment and pay for it out of the Treasury of the United States. The latter suggestion would establish a policy wholly inconsistent with our democratic system of government and create an entirely new system—a system so entirely different from any policy of the past that it will mean the abandonment of that freedom of action heretofore enjoyed by anyone to select his own vocation in life, and substitute therefor a system that will channel or regiment the people into lines of activity, enterprise, or industry where they will be permitted to exercise little or discretion. Such a policy would destroy that spirit of individual initiative that has meant so much in the development of the social and economic life of our Nation. "Full employment by the Government" may sound well, but we all know that it would be impossible for the Government to create a job that will meet the desire and choice of every individual. Full employment under such a program would mean that many people will find themselves required to accept work in lines of activity in which they will find no personal satisfaction and be deprived of the thought that increased efficiency and the exercise of individual initiative will be of any value. When such an inspiration is eliminated or destroyed we will have destroyed that American spirit which has contributed so much to the lives of millions of American people in the past and we will soon have a population absolutely devoid of ambition and initiative, which can only mean that the desire for liberty and freedom in mapping out one's life or economic future is gone and the disintegration of our boasted democratic system of government will be well on the way out, if not completed.

Therefore, the problem of full employment is one fraught with serious dangers and a policy that cannot be established as an expedience or temporary matter, for when once established there will be continuous demand for employment, not simply this next year, but 5 years from now, 10 years from now, 25 years from now, and on and on indefinitely. We must not forget that guaranteed social security and guaranteed economic security out of the Treasury of the United States is either socialism or communism, and it matters not by what name we call it.

The American people have always been strong for fundamentals. They have generally acted upon the theory that the basis or foundation of any system or program inaugurated for the guidance, direction, or permanent interest of the public should be fundamental—that which will insure permanency. On the contrary, they have always been afraid of expediencies, which has been defined by Webster as the "subordination of moral principle for the sake of facilitating an end or purpose." Is this proposal now before us an expedience, or is it a fun-

damental in our system of government? Or is it the purpose to make it a fundamental or permanent function of government? The people who created this Government recognized certain fundamentals and incorporated them into the structure itself, and this structure will be preserved by those who are willing to stand by those fundamentals and not those who are willing to resort to expediencies or subscribe to policies inconsistent with the basic principles upon which it was founded.

At no time, up to the present have the people indicated it to be a fundamental concept that this Government owes every person a living or that it is fundamentally bound to guarantee every person a job. It is well recognized that a person has the right to create his own job or work for anyone ready and willing to offer him a job. The Government guarantees him this right, and it should encourage him to exercise it. In fact, it has been the philosophy of our life as well as our Government that it is the duty and responsibility of people to work for their own living and not look to the Government for support.

The guaranty of a job by the Government and paid for out of the Treasury has never been considered as one of the fundamentals of government.

Furthermore, where is there any necessity for full employment legislation at this time? Where is there any justification for it? There is now a job for every man in this country. In fact, there are thousands of sections where there are two jobs waiting for every man, or there are two jobs available where there is only one person to fill it, or in many cases there is no available person to fill it. Of course, there are people who do not have the job they want. For that matter none of us are satisfied with what we have. There is not one person in a thousand who would not like to have a better job, and this is commendable. There would be little or no progress or development if every person were satisfied with himself and his status in life. But this is no reason why the Congress should go ahead and enact legislation designed to furnish every person a job of the kind he wants and if it develops that the job cannot be found then undertake to make or create a satisfactory job and pay him for it out of the Treasury. Tailor-made jobs is what is contemplated in S. 380—Government-made jobs—jobs made to fit in every particular. The idea is absurd. Such a policy will destroy that incentive, that individual initiative, that business acumen so essential in maintaining that American spirit of individualism that has developed a great people and a great country. Full employment is another synonym for dole, which has never had but one definite result and that was to turn the unemployed into the unemployable.

I do not believe any true American would knowingly and intentionally subscribe to any fundamental change in our system of government, but it should be remembered as a warning that the people of ancient Greece and Rome did not plan the destruction of their democracy. It was through a planned program of government beneficences and through



their indifference to fundamentals that their liberties and independence were absorbed by the government which became the master of their time and actions and executioner of their great civilization. Today the descendants of those great people are begging bread from the hands of our great democratic system of government. We cannot lose sight of the fundamentals of this Government and expect it to survive. The full employment program proposed in the Senate bill may not seem extremely significant, but do not forget that "a nation may lose its liberties in a day and not miss them in a century," says Montesquieu. And Edmund Burke said:

The people never give up their liberties but under some delusion. The true danger is, when liberty is nibbled away, for expedients and by parts.

The principal argument made in Senate bill 380 and H. R. 2202 is that either of them, if enacted into law, will furnish employment or reemployment to returning veterans. Any proposal in the interest of veterans is always appealing and there is not too much we can do to assist them in rehabilitating themselves so long as the program or policy is consistent with those fundamentals for which they fought and for which many made the supreme sacrifice. But I have an idea they would much rather have a program that will assist in creating or establishing their own jobs than to think they will hereafter look to the Government for a job from month to month and year to year, with little or no possibility of getting ahead and establishing a business of their own. Therefore, my idea is that instead of the Government providing jobs for temporary employment attention should be given to the idea of assisting veterans to create their own jobs or establish new enterprises for themselves. I can probably best illustrate my idea.

About a year ago I undertook to make inquiry of civic organizations and chambers of commerce in practically every town in my district, suggesting they enumerate what new enterprises, if any, that in their judgment could be established and permanently maintained in their town or community. The thought was that most of such enterprises would be small at the beginning and many would probably be maintained as such. My further idea was that if the Government knew of a reasonable certainty what new enterprises would be self-sustaining in town A, for example, and it were the judgment of the representative citizens of that town or community the enterprise would be well supported locally and the returning veterans were advised of these opportunities they would be able to take advantage of the facilities offered under the GI bill and be able to provide themselves with a job of their own creation. There would be prospects where two or more veterans may be willing to pool their resources, abilities, and efforts and undertake the promotion of an enterprise that would afford employment not only for themselves but possibly others.

Another thought was there may be opportunity for a dozen or more new enterprises in town A, the establishment of which would afford facilities for jobs

that never existed before. They would be new facilities for creating new wealth and thereby add to the financial resources of the community and to our national economy.

Another impelling reason for such a program is it would relieve these men of the necessity or possibly the embarrassment of looking to a Government agency for an indefinite period to find suitable or satisfactory employment. That is, the suggested program would encourage individual initiative on the part of a considerable number and their actions would prove to be a stimulus, an inspiration, and encouragement to many others. Give the veteran a chance or opportunity to demonstrate his fighting spirit in peacetime and he will set an example for future generations. These young men have endured the heat of the tropics, the cold and snow of Europe, the sunshine, rain, smoke of battle, and the deadening hum of bullets and I feel they are now willing to fight their personal battles of life with a fair opportunity and a fair chance with others. Furthermore, such a program will be in harmony with our system of government; it will be in harmony with the American philosophy of life; it will be a constructive program and will avoid the continued necessity of resorting to expediencies.

This has been my idea for some time, and I proposed such a program several months ago. We now have three bills before us for consideration. One is known as Senate bill 380 and one is referred to as the Patman bill, H. R. 2202. Then we have what is referred to as the committee bill. In short, the first two bills named propose that the Government should first undertake to find employment with private enterprise for all persons desiring a job, but upon failure to find suitable and satisfactory work in private enterprise, then the Federal Government would undertake to provide employment even if it required the establishment of a business or enterprise that would be in competition with private industry. That is, these two bills, as I understand, would create a permanent governmental policy of guaranteeing employment to every person even if it should become necessary to take the money out of the Treasury of the United States to maintain such a program and even if such a program is made permanent would eventually mean the destruction of private enterprise. I am definitely opposed to such a program and have endeavored to give the reasons for my position.

The committee bill, as I understand, does not undertake to guarantee a person a job or employment at the expense of the Federal Treasury, but, on the contrary, undertakes to assure continuing and full employment, as well as full production, through the concerted efforts of industry, agriculture, labor, State and local government, and through private enterprise under a free and competitive system of economy. I can probably explain the purposes of this bill and what it undertakes to do by quoting part of the first five provisions which undertake to show how and to what extent it is proposed to aid or assist in promoting full employment and production.

First. It would undertake to do this by preserving and encouraging the American economic system of free competitive enterprise and fostering the investment of private capital in trade, agriculture, commerce, and in the development of the natural resources of the United States.

Second. By aiding in the development and maintenance of conditions favorable to stimulating new business, and especially small business, and to promoting continuous growth in the quality and quantity of facilities of production.

Third. By encouraging individual initiative.

Fourth. By avoiding competition of government with private business enterprise.

Fifth. By adopting sound fiscal policies and maintaining the credit of the United States; and thereby creating under, and in a manner consistent with, the American system of free competitive enterprise, the maximum opportunity for employment—including self-employment—to attain and maintain a high level of employment—including self-employment—production, and purchasing power.

Mr. Chairman, after reading other parts of the bill and listening to various interpretations of the provisions of the proposal before us, I would like to ask the chairman or whoever may be in charge of what is referred to as the committee bill three or four questions. I see the gentleman from Mississippi present; I invite his attention to page 11, the third line from the bottom, line 23, where it refers to one purpose of the bill as "encouraging State and local governments to plan and adopt sound programs of public works."

Now, will the gentleman tell us exactly what that means?

Mr. WHITTINGTON. It means what it says. We do not promise to aid them at the time their treasuries are full and when the Federal Government owes the highest debt in its history. But we will encourage them to plan and to do their own public works and to provide for the doing of most of them when there is unemployment in their States.

Mr. HARE. Now, turn to page 12, paragraph 2, line 5, where it reads: "Planning and adopting programs for loans by the United States."

I would like to know to whom these loans will be made?

Mr. WHITTINGTON. The Federal Government has provided loans by the billions to the veterans in legislation we have passed. There are now loans available through the RFC for the promotion of business enterprise. Loans are also available to agriculture, and so forth. We say that before we provide for any other loans than those now authorized in our substitute the President will submit his recommendation so the Congress may approve or disapprove rather than to commit ourselves indefinitely to unparalleled expenditures and investments without getting approval, as provided by the Senate bill 380 and House bill, 2202.

Mr. HARE. One more question. I refer to page 12, line 10, reading: "Planning and adopting a program of sound



public works." Just what is included in this program?

Mr. WHITTINGTON. The language of the substitute is that it is unfair to say that we have a plan; that Congress will continue not only to plan but to adopt, as we have for highways, as we have for other public improvements and public works. We will keep them on the shelf, and we will provide for their expansion and enlargement when it is necessary to stimulate employment.

Mr. HARE. Do I understand that to mean public highways, public buildings, and so forth?

Mr. WHITTINGTON. Whatever we have adopted, flood control, highways, and other public works.

Mr. HARE. Mr. Chairman, let me say in conclusion, I am not certain the Council of Economic Advisers provided for in section 4 of the committee bill will add much to the program I have had in mind but if it succeeds in reaching the objective contemplated by the proponents of the bill it will come much nearer solving the employment problem than either S. 380 or H. R. 2202 or both of them put together, and I shall support the committee bill.

institutions engaging in medical education or research.

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

IS GEORGIA ONLY HALF WAY TO HEALTH?

This is true so far as public-health nurses and health officers are concerned. Georgia needs twice as many as its present health program provides; it needs three times as many public sanitarians. Hospital facilities are even further below par compared with the Nation as a whole.

WHAT IT MEANS

Compare Georgia's vital statistics record with the Nation's to see what this means in wasted human resources—sickness and death. The table here contrasts the records for 1940. (Rates are per 100,000 population except where noted.)

	Maternal death rate <sup>1</sup>	Infant death rate <sup>1</sup>	Typhoid death rate	Malaria death rate	Diphtheria death rate	Tuberculosis death rate	Syphilis death rate
Georgia.....	5.3	57.8	2.2	2.8	1.9	49.1	18.8
United States.....	3.8	47.0	1.1	1.1	1.1	45.8	14.4
Difference..	1.5	10.8	1.1	1.7	.8	3.3	4.4

<sup>1</sup> Per 1,000 live births.

RURAL HEALTH IS THE KEY

Georgia's health problem is largely a problem of medical care and facilities for its predominantly rural population. There are not enough doctors, nurses, health officers, and hospitals in the rural areas.

For instance, although the population of the State is 65.6 percent rural (in 1940) most of the doctors and dentists and hospital facilities are concentrated in city areas. A report of the health panel of the State agricultural and industrial development board says that what medical facilities we have, are badly distributed in relation to population.

Doctors and dentists: Georgia has 1 doctor for every 2,000 people. That is accepted by health experts as an adequate ratio. However, 1 doctor for every 1,000 to 1,500 people is considered a better standard. And although we have an adequate number of doctors, they are not spread over the State in the right proportion to take care of our rural population. Only 20 counties have the adequate ratio of 1 doctor for every 2,000 people. In 75 counties 1 doctor has to care for 3,000 or more people. In 61 counties 1 doctor has to serve from 2,000 to 3,000 people. Two counties have no doctor at all. The problem of dental care is much the same. Forty-five percent of the dentists of the State are concentrated in the Atlanta area.

Hospitals: Georgia does not have enough hospitals. The State's hospital facilities add up to an average of 1.4 beds for every 1,000 people. The national average is 6 beds per 1,000. What hospital facilities we have are badly distributed. Half of the hospital beds of the State are concentrated in the Atlanta area, where there is only 24 percent of the population. Only 6 counties have 5 or more beds per 1,000 population. Eighty-five counties have no general hospital beds at all.

Personnel: The health panel report says Georgia's present expenditure of 80 cents per capita (made up of local, State, and Federal funds) provides only half the number of public health nurses and health officers and only one-third of the number of sanitarians needed for an effective health program. One nurse for every 5,000 people is called an ade-

quate minimum, 1 for every 2,500 the ideal ratio. Georgia has only 1 public health nurse for every 10,000 people. One health officer for every 30,000 people is considered adequate. Georgia has 1 for every 65,000 people. One sanitarian for every 20,000 people is considered the minimum ratio. Georgia has 1 for every 60,000 people.

THE ANSWER?

The health panel report says Georgia vital statistics show that diseases which can be controlled by immunization—such as typhoid and diphtheria—"are rapidly approaching the irreducible minimum," but that diseases not controllable by immunization have not decreased at anything like a comparable rate. The reason, says the panel, "constitutes the gravest problem \* \* \* facing Georgia in the field of health—lack of physicians and medical facilities. \* \* \*

The only answer seems to be more doctors and dentists, more hospitals, more public-health services for Georgia's rural population. Statistics show that the death rate for most diseases is higher in rural areas than in urban areas. Rural people are ill more often and for longer periods of time than city people. The selective-service rejection was higher among farm youth than any other occupational group. Obviously, our rural health program needs considerable expansion.

PROPOSALS

The health panel report sets out a detailed plan for expanding and improving Georgia's health services. It proposes a State-wide program to attain by long-range planning the following goals:

Three beds per 1,000 persons for acute general hospital facilities.

A general hospital within 35 miles of every patient.

Acute general hospital to be of not less than 100-bed size.

Maternity shelter and emergency facilities in each county.

A well-developed medical center at each of the State's two medical schools.

Modern out-patient health center facilities, including dental, in all towns of more than 500 population.

Tuberculosis hospitals in each of the nine health areas into which the State would be divided, each large enough to furnish two beds per annual tuberculosis death.

Why State-wide? The alternative to an integrated State-wide health and hospital program is for each county or municipality to establish its own facilities. On this basis, 90 of Georgia's 159 counties would have to spend more than 10 percent of their local revenue to pay for one public health nurse. If each county had to operate a separate hospital for its citizens only the hard fact is that only 16 counties in Georgia have populations large enough to justify a 100-bed hospital. Since it is generally accepted that hospitals of less than 75-bed size cannot provide the best of medical care and at the same time be operated economically, the sparsely settled rural areas would still suffer from insufficient facilities.

Low cost care: Any program designed to raise the standards of Georgia health must reach all citizens. Low cost or free medical care must be provided for part of the population. This is made obvious when we consider that 30 percent of the people of Georgia have incomes under \$1,000 a year, and 53 percent live on incomes ranging from \$1,000 to \$2,000. In these facts lies the proof that poverty and poor health go hand in hand.

HOW TO DO IT?

Such a full program of health education and medical care as Georgia needs obviously costs money. Yet the waste of human resources caused by disease is even more costly. The need for a program cannot be denied. Rural people themselves certainly realize this need and want something done

Need for Expansion of Georgia's Health Services

EXTENSION OF REMARKS OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Saturday, December 15 (legislative day of Monday, October 29), 1945

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by the Georgia rural-health conference showing the need for expanding and improving Georgia's health services.

Similar studies of other States show that every State in the Union is in need of some expansion and improvement in its health services.

The chairman of the Education and Labor Committee and I have introduced a bill—S. 1606—which provides a comprehensive health program designed to improve health services in every community in the United States. Representative DINGELL has introduced a companion bill in the House of Representatives—H. R. 4730.

Our bill provides for a four-point health program:

First. Existing Federal grants to the States for public-health service are broadened and increased to speed up the progress of preventive health services.

Second. Existing Federal grants to the States for maternal and child-health and welfare services are broadened and strengthened.

Third. Health insurance is made available.

Fourth. Grants-in-aid are provided from social-insurance funds to nonprofit



about it. A recent bulletin of the United States Department of Agriculture said surveys reveal that more than four-fifths of farmers interviewed favor an increase in public-health clinics for rural areas.

GEORGIA RURAL HEALTH CONFERENCE,  
Academy of Medicine, Atlanta, Ga.

Sponsored by the following organizations: American Cancer Society, Georgia division; American Legion; Committee for Georgia, Southern Conference for Human Welfare; Georgia Conference on Social Welfare; Georgia Congress of Parents and Teachers; Georgia Congress of Colored Parents and Teachers; Georgia Council of Church Women; Georgia Council of Negro Women; Georgia Educational Association; Georgia Federation of Labor; Georgia Federation of Women's Clubs; Georgia Home Demonstration Council; Georgia League of Women Voters; Georgia State Industrial Union Council (CIO); Georgia Teachers Association; Georgia Tuberculosis Association; National Foundation for Infantile Paralysis, Georgia chapter; Southern Regional Council; Woman's Christian Temperance Union; Young Women's Christian Association; Youth division, Georgia Citizens Council.

SEPTEMBER 13, 1945.

### Loan to Great Britain

#### EXTENSION OF REMARKS OF HON. WILLIAM LANGER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES  
Saturday, December 15 (legislative day  
of Monday, October 29), 1945

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article headed "Mallon derides British loan," written by Paul Mallon and published in the Fargo (N. Dak.) Forum of December 12, 1945.

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

MALLON DERIDES BRITISH LOAN

(By Paul Mallon)

WASHINGTON.—A few of the bravest administration Congressmen said God loves everyone and the British loan agreement is a good one immediately after it was announced.

The suspicious or knowing Congressmen roundly denounced it.

But the bulk ducked and ran when they saw newsmen coming to seek comment. These detected a high aroma of unpopularity about the whole affair wafted in the first puff of the news from the State Department. They did not know much of its vast unfathomable ramifications.

What they knew, they did not like. And the deeper they went into it, the less they liked it. It was so bad few wanted to be connected with it one way or another.

Indeed its sponsors, in the sacred halls of the department, were not eager to champion the success of their negotiations in Congress. They rather made plain they would welcome a delay at least until Parliament has acted on the Bretton Woods agreement, and would not press for approval until after the Christmas holidays.

If Britain turns down Bretton Woods, our sensationally modest official enthusiasm for this thing will be revised downward.

The first superficial examination of the proposition by the Congressmen was enough for most.

We are to lend Britain far more than her whole canceled First World War debt. The amount to be advanced is \$3,750,000,000

while the old war debt still owed is \$2,331,000,000, less than two-thirds as much.

The only way we can raise this money is by borrowing from our people. The interest charge to us is not less than 2¾ percent. The loan to the British carries only 2 percent. But we must pay our people interest from the date of the loan.

For the British, interest will not start until 5 years, at least so the publicity said. Actually her interest payments will not start until 5 years after December 31, 1946—more than 6 years hence.

The British permanent under chancelor of exchequer, Sir Edmond Bridges, succeeded in slipping the extra year in at the last moment.

Britain can use this money any way she chooses. The publicity put stress upon her likelihood of buying American products. This is but one purpose among many specified. The others are so broad as to permit her to spend the sums through her treasury any way she wishes.

Simultaneous announcement was made by Mr. Attlee to Parliament that, of course, he was going ahead with the socialization of Britain. To buy coal mines, utilities, and other businesses, he will issue bonds to his people, but not delayed action bonds. No one can give offhand the cost of British socialization but it will be certainly \$3,750,000,000 added to British exchequer obligations.

The use of our money to protect the British financial position permits the socialist experiment. Otherwise that added debt could not be carried, judging from the official British statements of her financial plight.

But on our loan, we get nothing for 5 years (what will happen in this atomic age by then?) while Britain can draw the money as she wants it.

This is, strangely enough, the best feature of the deal. It gets worse from here on. The lend-lease deal is almost unbelievable. Britain owes us about \$25,000,000,000 under what Mr. Roosevelt deceptively called lend-lease.

Now it is officially said this money and goods were neither loaned nor leased. Mr. Roosevelt had a provision for repayment in kind, so we could at least get some of our equipment back for use or scrap. That is forgotten in the current arrangement.

Britain gets the title to everything we have given her for what the agreement calls a payment of \$50,000,000 to \$700,000,000. This is not a "payment." We merely add it on to the loan which is to start becoming a loan 6 years after the money is paid. Actually Britain pays nothing unless or until she pays the new loan 56 years hence. In short we throw away \$25,000,000,000 of debt for a new debt of "\$50,000,000 to \$700,000,000" to begin in 6 years.

What do we get? We get promises. Nothing definite about anything. No time limit or signed specific plan of immediate action. We get a hope of negotiating the abandonment of the various gyping arrangements by which Britain has maintained her trade—Empire preferences, antidollar pools, sterling blocs, and cartels.

They do not promise to abandon all these immediately or at any time. They promise to negotiate about abandoning them, which, of course, means nothing. Whether they do abandon these practices or not is left to future negotiation—and a world trade conference next year.

Note well Mr. Truman's careful words about the credit "making it possible" for the United Kingdom to expand multilateral trade; and Mr. Vinson's claim that it opened "the likelihood" of a less competitive trade world.

We got "possibilities" and "likelihoods"; and they got the \$25,000,000,000 we have already supplied, plus \$3,750,000,000 more at less interest that it will cost our Treasury to raise the money for any purpose she chooses.

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are the lumber wholesalers and commissionmen.

All during the war, most of our Government's lumber requirements were purchased direct from the mills at full ceiling prices. Because of customary Government payment practices, not even the usual 2-percent cash discount was taken. When civilian buyers replaced Government buyers, most of the mills continued to ask and have received full ceiling prices.

In fairness to the mills, it must be stated that since price controls went into effect, production costs have increased substantially. We doubt if any of the mills could continue to pay wholesale commissions, and stay in business, on today's production costs, if they wanted to.

Inasmuch as wholesalers today cannot place business at less than full ceiling prices, and inasmuch as they are prohibited from adding any "mark-up" or buying charge under all present OPA price regulations covering lumber, except Revised MPR 19, covering southern pine, these buyers are effectively eliminated from the field.

Under present OPA price regulations, the small lumber retailer cannot compensate his wholesaler for locating and buying lumber for him, even though his large competitor is permitted to absorb limitless expense for this same buying service through his employee buyer. Further, OPA refuses to permit two or more small dealers to share the expense of a joint buyer.

It is true that OPA does not prohibit the small dealer from likewise hiring individual buyers in the many markets from which his lumber comes. Neither does OPA prohibit the small dealer from traveling the length and breadth of the land, trying to serve as his own buyer. Many factors make it impossible and impractical for him to do this, however. A few would include (1) his inability to leave his business for long periods of time; (2) the staggering expense of such buying practices; and (3) lack of contacts among the many mills.

The only other alternative is to use black-market tactics. It is a sorry state of affairs when legitimate businessmen are driven into illegal practices in order to stay in business. This is true even though the regulations to be violated appear to be unconstitutional, arbitrary, and discriminatory.

We do know that the major portion of lumber production available for civilian use since Government buying has ceased, has been taken by the three large groups of buyers enumerated above, and further, that they have contracted for considerable of the mills future production. Unless immediate relief in buying is granted the smaller lumber retailers, they will be unable to place orders for their spring lumber requirements. There is no logical reason to believe that such dealers could expect to place orders for any appreciable amount of suitable yard stock for several years to come, even with peak production, under present buying inequities.

The majority of the 25,000 to 30,000 retail lumber yards in the country, the more than 1,000 wholesale lumber concerns, and the hundreds of commission lumber merchants are a formidable segment of our Nation's industry to needlessly force out of business. Once again, the poor, long-suffering general public will reap the fruits of maldistribution. There are many sections of our United States that have very few chain lumber yards or wholesale distribution yards. In many States there are few if any of such lumber yards. In those States the consumer is dependent upon his independent or small number yard for his lumber requirements.

President Truman has recently stated that priorities would be issued, if necessary, to assure the flow of building materials into small homes. Our continued attempts during the past 2 months to budge OPA on this very serious distribution problem would make us very wary of placing further Government controls in that or any other Government

agency. If some of the controls and unreasonable provisions of regulations now in effect were amended or corrected, as the need arose, it would be a far more effective solution and a real boon to reconversion.

The lumber and building industry itself is capable of meeting its full reconversion responsibilities if only given a fair chance to do so.

During the past several months the Independent Retail Lumber Dealers Association has repeated often, in letter, bulletin, and news articles, that our paramount problem is to secure our just share of present mill stocks, and future mill production. The plan we suggest is simple, and will be effective. It can be accomplished by OPA almost overnight. All that need be done is to extend the "mark-up" provisions of Rev. MPR 19, covering southern pine, to all species of lumber. Our small retail yards could then secure their lumber requirements through their wholesalers, as usual. This amendment to present lumber regulations would insure the flow of material into the average independent retail lumber yard. It would mean less material for the large wholesale distribution yards and industrial users, and more for home construction.

There are other minor, but nevertheless important factors which need correction in the retail lumber industry. OPA again holds the power for correction of these. They include:

1. The \$5 per thousand handling plus 10-percent mark-up given large wholesale distribution yards. The retail dealer must absorb this, in addition to his expense of hauling the material, over regular mill ceiling prices, with no chance to pass on to the consumer any portion thereof.

2. Excessive prices paid for remanufactured lumber. This has resulted mainly because mills' ceiling prices have been too low on desirable yard stock items.

3. Absorption of unreasonable freight costs on green lumber.

The field secretary of our association, Mr. Deward G. Schultz, recently returned from a 3-week inspection trip of the western lumber producing areas. His report of December 3, 1945, reads as follows:

"Since November 10 I have personally conducted an investigation of conditions in western lumber-producing areas, and have found that with the elimination of WPB controls and OPA's refusal to recognize and protect the position of the wholesaler and commissionman, prospects for securing a fair share of the Nation's lumber production have become extremely critical for the small buyer. Yes; even more serious than we had thought."

Since November 10 I have had the opportunity to personally analyze conditions at the scene of operation, remaining in each production area long enough to contact the leading mills, western wholesalers, and prominent observers. These conclusions result from general discussions and studies of accurate report sheets on mill production costs.

Much depends on the Nation's future lumber production. One thing seems certain. Lumber and other west coast building materials will not be available in quantities sufficient to supply huge pent-up consumer demands for several years to come. I am irked by propaganda coming from prominent sources within the lumber industry which attempts to convey the impression that "there will be plenty of lumber for everybody shortly after the first of the year." I didn't run across anyone on the west coast engaged in such wishful thinking. Retail dealers who permit the application of such soothing salve and contemplate an easy road to lumber procurement will find themselves without lumber stocks in 1946. Large buyers on the coast today are fully aware of the circumstances. They are representatives of large industrial users, catalog houses, wholesale distribution yards, and chain lumber-

yard systems. Reports to their associates show much concern about securing a minimum of 1946 requirements. Just why a large retail lumber association supposedly representing the best interests of small dealers, apparently fosters a program of false, misleading propaganda, is beyond my understanding. Unless wholesalers, commissionmen, and independents are willing to take matters into their own hands the larger buyers truly will hog it all if they can.

At this writing it would seem that the strike situation, indeed unfortunate at this particular time, is improved and that some of the many mills idle for more than 2 months, will soon be in operation. A considerable number in the Inland Empire are now so disorganized, their programs having been so disrupted that they cannot produce until spring. The strikes for some, came at a time in which preparations for winter logging should have been made. Seasons of the year have no respect for strikes. Some CIO mills were not down on strike. They continued to operate with the understanding that wage adjustments were to be retroactive to November 1. The question yet unsolved is "Who will pay the increase of 12½ or 15 cents per hour?" A satisfactory settlement with labor unions doesn't mean that production will promptly go forward in the Inland Empire, or elsewhere for that matter. Accurate reports on production costs on the basis of 12½ cents per hour wage increase, retroactive to November 1, show that mills are "running in the red" now that they are producing yard stock. If OPA doesn't act quickly (and they have shown that they can in the case of southern pine) many of the mills will be forced to shut down. This is what they intend to do. Under present price ceilings most Inland Empire mills will be idle before or at least by January 1. This is not a pleasant picture. It appears that the mill cost of lumber will have to experience an average raise of approximately \$5 per thousand to sustain and increase production.

It is said on the coast that Mr. Peter A. Stone (Lumber Branch, OPA), expects mills to operate for 6 months and then prove to him that they have lost money. Do your own thinking. The war is over, and now it is not a matter of saving lives. It is claimed by some of the mills that only about 5 years of good production remain in the Inland Empire. Mr. Stone will find the going plenty tough. Producers in the area can hardly be blamed for holding out for a reasonable return as their natural resources become depleted.

The situation is similar in Douglas fir, although in the past the "fancy paragraphs" which even most of the producers themselves do not understand, have made it possible for them to operate at a profit. However, they, too, are feeling the squeeze now, since they no longer sell a major portion of their production to the Government at mill ceiling prices, with the benefit of "fancy paragraphs." Ceiling prices on some yard items must be raised to secure production. The industry as a whole wants to get back to the shipping of dry stock, but their present ceiling prices do not appear adequate to cover drying and additional handling costs. This again calls for action by Mr. Stone.

At best very little dry lumber will be shipped in 1946 and 1947. Demands are great and the lumber is still in the tree. By mid-summer of 1946 retailers in the Northwest area will receive some dry stock, but there will not be enough dry stock (kiln dried) to anywhere near meet requirements.

Redwood inventories on the west coast are depleted, but are gradually being built up. Much of the lumber from the redwood tree must be air dried for 6 or 8 months before it can be kiln dried. Very little redwood siding and finish will be available for distribution in the Northwest prior to June 1946.

It has not been the purpose of this report to be at all pessimistic. These are facts and



there is no reason for anyone to be misled. The independent retail lumber dealer is in a precarious position. He can help himself considerably if he will cooperate with his wholesaler or commissionman to the extent that in this emergency he demand from OPA the right to compensate him for his buying service. Mill representatives are frank to state that everything being equal, they would much rather do business through old, reliable, trusted channels. It is imperative for the survival of small lumber dealers that the "mark-up" provisions of the southern pine regulation be extended to all species of lumber immediately.

Yours very truly,  
 INDEPENDENT RETAIL LUMBER  
 DEALERS' ASSOCIATION,  
 By EDWIN W. ELMER,  
*Executive Secretary.*

### The President's Bill Is Economically Unsound and Unworkable—It Might Work in Totalitarian and Communist Russia

SPEECH  
 OF

**HON. JOHN M. ROBSION**

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 14, 1945

The House in Committee of the Whole House on the State of the Union had under consideration the bill (S. 380) and substitute bill, thereto, to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government.

Mr. ROBSION of Kentucky. Mr. Chairman, President Truman some time ago urged the Congress to pass a bill assuring or guaranteeing full-time employment to all Americans able to work and desiring to work, including self-employment in agriculture, commerce, industry, or the professions. No one could be more anxious to see full-time employment by agriculture, commerce, industry, labor, and the professions than myself and this, of course, is the desire of all of us, but the important question is how to attain this utopian dream. There are those who violently criticize anyone who do not join with them in the means or methods by which this may be accomplished.

No doubt many of you, like myself as a youth and later on attended religious revival meetings in the country, villages, and towns, and have heard eloquent ministers describe heaven and the New Jerusalem, with its golden streets, its beautiful River of Life, and the wonderful Tree of Life on the bank of this river, its walls of jasper and other precious stones, 216 feet high, its mansions, and being 1,500 miles long, and 1,500 miles wide, according to Revelations, and where there was constant rejoicing and happiness, with no sorrow, sickness, or death, and following this wonderful description of heaven by the singing of some soul-stirring songs, Onward Christian Soldiers, Shall We Gather at the River, and other gripping spirituals, and then the minister in his exhortations would frequently put the proposal, "All who desire to go to

heaven stand up." Of course, saints and sinners stood up. I certainly never did observe anyone expressing the desire not to go to heaven. Although no one expressed a desire to miss heaven, yet through my experience in life I found there was a great diversity of opinion as to how to secure this wonderful blessing after it was necessary to give up our abode on earth.

Of course, we all stand up in favor of full employment, but is it wise for the Government to make such a promise to the American people?

We are honor-bound to deal fairly and squarely with the American people.

The Senate passed 380. It was quite different to the program laid down by the President. In fact, it was denounced as not meeting the requirements to enter into this utopian land where everybody had full employment in agriculture, commerce, industry, and the professions. When the press reports first came out about this proposal, we were lead to believe that this measure was designed to help the working people, but a reading of the bill will indicate that it applies to agriculture, commerce, industry, labor, and the professions. This bill, the President's proposal, guarantees full self-employment for the farmers, with plentiful markets and high prices; plenty of business and work in all of the fields of commerce and industry, and guarantees to the doctors, lawyers, dentists, and all others engaged in professional activities full employment. This certainly ought to attract lawyers who are not overrun with clients and doctors and dentists who do not always find they are busy. It even promises that the Government will not interfere with private enterprise. It will not engage as it has been in competition with private enterprise. It promises to strengthen the national defense, to contribute to the establishment and maintenance of lasting peace among nations. I hope this may prove more successful than the Atlantic Charter or the San Francisco Charter, and that it will stop a number of the wars that have sprung up among our allies since we whipped Italy, Germany, and Japan. It also assures development of trade and commerce among the several States and with foreign nations, and guarantees an expanding income for agricultural enterprises. It, too, says that it will promote the general health, foster the American home, and American education. I wish to say in passing that it required a master-mind promiser to think up and write out all of these promises. It is nothing short of utopia itself. Nothing is omitted to beguile the unthinking. Of course, this promiser did not have in mind the congressional elections next year and a Presidential election in 1948.

The gentleman from Texas [Mr. PATMAN] introduced a bill undertaking to promise as much as the President had promised in his measure.

#### COMMITTEE REJECTS BOTH

The Committee on Expenditures, made up of a number of the ablest men of the House—Democrats and Republicans—rejected the proposals of the President and the gentleman from Texas [Mr. PATMAN] and came to the point where it

appeared that no bill would be reported. They did definitely indicate, however, by votes in the committee that they could not accept these wild promises and this proposed hoax on the American people in the President's message, the Patman bill, or even the watered-down Senate bill. This committee did not act arbitrarily. It held extensive hearings, and any group or individual who desired to be heard had an opportunity to be heard, and many persons did testify before the committee. The President threw behind his proposal and the Patman bill all the power of the administration. He did criticize the Senate bill when it was passed, as I recall, by a statement to the effect "that the Senate had let him down." The committee did finally bring out a substitute bill after rejecting the President's proposal as embodied in the bill of the gentleman from Texas [Mr. PATMAN] and the Senate bill. When this bill was reported to the House, the CIO and a group of Members of the House who favored the Patman bill, denounced it as a fraud and a hoax, and many of them used stronger denunciatory terms than these, and urged the Members of Congress to defeat this substitute committee bill. The committee filed a report on its bill. A minority report made up of one Democrat and three Republicans expressed opposition to this scheme and to all the bills. They pointed out that this proposal would create another and great expanding bureaucracy and that, according to the statement of Philip Murray, president of the CIO, it would require an expenditure of \$24,000,000,000 annually.

Of course, no one was so impolite, according to the minority report, to suggest where and how we would get the twenty-four billion, and there is nothing in any of the bills that includes an authorization or an appropriation to provide any person with a job or to create any markets for the farmers or any business for commerce or industry, and they did not indicate in any of these bills or in their report how many tens of thousands of officeholders would be put on the backs of the American people to carry out this prodigious program. There is nothing in either one of these bills to create a single job for anybody or to indicate the hours of service per day or the wages to be paid, except the committee bill does create some jobs. It creates a Council of Economic Advisers in the office of the President of three members with an annual salary of \$15,000 each. This Council has a multitude of duties. They must have an army of experts, specialists, and others of lesser responsibilities. This Council can under this bill determine the number of experts, specialists, and others and fix their salaries. The Lord only knows how many experts, specialists, and other officeholders this Council may select and the salaries they may fix. If the purposes of this bill are carried out these new officeholders will run into the thousands and we will establish one of the greatest and most far reaching bureaus and place this additional burden on our tax-burdened and debt-burdened people. Outside of these officeholders there is no provision in any of the bills to pro-



vide full employment or any employment to labor, agriculture, commerce, industry, or the professions. The American people, of course, will have to pay the bill, and be subject to the snooping of this new army of snoopers.

There was another group, made up of four Democrats and one Republican, who filed separate views. As I understand their statement, they were not in favor of S. 380 or the committee bill. I have heard quite a number of the Members of the House, who favor the President's proposal, state, many of them publicly, that they could not and would not support the committee bill. They contend, as did the CIO and many others, that the committee bill will not accomplish anything in assuring or guaranteeing full employment and they could not give the committee bill their support, but I hear it whispered around on the floor that a lot of those who favor the President's proposal and the Patman bill, and are against the committee bill, that they will vote for the committee bill on a motion to recommit and on final passage so that the committee bill and S. 380 will go to conference, and they hope by some strange quirk of fate they will get the conference committee made up of five Members of the House and five Members of the Senate, to adopt substantially some bill other than the committee bill.

It is only fair to say that the committee bill does not make the extravagant promises set forth in the President's message or the Patman bill. It does not undertake to deceive or mislead the American people as I believe that the President's proposal and the Patman bill does and would. The committee bill was ably presented by a number of able and fair speakers, Chairman MANASCO, Mr. WHITTINGTON, Mr. LANHAM, and others. Like myself and many others, they desire to render whatever service can be rendered in justice to our financial situation and in keeping with our Constitution and the American way of life, in aid to all individuals and groups to enjoy the fullest measure of happiness and success and to uphold the American high standard of living. I do not desire to put my stamp of approval on something that cannot be done and will not be done. It in the end can serve no useful purpose to deceive the American people. They have already been deceived and misled enough by these rosy proposals sponsored by many of those who are now trying to put through the President's proposal. My great objection to the committee bill is that it creates another bureau. We have approximately 3,600,000 Federal officeholders in this and foreign countries, and it costs the American people annually approximately \$8,000,000,000. We should cut down the number of these bureaus and commissions and take at least 2,000,000 Federal officeholders off the backs of the American people. There should be no council, board, or commission created that we can get along without, without injury to the service to the American people.

#### PATERNALISM, SOCIALISM, AND COMMUNISM

In my opinion the President's proposal and the Patman bill are a mixture of all of these. We are told about the planning that has been done in Russia and about the full employment in Russia. Let us assume that they do have national planning in Russia and that they do have full employment, but they have a totalitarian, paternalistic, and communistic government. The citizens of Russia do not have free choice in selecting their work or profession. Their miners do not receive ten or more dollars per day or other workers receiving that much or more per day. They do not have such working conditions as we have in this country, or the short hours of service, holidays, and vacations. They cannot choose their work. They cannot belong to a real free labor union. There is no such thing as a free choice, free press, or free speech in Russia. In Germany they had full employment and so did they have in Italy and Japan when they were under totalitarian rule and their lives were subject to the whims and caprices of dictators.

#### CONGRESS HAS PROVIDED FOR EMPLOYMENT

If management and labor can get together and we operate this country under private enterprise and in the true American way of life which has made this the greatest, freest, and most powerful Nation on the earth in a brief period compared with the lives of other nations, there will be no real unemployment in this country for a long period of time. We have more than one hundred billion in savings to enter private enterprise, to buy thousands of necessary articles for civilian use, in building homes, providing for the necessary equipment of homes. There is literally no limit to the resources of our people to buy and there is no limit to their demands as well as the demands of the peoples of other parts of the world. Let us work out some plan that will settle the strife between industry and labor, and furnish jobs through a long period ahead of us for all of those who desire to be gainfully employed, and maintain our high standards of living. If there comes unemployment in this Nation it will be due in a large measure to the unwise policies of this administration and its predecessor. The bill before us, in my opinion, will discourage private enterprise. It will destroy jobs and not make jobs. It adds to unemployment. Under the New Deal we have had many planners and plans. It was urged that if we reduced our dollar to 59 cents, plus, that would bring prosperity and employment. It was urged that if we destroyed our cotton, corn, wheat, tobacco, and burn our pigs and mother sows and destroy our cattle that would bring prosperity and employment.

It was urged that if we cut out thirty or more millions of acres of productive land and plow under our crops that would bring prosperity and employment. This is only a sample of the many plans and schemes that have been promoted by some of those who are promoting this bill. It was also urged that if Congress

would appropriate twenty or more billions of dollars and turn it over to the administration as blank checks, that would restore prosperity and employment, but what were the results? After we had done all of these things in 1938, as I recall, a great labor leader, Hon. William Green, and president of the American Federation of Labor, announced there were approximately 11,000,000 unemployed, and John L. Lewis, another great labor leader, and president of the United Mine Workers, announced in his opinion there were 13,000,000 unemployed. In fact, unemployment was on the increase and the national debt continued on the increase, and so were taxes, until war started in Japan and other countries of the world, and we began to produce armaments and other materials of war and furnish to Japan, Germany, and Italy great quantities of war materials.

In my opinion, the bills that have been presented offer less promise of benefit to business and employment than these other paternalistic and socialistic schemes.

#### CONGRESS HAS PLANNED

We passed a bill providing \$1,500,000,000 to aid the States in the improvement of their highways. We passed a bill appropriating \$1,000,000,000 to provide flood control and the use of the water power of the country. We have passed many other bills of a constructive nature with plans worked out to provide employment and to aid agriculture, industry, and commerce, as well as those in the professions. Neither one of the bills before us either authorizes or appropriates any money for any jobs except this new council and those employed by it.

I shall vote to substitute the committee bill for the Patman bill, and whichever is adopted I shall vote against it. The committee bill will likely win by more than a 2 to 1 majority. If it does, then this matter will go to the conference committee, where I hope that something constructive and feasible will be worked out that will really encourage private enterprise, aid agriculture, commerce, labor, and the professions, and will not hold out to the American people that utopia is just around the corner. Let us not overlook the fact that we are nearing a three hundred billion national debt, with an admitted deficit this year of thirty billion, and with deficits in 1946 and 1947 and on to the end of this administration. Whatever money is provided under the President's proposal will have to be borrowed and bring us nearer to uncontrolled inflation. We should constantly pray that this Nation may be saved from uncontrolled inflation. We cannot go on with this unnecessary spending and escape the horrors of inflation. Desiring to do nothing that would encourage inflation, but anxious to preserve our American form of government, private enterprise, and to hold out continued opportunities for American youth, I shall, until I see some bill that in my opinion will help the American people, vote against this legislation.



## Conditions in Lumber-Manufacturing Industry

### EXTENSION OF REMARKS

OF

### HON. WILLIAM LANGER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Saturday, December 15 (legislative day of Monday, October 29), 1945

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter sent to Mr. Chester W. Bowles, Administrator of OPA, by the Retail Lumber Dealers' Association. The letter is dated October 22, 1945, and signed by Deward G. Schultz, acting executive secretary of the Independent Retail Lumber Dealers' Association.

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

INDEPENDENT RETAIL LUMBER DEALERS' ASSOCIATION,  
Minneapolis, Minn., October 22, 1945.

Mr. CHESTER BOWLES,  
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. BOWLES: Changing conditions in the lumber manufacturing industry on the west coast, from one where Government agencies requisitioned most of the mills' output to one where lumber in large quantities will be available for civilian consumption, has posed a problem of tremendous import to independent retail lumber dealers of the United States. This results from the failure of OPA to amend existing maximum price regulations as dictated by present conditions.

A position equally as serious has arisen and confronts the lumber wholesalers and commission merchants.

Congress fully recognized the importance of maintaining established methods of distribution, and clearly stated its intent in this respect in the Emergency Price Control Act, in the following language: "The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry." The section in question covered prices, rents, and market and renting practices.

OPA announced at the time regulations establishing mill ceiling prices went into effect, that the customary commission due wholesalers and commission merchants had been included in the mill prices. However a mandatory discount provision was refused by that agency. Retail lumber dealers and wholesalers and commissionmen alike complained very little and accepted their position gracefully, as long as the lumber which was sold by the mills direct to Government agencies was considered essential to the war effort. Businessmen in both the retail and wholesale fields simply tightened their belts and awaited the reconversion period which is now here.

What do the independent retail lumber dealers and the lumber wholesalers and commission merchants find, now that reconversion is here? The mills, which have been selling direct during all of the war period, and which have, except in rare cases, retained the discount computed and included in mill ceiling prices for wholesalers and commission men have shown that they intend to continue selling for the full ceiling prices during the postwar period. They can easily do this, as buyers for large chain lumber yards and wholesale distribution yards will take their entire output on this basis for some time to come.

The independent or single yard operator could not possibly afford to hire a buyer to purchase stocks for him, in the many markets from which he must obtain his varied stocks. His volume in each market could not possibly justify such an overhead. This is a function which has always been handled by his lumber wholesaler or commission man.

Early in 1945 there were 537 lumber yards in the State of Minnesota classified as small or independent retail yards, and who depended upon the wholesaler or commission man as a source of supply of his lumber requirements. There were 392 line or chain lumber yards at this time, who would be represented by buyers on the coast and in the several lumber markets.

Unless OPA acts immediately to amend the present northern softwoods, western softwoods, and hardwood maximum price regulations the independent retail lumber dealers, wholesalers, and commission men will have to make a choice. They can obey and submit to these OPA regulations, which are arbitrary, discriminatory, and indefensible, and be driven out of business. They can stand up for their constitutional rights and save their businesses by following a procedure which OPA has sanctioned in MPR 19, covering southern pine lumber.

There are from 30,000 to 40,000 retail lumber yards in the United States which would be affected in the above manner, and hundreds of wholesalers and commission men. They have played a vital role in the lumber industry during its entire history.

The amazing thing about OPA's failure to act in this matter, and their apparent disregard of the fact that these thousands of lumber retailers, wholesalers and commission men will be driven out of business is that this reticence does not have the slightest pretext of being of any benefit to the public in general, and has no bearing whatsoever on the price that the general public pays for their lumber. It would seem that OPA, by their refusal to grant relief, has determined to deliberately drive independent retail lumber dealers, wholesalers and commission men out of business.

OPA's failure to act in this matter will further seriously impair the rights of farmers, businessmen, and home owners in many communities where there are no chain lumber yards to get lumber for needed repairs, improvements, additions and new construction. Our citizens living in such communities will be unfairly and unjustly discriminated against. If the independent retail lumberman cannot get lumber, neither can the people in the area that he serves, in many cases.

Independent retail lumber dealers, wholesalers and commission men will not be driven out of business. They will fight for their constitutional rights. They will not be deprived of their property without due process of law. They will not desert the customers and trade who have come to depend upon them, at a time when they are vitally needed. The retail lumber dealers will pay commissions to the wholesalers and commission men for buying lumber for them, and will absorb such commissions out of their own margin of profit. It should be carefully noted that the retail lumber dealer will not pass this cost on to the public, but will absorb the increased cost himself.

There can be nothing illegal or wrong with such a course of procedure, because OPA has sanctioned this procedure in its own MPR 19, covering southern pine lumber. Why OPA consistently denies similar rights to the industry dealing in other species of lumber is difficult to comprehend.

The thousands of persons whose businesses, incomes, and livelihoods are at stake believe that under conditions as they now exist OPA's MPR 94, covering western pine and associated species of lumber, as well as the regulations covering northern softwoods, in

their present form, are unconstitutional and invalid, on the following grounds:

1. It violates the fifth amendment to the Constitution because it deprives independent retail lumber dealers, wholesalers, and commission merchants of their property without due process of law.

(a) The effect of the regulations in their present form is to drive these groups out of business, to deprive them of their income and profits, and to drastically reduce the value of their capital investments, and all without any practical or reasonable means of hearing or appeal.

2. The regulations in question are discriminatory.

(a) The MPR 19, covering southern pine lumber, grants to the segment of the lumber industry dealing in this species the very benefits that OPA is denying businessmen dealing in northern softwoods, western pine, and associated species of lumber.

(b) The latter OPA regulations create a monopoly for the large chain or line lumber yards and wholesale distribution yards in that they bottle up a major portion of the production of the lumber mills. The small retail lumber yards are effectively prevented from securing appreciable amounts of lumber.

3. These maximum price regulations of OPA are arbitrary.

(a) Although OPA has been fully informed of the hardships and inequities resulting from the northern softwood, western pine and associated species of lumber regulations in their present form, and the imperative need for immediate relief, as well as the incongruity of the southern pine regulation and those covering northern softwood, western pine and associated species, they have consistently refused to make any effort to remedy the situation.

It would also appear that OPA maximum price regulations covering northern softwoods, western pine and associated species are invalid under conditions as they have now developed, as contrary to the following provisions of the Emergency Price Control Act itself:

"The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act." (U. S. C. A. title 50, Appendix, art. 902, par. (h).)

The northern softwoods, western pine and associated species, Maximum Price Regulations of OPA in their present form are compelling not only changes, but radical departures in the "means of distribution established in the industry." The present effect of these regulations is to completely remove independent retail lumber dealers, lumber wholesalers and commission merchants from the lumber industry. There can be no claim that such action is necessary to prevent evasion or circumvention of the act.

In the case of *Philadelphia Coke Co. v. Bowles* (1943) (139 Fed. 2d, 349), the Court, speaking of business practices, stated:

"The purpose of inserting in this section the provision that powers granted should not be used or made to operate to compel changes in business practices, etc., was to make sure that the Administrator would not beyond his price regulating function and engage in an effort to reform business practices which were not directly related to prices."

It is no argument for OPA to say that payment of commissions to wholesalers and commissionmen by retail lumber dealers itself compels changes in the business practices established in the lumber industry. First, the industry is still subject to wartime restrictions; these conditions have re-







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued December 18, 1945, for actions of Monday, December 17, 1945)

(For staff of the Department only)

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HIGHLIGHTS: House conferees appointed on 1st deficiency and full-employment bills. House passed bill to permit postponement of crop reports. House committee reported bill to liquidate rural-rehabilitation projects. House received conference report on bill to liberalize GI loans. Senate debated Federal pay and UNRRA authorization bills. President approved UNRRA-appropriation measure.

HOUSE

1. FIRST DEFICIENCY APPROPRIATION BILL, 1946. Reps. Cannon, Woodrum, Ludlow, Snyder, O'Neal, Rabaut, Johnson, Taber, Wigglesworth, Dirksen, and Engel were appointed conferees on this bill, H.R. 4805 (p. 12385). Senate conferees were appointed Dec. 15.
2. FULL EMPLOYMENT BILL. Reps. Manasco, Cochran, Whittington, Hoffman, and Bender were appointed conferees on this bill, S. 380 (p. 12380). Senate conferees were appointed Dec. 15.
3. GI BILL AMENDMENTS. Received the second conference report on this bill, H.R. 3749 (pp. 12380-5). As reported the bill increases to 10 years the time within which applications may be made for loans and provides that such applications be approved in advance by the Veterans' Administration; limits amortization on real estate loans to 25 years, except in the case of farm realty which shall be 40 years; and eliminates requirement for review of proposed regulations by the Senate Finance and House World War Veterans' Legislation Committees. (For other items see Digest 197.)
4. COTTON STATISTICS. Passed without amendment H.R. 4769, to permit postponement of crop reports when issue date falls on a non-work day (p. 12387).
5. RURAL REHABILITATION. The Agriculture Committee reported with amendments H.R. 2501, to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects (H. rep. 1453) (p. 12413).
6. FUR-BEARING ANIMALS. Passed over, on objection of Rep. Cole, N.Y., H.R. 2115, to transfer fur-bearing animal activities to this Department (p. 12389).



7. HOUSING; VETERANS. The Rules Committee reported a resolution for the consideration of S.J.Res. 122, to authorize additional appropriations to provide housing for veterans (p. 12385).
8. FORESTRY. Concurred in the Senate amendment to H.R. 608, to exclude certain lands in Deschutes County, Oreg., from the provisions of R.S. 2319-37 so as to provide recreational areas (p. 12385). This bill will now be sent to the President.
9. PUBLIC LANDS. The Agriculture Committee reported without amendment H.R. 4319, to transfer FSA land and property in Limestone County to Tex. (H.Rept. 1454) (p. 12413).
10. PERSONNEL. Passed as reported S. 405, to amend the Civil Service Retirement Act so as to provide that an employee may elect to receive full credit for his military service toward retirement (pp. 12389-90).  
Passed over, at the request of Rep. Cole, N.Y., S. 102, to provide for counting military service of certain Legislative-Branch employees in determining eligibility for civil-service status under the Civil Service Classification Act (p. 12389).  
Passed as reported S. 576, to eliminate the 1-year time limit within which incumbents of positions covered into the classified service may be recommended for classification (p. 12390).  
Passed over, on objection of Rep. Barden, N.C., H.R. 1118, to amend the Hatch Act so as to authorize CSC to determine penalties for violation of such Act (p. 12390).  
Received CSC's draft of proposed legislation to grant additional basic authority to CSC. To Civil Service Committee. (p. 12412.)  
Received CSC's draft of proposed legislation to amend the "Act to prevent purchase and sale of public office." To Judiciary Committee. (p. 12413.)
11. UNO BILL. The Rules Committee reported a resolution for the consideration of this bill, S. 1580 (p. 12401). Rep. Stewart, Okla., spoke commending the SCS programs and their international importance (pp. 12405-7).
12. FEDERAL TRADE COMMISSION. Received FTC's report on resale price maintenance. To Interstate and Foreign Commerce Committee. (p. 12412.)
13. SURPLUS PROPERTY. Received State Department's draft of proposed legislation to amend the Surplus Property Act to designate that Department as disposal agency for surplus property outside the continental U.S. To Expenditures in the Executive Departments Committee. (p. 12412.)
14. CLAIMS. Passed over, on objection of Rep. Cole, N.Y., H.R. 181, to provide for adjustment of certain tort claims against the U.S. and confer jurisdiction in respect thereto on U.S. district courts (p. 12387).
15. RECLAMATION. Passed without amendment H.R. 1689, to authorize Interior to purchase improvements or pay damages for removal of improvements on U.S. lands on the Boise Reclamation Project (p. 12389).

SENATE

16. FEDERAL PAY BILL. Continued debate on this bill, S. 1415, to increase Federal salaries by 20% (pp. 12321-4, 12327-30). Sen. Downey, Calif., compared present Federal salaries with the increased cost of living.
17. UNRRA AUTHORIZATION. Began debate on H.R. 4649, to increase the appropriation authorization for UNRRA by \$1,350,000,000. (pp. 12335-44).



Honorable CLIFTON A. WOODRUM, whose qualities I have had opportunity to observe for more than 4 years. Soon I came to appreciate the great service Mr. WOODRUM was rendering to the Congress and to the Nation in the exercise of his splendid faculties to the welfare of the United States in trying times. I would not make comparisons, but I am compelled to give it as my opinion that we have lost, in his separation from congressional life, one of the most valuable members in that body. At all times he has been active, but at no time willing to impose his opinions in a thoughtless way.

Membership in this body has been with him a recognition of a duty the privilege imposes. In addition to his splendid service as a faithful member of the Committee on Appropriations, he has, when occasion demanded his splendid abilities, met every responsibility of membership in the Congress of the United States. Oftentimes; in critical hours, when measures seemed to hang in the balance, I have seen him take the floor of the House and, fortified by the high esteem as to ability and honesty in which he is held by the membership, apparently turn the tide in favor of measures designed and required to meet the necessities of the hour and the occasion.

I am just grateful that circumstances did not call him from the service at an earlier time. In retrospective realization of the need for ability and honesty in the last 4 years, and in remembrance of the great service he has rendered during that time, I am minded to express thanks and appreciation that he remained with us until these crucial days had passed. We shall, nevertheless, miss his splendid service in the important but less crucial days to follow.

I entertain the hope that, notwithstanding his separation from immediate activities of the House of Representatives, we may have his advice and counsel in meeting the responsibilities yet devolving upon Members of the Congress. It must be true, also, that the recollection of the wise, faithful, and important service he has rendered will of itself aid us, who remain, in the performance of our duties as the days may require.

In conclusion, I wish to express to him my sincerest good wishes for his health, his happiness, and many successful years in the days to come.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, I join with his colleagues in deserved tribute to the high quality of the public service rendered by my friend the distinguished gentleman from Virginia, Mr. WOODRUM. Personally, I regret that he is retiring from the House. The country can ill afford to lose the valuable public services of men of his ability.

Mr. WOODRUM possesses to an unusual degree the qualifications for successful legislative work. He is familiar with the science of government. He has an unusual personality and is an extraordinarily good public speaker. He not only has ability, but he has courage and independence. He is a man of conviction.

As a member of the Committee on Appropriations he has exerted a great stabilizing influence. The country owes him a debt of gratitude.

With his hosts of friends I join in wishing him much success in his new fields of endeavor. I repeat that I personally and keenly regret that Congress and the country are to lose his most efficient services, especially at this critical period in the history of our country.

Mr. McCORMACK. I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, because of the admiration I have for him, I feel impelled to say a few words in tribute to our great colleague, CLIFTON A. WOODRUM. I was not closely associated with him. I served on no committee of which he was a member. But from the first day I served in the House, I recognized him as a man of great ability and of fine character who exercised a tremendous influence on his colleagues. In the 15 years I have been here he has continuously grown in stature until he is now unquestionably recognized as one of the truly great statesmen of our Nation.

His departure from the House is a tremendous loss not only to his State but to the Nation. A constituency with the good judgment to elect him would certainly have retained him in office as long as he desired, and I have no doubt of the great regret they feel at his departure from the House.

He has laid down the onerous duties of his office and has assumed a position in private enterprise where he can render service that will be inestimable to the farmers of our Nation. There is no doubt that the ability that distinguished him in public service will cause his rise to the most influential positions in his new field. The greatest reward of public service, that which brings more satisfaction to him who serves than anything else, is the respect and confidence and affectionate regard of his colleagues and the gratitude and friendship of his constituents. The demonstration of the respect in which CLIFTON WOODRUM is held by his colleagues leaves no doubt that he has that respect in a peculiar degree, and we know that his constituents whom he has served so long and faithfully will always hold him in the respect and confidence which he so richly deserves.

His name will be written high upon the list of great men who have served Virginia in the Congress of the United States. We can ill afford to lose his fine services, his sound judgment, and his good advice. We wish him health, happiness, and success in his new field.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Speaker, I desire to join my colleagues in paying tribute to the distinguished gentleman from Virginia [Mr. WOODRUM], who is resigning from the House effective December 31, and who has just made a very able and eloquent address.

It has been my privilege and pleasure to serve continuously with him as a Member of the House since we both became Members at the same time, on

March 4, 1923. There were 117 new Members sworn in on that day, but only 7 of these now remain as Members of the House.

The gentleman from Virginia [Mr. WOODRUM] was regarded as an able Member from the very inception of his service here, but I have watched with pride his growth and development and influence until today he leaves the House, regarded by all as one of the ablest and most influential Members of the entire House membership. He has reached this pinnacle by reason of hard work, an able and brilliant mind and an eloquent and convincing speaker, but above all of these qualities, he has character, and the membership of the House believes in his honesty, integrity, and sincerity.

His place is going to be difficult to fill, and his district and the Nation lose one of the ablest legislators when CLIFF WOODRUM ceases to be a Member of the House.

I am sure that I voice not only my own sentiments, but that of the entire membership when I wish for him a long, happy, and prosperous life.

Mr. McCORMACK. I yield to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Speaker, since I came to this Congress nothing has been more clear than the sentiment of this House today. The Members who make up the House of Representatives genuinely regret to see CLIFF WOODRUM pass from these halls and quit this body. But he will always be one of us. We feel his going keenly. We feel that we cannot afford to lose so valuable a Member. But he feels that we can get along and that the grand old State of Virginia can get along. Personally, I wish he had made up his mind to stick it out with us till we get by this hard pull. We are working out of our wargear into a peacetime economy and need our men who through the past years have learned where the pieces can safely be put together.

CLIFF WOODRUM has always stood as one of the tall men of this lawmaking department of the United States. He possesses ability, courage, energy, integrity, and perspicacity. These give to a man the respect of his fellows, always, but CLIFF WOODRUM has another quality. It is a genteel genuineness and warmth that made his fellows love him even above their high measure of respect. It is this that makes us gather in today and stay together to throw a few flowers after the lively carriage that conveys him to more profitable labors. Instead of selfishly bewailing his going out and leaving us I ask you fellow Congressmen to join me in unselfishly wishing him every happiness in his new field for we know he will prove a worthy laborer. Few of us are here who have not wondered why we do not lose more of our most able from these Halls. Very few are on the floor of this House who could not make a great deal more in civil activities.

Well, he leaves with a friendly word. He tells us we can raise the pay of United States judges but they cannot raise ours.

Before I take my seat please let me call attention to one matter for which we should be truly thankful. To succeed



CLIFF WOODRUM as chairman of his important subcommittee stands the gentleman from Florida, the Honorable JOE HENDRICKS, a man of finest character, a man of ability and highest nobility of character. I talked today with CLIFF WOODRUM on this subject and he expressed his thoughts. I find the fact to be that his leaving this House is to him brightened by his confidence in his successor. I, for one, truly am happy that the work so well done by our departing colleague goes to capable and worthy hands.

So long, friend CLIFF, you are to be long remembered here for men of your stature throw a long shadow.

#### ANNOUNCEMENT

The SPEAKER. The Chair desires to announce that in view of the pressure of business today, there being the Consent Calendar, three suspensions, two messages from the President, and the desire to call up the United Nations Organization bill, the Chair cannot recognize Members to extend remarks until the legislative business of the day is disposed of.

#### EMPLOYMENT-PRODUCTION BILL SENT TO CONFERENCE

The SPEAKER. The Chair recognizes the gentleman from Alabama [Mr. MANASCO].

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 380 to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, with a House amendment, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. MANASCO, COCHRAN, WHITTINGTON, HOFFMAN, and BENDER.

#### AMENDMENT TO SERVICEMEN'S READJUSTMENT ACT OF 1944—CONFERENCE REPORT

Mr. RANKIN submitted the following conference report and statement on the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That the second sentence of section 100 of the Servicemen's Readjustment Act of 1944, as amended, is

amended to read as follows: 'The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes.'

"Sec. 2. Section 104 of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out the second paragraph thereof and inserting in lieu thereof the following:

"Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

"The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law."

"Sec. 3. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations."

"Sec. 4. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"Sec. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit, and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case."

"Sec. 5. (a) Paragraph 1 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under con-

ditions other than dishonorable, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: *Provided*, That such course shall be initiated not later than four years after either the date of his discharge or the termination of the present war, whichever is the later: *Provided further*, That no such education or training shall be afforded beyond nine years after the termination of the present war."

"(b) Paragraph 2 of part VIII of such Regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: *Provided*, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: *Provided further*, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."

"(c) Paragraph 3 of part VIII of such Regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time training, as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: *Provided*, That, for reasons satisfactory to the Administrator, he may change a course of instruction: *And provided further*, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"(b) Any such eligible person may apply for a short, intensive post-graduate, or training course of less than thirty weeks: *Provided*, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course.

"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: *Provided*, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: *Provided further*, (1) That the pro-







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued February 6, 1946, for actions of Tuesday, February 5, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Senate committee reported bill increasing penalties for over-quota tobacco and giving Secretary right to reduce tobacco quotas. Senate committee reported (Feb. 4) appropriation-rescissions bill (same as vetoed bill so far as USDA is concerned). Sen. Willis criticized OPA's price-control administration and its effect on production. House received supplemental appropriation estimates of \$1,000,000 for water facilities and \$144,000 for spruce-budworm investigations, and request for \$25,000,000 increase in limitation for school-lunch program. Conference modified full-employment bill.

SENATE

1. A.A.A. TOBACCO. The Agriculture and Forestry Committee reported without amendment H.R. 5135, to amend the AAA Act so as to increase penalties for over-quota tobacco and to give the Secretary the right to reduce tobacco quotas. (S.Rept. 921) (p. 890).
2. APPROPRIATION-RESCISSIONS BILL. The Appropriations Committee reported (Feb. 4) with amendment this bill, H.R. 5158 (S.Rept. 919) (p. 835). The bill is the same as the vetoed bill so far as this Department is concerned. (See Digest 13)
3. PRICE CONTROL. Sen. Willis, Ind., criticized OPA's price-control administration and discussed the effects of such controls on production (pp. 902-4).
4. F.E.P.C. Continued debate on S. 101, the FEPC bill (pp. 893-8, 904-15). During the debate Sen. Moore, Okla., inserted Daily Oklahoman editorials criticizing OPA's price-control administration (pp. 910-1).
5. U.S.E.S. Sen. Mead, N.Y., inserted a National Assn. for Advancement of Colored People's resolution favoring H.R. 4437, to return public employment offices to the States (p. 890).
6. NOMINATIONS. The Banking and Currency Committee reported favorably on the nominations of H.V. Jones, H.T. Bodman, and C.B. Henderson to be members of the RFC Board of Directors, and of Wilson W. Wyatt to be National Housing Adminis-



trator, and received the nomination of E.B. Gregory to be War Assets Administrator (p. 924).

7. FOREIGN RELIEF. Sen. Capehart, Ind., inserted his statement on the food problems and starvation conditions in Europe (pp. 898-902).

#### HOUSE

3. APPROPRIATIONS. Received from the President appropriation estimates (1947 budget amendments) for this Department of \$1,144,000, including \$1,000,000 for water facilities and \$144,000 for FS spruce bud-worm investigations, and an increase in limitation of \$25,000,000 for the school-lunch program (H.Doc. 452) (p. 967).
9. FULL-EMPLOYMENT BILL. Received the conference report on this bill, S. 380 (pp. 940-2). The new version of the bill is a substitute for the language of both the Senate bill and the House amendment. The bill declares that it is the policy and responsibility of the Government to use all practical means to promote free enterprise for the purpose of maintaining conditions under which there will be opportunity for "maximum employment." The term "full employment" is rejected. The term "all practical means" embraces public works but includes legislation. The terms "full," "guarantee," "assure," "investment," and "expenditure" do not occur in the conference agreement. It provides for the President to review economic conditions and submit his program. There is provision for three economic advisors to the President and for a joint Congressional committee. The section on interpretation is eliminated and the title of the bill changed to read as follows: "An act to declare a national policy on employment, production, and purchasing power, and for other purposes."
10. PRICES. Rep. Phillips, Calif., criticized the OPA ceiling prices on poultry and asked for an examination of OPA figures by the House Banking and Currency Committee (pp. 966-7).  
Received a Ky. Legislature memorial urging a floor price for tobacco (p. 968).
11. LABOR. Continued debate on H.R. 4908, the fact-finding bill, and H.R. 5262, to provide additional facilities for the mediation of labor disputes (pp. 942-66). During the discussion Reps. Arends (Ill.) and Pace (Ga) discussed the position of the farmer in the current labor disputes and urged legislation to guarantee the farmer's right to take his produce to market without interference (p. 948).
12. POINT-OF-ORDER BILL. Both Houses received from the Interior Department a proposed bill to reenact and amend the organic act of the Geological Survey by incorporating therein substantive provisions for long-continued duties and functions and by redefining their geographic scope. To Mines and Mining Committees (pp. 889, 967).
13. PUBLIC WORKS. Received from the Federal Works Agency their sixth annual report, 1945. To Public Buildings and Grounds Committee. (p. 967.)
14. UNRRA. Received a Minn. Lutheran Synod petition urging extension of UNRRA to all occupied countries (p. 968).

#### BILLS INTRODUCED

15. FARM LABOR. H.R. 5367 (see Digest 16) includes a provision that no controversy shall be within the scope of the bill if it concerns employment of agricultural



of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM C. REESE

The Clerk called the bill (H. R. 3085) for the relief of William C. Reese.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. DOLLIVER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

MRS. MAY HOLLAND

The Clerk called the bill (H. R. 5010) for the relief of Mrs. May Holland.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. May Holland, Cape May, N. J., the sum of \$10,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. May Holland against the United States on account of the death of her husband, Leslie W. Holland, who was fatally injured on September 2, 1942, when the bicycle he was riding on State Highway Route No. 4, near Cape May, N. J., was struck by a United States Army truck.

With the following committee amendments:

Page 1, line 6, strike out the figure "\$10,000" and insert in lieu thereof the figure "\$5,529."

Page 2, line 2, after the word "truck," insert "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING AN HONORABLE DISCHARGE TO WILLIAM ROSENBERG

The Clerk called the bill (H. R. 1616) to grant an honorable discharge from the military service of the United States to William Rosenberg.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That an honorable discharge be granted to William Rosenberg, Army serial No. 6041837, for the period of an enlistment in the United States Army extending from July 8, 1916, to December 26, 1917, said discharge to supplement the pardon granted by the President of the United States under date of February 2, 1918.

Sec. 2. That, upon request, the Secretary of War shall grant to William Rosenberg, Army serial No. 6041837, a discharge certifi-

cate showing that he is held and considered to have been honorably discharged under the provisions of this act.

With the following committee amendment:

Strike out everything after the enacting clause and insert in lieu thereof the following:

"That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers or their dependents, William Rosenberg shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of Company M, Forty-ninth Infantry, on the 26th day of December 1917: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of William Rosenberg."

A motion to reconsider was laid on the table.

AUTHORIZING SALE OF THE ALLOTMENT OF HENRY KEISER ON THE CROW INDIAN RESERVATION, MONT.

The Clerk called the bill (S. 480) to authorize the sale of the allotment of Henry Keiser on the Crow Indian Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is hereby authorized, upon the application of Henry Keiser in writing, to offer for sale to the highest bidder, under such terms and conditions as the Secretary may prescribe, the allotment of Henry Keiser, Crow Indian allottee No. 3313, described as lots 11 and 12 of section 3, west half of section 10, township 2 south, range 30 east, and southwest quarter northwest quarter, northwest quarter southwest quarter, south half southwest quarter, and southeast quarter of section 1, township 8 south, range 37 east, principal meridian, Big Horn County, Mont., containing seven hundred and eighteen and seventy-five one hundredths acres: *Provided,* That such part of the proceeds received from the sale of said land as the Secretary of the Interior may deem advisable shall be reinvested in other lands selected by said Henry Keiser, and such land so selected and purchased shall not be alienated or encumbered without the approval of the Secretary of the Interior and shall be nontaxable and such restrictions shall appear in the conveyance. The balance of such proceeds, if any, shall be deposited to the credit of Henry Keiser and shall be expended under individual Indian money regulations of the Department of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AUTHORIZING SALE OF THE ALLOTMENT OF LEROY MILLIKEN ON THE CROW INDIAN RESERVATION, MONT.

The Clerk called the bill (H. R. 4027) authorizing sale of the allotment of LeRoy Milliken on the Crow Indian Reservation, Mont.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is hereby authorized, upon the application of LeRoy Milliken in writing, to offer for sale to the highest bidder, upon such terms and conditions as the Secretary may prescribe, the following-described lands allotted to said LeRoy Milliken: The south half of the south half of the north half of the northeast quarter, the south half of the northeast quarter, the southeast quarter of the northwest quarter, the east half of the southwest quarter, and the southeast quarter, of section 24, township 5 south, range 26 east, the north half of the northeast quarter, the southeast quarter of the northeast quarter, and the northeast quarter of the northwest quarter, of section 25, township 5 south, range 26 east, and lots 4, 9, and 10 of section 19, township 5 south, range 27 east, Montana principal meridian.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE ISSUANCE OF A PATENT IN FEE TO ALICE YARLOTT

The Clerk called the bill (H. R. 4034) authorizing the issuance of a patent in fee to Alice Yarlott.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is authorized and directed to issue Alice Yarlott Othermedicine, a Crow Indian allottee, a patent in fee to the following-described lands allotted to her on the Crow Indian Reservation, Mont.: The northwest quarter of the southwest quarter, section 11, township 9 south, range 34 east, Montana principal meridian, Big Horn County, Mont., containing 40 acres.

With the following committee amendments:

In line 7 of the bill strike out the word "southwest" and substitute therefor "southeast."

Correct the name "Alice Yarlott" in the title and in line 4 of the bill to "Alice Yarlott Othermedicine."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Authorizing the issuance of a patent in fee to Alice Yarlott Othermedicine."

A motion to reconsider was laid on the table.

AUTHORIZING ISSUANCE OF PATENT IN FEE TO WILBUR KEISER

The Clerk called the bill (H. R. 4035) authorizing the issuance of a patent fee to Wilbur Keiser.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is authorized and directed to issue to Wilbur Keiser a patent in fee to the following-described lands allotted to him on the Crow Indian Reservation, Mont.: Lot 4 and the southwest quarter of the southwest quarter of section 2, and the west half of the northwest quarter of section 11, township 3 north, range 31 east, Montana principal meridian, containing 157.2 acres.

With the following committee amendments:



Page 1, line 4, strike out "Wilbur" and insert "Wilbert."  
Page 1, line 10, strike out "two-tenths" and insert "twenty-two one-hundredths."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing the issuance of a patent in fee to Wilbert Keiser."

A motion to reconsider was laid on the table.

HERMAN GELB

The Clerk called the bill (H. R. 4957) for the relief of Herman Gelb.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman Gelb, of New York City, N. Y., the sum of \$500, in full settlement of all claims against the United States by said Herman Gelb on account of the injuries sustained by him when the automobile in which he was a passenger was struck by a War Department jeep on October 15, 1943, in Jersey City, N. J.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MINERVA C. DAVIS

The Clerk called the bill (H. R. 5167) for the relief of the estate of Mrs. Minerva C. Davis.

Mr. DOLLIVER and Mr. SPRINGER objected, and, under the rule, the bill was recommitted to the Committee on Claims.

FLAG OF CHURCH OF GOD

The Clerk called the bill (H. R. 5258) granting a renewal of Patent No. 113244 dated February 7, 1939, relating to the flag of the Church of God.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That a certain design patent issued by the United States Patent Office of date of February 7, 1939, being Patent No. 113244, relating to the flag of the Church of God, is hereby renewed and extended for a period of 14 years from and after the date of enactment of this act with all the rights and privileges pertaining to the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON FULL  
EMPLOYMENT BILL

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report and statement on the bill S. 380, the so-called full employment bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us when he is going to bring that conference report up for consideration?

Mr. MANASCO. I think it will be brought up tomorrow.

Mr. McCORMACK. Mr. Speaker, if the conference report is filed today, it will be brought up the first thing tomorrow.

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

There was no objection.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

#### "SHORT TITLE

"SECTION 1. This Act may be cited as the 'Employment Act of 1946.'

#### "DECLARATION OF POLICY

"SEC. 2. The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

#### "ECONOMIC REPORT OF THE PRESIDENT

"SEC. 3. (a) The President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the 'Economic Report') setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable.

"(b) The President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 2.

"(c) The Economic Report, and all supplementary reports transmitted under subsection (b), shall, when transmitted to Congress, be referred to the joint committee created by section 5.

#### "COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

"SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the 'Council'). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote employment, production, and purchasing power under free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman and one as vice chairman, who shall act as chairman in the absence of the chairman.

"(b) The Council is authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this Act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ such other officers and employees as may be necessary for carrying out its functions under this Act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

"(c) It shall be the duty and function of the Council—

"(1) to assist and advise the President in the preparation of the Economic Report;

"(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policy, and to compile and submit to the President studies relating to such developments and trends;

"(3) to appraise the various programs and activities of the Federal Government in the light of the policy declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto;

"(4) to develop and recommend to the President national economic policies to foster and promote free competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof, and to maintain employment, production, and purchasing power;

"(5) to make and furnish such studies, reports thereon, and recommendations with respect to matters of Federal economic policy and legislation as the President may request;

"(d) The Council shall make an annual report to the President in December of each year.

"(e) In exercising its powers, functions and duties under this Act—



"(1) the Council may constitute such advisory committees and may consult with such representatives of industry, agriculture, labor, consumers, State and local governments, and other groups, as it deems advisable;

"(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

"(f) To enable the Council to exercise its powers, functions, and duties under this Act, there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

"Sec. 5. (a) There is hereby established a Joint Committee on the Economic Report, to be composed of seven Members of the Senate, to be appointed by the President of the Senate, and seven Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

"(b) It shall be the function of the joint committee—

"(1) to make a continuing study of matters relating to the Economic Report;

"(2) to study means of coordinating programs in order to further the policy of this Act; and

"(3) as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

"(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

"(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

"(e) There is hereby authorized to be appropriated for each fiscal year, the sum of \$50,000, or so much thereof as may be necessary, to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman."

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to declare a national policy on employment, production, and purchasing power, and for other purposes".

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILLIAM WHITTINGTON,

*Managers on the Part of the House.*

ROBERT F. WAGNER,  
ALBEN W. BARKLEY,  
GEORGE L. RADCLIFFE,  
ABE MURDOCK,  
GLEN TAYLOR,  
CHAS. W. TOBEY,  
ROBERT A. TAFT,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment to the text of the bill strikes out all the Senate bill after the enacting clause. Under the conference agreement the Senate recedes from its disagreement to the amendment of the House with an amendment, which is a substitute for the language of both the Senate bill and the House amendment. The substantial differences between the Senate bill and the House amendment and the proposed conference substitute are as follows:

#### STATEMENT OF POLICY

The Senate bill declared that it is the responsibility of the Federal Government to maintain full employment and to assure at all times sufficient opportunities for employment to enable all Americans able and willing to work to exercise their right to continued full employment.

The House substitute declared that it is the continuing policy of the United States to promote employment, production, and purchasing power under the system of free competitive enterprise, and that the function of the Government is to promote and not to assure or guarantee employment. It is the theory of the House substitute that employment is not the sole responsibility of the Government and that industry, agriculture, and labor have their responsibility.

The conference agreement adopted the view and declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means in a manner calculated to foster and promote free competitive enterprise for the purpose of creating and maintaining conditions under which there will be afforded opportunities for those able, willing, and seeking to work, and conditions to promote maximum employment, production, and purchasing power. The term "full employment" is rejected, and the term "maximum employment" is the objective to be promoted. There is to be cooperation with industry, agriculture, labor, and State and local governments. The United States is to promote by all practicable means, which may well include, but need not be limited to, taxation, banking credit and currency, foreign trade, public works and loans. The conference agreement instead of referring to public works and loans, uses the term "all practicable means." The term embraces public works but it also, includes legislation. Studies are to be made and the causes of

economic dislocations are to be ascertained. Causes of unemployment are to be removed or eliminated.

The words or terms "full," "guarantee," "assure," "investment," and "expenditure" do not occur in the conference agreement. The goal is maximum or high levels of employment. The emphasis on spending, expenditures, and disbursements is omitted from the conference agreement.

#### ECONOMIC REPORT OF THE PRESIDENT

The Senate bill provided for a production and employment budget. A budget contemplates previous authorizations and commitments. There are no authorizations in the conference agreement. The House substitute provided for an economic report by the President instead of a budget. The report was to be made on economic conditions affecting employment in the United States and the extent to which the programs and activities of the Government were contributing to the achievement of the declared policy.

The conference agreement adopts substantially the economic report of the House substitute. Mention of public works and loans is omitted. The President is to transmit a review of economic conditions and his program for carrying out the policy declared.

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

The House substitute provided that the President should have the best available advice to aid and assist him in preparing the economic report. A council of three members was authorized to advise the President. The House provision for a council of economic advisers is substantially adopted in the conference agreement with few changes. The conference agreement provides that the three members shall be appointed by the President with the advice and consent of the Senate. The President is to name the chairman and vice chairman. Again the provision in the House substitute that the report should be made available on request to the joint committee is eliminated. The Congress or the joint committee without the provision has all the power that the provision would have given to secure the studies, reports, and recommendations of the council. In the employment of personnel the council is not limited to the District of Columbia.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

The provisions of the Senate bill and the House substitute with respect to the joint committee are substantially the same. Both provide for a joint congressional committee. The conference agreement limits the number to seven and leaves the President of the Senate and the Speaker of the House free in the selection of the members. It is believed that the smaller committee would be more efficient. Both bills provided for payment out of the contingent fund. The House substitute put a limitation of \$100,000 for each fiscal year for the joint committee. The conference agreement authorizes an appropriation not to exceed \$50,000 in lieu of payments out of the contingent funds of both Houses.

#### INTERPRETATIONS

The Senate bill and the House substitute contained a section with respect to interpretations. Inasmuch as there is no change in existing procedures on appropriations, and inasmuch as there are no authorizations of appropriations in the conference agreement except for the Advisory Council and the joint committee, the section with respect to interpretations is eliminated as being wholly unnecessary.

#### TITLE OF THE BILL

Under the conference agreement there is adopted in lieu of the title of the bill as contained in the Senate bill and the House substitute a title reading as follows: "An act to declare a national policy on employment,



production, and purchasing power, and for other purposes."

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILLIAM WHITTINGTON,  
*Managers on the Part of the House.*

#### EXTENSION OF REMARKS

Mr. VINSON asked and was given permission to extend his remarks in the Appendix of the RECORD.

MRS. CELIA ELLEN ASHCRAFT

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1085), for the relief of Mrs. Celia Ellen Ashcraft, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "Mrs. Celia Ellen Ashcraft, of Clinton, Okla., formerly of Gore, Okla." and insert "the estate of Edwin Perry Ashcraft."

Page 1, line 8, strike out "Mrs. Celia Ellen Ashcraft" and insert "estate."

Page 1, line 9, strike out "her husband."

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

There was no objection.

The Senate amendments were agreed to.

The title was amended so as to read: "An act for the relief of the estate of Edwin Perry Ashcraft."

A motion to reconsider was laid on the table.

CATHERINE BODE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2223), for the relief of Catherine Bode, with Senate amendment thereto, disagree to the Senate amendment and ask for a conference.

The Clerk read the title of the bill.

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

There was no objection, and the Speaker appointed the following conferees: Messrs. McGEHEE, MORRISON, and PITTINGER.

MRS. S. P. BURTON

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2437) for the relief of Mrs. S. P. Burton, with Senate amendment thereto, disagree to the Senate amendment and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. McGEHEE, MORRISON, HOLMES, and PITTINGER.

HARRIET TOWNSEND BOTTOMLEY

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2267), for the relief of Harriet Townsend Bottomley with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McGEHEE, KEOGH, and CASE of New Jersey.

ESTATE OF PETER G. FABIAN, DECEASED

Mr. McGEHEE submitted the following conference report and statement on the bill H. R. 1890, for the relief of the estate of Peter G. Fabian, deceased:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1890) for the relief of the estate of Peter G. Fabian, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment, insert "\$3,500"; and the Senate agree to the same.

DAN R. McGEHEE,

E. H. HEDRICK,

JOHN W. BYRNES,

*Managers on the Part of the House.*

OLEN D. JOHNSTON,

KENNETH S. WHERRY,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1890) for the relief of the estate of Peter G. Fabian, deceased, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report:

The bill as passed by the House appropriated the sum of \$2,423.75 to the estate of Peter G. Fabian, deceased, for his death, hospital, medical, and funeral expenses incident thereto, as a result of being struck by a United States Army jeep in Rochester, N. Y., on June 14, 1944. The Senate increased the amount to \$5,423.75, and at the conference a compromise of \$3,500 was agreed upon.

DAN R. McGEHEE,

E. H. HEDRICK,

JOHN W. BYRNES,

*Managers on the Part of the House.*

#### EXTENSION OF REMARKS

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include an article that appeared in the New York Times.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an article that appeared in the Lynn Telegram-News, of Lynn, Mass., a very complimentary statement on the United States attorney at Boston, Mass.; in the other to include a letter from a constituent.

Mr. WORLEY asked and was given permission to extend his remarks in the RECORD and include a letter from George Schaeffer, of Happy, Tex.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and include several telegrams from people in New Hampshire and in New England.

Mr. MANSFIELD of Montana. Mr. Speaker, I renew my request of yesterday to extend my remarks in the RECORD and include copy of the Montana War

Finance Report. Mr. Speaker, I have received an estimate from the Public Printer that this will cost \$121.40, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix].

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include letters from constituents.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an editorial appearing in the Bristol Courier and in the other an editorial appearing in the St. Marys Daily Press.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Boston Herald.

#### APPOINTMENT OF FACT-FINDING BOARDS TO INVESTIGATE LABOR DISPUTES

Mr. RANDOLPH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4908) to provide for the appointment of fact-finding boards to investigate labor disputes seriously affecting the national public interest, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4908; with Mr. O'NEAL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday there was pending an amendment offered by the gentleman from Kentucky [Mr. ROBSION]. The question is on the amendment.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 33, noes 0.

So the amendment was agreed to.

Mr. BENNET of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNET of New York to the Case amendment: On page 11, after section 9, line 21, insert a new subsection, section 9 (a):

"Sec. 9. (a) It shall be the further duty of the Board to make a broad and comprehensive study of the field of labor-management relations from the viewpoint of both labor, industry, and the public to determine what adjustments are necessary to promote continuity and regularity of employment, industrial peace, and the uninterrupted production and distribution of goods and services for commerce. The Board shall make its final report to the President and to the Congress, including recommendations with respect to legislation, not later than June 30, 1946."

Mr. BENNET of New York. Mr. Chairman, for over a year I have been attending sessions of this body and have listened to many debates on the problems of labor and management. As a result, I have come to the conclusion



DECLARING A NATIONAL POLICY ON EMPLOYMENT,  
PRODUCTION, AND PURCHASING POWER, AND FOR  
OTHER PURPOSES

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FEBRUARY 5, 1946.—Ordered to be printed

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Mr. MANASCO, from the committee of conference, submitted the  
following

CONFERENCE REPORT

[To accompany S. 380]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE

SECTION 1. *This Act may be cited as the "Employment Act of 1946".*

DECLARATION OF POLICY

SEC. 2. *The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment,*



for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

#### ECONOMIC REPORT OF THE PRESIDENT

SEC. 3. (a) The President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the "Economic Report") setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 2.

(c) The Economic Report, and all supplementary reports, transmitted under subsection (b), shall, when transmitted to Congress, be referred to the joint committee created by section 5.

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote employment, production, and purchasing power under free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman and one as vice chairman, who shall act as chairman in the absence of the chairman.

(b) The Council is authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this Act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ such other officers and employees as may be necessary for carrying out its functions under this Act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

(c) It shall be the duty and function of the Council—

(1) to assist and advise the President in the preparation of the Economic Report;

(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospec-

tive, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policy, and to compile and submit to the President studies relating to such developments and trends;

(3) to appraise the various programs and activities of the Federal Government in the light of the policy declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto;

(4) to develop and recommend to the President national economic policies to foster and promote free competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof, and to maintain employment, production, and purchasing power;

(5) to make and furnish such studies, reports thereon, and recommendations with respect to matters of Federal economic policy and legislation as the President may request.

(d) The Council shall make an annual report to the President in December of each year.

(e) In exercising its powers, functions; and duties under this Act—

(1) the Council may constitute such advisory committees and may consult with such representatives of industry, agriculture, labor, consumers, State and local governments, and other groups, as it deems advisable;

(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

(f) To enable the Council to exercise its powers, functions, and duties under this Act, there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

SEC. 5. (a) There is hereby established a Joint Committee on the Economic Report, to be composed of seven Members of the Senate, to be appointed by the President of the Senate, and seven Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee—

(1) to make a continuing study of matters relating to the Economic Report;

(2) to study means of coordinating programs in order to further the policy of this Act; and

(3) as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, not later than May 1 of each year (beginning with the year 1947) to file a report with the



*Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.*

(c) *Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.*

(d) *The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.*

(e) *There is hereby authorized to be appropriated for each fiscal year, the sum of \$50,000, or so much thereof as may be necessary, to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman.*

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to declare a national policy on employment, production, and purchasing power, and for other purposes".

CARTER MANASCÓ,  
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## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

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to be made and the causes of economic dislocations are to be ascertained. Causes of unemployment are to be removed or eliminated.

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The conference agreement adopts substantially the economic report of the House substitute. Mention of public works and loans is omitted. The President is to transmit a review of economic conditions and his program for carrying out the policy declared.

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

The House substitute provided that the President should have the best available advice to aid and assist him in preparing the economic report. A council of three members was authorized to advise the President. The House provision for a council of economic advisers is substantially adopted in the conference agreement with few changes. The conference agreement provides that the three members shall be appointed by the President with the advice and consent of the Senate. The President is to name the chairman and vice chairman. Again the provision in the House substitute that the report should be made available on request to the joint committee is eliminated. The Congress or the joint committee without the provision has all the power that the provision would have given to secure the studies, reports, and recommendations of the council. In the employment of personnel the council is not limited to the District of Columbia.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

The provisions of the Senate bill and the House substitute with respect to the joint committee are substantially the same. Both provide for a joint congressional committee. The conference agreement limits the number to seven and leaves the President of the Senate and the Speaker of the House free in the selection of the members. It is believed that the smaller committee would be more efficient. Both bills provided for payment out of the contingent fund. The House substitute put a limitation of \$100,000 for each fiscal year for the joint committee. The conference agreement authorizes an appropriation not to exceed \$50,000 in lieu of payments out of the contingent funds of both Houses.

## INTERPRETATIONS

The Senate bill and the House substitute contained a section with respect to interpretations. Inasmuch as there is no change in existing procedures on appropriations, and inasmuch as there are no authorizations of appropriations in the conference agreement except for the Advisory Council and the joint committee, the section with respect to interpretations is eliminated as being wholly unnecessary.

## TITLE OF THE BILL

Under the conference agreement there is adopted in lieu of the title of the bill as contained in the Senate bill and the House substitute a title reading as follows: "An Act to declare a national policy on employment, production, and purchasing power, and for other purposes."

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILLIAM M. WHITTINGTON,  
*Managers on the Part of the House.*













DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued February 7, 1946, for actions of Wednesday, February 6, 1946)

(For staff of the Department only)

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HIGHLIGHTS: House Agriculture Committee reported without amendment Agricultural Credit Agency bill. House agreed to conference report on full-employment bill. House Appropriations Committee reported War Department civil functions appropriation bill. Senate confirmed nomination of Wyatt to be National Housing Administrator.

SENATE

1. LUMBER SHORTAGE. Sen. Knowland, Calif., discussed the lumber shortage and inserted letters from the Southern Calif. Retail Lumber Association opposing a proposed order which, it claims, would be "discriminatory to the users of lumber in California" and from James J. Sloan opposing exportation of lumber during the shortage (p. 972).
2. NOMINATION. Confirmed the nomination of Wilson W. Wyatt to be National Housing Administrator (p. 995).
3. FEPC. Continued debate on the FEPC bill (pp. 974-94).
4. PRICE CONTROL. Received a Calif. Assembly memorial favoring modification of the application of price controls to retailers in the sale of lumber (pp. 970-1).

HOUSE

5. FARM LOANS.. The Agriculture Committee reported without amendment H. R. 4873, to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, etc. (H. Rept. 1525) (p. 1056).
6. FULL EMPLOYMENT. Agreed, 320-84, to the conference report on S. 380, to declare a national policy on employment, production, and purchasing power, etc. (pp. 999-1009). For provisions of modified bill see Digest 17.
7. WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, The Appropriations Committee reported this bill, H. R. 5400 (H. Rept. 1524) (pp. 999, 1056). The bill contains \$159,314,000 appropriation for flood control work.



8. LABOR. Agreed, 197-115, to amend H. R. 4908, the fact-finding bill, by substituting for it H. R. 5262, the Case bill, as amended (including an amendment by Rep. Elliott, Calif., to define agricultural labor (pp. 1031-2), to provide additional facilities for the mediation of labor disputes (pp. 1015-55). During the discussion, Rep. Engel, Mich., discussed increased living costs and the tax situation (pp. 1024-6) and Rep. Lemke, N. Dak., criticized the Wheat Penalty Act (p. 1034).
9. REPORT. Received from this Department the report on operations under the Soil Conservation and Domestic Allotment Act during 1945. To Agriculture Committee. (p. 1056.)

#### BILLS INTRODUCED

10. WILDLIFE CONSERVATION. H.R. 5401, by Rep. Angell, Oreg., to provide for the protection of the Dall sheep, caribou, and other wildlife native to the Mount McKinley National Park area. To Public Lands Committee. (p. 1056.)
11. PUBLIC WORKS. H.R. 5407, by Rep. Lanham, Tex., to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters. To Public Buildings and Grounds Committee. (p. 1056.)
12. WOOL IMPORTS. H.R. 5408, by Rep. Rizley, Okla., restricting importations of wool. To Ways and Means Committee. (p. 1056.)
13. PERSONNEL; LEAVE. H.R. 5409, by Rep. Grant, Ind., to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave. To Military Affairs Committee. (p. 1056.)

#### ITEMS IN APPENDIX

14. FEED SITUATION. Rep. Roe, Md., inserted a Preston (Md.) News editorial criticizing the effect of OPA regulations on the feed situation (p. A565).
15. ELECTRIFICATION. Rep. Bismiller, Wis., inserted a Madison (Wis.) Capital Times editorial commending the activities of REA (p. A565).
16. RESEARCH. Rep. Judd, Minn., inserted a Science magazine article emphasizing the critical shortage of scientific personnel (pp. A559-60).  
Rep. Merrow, N.H., inserted the American Library Association's resolution favoring the United Nations Educational, Scientific, and Cultural Organization. (p. A564).
17. CLOTHING. Rep. Bates, Ky., inserted the FVW Commander's letter criticizing difficulties of veterans in obtaining civilian clothing, including his proposal for relieving the situation (p. A564).
18. FOREIGN TRADE. Sen. Murray, Mont., inserted the National Foreign Trade Convention's recommendations for foreign trade policies (pp. A553-6).
19. PRICE CONTROL. Rep. Gallagher, Minn., inserted the Valley City (N.Dak.) Times Record's tribute to Chester Bowles (pp. A567-8).
20. LABOR. Rep. Robertson, N.Dak., inserted a constituent's letter presenting a farmer's views on the labor situation (p. A568).

21. FULL EMPLOYMENT. Extension of remarks of Rep. Powell, N.Y., criticizing the full-employment bill as not offering protection to minority groups (p. A572).
22. CONTRACT RENEGOTIATION. Rep. Case, S.Dak., inserted the War Contracts Price adjustment Board's reply to his inquiry on the alleged difference in treatment between small war contractors and larger concerns (p. A569).
23. PERSONNEL; FARM LOANS; VETERANS. Extension of remarks of Rep. Lathan, N.Y., enumerating veterans' benefits, including farm loans and civil-service preferences (pp. A570-1).
24. INFORMATION. Rep. Wigglesworth, Mass., inserted a Washington Star article explaining AP's position in discontinuing informational service to the State Department (pp. A573-4).

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COMMITTEE-HEARINGS ANNOUNCEMENTS for Feb. 7: S. Atomic Energy; S. Appropriations, independent offices bill (ex.); H. Appropriations, Agriculture, deficiency (ex.); H. Agriculture, marketing of poisons and devices; H. Banking and Currency, Patman housing bill (ex.); H. Census, Census Director Capt (no subject given); H. Rules, (no subject given).

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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resolution (H. Res. 511, Rept. No. 1523), which was referred to the House Calendar, and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4497) to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Indian Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 19]

Andrews, N. Y.	Dawson	Madden
Arnold	Dingell	Monroney
Barden	Doyle	Murphy
Bell	Engle, Calif.	Norblad
Bishop	Fisher	Norton
Bland	Fogarty	Patterson
Bloom	Fulton	Price, Ill.
Bradley, Mich.	Gardner	Reed, N. Y.
Bradley, Pa.	Gearhart	Rowan
Brooks	Gwynne, Iowa	Short
Bulwinkle	Hancock	Sparkman
Cannon, Fla.	Harness, Ind.	Starkey
Cannon, Mo.	Hollifield	Sumners, Tex.
Clark	Johnson, Ill.	Wadsworth
Cravens	Keefe	Welch
Crosser	Lea	
Curley	Luce	

The SPEAKER. On this roll call 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CIVIL FUNCTIONS APPROPRIATIONS BILL

Mr. SNYDER. Mr. Speaker, by direction of the Committee on Appropriations, I ask unanimous consent that I may have until midnight tonight to file a report on the bill H. R. 5400, the War Department civil functions appropriation bill.

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

There was no objection.

Mr. CASE of South Dakota reserved all points of order on the bill.

EMPLOYMENT-PRODUCTION BILL—  
CONFERENCE REPORT

Mr. MANASCO. Mr. Speaker, I call up the conference report on the bill (S. 380) declaring a national policy on employment, production, and purchasing power, and for other purposes, and

ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of February 5, 1946.)

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members who speak on the conference report may be permitted to revise and extend their remarks.

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

There was no objection.

Mr. MANASCO. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is the first conference report I have ever seen where the proponents of two diametrically opposed views are in agreement that it is a good bill and that it meets the objectives of both their positions.

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

Mr. MANASCO. I yield to the distinguished gentleman from Illinois, a member of the committee.

Mr. CHURCH. The conference report is not signed by the minority Members of the House.

Mr. MANASCO. We will give them an opportunity to explain their reasons for that.

In the original bill introduced in the House and the Senate there was an assurance of jobs when all other means of providing jobs failed. This assurance carried with it the obligation of the Federal Government to provide jobs at remunerative wages, at the prevailing wage in the community where the jobs were given. We took the position that our Federal Treasury, now in debt \$279,000,000,000, could not undertake such a commitment. The House Committee on Expenditures in the Executive Departments refused to go along with that view. We adopted the view that there are certain functions the Federal Government can perform to promote maximum employment, we hoped that we could promote full employment. That is the objective of everyone. All those who opposed the original bill hope that we can promote full employment in a free, competitive enterprise system, that we enjoy in this country, but we thought—I think I can speak for a majority of the committee—that it was high time that the American people be told by the Congress that we are not going to continue deficit spending unless our very existence is threatened. That is the philosophy we adopted in the House. You will find nowhere in this bill reference to the terms “assure,” “full,” “guarantee,” “investment” or “expenditure.” We have followed practically word for word the House bill in creating the Advisory Council and the Economic Report of the President. We think the Advisory Council can render a most valuable service in our economy. I want to say here and now that unless

the most able men in the United States are appointed on this Advisory Council and unless they are given an opportunity to freely study the economic fluctuations and financial condition of our Government and the needs of our people, it will be a complete failure.

I am sure that unless this Council does its duty and makes recommendations to the Congress that are practicable and worth while the Congress in due time will repeal this act. We hope when this Council is appointed by the President—and, by the way, we gave them \$15,000 a year because we thought we should get the most capable men in the United States—we do not want theorists; we want practical men, men who have the interest of our system of government at heart—we hope when this Council is appointed by the President that we will not have any plan submitted in an economic report which will destroy the system of free enterprise which we enjoy in this country. I do not think that anyone who signed the conference report desires such a report to be submitted to us. But we do believe they can render very valuable service to the executive department, and in turn to the Congress of the United States, and enable us to meet some of the problems that face us from time to time.

Some people say that we abandoned the position taken by the House, basing their statement on the ground that we have exchanged the term “full employment” for the term “maximum employment.” Nothing is further from the truth. The original bills use the words “assure full employment.” In section 2 of the conference agreement we state that we want to promote maximum employment, production, and purchasing power, but do not say that we are going to assure maximum employment. We do say that the Federal Government should use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities. This means, among other things, that the Federal Government will not pursue destructive tax policies or unfair competition with private enterprise. It also means that we will not foster or promote restraint of trade. It means we will not pursue policies that will destroy initiative or private investment.

As I interpret the conference report, it means that it will be the continuing policy of the Government to assist private enterprise in giving jobs to all those able, willing, and seeking work, and will not encourage or sponsor legislation that will result in the destruction of our system of private enterprise. It cannot be interpreted by the wildest stretch of imagination as committing the Congress to a policy of socialization of our economy. It can in no way be construed as holding



out the false hope to our people that the Federal Government is going to provide jobs at the prevailing wage for those who are unable to secure work in private employment or self-employment. Those of us who had grave fears about the ultimate aims envisioned by some of the advocates of the original bill have nothing to fear under this conference agreement. We do not expect its passage to result in our entrance into Utopia. We know that anything done under this bill will not make it possible for our citizens to make an honest living without working, but we do feel that if the advisory council to the President is made up of men of ability, integrity, and courage that they can make studies and suggestions that will enable us to avoid the dangers of peaks and depressions. We cannot by law, under our present system of government, prohibit a buyers strike, which will ultimately result in the shutting down of factories, but we can use the facilities already possessed by the Government to keep our people continuously advised of our economic plight, and I am sure the American people will cooperate to the fullest in an effort to prevent the recurrence of another serious depression.

The SPEAKER. The gentleman from Alabama has consumed 5 minutes.

Mr. MANASCO. Mr. Speaker, I will not take more time since I have requests for more time than is available. I now yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, I am supporting the conference committee bill on S. 380 with the greatest misgivings.

The pledge of this administration, made in the 1944 election and continually repeated by the majority party to the American people, of full employment is violated in this act. The bill, after long months of wrangling, maneuvering, amendments, and legislative butchery, is little short of a complete mess.

The administration leadership has disgracefully yielded, not only in phraseology but in concept, to the opposition within his own party. The bill is not a full employment bill and does not assure anybody anything. Basically, then, the bill is a fraud—a legislative fraud which the administration hopes to pass off upon the American people as fulfillment of its pledge of full employment.

Technically, this bill does not clearly recognize even the fundamental right of every American to earn a decent, good living. The language is weak and vague and the administrative and legislative machinery set up in the conference bill may in all likelihood prove completely inadequate. The clauses creating the Joint Committee on the Economic Report are not specific enough. Nevertheless, despite the weakness of this bill, I shall support the conference committee report because I believe it is the responsibility of every Member of Congress to do everything possible to achieve sincere cooperation between Congress and the Executive. The Executive has asked for this bill. The administration bears the responsibility for this bill. The country demands employment, higher production, and a prosperous peace and economy. No single piece of legislation, and

particularly this bill, will guarantee such an economy, but the first necessary premise is cooperation between the Congress and the Executive.

This bill merely provides a means for studying and reporting by the President to Congress on economic dislocations. Incidentally, if it is legitimate to study atomic power, why not have the tools to be aware of economic problems and situations?

It is extremely difficult to follow the mental gymnastics of the President on this measure. On December 20 he wrote to our chairman and again used the same language in his speech to the country, as follows:

No bill which provides substantially less than the Senate version can efficiently accomplish the purposes intended.

Now, frankly, this is not the Senate version. The Senate conferees and the House conferees completely abandoned the Senate version. This is a watered-down version of the House bill.

I want to commend a member of our committee for a 100-percent performance. I am referring to our colleague the gentleman from Mississippi [Mr. WHITTINGTON]. The gentleman from Mississippi I am sure wrote this bill. I am certain he wrote the original House bill, and he got his way 100 percent. We do not want the American people to feel that this is a full-employment bill, and the administration should not be permitted to convey that impression to the American people, because that is wholly untrue. This is a watered-down version of the House bill.

The SPEAKER. The time of the gentleman from Ohio [Mr. BENDER] has expired.

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, if I wanted to see this country become a communistic nation or a socialistic nation and have the Government doing everything that would create jobs, I would pass a bill like some of those presented to our Committee on Expenditures in the Executive Departments for consideration here in the House of Representatives. But I do not want that to happen. I think this measure is too important to try to do anything but see that the bill that is before you will do some good without swamping this Government for some form of socialism. I will encourage private enterprise.

As far as the chairman of our committee is concerned, the gentleman from Alabama [Mr. MANASCO] I want to congratulate him on what he tried to do in order that we might aid and assist this country from time to time when there is lack of employment in certain sections of the country, so that we may assist the people in securing employment. I am sure that is the intent and purpose of the gentleman from Alabama [Mr. MANASCO]. That was the main object for this legislation, but I fear that it will go beyond the point of being a good start. I fear eventually it will lead to more trouble than good.

Now, we can go too far in trying to create full employment. It depends on

the people at the head of our Government and the philosophy they advocate and the business ability of the men at the helm of government if we have full employment. I want all people who want to work to have jobs but I do not want to create jobs to the detriment of sound economy and of good common sense. Too many jobs created will be a detriment to, rather than good for, our people and our Government.

Take the bill and analyze it. There are supposed to be three members of the Council of Economic Advisers, to be appointed by the President, and to draw salaries of \$15,000 per annum each. If the President appoints good, sound businessmen with a desire to work out the problem and an ability to analyze the conditions of the country and make their recommendations to the Congress, then we should be able to meet the problem of unemployment at all times.

The President of the Senate will appoint seven advisers, and the Speaker of the House will appoint seven. The three men appointed by the President will report to this committee of 14 members from the Congress. Eventually this group ought to be able to recommend, if necessary, something to the Congress to meet the situation without in any way endangering the welfare of this country.

This council will have at its disposal the sum of \$345,000 for clerical hire and assistance. Fifty thousand dollars is authorized for the committee selected by the Speaker of the House and the President of the Senate. Certainly this should prove to be ample funds for their needs.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield for a question to the distinguished gentleman from Ohio.

Mr. SMITH of Ohio. Does the gentleman have full confidence that the President will appoint the type of men to serve on this council that he describes? And will the gentleman tell the House the basis of his answer?

Mr. RICH. The President should appoint competent men, men of business ability, men well versed in economics, men familiar with the economic conditions of the country. That is the most important part of this bill; and these three men should be good, honest, conscientious, sound Americans who will not be influenced by a lot of radical people.

Mr. SMITH of Ohio. Is that the kind of men who have been appointed to similar positions in the past?

Mr. RICH. Not since I have been in Congress have I seen all men appointed that I have had confidence in by this or the former President.

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

Mr. RICH. I yield to the gentleman from Illinois.

Mr. CHURCH. The gentleman from Pennsylvania is the watchdog of the Treasury. I wonder if he can justify this measure, or reconcile it with his opposition and my opposition to the appointment of assistants to the President in the past when bills for that purpose have been before us? There is little more in this bill except the creation of new positions—\$45,000 for three assistants, \$345,000 for people they call a council.



Does the gentleman justify that expenditure?

Mr. RICH. No; I cannot justify the set-up as is. I am fearful of it doing what is best. I am afraid it is just another set-up of the New Deal.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MANASCO. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Speaker, in opposing the conference report, I merely want to call the attention of the House to the provision of section 4 (a) of this bill providing for the appointment by the President of a Council of Economic Advisers to assist the President which is little less than three more assistants or advisers to the President—it does not make any difference what they are called—at \$15,000 each per annum, a total of \$45,000. We have objected many times to bills providing for additional assistants to the President.

The bill in section 4 (f), page 20, authorizes a further additional annual expenditure of \$345,000 for salaries of a so-called Council and its employees. I call this to the attention of the economy-minded Members of this House. Both amounts are entirely unnecessary. In the departments of the Government there are many so-called economists, specialists, experts, and theorists of all kinds. Also the members of the President's Cabinet can constitute a council.

Mr. Speaker, all this bill does is to authorize an appropriation for more pay rollers to do what the President and present Cabinet ought to be fit and able to do. That is the issue in this report and little more.

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

Mr. CHURCH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Directing my attention to the statement of the gentleman from Pennsylvania [Mr. RICH], I think the language in section 4 (a) prohibits the appointment of practical businessmen on the committee because the language is—

Who as the result of his training, experience, and attainments is exceptionally qualified to analyze and interpret economic developments.

One type of man reaches out and grabs the economic forces of the world, puts them together and brings forth goods. The analyst sits down and analyzes economic facts, figures, and statistics. I think that language prohibits the appointment of practical men.

Mr. CHURCH. The bill authorized an appropriation for a lot of money to do that very thing and that is the thing that Members should resist—this continued increase of spending, spending, taxing and taxing, and appropriating and appropriating. This is nothing more than an additional pay-roll bill and I want Members to know that. The minority Members did not sign this report. I shall vote against the conference report.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

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

Mr. HOFFMAN. Mr. Speaker, it is my understanding that the present bill does not satisfy anyone but it is all that we can get at this time. Am I right, may I ask the gentleman from Missouri?

Mr. COCHRAN. It satisfies me.

Mr. HOFFMAN. Then I will say that the gentleman is easily satisfied.

If I understand it correctly, this bill creates a new advisory committee or commission or agency consisting of three members. They study a while, then they tell the President what they think should be done, either by way of making new jobs through private enterprise, or as they put it—by the Federal Government, but back of it all is deficit spending—or through new laws to prevent another depression or mass unemployment. When those three men have made this study, they tell the President all about it, and you will remember both President Hoover and President Roosevelt guessed absolutely wrong, Hoover when he said something about two chickens in every pot and two cars in every garage, and Roosevelt when he said along in October of '36 that the wheels of industry were humming and everybody had a job ahead of him at good pay, then the following March, less than 100 days later, he said that one-third of the Nation did not have clothing, shelter, or food enough. They had good advisers, but both were wrong. I also recall that the Secretary of Commerce, Mr. Wallace, intimated before a committee that those two gentlemen might have had political thoughts in mind. I do not think so. They just could not guess ahead far enough.

Then Mr. Speaker, after the President gets this advice he sends it down to the Congress. And the Congress turns it over to this joint committee. This is one good thing the conferees did, they cut the committee from 22 to 14. That helped some. Then after the committee searches around in several departments and gets all the information it can—that is, this joint committee—they send it back to the Senate and the House, and the President of the Senate and the Speaker of the House split up that advice, and they give the various committees of the House and the Senate which have jurisdiction over the subject matters involved those parts of the report which the President of the Senate and the Speaker of the House think each committee ought to have, and then House and Senate are right back again where they were when the whole thing began though we have chased the devil of unemployment around the stump, never quite catching him.

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

Mr. HOFFMAN. I yield to the gentleman from Nebraska.

Mr. CURTIS. I notice by the new bill that the members of this Council of Eco-

nomics Advisers do not have to be citizens of the United States.

Mr. HOFFMAN. Oh, well, as long as we get much of our advice from abroad, what is the difference? Might even have Mr. Laski sit; he is sure our capitalistic system will not work.

Mr. CURTIS. Is it contemplated that they must sit and act in this country, or will they send their programs directly over here from Moscow or elsewhere?

Mr. HOFFMAN. You will have to see someone on the Committee on Foreign Relations about that, or perhaps you might ask UNO.

Here is my point: This Congress has talked a lot about simplification and the streamlining of Congress, and here we set up another committee of 14 members, a joint committee just to give the standing committees of the House some advice. We have talked about reorganization. We gave the President authority to condense and squeeze the water out of the Government facilities, and we go ahead with this bill, and disregarding that, our profession of a desire to reduce and simplify, we create another agency of three authorized to spend \$445,000. I think it is another joint committee of 14. I just do not see the sense in all that.

Mr. MANASCO. Mr. Speaker, I grant such time as he may desire to the gentleman from Indiana [Mr. LAFOLLETTE].

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

Mr. LAFOLLETTE. Mr. Speaker, I shall support the conference report. Few people in the Congress get what they want, so in cases where no moral issue upon which a man has a deep conviction is involved, it is usually better to take a half loaf than to starve without anything. That is the issue here presented.

I should like to digress and I hope I shall not transgress in so doing.

Last night I received through the mail, in an envelope postmarked Baltimore, Md., but not otherwise marked so as to identify the sender, the following peculiar document:

PETITION TO THE CONGRESS OF THE UNITED STATES

Whereas more than 80 years of unhappy experience have demonstrated that the proclamation of the President of the United States dated January 1, 1863; article XIII of the Constitution of the United States, proclaimed by the Secretary of State on December 18, 1865; article XIV thereof, proclaimed July 28, 1868, and article XV thereof, proclaimed March 30, 1870, have failed to provide and maintain, as was hoped by their proponents, a reasonable degree of peace, justice, and good will between the white and colored peoples of the country; and

Whereas there is no present evidence that relations between the two races will improve hereafter, but every reason to believe that they will worsen, as they are even now worsening;

Therefore the undersigned, citizens of and voters in the States listed after their names, do hereby respectfully petition the Congress to clear off the existing misunderstanding and enmity, and open the way for a new and more rational attack upon the problem by repealing and nullifying, by joint resolution, the said proclamation of January 1, 1863, and by submitting to the several States, un-



der article V of the Constitution, an amendment repealing the aforesaid articles XIII, XIV, and XV.

As in duty bound, the said petitioners humbly pray, etc.

(When these spaces are filled, mail to your Congressman or to the Secretary of the Senate, Washington, D. C. If more spaces are needed attach a sheet below. Any person interested is free to reprint this blank.)

I do not know whether the sender is satirical or in earnest. I have inserted the petition in the RECORD with the hope that the country may learn what is the intent of those who have prepared and circulated this strange document—patent on its face—full of latent ambiguities as to intent beneath the surface.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Kentucky [Mr. ROBSION].

(Mr. ROBSION of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. ROBSION of Kentucky. Mr. Speaker, the President urged the Congress to pass a bill granting full employment, establishing a new, and which would probably soon become, a very large bureau here in Washington, also commitments for the expenditure of very large sums of money.

A bill was introduced in the House and Senate by some very close friends of the administration which proposed to carry out these recommendations of the President.

This bill was rejected in the Senate. The Senate did pass a bill, S. 380, which was a greatly modified form of the President's proposal. It came to the House and the appropriate committee of the House rejected the President's bill by a vote of 13 to 5 and submitted to the House a modified bill. The House passed the modified bill.

These two bills were referred to a conference committee of the House and Senate, and after most careful consideration of the whole subject, they submitted a report to the House and Senate. The report sets forth fully the compromise bill agreed on by the conference and the report, with this compromise bill, is now before us for consideration.

It is my intention to vote for the conference report.

I heartily approve of the plan worked out by the conferees whereby the Federal Government will cooperate with the States, the counties, and cities, in preserving private enterprise and in aiding industry, agriculture, and commerce so that private enterprise may function efficiently and prosperous conditions in industry, agriculture, and commerce may be promoted; and thereby help to provide employment for the people who are able to work and who desire to work.

In other words these various governmental units will work together to achieve prosperity and real jobs for the people of this country.

As a part of this program it provides for a board or council to make a study of economic conditions, employment, production, and purchasing power and submit reports, which reports and information shall be available to the President and to the Congress and in that way to bring about closer cooperation for the

prosperity of the people of this Nation and to avoid unemployment.

I might say that this measure does not commit the Federal Government or and State, county, or municipality to the policy of deficit spending. It does not guarantee or insure full employment; neither does it guarantee that there will be investments or expenditures made; but it does in my opinion serve a very useful purpose in securing information and knowledge, and furnishing that information and knowledge for the use of the Federal Government in cooperation with the States, counties, and municipalities in working out plans that will preserve private enterprise and promote employment and the prosperity of the people of the Nation. The success or failure of this proposal will depend on how wisely the President acts in his selection of the men who make up this board or council. We are assuming that the President will appoint men of broad experience in the fields of industry, agriculture, commerce, and labor, who will be guided by one purpose alone and that is, to serve the best interests and the general welfare of the people of the United States. We must have prosperity in industry, agriculture, and commerce if jobs are to be provided for those who can and who desire to work.

On the other hand industry, commerce, and agriculture cannot be prosperous unless labor is gainfully employed at such wages as will enable men to maintain the high American standard of living.

If the President appoints a board or council made up of incompetent persons who are bent on serving one particular group in this country, this plan will prove to be harmful rather than helpful. All groups of our economic life should be fairly and justly considered.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

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

[Mr. BIEMILLER addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. DE LACY].

(Mr. DE LACY asked and was given permission to revise and extend his remarks.)

[Mr. DE LACY addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, this conference report is the answer to the oft repeated statement made during the last 7 months that the House and the Senate would never agree upon legislation of this character.

You have heard from the two Republican Members of the House conferees, the gentleman from Ohio [Mr. BENDER] and the gentleman from Michigan [Mr. HOFFMAN]. Let it be said for the gen-

tleman from Ohio [Mr. BENDER] that he has been extremely liberal in his views, the same as I have been, in connection with the consideration of this legislation. He does not feel that this conference report goes far enough. I do. As for the gentleman from Michigan [Mr. HOFFMAN] if you would let him write the conference report, he would not sign it after he had prepared it.

Some supporters of this legislation like Mr. BENDER have hastily jumped to the conclusion that the conference bill is inadequate and that it does not contain the basic principles of the original full employment bill. Let me advise those who have taken this position to make a careful reading of the conference report. When they have done so, they will find that the language may be somewhat different, but that the substance remains the same.

The first aim of the sponsors of this legislation was to establish the objective of full employment.

This objective is clearly set forth in the bill agreed to by the conferees. Let me quote from section 2:

Conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing and seeking to work.

This is the commonly accepted definition of full employment.

Our second aim was to recognize the fact that the Government has a responsibility toward employment.

This responsibility is also set forth in the bill agreed to by the conferees. Let me quote from section 2 again:

The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government—

And so forth. Our third aim was to define this responsibility in terms of really getting full employment rather than merely encouraging it.

The original bill used the term "assurance." The bill agreed to by the conferees defines the Government's responsibility in terms of "creating and maintaining" conditions of full employment. For my part, "creating and maintaining" is every bit as good as "assuring."

Our fourth objective was to have a full employment program that would utilize all the financial resources of the Government, that would provide whatever Federal expenditures might be needed—as a last resort—to maintain full employment.

The bill agreed to by the conferees does not refer to Federal investment and expenditure. Instead it calls upon the Federal Government to "coordinate and utilize all its plans, functions, and resources" for the purpose of maintaining conditions of full employment. In my opinion, this concept of utilizing all the resources of the Government is much more effective than the provisions of the original bill. Under this declaration, Mr. Speaker, we pledge to provide not only whatever expenditures may be needed, but also whatever revenue program, whatever agricultural program, whatever antimonopoly program, or whatever other program may be needed to maintain conditions of full employment.



Finally, in the original bill we assumed that our objective was not only jobs for all, but also a rising level of production and purchasing power.

The bill agreed to, by using some of the language from the bill as passed by the House, sets this objective forth explicitly. It states that the Government's responsibility is not only to utilize all its resources for the purpose of maintaining conditions of full employment, but that its responsibility is also "to promote maximum employment, production, and purchasing power." This, Mr. Speaker, represents an improvement over the original bill.

I cannot understand how anyone who was for the original bill can refuse to support this measure now. I am gratified to hear the gentleman from Pennsylvania [Mr. RICH] say that he is going to support it.

Mr. RICH. No, I did not say I was going to support it. I said it is so much better than anything you have presented here that I congratulate you on toning it down.

Mr. COCHRAN. The other sections of the bill agreed to by the conferees are likewise worthy of the strongest support by all those who backed the original legislation.

Section 3 provides that the President shall transmit to Congress every year an economic report on the employment problem. This report is to contain all of the basic elements which were called for in the original bill. But instead of being described by the misleading name of National Budget, it is called the Economic Report, as proposed in the House bill.

Section 4 sets up a council of economic advisers in order to give the President the personal assistance of three outstanding experts on economic problems. Although this section closely follows the provisions in the House bill, two changes have been made.

First. The conference bill drops the provision that the reports, studies, and recommendations of the President's economic advisers should be made available to the joint committee. This is a distinct improvement, because it emphasizes the fact that the council is not an autonomous agency, but that its sole purpose is to provide the President with essential assistance and information on economic matters.

Second. The members of the Council of Economic Advisers are subjected to confirmation by the Senate. In my opinion, this provision is to be regretted.

Section 5 of the conference bill sets up a Joint Committee on the Economic Report. This committee is to analyze the President's economic report and attempt to coordinate the activities of the various committees of Congress affecting the full-employment program. In my opinion, this section is an improvement over the original bill, the Senate bill and the House bill.

Section 6 of the Senate bill and the House bill has been deleted. This also is an improvement, because it was entirely unnecessary.

All in all, therefore, I think we have a bill that we can be proud of, a bill that is a credit to the conference com-

mittee, a bill that provides a strong foundation for developing a far-sighted program designed to maintain conditions of full employment within our economic and political system.

Of course, I should have liked to see the bill contain some of the more vigorous language that appeared in the original version or the version that passed the Senate. But the important thing is the basic substance of a bill, not a few phrases and slogans. And the substance of this bill is sound, constructive, and progressive.

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

Mr. COCHRAN. I yield to the gentleman from Wisconsin.

Mr. HENRY. May I say to my distinguished friend from Missouri that I, too, shall vote for this conference report, but not because the bill before us resembles in any way whatsoever the original Patman bill that was before us.

Mr. COCHRAN. I am very glad to have the gentleman's views and to know he will support the conference report.

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

Mr. COCHRAN. I yield to the gentleman from Illinois.

Mr. CHURCH. I wonder if the Cabinet members are going to quit advising the President.

Mr. COCHRAN. Of course the gentleman knows the answer to his own question. In times such as this when we have so many important problems confronting us naturally the Cabinet is not going to be able to take on additional duties. The purpose in setting up the Council of Economic Advisers is to meet the situation that the Secretary of Commerce, Mr. Wallace, and other members of the Cabinet explained to the committee, and that was that one of the reasons President Hoover failed to meet the crisis confronting him was that he did not have the proper advice, and it was also stated that had President Roosevelt been properly advised in reference to the situation he might have done a better job in meeting the deplorable conditions that existed at the time. Therefore, we are setting up this Council of Economic Advisers because we feel that the men who are to canvass the situation should have nothing else to do. Naturally when the Council makes its report to the President he undoubtedly will discuss the report and the conditions with his Cabinet before sending any message to the Congress.

Mr. Speaker, I am confident that the language carried in this conference report as a substitute for the House and Senate bill will become a law. When it does become a law Congress will have done two things. It will have made a solemn promise to maintain conditions under which there will be employment opportunities for those able, willing, and seeking work. It will have established procedures and machinery where these promises can be translated into reality. Again, we are passing legislation that is placing a new responsibility upon the President. I feel that this will be of benefit to the country as a whole because of the assurance that we give in section 2, the declaration of policy.

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, the original full-employment bill that was introduced in this House and that was sponsored by 116 Members from both sides of the aisle was never intended to and nobody that ever studied it thought that it would guarantee jobs for all. It was only the first step in the right direction, an essential first step, however, because it did two things: It stated policy and set up governmental responsibility for creating opportunities for jobs for all when private industry failed, and secondly, it set up certain machinery designed to further better opportunities for employment throughout this country.

In my judgment, the conference report is not nearly as good as the original bill; it has been weakened considerably, both in policy and in machinery. I shall support it, however, because it is still a first step. Even though it does not go as far as many of us wished, it does give us an impetus in the right direction. If we take the indicated succeeding steps, we shall be on the way to our goal.

I call the attention of the House to the following language in the committee report at the bottom of page 1:

The United States is to promote by all practicable means, which may well include, but need not be limited to, taxation, banking, credit and currency, foreign trade, public works, and loans. The term embraces public works but it also includes legislation.

Mr. Speaker, this is the crux of the whole matter. If this bill is followed up with proper legislation in these fields, then we are going to take several steps toward attaining full employment, if not, we shall accomplish nothing. The conference report specifically states that legislation must be enacted if we are going to attain jobs in America. I shall look forward, therefore, to seeing this House and the other body bring in practical legislation dealing with taxation, with banking, with credit and currency, with foreign trade, with public works and loans, which will help to insure jobs for all in the United States. Mr. Speaker, I do not understand why we are so afraid of the words "full employment," the word "assure," the phrase "jobs for all." What more important work has this Congress than enacting legislation designed to create an atmosphere in which all Americans able to work and seeking work may find the opportunity to make a decent living?

As I said, I intend to vote for this conference report, but let us face the facts squarely. If we have in the United States a few years from now five, ten, or fifteen million men walking the streets looking for work, every man and woman in this House will wish he had voted for the original Patman bill when it was brought up. Long relief rolls again will be a sharp reminder to us. I think we do have here a good start. I hope, however, we can bolster it with the proper legislation to follow in these many fields. If we do not, and if this bill is not properly administered, we will be making a useless gesture here today. I hope that this House and the other body will follow



up this conference report with useful legislation in all of these fields which the conferees mentioned. I call attention again to the conference report where it states "the causes of unemployment are to be removed or eliminated." Where we come to discriminatory practices, where we come to monopolistic practices, then I assume the conference report does mean that these and other causes of unemployment are to be eliminated. It is only through such additional legislation following up this conference report that we are going to bring about full or maximum employment to the people of America. We have heard a great deal the last few days about labor strife. If we went to the heart of the labor strikes, which is a feeling of insecurity on the part of millions of American workers, we would not have strikes. Bills like this, weakened though they are, in my judgment constitute one of the big steps in that direction. I shall vote for this conference report, hopeful that having taken this first faltering step we shall soon take the necessary succeeding steps. An America where anyone looking for work and able to work can find a job is our goal. I intend to do everything in my power to reach that goal, and I am certain that the other 115 cosponsors of the original bill feel the same way.

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks, and include certain statements and excerpts.)

#### FULL EMPLOYMENT BILL

Mr. PATMAN. Mr. Speaker, the purpose in introducing the bill known as the full employment bill was to have the Congress of the United States, the legislative branch of our Government, set forth a policy concerning full or maximum employment. This conference report clearly outlines a duty and an obligation on the part of the Federal Government to do everything within its power to provide maximum employment, which I construe to be full employment, if possible. It was never intended that any person would be guaranteed a job. It was never intended to be a bill which would provide a particular job for a particular person. We will always have some unemployment. We cannot expect the people to be 100 percent employed. No one has ever expected that. Yet, we want a policy which, if carried into effect, will cause us to have just as little unemployment as possible and provide maximum or full employment to the greatest extent possible for the people. This conference reports sets forth not only the policy but sets forth the machinery which will permit consideration of that policy. Those two things are vital; they are necessary; they are essential in any program or plan that we may have to aid the people of this country in gaining security for themselves and for their families. I am, therefore, anxious to support this conference report. I congratulate the conferees and the committee on the fine job that they have done, especially under the circumstances.

I know the handicaps they have encountered.

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

Mr. PATMAN. I have only 5 minutes. If the gentleman will get me more time, I will yield.

Mr. HOFFMAN. I do not have control of the time.

Mr. PATMAN. I am sorry.

Now, this will depend upon its administration. After the law is enacted, the administration of it is the important thing. If it is properly and adequately administered, then it will depend upon legislation that is enacted by reason of the administration of this law. This law itself is not self-executing. It does not provide any money for jobs, except for those on the council and the committee. Neither the bill that was introduced in the House or the Senate provided for an appropriation. They only provided for planning against the disastrous, mass unemployment of the past. That is all either bill has ever contemplated, and that is what this conference report proposes to do.

#### ANALYSIS OF THE MURRAY-PATMAN FULL EMPLOYMENT ACT OF 1946

The Employment Act of 1946 as contained in this conference report does the following four things:

First. Establishes a national policy of full employment—section 2;

Second. Provides for the President to transmit to Congress an annual economic report—section 3;

Third. Sets up a Council of Economic Advisors to assist the President—section 4; and

Fourth. Sets up a congressional joint committee on the economic report—section 5.

#### 1. THE NATIONAL POLICY OF FULL EMPLOYMENT

The declaration of policy in section 2 of this act does the following:

(a) Sets forth full employment as an objective of national policy. Instead of using the actual words "full employment," the declaration uses the accepted definition of full employment "conditions under which there are afforded employment opportunities, including self-employment, for those able, willing and seeking to work."

(b) Acknowledges that the Federal Government has a responsibility with respect to employment opportunities.

(c) Defines the Government's responsibility in terms of creating and maintaining conditions of full employment.

(d) Pledges the Government to coordinate and utilize all its plans, functions and resources in discharging this responsibility.

(e) Broadens the Government's responsibility to include the promotion not only of maximum employment, but also of maximum production and purchasing power.

(f) Provides that the Government's responsibilities be discharged by using all practicable means consistent with its needs and obligations and other essential considerations of national policy; and with the assistance and cooperation of industry, agriculture, labor and State and local governments; and in a man-

ner calculated to foster and promote free competitive enterprise and the general welfare.

#### 2. THE PRESIDENT'S ECONOMIC REPORT TO CONGRESS

The President's Economic Report to Congress is to be transmitted within 60 days after the beginning of each session and is to include:

(a) Goals on employment, production, and purchasing power.

(b) An analysis of current facts and trends with respect to employment, production, and purchasing power.

(c) A review of the Government's economic program and of general economic conditions, as they affect employment, production, and purchasing power.

(d) A program for carrying out the declaration of policy.

Supplementary reports may be transmitted to Congress whenever the President deems necessary.

The President's Economic Report, and all supplementary reports, are to be referred to the Joint Committee on the Economic Report.

#### 3. THE COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

The purpose of the Council of Economic Advisers is:

(a) To advise the President in the preparation of the economic report.

(b) To gather information on economic trends.

(c) To appraise the various programs of the Federal Government.

(d) To recommend specific economic policies to the President.

(e) To consult, to the extent deemed necessary, with representatives of industry, agriculture, labor, consumers, State and local governments, and others—and to set up advisory committees for this purpose.

The Council is to be composed of three members who:

(a) Shall be appointed by the President.

(b) Shall be confirmed by the Senate.

(c) Shall be exceptionally qualified to analyze economic developments, appraise Government programs and recommend national policy.

(d) Shall be paid \$50,000 a year.

(e) Can be removed by the President at any time.

The total salaries of the Council and its employees are limited to \$345,000 a year. The Council is directed to utilize, to the fullest extent possible, the facilities of other Government agencies as well as of private research agencies.

#### 4. THE JOINT COMMITTEE ON THE ECONOMIC REPORT

The purpose of the Joint Committee on the Economic Report is:

(a) To make a continuing study of matters relating to the President's Economic Report.

(b) To study means of coordinating programs in order to carry out the declaration of policy and by May 1 of each year to file a report with the Senate and the House of Representatives containing its analysis of the recommendations in the President's Economic Report.

The joint committee is to be composed of seven Members of the Senate and seven Members of the House of Repre-



sentatives, to be appointed by the presiding officer of each House. The party representation on the committee is to reflect, as nearly as may be feasible, the relative membership of the majority and minority parties. The committee is to select its chairman and vice chairman. The sum of \$50,000 a year is authorized to cover the committee's expenses.

The Murray-Patman Full Employment Act is based upon H. R. 2202, sponsored in the House of Representatives by the gentleman from Texas, Representative WRIGHT PATMAN, with the support of 115 other Representatives, and upon S. 380, sponsored in the Senate by Senators MURRAY, Montana; WAGNER, New York; THOMAS of Utah; C'MAHOONEY, Wyoming; MORSE, Oregon; TOBEY, New Hampshire; AIKEN, Vermont; and LANGER, North Dakota.

#### ALARMED OVER FEAR OF INFLATION

I am more alarmed today than I have been since I have been a Member of this Congress, the past 17 years, about the outlook in the United States for the people and the Government. We have successfully won our wars upon foreign battlefields. Our fine young servicemen have done that for us, but our No. 1 problem today is to prevent inflation at home, which can destroy everything economically that those servicemen have preserved for us. Our dollar today is worth only 76 cents. It can go down to 44 cents, as it did during World War I period, or to 40 cents, just as it did during the Spanish-American War, or to 33 cents as during the Revolutionary War. As to whether or not it will depend upon the action of this Congress. I am apprehensive that we cannot predict, with any assurance at all, the extension of any of the controls over scarce and limited commodities that will keep price controls in hand and that will prevent undue, ruinous, or run-away inflation. There is so much sentiment in this Congress today against any kind of controls, even on scarce commodities, or any kind of allocation, that I am not really convinced we are going to pass effective laws that will permit their further control.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

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

Mr. SABATH. Mr. Speaker, after having heard the statements of the gentleman from Missouri [Mr. COCHRAN]; the gentleman from California [Mr. OUTLAND]; and the gentleman from Texas [Mr. PATMAN], who have all urged adoption of the conference report on the shadowy remains of the President's proposed legislation to insure full employment, I realize with other Members that the amended bill will fall woefully short of carrying out the President's original urgent recommendations.

I had hoped that the Congress would give the President the law that he asked for and that he needs to cushion the shock of future unemployment. We failed in that. Nevertheless, in view

of urgent needs I shall support and vote for the conference report.

The amended bill as it will now go to the President for signature, as appears from the conference report, creates a Council of Economic Advisers, each of whom is required to be an expert in economics, and it further provides for a joint congressional committee to maintain a continuing study of economic conditions. I hope sincerely that not only the members of the Council of Economic Advisers, but the members of the joint congressional committee will be open-minded, alert, and well informed. I hope they will, from time to time, make such recommendations as will be most conducive to wise legislation to make our country stronger and to make depressions impossible; or, if that is too much to hope for, to make depressions less likely and to reduce their shock on our national well-being. It may be seriously questioned whether our economy, and our form of government, can suffer another Hoover depression.

I fully appreciate that some Republicans will maintain that this is not a full employment measure. I agree with them fully. These Republicans did not want a full employment bill. They wanted less even than we have given to strengthen the hands of the President. However, Mr. Speaker, while this bill does not call for full employment in those very words, it does call for maximum employment, which is tantamount to full employment, properly construed.

As one of the 116 Members who have been urging and working for the President's program, I feel that the conferees, in the face of difficulties and adverse conditions, have worked out a bill that is bound to be helpful and beneficial in the future.

I am satisfied there is not going to be any substantial unemployment in the immediate future, Mr. Speaker. There is a severe shortage of labor now which will doubtless continue for 3 years or more. By that time, I feel that the Council of Economic Advisers to the President, with the broad powers and adequate funds granted, will have completed a full and unbiased investigation, and will be ready to make recommendations for legislation which we all hope will encourage employment for every man and woman who wants to work, and at a fair wage. I also hope and believe that private industry, long before the danger of widespread unemployment and mass misery is upon us, will have come to the conclusion that, in their own best interests, and in the best interests of the country which should come first in the hearts and minds of every American, they should deal fairly with labor and pay a wage on which wage earners can exist in decency and pride. This will serve to eliminate discord between employer and employee; there will be no need for organized labor to strike for a living wage; and it will insure a vast mass market for the products of industry. Every one will be helped.

Mr. Speaker, it is my fervent hope that the Government will not have to resort to "made work" to enable people to eat. The demand for civilian goods, at home and abroad, should continue to

be greater than the available supply for many months to come, and our greatest present danger is from inflation rather than from depression. During this period it is unthinkable that we, as a nation, should have to provide public work projects.

If we plan wisely now we can keep depression from striking when supply catches up with demand, and this bill, however much it may lack, is at least a long step in the right direction.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

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

Mr. MURDOCK. Mr. Speaker, more than a third of a century ago I was hurrying one morning to the campus of a college in Missouri and noticed a tall man speaking to a group of grimy-faced miners on a street corner. There was a strike on in a coal mine nearby. The speaker was the Millionaire Hobo and he was telling these men that they ought to be employed by the Government. I stopped out of curiosity, but spied on the outskirts of the crowd a well-dressed dapper little gentleman with a van dyke beard who was a member of the faculty of our nearby college. He tried to pass on before I saw him, but when I overtook him and asked how he happened to be there, he said, "I just happened to be passing this way and I wanted to take a second look at the Millionaire Hobo, but, of course, his revolutionary ideas have little appeal to the saner members of society."

Perhaps the professor was right, but I have noticed a slight change creeping into the textbooks and teachings in the field of economics during the long years since that morning. I do not mean that the idea that the Government should furnish everybody a job, which I heard expressed by the Millionaire Hobo, has come to be accepted by sane persons, but at least safe and sane writers on economics do hold that in our free enterprise system with its impelling profit motive, there is a function and a duty devolving upon government to a certain extent concerning jobs. The best of textbook writers freely express the opinion that in the midst of a depression it is the duty of government to furnish feasible and needed public works that jobs may be had by those who are otherwise unemployed. This does not refer to leaf raking and gravel scratching, but to prevent such.

Of course, it is the duty of the people to support the Government and not the duty of the Government to support the people. It is understood that government under our system cannot expend a dollar to furnish jobs to those otherwise unemployed without taking that dollar in taxes from somebody who has previously been employed. While somewhat confused, the relationship there is not nearly so uncertain and confused as to which comes first, the hen or the egg. I expect even the Millionaire Hobo did not really believe "that the world owes everybody a living."

There is no question in my mind but that the American economic way of life, involving free enterprise and the profit



motive, is the best economic system. Certainly I believe it is best for the American people and that it is accountable for the marvelous economic development of our country, with its accompanying benefits of great wealth widely diffused. I want to be perfectly clear on that point. Yet I do not believe that the recurring cycles of prosperity and depression which have characterized our American economic system are inevitably necessary. It has been taught that they are unavoidable. There has been a lot of bunk taught in our schools and colleges, written into our textbooks, and encouraged by some of our leaders in finance and industry along that line. There have been some so-called economic laws, called "natural laws," against the operation of which these leaders of thought have declared man cannot successfully contend. Therefore, if we accept their philosophy we must expect and put up with these recurring cycles of booms and depressions and endure them as best we may.

I reject that idea. Now I do not know that there are any preventatives of cyclones and earthquakes, but I am not prepared to believe that booms and depressions are equally inevitable. Even if man cannot stop or prevent cyclones and earthquakes, intelligent men can at least provide some protection against them, and I think the same amount of intelligence would enable men to provide protection against booms and depressions with even greater success to minimize their destructive effects.

It is because I believe this measure will tend to level off the peaks and fill up the valleys in the production of material goods, and also I believe that the Government has a duty to have a voice in the matter along with business and to exert some influence through a coordinated public building plan of necessary construction and of projects which will create wealth, that I favor the adoption today of this legislation. I trust the conference report will be adopted.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

[Mr. SMITH of Ohio addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MANASCO. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, first of all, as a member of the committee I want to express to the House conferees my appreciation for the excellent job they did in getting the Senate conferees to accept the basic philosophy of government which motivated us in writing and bringing out the House bill. I am glad they have brought back this legislation in substantially the form it was passed by the House.

I also want to congratulate the gentleman from Texas [Mr. PATMAN] and the gentleman from California [Mr. OUTLAND], and the other sponsors of the original full employment bill on their belated conversion to the committee bill.

They fought the committee tooth and nail for four long months, during which it was beaten over the head by all the forces they could rally in America, including condemnation in two Nationwide broadcasts by the President, because the committee would not bring out their bill without the changing of a comma. I am glad they have seen the light and have decided that if they cannot father this bill they, at least, are willing now to be stepfather to it. I congratulate them for their decision to support our bill.

This bill does not carry the name "full employment," but I am convinced it will have a better chance of furnishing full employment than the Patman bill would. That is the reason most of us in the committee have worked so long on the committee bill. We were not willing to deceive anybody or to try to pull the wool over anybody's eyes. We wanted to make a straightforward and honest effort to do everything in our power to so handle the economy of this country that everybody who wants to work and is able to work will have a chance to get a job, and the right kind of a job.

Mr. Speaker, the President has been saved by the allegedly obstreperous members of the Committee on Expenditures in the executive departments from the embarrassment that would have been his if the original bill had been passed. Its un wisdom would soon have been evident. Despite the fact that some advised him that the committee was just stalling and was against maximum employment, the committee's insistence on sticking to fundamental and sound principles has saved him from the great errors which would have been evident had he had to make a National Budget under that original bill. For example, the estimates of involuntarily unemployed that would have been made only 3 months ago would already be about 500 percent off. I am sure he is grateful to the committee now for having rescued him from that most unhappy predicament.

I cannot see any reason for voting against this conference report. The bill in its final form cannot do any harm and it can do a great deal of good if administered in the right way with the right kind of appointments on the Council of Economic Advisers.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. MANASCO. Mr. Speaker, I yield 5 minutes to the majority leader the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, while this bill does not go as far as some of us would like, still it represents another important step in the progress of our country.

As for the phraseology of the bill, it calls for "maximum employment, production, and purchasing power." If one looks up the definition of "maximum" in the dictionary, among other things one finds that "maximum" means: "the greatest quantity of value attainable in a given case; the highest point or degree." So I believe that those who try to draw a distinction between "maximum" and "full" are drawing one that

in fact does not and under the provisions of this bill will not exist.

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

Mr. McCORMACK. I yield.

Mr. JUDD. Does not the gentleman believe that the addition of the word "attainable" makes all the difference in the world? "Full" is an absolute term, whereas "maximum" means the highest attainable. To me it makes a very great difference.

Mr. McCORMACK. I respect the gentleman's view, but I believe "maximum" in this bill and "full" as employed in the original bill give to future Congresses substantially the same powers from a legislative angle.

Mr. JUDD. I am glad the gentleman agrees, because the word "maximum" was the word of which I was the father in the committee.

Mr. McCORMACK. So far as "maximum" and "full" are concerned, the gentleman is a pretty good father, because I do not see much distinction between the two.

Miss SUMNER of Illinois. I agree with the majority leader. I think we got exactly the full employment bill.

Mr. McCORMACK. I will not challenge the statement of the gentlewoman from Illinois.

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

Mr. McCORMACK. I yield.

Mr. MANASCO. In the original bill full employment was assured. Under this bill we are trying to bring about full employment.

Mr. McCORMACK. Under the provisions of this bill there is established a definite policy. That is the important thing which this bill writes into law, that the powers of Government can and shall be used to combat depressions and their evil, deflationary, harmful, and destructive results.

It was only prior to 1933 that most persons, even economists, took the position that depressions were a necessary part of our national economy and that when we were visited by a depression the Government should retrench and spend as little as possible and wait for business to "pick up"; in other words, to let things take their course, and to hope and pray we would not hit too low a bottom. This meant doing nothing to try and stop the deflationary forces of a depression.

From 1929 until March 1933, nothing was done except for a few large banks and railroads, nothing was done except to let business go through bankruptcy, to let homes and farms be foreclosed, to let banks close with a loss of life savings to hundreds of thousands of our citizens, and to let the unemployed and their dependents look to local charity, and to the States, cities, and towns for relief. The Federal Government adopted a hands-off policy. Under Franklin D. Roosevelt that situation changed. There are few persons now except those who believe in old-fashioned conservatism such as existed in the Hoover and pre-Hoover days, who believe in such a do-nothing policy.

Before Franklin D. Roosevelt it was felt by many that depressions while un-



pleasant were unavoidable and could not be minimized. There were even some who felt they had a wholesome effect. This latter feeling was mainly confined to those who were possessed of the world's spoils so that they did not have to worry and most of them waited until prices were low, then stepped in and purchased and came out of the depression with their wealth greatly increased.

Happily there has been a change in the minds of the American people as the result of their intense sufferings of the last depression.

This bill implements and strengthens our economic system based on private capital. That is what we want to do and we should do. Based on experience, it is the means if and when a future depression comes, or a business recession, to meet in a democratic way the evil economic forces that accompany a depression or business recession as well as the destructive results that follow.

This bill is a recognition that it is the duty of government to battle future depressions, not to follow the defeatism policy that existed before the days of Franklin D. Roosevelt.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from Alabama [Mr. PATRICK].

(Mr. PATRICK asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. PATRICK. Mr. Speaker, time marches on. I was one of the coauthors of the original full employment bill introduced as the Patman bill. As for myself I am glad to get this conference report and shall vote for its adoption.

It has been watered down and does not contain the strong diet of security for this country it would have carried had the original Patman bill been passed but it is certainly better than some of us feared when the fight started against this legislation on the floor of Congress. It is worth fighting for, even as it is.

This measure as passed is a very good example of how our democratic processes do work. Among those who voted for this bill in the House are some who feel they went a long way to support it at all. Some of you moderate gentlemen feel you came a greater distance than we who wished to put a stronger bill through and we feel that we had to go much further in your direction than you went in ours. At any rate we met near enough the middle of the field to pass a bill. The Senate came through with its version.

Now, the conference has given us this piece of work and I am very happy to find it is as good as it is. At least it lays out a piece of ground work and gives us something to build upon. Many good people throughout America will give thanks tonight and will sleep with a greater sense of general national security. They may feel sure the President will sign and an employment law will soon be among the laws of our great country.

Mr. MANASCO. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

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

[Mr. HOLIFIELD addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the pending conference report.

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

There was no objection.

Mr. MANASCO. Mr. Speaker, I yield the remainder of the time to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the conference agreement constitutes a constructive advance in one of the most difficult problems confronting government, the problem of unemployment. There is general agreement as to the broad objectives of employment legislation. The difference has been as to the means and the methods. Those of us favoring legislation and opposing planned economy and deficit spending have asserted that employment is not the sole responsibility of the Government, but that the real responsibility of the Government is to create sound basic conditions for the promotion of employment under our free competitive enterprise system.

The conference agreement eliminates the words and the terms in the so-called full employment bills as passed by the Senate and as introduced in the House that are misleading, if not deceptive. The objective is high levels of employment or maximum employment, to use a term of the bill as it passed the House.

I should like to say with respect to the conference report in this connection that while my good friend the gentleman from Michigan [Mr. HOFFMAN] did not sign the report, he exercised an influence that contributed to a sound policy in the conference agreement. I may also be pardoned for saying with respect to my good friend the gentleman from Ohio [Mr. BENDER] that his act in saying he will support the conference agreement speaks louder than his words in criticism of the agreement.

May I say also, with respect to the question of the gentleman from Nebraska [Mr. CURTIS] as to the advisers not being required to be citizens of the United States that I acquit him of any intention of either gratuitously reflecting upon the President of the United States or the Senate by saying that no appropriations under limitations of Congress are made except to pay public officials who are citizens of the United States and by saying further that under the terms of the conference agreement the Senate of the United States will advise and consent to the appointment of the members of the advisory council. The language is the usual terms for appointment and confirmation in practically all bills passed by the Congress. I believe that the gentleman on reflec-

tion will withdraw his unwarranted criticism of the qualifications of the members of the Council.

The conference agreement contains the essential provisions of the House bill and it rejects the philosophy of the Senate bill.

The Senate bill declared that it is the responsibility of the Federal Government to assure at all times sufficient opportunities for employment to enable all Americans able and willing to work to exercise their right to continued full employment. The declaration was implemented by Federal expenditures and investments to attain the policy of full employment. The President was requested to submit a budget in line with the declaration of the Senate bill.

The House bill or substitute rejected the responsibility of the Government to assure or guarantee employment. It declared the policy to promote employment, production, and purchasing power under the system of free competitive enterprise. It was the philosophy of the House bill that employment is not the sole responsibility of the Government but that industry, agriculture, and labor have their responsibility.

I submit that the conference agreement adopted the House view, and while it did not adopt the House language the declaration of policy is in line with the House bill. While the House bill declared for the continuance of the policy to plan and adopt public works and to make loans without naming other means, the conference agreement declares that it is the policy of the Federal Government to use all practicable means. The term "means" embraces not only public works, loans, but taxation, banking, currency, and foreign trade. It is not limited to these fields, but practicable means consistent with the needs and obligations and other essential considerations of national policy implies legislation as well as taxation or public works. The House bill not only paid lip service to free enterprise, but it declared for the promotion of employment fundamentally through the free competitive system. This declaration is retained in substance in the conference agreement. The promotion rather than the guaranty or assurance of employment is the goal of the conference agreement and it was the objective of the House bill. The conference agreement, in line with the House bill, declares that it is the responsibility of the Federal Government to promote employment with the assistance and cooperation of industry, agriculture, labor, State and local governments, and to coordinate and utilize its plans, functions, and resources to use another term from the House bill to create conditions in a manner calculated to foster and promote free competitive enterprise and to promote maximum employment, production, and purchasing power.

The term "full employment" is rejected. The conference agreement uses the term "maximum employment." In my judgment it is synonymous with the high levels of employment of the House bill. The words "full," "guarantee," "assure," "investment," and "expenditure" do not occur in the conference agreement. With-



out question there was emphasis in the Senate bill on spending, expenditures, and disbursements. Deficit spending would have obtained. The emphasis is omitted in the conference agreement.

#### ECONOMIC REPORT

The House bill rejected the budget of the Senate bill. Budgets contemplate authorizations. While there was an implied authorization, in my view, in the Senate bill there was no direct authorization. No authorization except for the council and joint committee was contained in the House bill. It provided for an economic report rather than a budget. The conference report contains the substantial provisions of the House bill for an economic report.

#### COUNCIL OF ECONOMIC ADVISERS

In order that the President may have the best advice that it is possible to secure, the conference agreement adopted the House provisions for a Council of Economic Advisers. President Hoover in 1931 and President Roosevelt in 1937, when they made their predictions with respect to economic conditions, had the benefit of their Cabinet views and President Hoover had the benefit of a Committee of his Cabinet under the Stabilization Act of 1931. The Cabinet Committee employed a coordinator and expended \$90,000 annually in preparing reports for the President. There was general agreement in the hearings that further provisions should be made to aid and assist the President in submitting his economic report and making recommendations for legislation respecting employment and economic policies. The agreement authorizes the President to obtain the best talent in the Nation to aid him in formulating, developing, and recommending a national economic policy to provide for employment and production under the system of free competitive enterprise. Three members are to be appointed, their offices being of equal dignity with that of the Cabinet. I oppose creating additional offices generally, but employment is one of the most important problems confronting the Government. Billions of dollars were spent in the thirties. In my view, the small expenditures provided for the Council in the sum of \$345,000 and the joint committee in the sum of \$50,000 would promote both efficiency and economy in dealing with the problem of employment.

#### JOINT COMMITTEE

A joint congressional committee is provided for. There are no restrictions as to the membership. The House bill provided for a committee of 11 each in the Senate and the House. A smaller committee would be more efficient. There is need for such a committee. Depressions and fluctuation in employment to a greater or less degree obtain every few years. The problem is a continuing one. It is of first importance. Congress has provided public works for public needs. These works may be stepped up to stimulate and stabilize in depression employment. There is need for the provisions for public works loans and other outlays to be coordinated. Such is the responsibility of the joint committee, a coordination of all plans under existing

law to provide for employment. This constructive feature obtained in the House bill and is preserved in the conference agreement.

#### INTERPRETATIONS

Inasmuch as the conference report does not change any statutes with respect to appropriations or authorizations, there was no occasion for the section on interpretations. It has been eliminated in the conference agreement inasmuch as the agreement contains no authorizations and provides for no appropriations except a limit on the amounts that may be expended by the council of advisors and by the joint committee.

#### CONCLUSION

The conference agreement declares a policy. It provides the means and the machinery for the execution of that policy. The success will depend upon administration, and it will depend not only upon the will of the administration, particularly with respect to spending, but it will depend upon the caliber of the three persons appointed as members of the Economic Council. They are to develop and recommend economic policies and legislation to promote employment under the system of free competitive enterprise. I emphasize that the conference agreement, if efficiently administered, will preserve and promote the American system of free enterprise and will promote employment and production but I also emphasize that if all the members of the council are not competent, and if the President adopts the policy of spending rather than the policy of ascertaining the causes of depressions and the adoption of legislation to prevent their recurrence, the problem of unemployment and depressions will continue to be the fate of the republic. Everything depends upon the administration.

The hearings, I emphasize, showed that President Hoover needed better advice, and that President Roosevelt needed better advice. This conference agreement authorizes the President of the United States to appoint statesmen of the very highest caliber, on a par with the members of the Cabinet, three of them, not one as is the case with the Director of War Mobilization and Reconversion, to advise the President, to survey conditions, and to recommend a program and policies for the solution of, I repeat, one of the most important problems confronting our Government.

When the President submits his program after receiving their report and recommendations, they having been confirmed by the Senate, the language providing for their appointment having been approved in this House in the original bill by a vote of more than two to one, we will then have an opportunity for a joint committee of the House and Senate to consider and coordinate the plans that have been adopted by Congress and to consider and submit its recommendations to the Congress for legislation respecting the President's program.

Mr. Speaker, we anticipated the superficial criticism, that this council provides for the expenditure of more money. We anticipated that by limiting the expenditures. In my judgment and in the

judgment of the conferees it would be efficiency and economy to authorize a permanent council of outstanding statesmen to advise the President and thus prevent a repetition of the deficit spending that followed the depression of the thirties, amounting to billions and multiplied billions of dollars. It is a sound provision. It is praiseworthy for the Congress of the United States to give to the President when he submits his program the best talent of the Nation to advise and to assist him in the submission of that program.

There is a change in the conference agreement with respect to the committee. A smaller committee, of seven, is provided. The Speaker of the House and the President of the Senate are not limited to any committee. They have the House and the Senate at their command.

May I say this word, finally. There are no authorizations for any program; there are no appropriations in this bill. Whatever program the President submits will be considered by the Congress. It is subject to future legislation. We have provided a sound declaration of policy. We have not manifested a continuing indifference to the problems of employment and of unemployment. We have provided in this conference agreement, as the House provided in the House bill, advisers to aid and assist the President of the United States when he makes his report to the Congress to submit a constructive report and a constructive program.

This legislation, like all legislation, in the last analysis, if it is to be successful, if it is to do the job, as I have said, is dependent upon administration. In my judgment, the crux of this legislation is the provision that is made for the appointment of men of the very best caliber in the Nation to set up this program, to provide and develop policies and programs for the solution of the problem of employment in this country, to recommend legislation or proposing new legislation to prevent the recurrence of depressions. If the objective of this bill can be accomplished, it will result in great benefit to the United States in the years ahead—and will promote the general welfare.

Mr. WHITE. Would the organization set up in this bill have been a godsend to this country when the administration and the Congress were groping in 1930 for some means to provide for the welfare of the country?

Mr. WHITTINGTON. I have so indicated.

I now yield to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. I just want to make sure that the gentleman does not leave the wrong impression. I thought the gentleman said that this bill had to come back to the Congress for further authorization for appropriations. Is it not true that the total of \$390,000 is already authorized and then more if necessary?

Mr. WHITTINGTON. No, let us understand that matter now. I have stated that before any appropriations were made or before any program was adopted, that program or those appropriations



for carrying out the policies of the program, would have to be submitted to the Congress of the United States and adopted by the Congress. I have stated, as you have indicated, that the smaller amount not to exceed a total of \$395,000, a small appropriation as provided in the original House bill for the Council of Economic Advisers and for the Joint Committee is authorized in this bill. I have indicated and I have emphasized that that is the extent of the authorization carried in this bill.

Mr. CHURCH. That is, \$390,000?

Mr. WHITTINGTON. Not more than that—that is the ceiling. The ceiling is, as I have stated, \$395,000.

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

The SPEAKER. The time of the gentleman from Mississippi has expired. All time has expired.

Mr. MANASCO. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. McCORMACK. Mr. Speaker, this is an important matter and I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 320, nays 84, answered "present" 1, not voting 25, as follows:

[Roll No. 20]

YEAS—320

Adams	Celler	Fuller
Allen, La.	Chapman	Gallagher
Almond	Cheif	Gamble
Anderson, Calif.	Chenoweth	Gardner
Andresen	Chipperfield	Gary
August H.	Clason	Geelan
Andrews, Ala.	Clements	Geilach
Andrews, N. Y.	Clippinger	Gifford
Angell	Cochran	Gillespie
Atchincloss	Coffee	Gillie
Bailey	Cole, Kans.	Gordon
Baldwin, Md.	Cole, Mo.	Gore
Baldwin, N. Y.	Cole, N. Y.	Gorski
Barden	Colmer	Gossett
Barrett, Pa.	Combs	Granahan
Barrett, Wyo.	Cooley	Granger
Barry	Cooper	Grant, Ala.
Bates, Ky.	Corbett	Grant, Ind.
Bates, Mass.	Courtney	Green
Beall	Cravens	Gregory
Beckworth	Cunningham	Griffiths
Bell	D'Alesandro	Hagen
Bender	Daughton, Va.	Hall
Bennet, N. Y.	Dawson	Edwin Arthur
Bennett, Mo.	De Lacy	Hall,
Biemiller	Delaney,	Leonard W.
Blackney	James J.	Hand
Bland	DeLaney.	Hare
Bolton	John J.	Harless, Ariz.
Bonner	D'Ewart	Harris
Boren	Dingell	Hart
Boykin	Dirksen	Hartley
Bradley, Pa.	Domengeaux	Havener
Brehm	Douglas, Calif.	Hays
Brooks	Douglas, Ill.	Healy
Brown, Ga.	Doyle	Hébert
Brumbaugh	Drewry	Hedrick
Bryson	Dworshak	Heffernan
Buck	Earthman	Hendricks
Buckley	Eaton	Henry
Bulwinkle	Eberharter	Herter
Bunker	Elliott	Heselton
Burch	Elsaesser	Hess
Burgin	Engel, Mich.	Hill
Butler	Engle, Calif.	Hinshaw
Byrne, N. Y.	Ervin	Hobbs
Camp	Feighan	Hoch
Campbell	Fenton	Holifield
Canfield	Fernandez	Holmes, Wash.
Cannon, Mo.	Flannagan	Hook
Carnahan	Fogarty	Horan
Case, N. J.	Folger	Howell
Case, S. Dak.	Forand	Huber

Hull	Morgan	Sadowski
Izac	Morrison	Sasser
Jackson	Mundt	Savage
Johnson, Calif.	Murdock	Sharp
Johnson, Ind.	Murray, Tenn.	Sheppard
Johnson,	Murray, Wis.	Sheridan
Luther A.	Neely	Sikes
Johnson,	Norblad	Simpson, Ill.
Lyndon B.	O'Brien, Ill.	Slaughter
Johnson, Okla.	O'Brien, Mich.	Smith, Maine
Judd	O'Hara	Smith, Va.
Kean	O'Konski	Snyder
Kearney	O'Neal	Somers, N. Y.
Kee	O'Toole	Sparkman
Kefauver	Outland	Spence
Kelley, Pa.	Pace	Springer
Kelly, Ill.	Patman	Starkey
Keogh	Patrick	Stevenson
Kerr	Patterson	Stewart
Kilburn	Peterson, Fla.	Stigler
King	Peterson, Ga.	Sullivan
Kirwan	Pfelfer	Sumners, Tex.
Kopplemann	Philbin	Sundstrom
LaFollette	Pittenger	Talbot
Landis	Plumley	Tarver
Lane	Poage	Taylor
Larcade	Price, Fla.	Thom
Latham	Price, Ill.	Thomas, N. J.
Lemke	Priest	Thomas, Tex.
Leshnski	Quinn, N. Y.	Thomason
Lewis	Rabaut	Tibbott
Link	Rabin	Tolan
Luce	Rains	Torrens
Ludlow	Ramey	Towe
Lyle	Randolph	Traynor
Lynch	Rayfiel	Trimble
McCormack	Reed, Ill.	Vinson
McCowan	Rees, Kans.	Voorhis, Calif.
McDonough	Resa	Vorys, Ohio
McGlinchey	Richards	Vursell
McGregor	Riley	Wadsworth
McKenzie	Rivers	Walter
McMillan, S. C.	Robertson,	Wasielewski
McMillen, Ill.	N. Dak.	Weaver
Madden	Robertson, Va.	Welch
Mahon	Robinson, Utah	White
Manasco	Robson, Ky.	Whittington
Mansfield,	Rockwell	Wickersham
Mont.	Roe, N. Y.	Wigglesworth
Mansfield, Tex.	Rogers, Fla.	Wilson
Marcantonio	Rogers, Mass.	Wolcott
Mathews	Rogers, N. Y.	Wolfenden, Pa.
Merrow	Rooney	Wolverton, N. J.
Michener	Rowan	Woodhouse
Miller, Calif.	Russell	Worley
Mills	Ryter	Zimmerman
Mcronrey	Sabath	

NAYS—84

Abernethy	Gwynne, Iowa	Pickett
Allen, Ill.	Hale	Ploeser
Andersen,	Halleck	Rankin
H. Carl	Hancock	Reece, Tenn.
Arends	Hoeven	Rich
Bishop	Hoffman	Rizley
Brown, Ohio	Holmes, Mass.	Rodgers, Pa.
Buffett	Hope	Roe, Md.
Byrnes, Wis.	Jenkins	Schwabe, Mo.
Carlson	Jernings	Schwabe, Okla.
Church	Jensen	Scrivner
Clevenger	Jones	Shafer
Crawford	Jonkman	Short
Curtis	Kilday	Simpson, Pa.
Davis	Kinzer	Smith, Ohio
Dolliver	Knutson	Smith, Wis.
Dondero	Kunkel	Stefan
Ellis	Larham	Stockman
Ellsworth	LeCompte	Summer, Ill.
Elston	LeFevre	Taber
Fellows	McConnell	Talle
Gathings	McGehee	West
Gavin	Maloney	Whitten
Gibson	Martin, Iowa	Winstead
Gillette	Mason	Winter
Goodwin	May	Wood
Graham	Miller, Nebr.	Woodruff
Gross	Norrell	
Gwinn, N. Y.	Phillips	

ANSWERED "PRESENT"—1

Powell

NOT VOTING—25

Arnold	Durham	Keefe
Bloom	Fallon	Lea
Bradley, Mich.	Fisher	Martin, Mass.
Cannon, Fla.	Flood	Murphy
Clark	Fulton	Norton
Cox	Gearhart	Reed, N. Y.
Crosser	Harness, Ind.	Weich
Curley	Jarman	
Doughton, N. C.	Johnson, Ill.	

So the conference report was agreed to. The Clerk announced the following pairs:

General pairs until further notice:

Mr. Cox with Mr. Martin of Massachusetts.  
Mr. Doughton of North Carolina with Mr. Reed of New York  
Mrs. Norton with Mr. Johnson of Illinois.  
Mr. Lea with Mr. Keefe.  
Mr. Bloom with Mr. Arnold.  
Mr. Jarman with Mr. Harness of Indiana.  
Mr. Cannon of Florida with Mr. Fulton.  
Mr. Crosser with Mr. Bradley of Michigan.  
Mr. Flood with Mr. Welch.  
Mr. Durham with Mr. Gearhart.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

MERCHANT SHIP SALES BILL OF 1945

Mr. BLAND submitted the following conference report and statement on the bill (H. R. 3603) to provide for the sale of surplus war-built vessels, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3603) to provide for the sale of surplus war-built vessels, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Merchant Ship Sales Act of 1946'."

"DECLARATION OF POLICY"

"SEC. 2. (a) It is necessary for the national security and development and maintenance of the domestic and the export and import foreign commerce of the United States that the United States have an efficient and adequate American-owned merchant marine (1) sufficient to carry its domestic water-borne commerce and a substantial portion of its water-borne export and import foreign commerce and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times; (2) capable of serving as a naval and military auxiliary in time of war or national emergency; (3) owned and operated under the United States flag by citizens of the United States; (4) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel; and (5) supplemented by efficient American-owned facilities for shipbuilding and ship repair, marine insurance, and other auxiliary services.

"(b) It is hereby declared to be the policy of this Act to foster the development and encourage the maintenance of such a merchant marine.

"DEFINITIONS"

"SEC. 3. As used in this Act the term—  
"(a) 'Commission' means the United States Maritime Commission.

"(b) 'War-built vessel' means an ocean-going vessel of one thousand five hundred gross tons or more, owned by the United States and suitable for commercial use—

"(1) which was constructed or contracted for by or for the account of the United States during the period, beginning January 1, 1941, and ending with September 2, 1945; or

"(2) which, having been constructed during the period beginning September 3, 1939, and ending with September 2, 1945, was ac-



quired by the United States during such period.

"(c) 'Prewar domestic costs', as applied to any type of vessel, means the amount determined by the Commission, and published by the Commission in the Federal Register, to be the amount for which a standard vessel of such type could have been constructed (without its national defense features) in the United States under normal conditions relating to labor, materials, and other elements of cost, obtaining on or about January 1, 1941. In no case shall the prewar domestic cost of any type of vessel be considered to be greater than 80 per centum of the domestic war cost of vessels of the same type.

"(d) 'Statutory sales price', as applied to a particular vessel, means, in the case of a dry-cargo vessel, an amount equal to 50 per centum of the prewar domestic cost of that type of vessel, and in the case of a tanker, such term means an amount equal to 87½ per centum of the prewar domestic cost of a tanker of that type, such amount in each case being adjusted as follows:

"(1) If the Commission is of the opinion that the vessel is not in class, there shall be subtracted the amount estimated by the Commission as the cost of putting the vessel in class.

"(2) If the Commission is of the opinion that the vessel lacks desirable features which are incorporated in the standard vessel used for the purpose of determining prewar domestic cost, and that the statutory sales price (unadjusted) would be lower if the standard vessel had also lacked such features, there shall be subtracted the amount estimated by the Commission as the amount of such resulting difference in statutory sales price.

"(3) If the Commission is of the opinion that the vessel contains desirable features which are not incorporated in the standard vessel used for the purpose of determining prewar domestic cost, and that the statutory sales price (unadjusted) would be higher if the standard vessel had also contained such features, there shall be added the amount estimated by the Commission as the amount of such resulting difference in statutory sales price.

"(4) There shall be subtracted, as representing normal depreciation, an amount computed by applying to the statutory sales price (determined without regard to this paragraph) the rate of 5 per centum per annum for the period beginning with the date of the original delivery of the vessel by its builder and ending with the date of sale or charter to the applicant in question, and there shall also be subtracted an amount computed by applying to the statutory sales price (determined without regard to this paragraph) such rate not in excess of 3 per centum per annum in the case of a vessel other than a tanker, and not in excess of 4 per centum per annum in the case of a tanker, for such period or periods of war service as the Commission determines will make reasonable allowance for excessive wear and tear by reason of war service which cannot be or has not been otherwise compensated for under this subsection.

"No adjustment, except in respect of passenger vessels constructed before January 1, 1941, shall be made under this Act which will result in a statutory sales price which (1) in the case of dry-cargo vessels (except Liberty type vessels) will be less than 35 per centum of the domestic war cost of vessels of the same type, (2) in the case of any Liberty type vessel will be less than 31½ per centum of the domestic war cost of vessels of such type, or (3) in the case of a tanker will be less than 50 per centum of the domestic war cost of tankers of the same type. For the purposes of this Act, except section 5, all Liberty vessels shall be considered to be vessels of one and the same type.

"(e) 'Domestic war cost' as applied to any type of vessel means the average construction

cost (without national defense features) as determined by the Commission, of vessels of such type delivered during the calendar year 1944, except in case of any type of vessel the principal deliveries of which were made after the calendar year 1944, there shall be used in lieu of such year 1944 such period of not less than six consecutive calendar months as the Commission shall find to be most representative of war production costs of such type.

"(f) 'Cessation of hostilities' means the date proclaimed by the President as the date of the cessation of hostilities in the present war, or the date so specified in a concurrent resolution of the two Houses of the Congress, whichever is the earlier.

"(g) 'Citizen of the United States' includes a corporation, partnership, or association only if it is a citizen of the United States within the meaning of section 2 of the Shipping Act of 1916, as amended. The term 'affiliated interest' as used in sections 9 and 10 of this Act includes any person affiliated or associated with a citizen applicant for benefits under this Act who the Commission, pursuant to rules and regulations prescribed hereunder, determines should be so included in order to carry out the policy and purposes of this Act.

#### "SALES OF WAR-BUILT VESSELS TO CITIZENS

"SEC. 4. (a) Any citizen of the United States may make application to the Commission to purchase a war-built vessel, under the jurisdiction and control of the Commission, at the statutory sales price. If the Commission determines that the applicant possesses the ability, experience, financial resources, and other qualifications, necessary to enable him to operate and maintain the vessel under normal competitive conditions, and that such sale will aid in carrying out the policies of this Act, the Commission shall sell such vessel to the applicant at the statutory sales price.

"(b) At the time of sale, the purchaser shall pay to the Commission at least 25 per centum of the statutory sales price. The balance of the statutory sales price shall be payable in not more than twenty equal annual installments, with interest on the portion of the statutory sales price remaining unpaid, at the rate of 3½ per centum per annum, or shall be payable under such other amortization provisions which permit the purchaser to accelerate payment of the unpaid balance as the Commission deems satisfactory. The obligation of the purchaser with respect to payment of such unpaid balance with interest shall be secured by a preferred mortgage on the vessel sold.

"(c) The contract of sale, and the mortgage given to secure the payment of the unpaid balance of the purchase price, shall not restrict the lawful or proper use or operation of the vessel.

#### "CHARTER OF WAR-BUILT VESSELS TO CITIZENS

"SEC. 5 (a) Any citizen of the United States and, until July 4, 1946, any citizen of the Commonwealth of the Philippines, may make application to the Commission to charter a war-built dry-cargo vessel, under the jurisdiction and control of the Commission, for bare-boat use. The Commission may, in its discretion, either reject or approve the application, but shall not so approve unless in its opinion the chartering of such vessel to the applicant would be consistent with the policies of this Act. No vessel shall be chartered under this section until sixty days after publication of the applicable prewar domestic cost in the Federal Register under subsection 3 (c) of this Act.

"(b) The charter hire for any vessel chartered under the provisions of this section shall be fixed by the Commission at such rate as the Commission determines to be consistent with the policies of this Act, but, except upon the affirmative vote of not less than four members of the Commission, such rate shall not be less than 15 per centum per an-

num of the statutory sales price (computed as of the date of charter). Except in the case of vessels having passenger accommodations for not less than eighty passengers, rates of charter hire fixed by the Commission on any war-built vessel which differ from the rate specified in this subsection shall not be less than the prevailing world market charter rates for similar vessels for similar use as determined by the Commission.

"(c) The provisions of sections 708, 709, 710, 712, and 713, of the Merchant Marine Act, 1936, as amended, shall be applicable to charters made under this section.

#### "SALE OF WAR-BUILT VESSELS TO PERSONS NOT CITIZENS OF THE UNITED STATES

"SEC. 6. (a) Any person not a citizen of the United States may make application to the Commission to purchase a war-built vessel (other than a P-2 type or other passenger type and other than a Liberty type collier or tanker), under the jurisdiction and control of the Commission. If the Commission determines—

"(1) that the applicant has the financial resources, ability, and experience necessary to enable him to fulfill all obligations with respect to payment of any deferred portion of the purchase price, and that sale of the vessel to him would not be inconsistent with any policy of the United States in permitting foreign sales under section 9 of the Shipping Act, 1916, as amended; and

"(2) after consultation with the Secretary of the Navy, that such vessel is not necessary to the defense of the United States; and

"(3) that such vessel is not necessary to the promotion and maintenance of an American merchant marine described in section 2; and

"(4) that for a reasonable period of time, which in the case of tankers and 'C' type vessels shall not end before ninety days after publication of the applicable prewar domestic cost in the Federal Register under subsection 3 (c) of this Act, such vessel has been available for sale at the statutory sales price to citizens of the United States, or for charter under section 5 to citizens of the United States, and that no responsible offer has been made by a citizen of the United States to purchase or charter such vessel;

then the Commission is authorized to approve the application and sell such vessel to the applicant at not less than the statutory sales price. In case of application submitted by a citizen of the Commonwealth of the Philippines, paragraph (4) of this subsection shall not apply. Notwithstanding paragraph (4) of this subsection, not to exceed ten 'C' type vessels, except C-3's, may be sold to non-citizens at any time after such date of publication at not less than the statutory sales price.

"(b) Notwithstanding any other provision of law, no war-built vessel shall be sold to any person not a citizen of the United States, except in accordance with subsection (a), or upon terms or conditions more favorable than those at which such war-built vessel is offered to a citizen of the United States, but where the vessel so sold is being transferred to foreign register and flag, the mortgage securing the unpaid balance of the purchase price and interest thereon shall contain provisions according to such mortgage the priorities over other liens and encumbrances accorded such mortgages on merchant vessels under the laws of such registry and flag.

#### "ORDER OF PREFERENCES

"SEC. 7. (a) In exercising its powers under this Act and under other provisions of law with respect to the sale and charter of war-built vessels, the Commission shall give preference to citizen applicants over non-citizen applicants, and as between citizen applicants to purchase and citizen applicants to charter, shall, so far as practicable and consistent with the policies of this Act, give preference to citizen applicants to purchase. In determining the order of preference between citizen applicants to purchase or between citizen



to \$10,000, if held at least 30 days before entry into service, policy will not lapse for nonpayment of premium until 2 years after discharge.

Eighteenth. May I try for a scholarship? Yes. New York State has 2,400 war-service scholarships. One thousand two hundred will be awarded in 1945 and 1946, on the basis of competitive examinations once a year. Annual value of scholarships is \$350. Legislation now pending to increase value and number of scholarships. You may also receive training in many State agricultural, trade, radio, aviation, and other technical schools run by New York State. See Director of Veterans' Affairs, 111 Broadway, New York City.

Nineteenth. How do I renew my professional license? If you are a licensed doctor, dentist, engineer, architect, embalmer, insurance agent, and so forth, you need only apply for renewal to the board which issued your license, within 3 months of discharge. See your local State veterans' counselor.

Twentieth. What about my driver's license? Licenses may be renewed upon presentation at the Motor Vehicle Bureau, Sutphin Boulevard and Eighty-ninth Avenue, Jamaica, N. Y., of discharge certificate before the September 30 following 60 days after discharge.

Twenty-first. What if I become blind? If service connected see question 15. Even though not service connected provided lack of vision is sufficient to prevent holding a job, you are entitled to a \$500 annuity pay by New York State. See Director of Veterans' Affairs, 111 Broadway, New York City.

Twenty-second. Can I go to a rest camp? Yes. The State of New York provides a beautiful rest camp at Mount McGregor, Saratoga County, N. Y. See your local veterans' counselor.

If you have any questions about your rights under the Federal law I shall be very happy to try to answer them. Write to me, HENRY J. LATHAM, Congressman, Third District, New York, at room 139, House Office Building, Washington, D. C.

If you have any questions regarding the State law write to State Senator Seymour Halpern, Assemblyman George Archinal, in the Seventh Assembly District; Assemblyman Samuel Rabin, in the Eighth Assembly District; or Assemblyman Fred W. Preller, in the Ninth Assembly District. They may be addressed at the Capitol, Albany, N. Y.

Your inquiries will be welcome.

### Interest of Women in Public Affairs

#### EXTENSION OF REMARKS

OF

### HON. EMILY TAFT DOUGLAS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 6, 1946

Mrs. DOUGLAS of Illinois. Mr. Speaker, the distinguished gentleman from Michigan yesterday made a statement to the press in which he suggested that the organized women of our country were being misled and propagandized

into action on subjects about which they knew little. My opinion is that the gentleman grossly underrates the women of America. Their organizations have a record of far-sighted civic statesmanship which is a credit to the whole Nation.

While women are less interested than men in partisan politics, they care supremely about matters which affect world peace and the general welfare. When these issues are touched, I am proud to say that they spring into action. Often the women's groups are the only spokesman for the general welfare as opposed to special interests.

The great national women's organizations have committees and experts which watch current affairs and are glad to hear the facts from all quarters. They do not act rashly however, for most of them accept their programs only after long and careful study. When their long-range considered programs need action on some specific measure I am glad they are organized to be effective.

### Stand Up and Be Counted

#### EXTENSION OF REMARKS

OF

### HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 6, 1946

Mr. BOREN. Mr. Speaker, if I may speak parenthetically for a moment—so that there will be no misunderstanding of my words, let me make this very clear at the outset. It is unquestionably the right of any man to quit work, or of any group of men to quit work, except to the extent of his obligation to perform a task that might be in the terms of a contract to which he is a party and which was drawn without duress and of his own volition. This is right, and ought to be. But the term "strike" as it is used, and as it has come to be known and as it is joined with the claim of a "right" to strike, embodies preventing production, embodies coercing the individual into quitting work against his own individual wishes or preventing him from going to work on his own choice. And, throughout my remarks the term "strike," when used, will be construed to be what is the usual use of the term today in industrial disputes, and what I conceive to be a proper interpretation of the term since, in its general application, it is constructed out of the materials of the closed shop, the picket line, the call to strike in the form of an order from a dictatorial leader, and work stoppage in the sense of preventing any other individual American from taking over a job that has been vacated. The right to quit work of course is an individual right, and it is a right, but the right to hold work in abeyance, refusing to let anyone else do it, does not exist as a right in my opinion.

All my life I have heard about the right to strike, and I let that claim go unchallenged until the time when America found its boys dying on Bataan and, shortly thereafter, in all the far-flung areas of war. There were strikes in the plants of war production even in those

early days of our war effort when a few more planes or munitions would have returned home many more American boys who now lie buried beneath the ferns and palms of the far Pacific, in the sands and on the crags of north Africa, on Italy's Anzio beachhead and the slopes of Mount Cassino. I heard then the so-called leaders of some of the labor organizations speak of the right to strike. I could not see anything right about it.

Burdened with the tragedy of the loss of personal friends and relatives, fortified by a share in responsibility for the conditions that affected the success or safety or life or death of all America's men-at-arms, and urged by deep anxiety for the heroic men and boys starving and tortured in the prison camps, I arose to challenge that claim of right to strike. I could not see anything right about it, and with some of you here I joined hands in the endeavor to put an end to strikes in war industries and we passed the Smith bill.

It is true that in the ensuing election the CIO Political Action Committee opened its bank account to my opponent and brought the full force of its organized strength into the election contests in the hope of removing me from the Congress, as they did some of you others who also refused to be subservient to their dictation. They will do it again this election of course. Today I hear in these Halls and cloakrooms and in our office buildings the threat of reprisal at election, and in some quarters, expressions of fear as to the political consequences of what we do here on this issue. Such considerations are too petty to be of any weight in any man's deliberations here today. It is a part of our history that in these Halls served a man whose words were, "I had rather be right than President," and he suited his deeds to his words. As for me, I had rather be right than Congressman, and, suiting my deeds to my words I want to help bring up this bill today including the Case amendment and vote for it and pass it and make it the law of the land.

Let us stand up today and be counted on this issue. Elections will come soon when all Americans will stand up and be counted on this issue. We know, each of us, that this issue envelops all of America. It is today paramount in national importance and it pervades the interest of every home and affects the welfare of every citizen. Day before yesterday we had a roll call vote on going into the committee with this bill. Let us fight it out today and then we can fight it out again in the coming elections and settle once and for all whether the people of America and their representatives, or the CIO Political Action Committee, the Petrillos, and the other dictators of organized labor, shall rule America.

Today, again, on every hand, and in half the speeches made in this rostrum there is asserted that there exists a right to strike. Justice Brandeis, who was known as the great liberal, delivered an opinion on the bench of the Supreme Court of the United States in which he pointed out that there is no such thing as a constitutional right to strike.

I have read the Bill of Rights in the Constitution of the United States of America and no such right is listed.



From the preamble of the Constitution to the last word there is not one word that gives status to the claim that there is any right to strike, if the right to strike means the right to keep other people from working.

When I look at the Nation's need today and recognize, as all of us must, that the only reliable prevention of inflation is full production; when I see throughout our country the need of the goods our industry is geared to produce, again I challenge the word "right" when used in conjunction with strike, if the right to strike means the right to stop production and to force every man to quit work whether he wants to or not. I do not see anything right about that.

The freedom, the independence, and the rights guaranteed by the Constitution of the United States are essentially individual in character. In recent years the rights of the individual have been seriously impaired. Even within organized labor the individual union member has had his rights usurped, his freedom impaled, and his independence chained into bondage. If there be any doubt in any man's mind as to the validity of that assertion, I invite him to examine the hearings before your own congressional Committee on Interstate and Foreign Commerce when the so-called Petrillo bill was under consideration.

There is another principle that is fundamentally American, and that is, freedom does not mean license. The freedom of the individual or the group to follow the dictates of its whim, its fancy, its depredation or its desire, is limited to the consistency of the welfare of the whole people. There is oft told the story of the Irishman coming to this country. When he set foot on our soil he threw his arms in the air and yelled, "Hurrah! I'm in a free country." And, when his wide-flung arms struck a passerby in the face, broke his glasses and bruised his face, the Irishman was promptly knocked down. Rubbing his chin he said, "Faith, and I thought I was in a free country." He was admonished as follows by the man he had hit: "You are in a free country, but your freedom ends where my nose begins." It is as simple as that. That, in effect, is the issue here today.

Let us today pass through the smoke screens, toss aside the propaganda, and stand on the ground of what is fundamentally right for all the people. The siren voice of false claim, nor threat, nor pressure should cudgel, persuade, or influence our decision here. These issues are fundamental. It is clear to my convictions, and I think evident to reason, that neither labor nor management has the fundamental right to decide what is good or bad for the American people. Only the people themselves have the right to decide that. Apply that view to the present problem, as representatives of the people it is up to us to prescribe a system which eliminates a conflict of interest between the employer and employee and which is directed to the advantage only of all the people.

The wisdom that founded the Government of this Nation and built it on the enduring principle of Americanism laid its granite foundation in the principle that all just powers of Government

are derived from the consent of the governed. The founders so carefully applied that yardstick to the whole people as to specifically point out that no particular segment was to constitute the whole, hence the separation of church and state, the foundation of public schools, and the safeguards against levying taxes on the whole people or making laws on the whole people in the interest and to the benefit of private institutions, private groups, and so forth. It is quite clear a fundamental tenet of Americanism that no particular group of any kind or character shall rule America. Unionism and the state must be kept apart as surely as the church and the state must be kept apart; as surely as the Elks Lodge and the state must be kept apart; as surely as any other private interest, group, or institution must be kept apart. Any personal or selfish interest or aim, whether it be good or bad, or whether it be on the part of any individual or group must be kept apart from control of Government, and must be kept within the bounds of limitation that prevents its infringement on the rights of the whole people and prevents its action against the welfare of the whole people.

To give a complete transcript of my mind and thought, I feel it my responsibility to add: I do not believe in a closed shop. I believe the closed shop is both un-American and un-Christian. I do not think the individual's opportunity to earn a living should be conditioned on his being compelled to belong to an organization if he does not wish to belong to it. I do not believe that any American individual can rightfully be compelled to join any particular union or, as for that matter, any particular church or lodge.

And, finally, my colleagues, let me reaffirm my conviction that the inalienable rights which are so correctly announced in the charter of our Government are all individual in character and belong to the individual American. Further, let me reaffirm my assertion that neither management nor labor has a right on its whim or caprice to decide the good or bad for all the American people. In the light of the Nation's need and the current chaos in production of needed goods, I say again, with reference to the claim of a "right to strike" meaning the right to stop production, not only the power to compel great numbers to quit work, but the power to prevent others from working—I can see nothing right about it.

This is not full employment, nor is it employment. It does not state anything that has not already been stated by the American way of life. It provides no machinery to see that citizens are assured employment. It is not only watered down but it is washed out.

I am further against this bill because there is absolutely no protection for the minorities of our country. Today, close to 30,000,000 American citizens are discriminated against—because of their color, Negroes; because of their race, Jews; because of their religion, Catholics; because of their national origin, Mexicans. This bill will not in any way help them. The same un-American practices of discrimination will continue. It would have been far better not to have had any bill than this, because this is a compromise. Compromises were proven disastrous at Munich. We should continue to fight until we get a full employment bill, not just any bill.

### United States Service Legion of World War II

#### EXTENSION OF REMARKS

OF

### HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 6, 1946

Mr. JENKINS. Mr. Speaker, there has been organized in my home city of Ironton, Ohio, the Hudson Brothers Post of the United States Service Legion of World War II. This post was organized in honor of Ronald Hudson and Kneeland Hudson, who were brothers and the sons of Mr. and Mrs. Ronald Hudson, of Ironton, Ohio. These two courageous and patriotic young men gave up their lives in the recent great world war. If it was necessary for these two gallant young men to give up their lives for our country then may their devoted parents take solace in the thought that there is glory in one giving up his life for another. The Hudson Brothers Post has grown rapidly and now has a membership of 385 members. Recently Mr. Harry Burbrink, Sr., the national commander of the Auxiliary of the United States Service Legion of World War II, delivered an address to the veterans of World War II and their auxiliary and friends. Under leave to extend my remarks I wish to include the address which is as follows:

Ladies and gentleman, what I have to say this evening is primarily for the ears of the war veteran of World War II. Yes, veterans; my message deeply concerns you.

It is indeed a pleasure, also a privilege today to tell you about a fast growing organization for World War II veterans only. I refer to the organization known as the United States Service Legion of World War II. This organization had its beginning as an organization shortly after the beginning of the World War II; organized on Memorial Day, May 30, 1942, in the city of Cincinnati, Ohio, and chartered under the laws of the State of Ohio, September 8, 1943, with national headquarters located in the city of Cincinnati, Ohio. The purpose or purposes for which the organization was formed are:

### Full Employment Bill

#### EXTENSION OF REMARKS

OF

### HON. ADAM C. POWELL, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 6, 1946

Mr. POWELL. Mr. Speaker, I will vote on this bill if there is a roll call as follows: "Present and not voting."

If there is no roll call then I want to go on record now as not being in favor of this so-called full employment bill.







DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE  
(Issued February 11, 1946, for actions of Fri., Feb. 8, 1946, and Sat., Feb. 9, 1946)

(For staff of the Department only)

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HIGHLIGHTS: Senate passed appropriation-rescissions bill (same as vetoed bill so far as USDA is concerned). Senate passed bill increasing penalties for over-quota tobacco and authorizing reduction in tobacco quotas. Senate agreed to full-employment bill conference report. Rep. Rees and Carlson discussed President's wheat conservation order, stating that it has not had sufficient study and people should have been informed earlier. Rep. Hoffman urged that more fertilizer be made available for farmers.

SENATE - February 8

1. APPROPRIATION-RESCISSIONS BILL. Passed as reported this bill, H.R. 5158 (p. 1181). (This bill is same as vetoed bill so far as this Department is concerned.)
2. A.A.A.; TOBACCO. Passed without amendment H.R. 5135, to amend the AAAct so as to increase penalties for over-quota tobacco and to authorize the Secretary to reduce tobacco quotas (pp. 1172-3). This bill will now be sent to the President.
3. FULL-EMPLOYMENT BILL. Agreed to the conference report on this bill, S. 380, to declare a national policy on employment, production, and purchasing power (pp. 1162-72). This bill will now be sent to the President.
4. FORESTRY; INSECT CONTROL. Received from this Department proposed legislation to provide for the protection of forests against destructive insects and diseases. To Agriculture and Forestry Committee. (p. 1145.)
5. F.E.P.C. Continued debate on S. 101, the FEPC bill (pp. 1147, 1157-62, 1172-84, 1187).
6. INDEPENDENT OFFICES APPROPRIATION BILL. This bill, H.R. 5201, as reported by the Senate Committee (see Digest 19) increases the item for salaries and expenses.



of the Budget Bureau by \$413,089 but eliminates the \$184,986 for maintenance and operation of the 4 existing field offices of the Budget Bureau and prohibits its use of the Budget Bureau's appropriations for regional, field, or other outside offices.

7. WHEAT SUPPLY. Sens. Capper (Kans.), Langer (N.Dak.), and Wheeler (Mont.) inserted National Federation of Grain Cooperatives statements criticizing handling of the present wheat supply (pp. 1145-6).  
Sen. Wherry, Nebr., inserted Christine Sadler's Washington Post article, "Relief Wheat Commitment for Europe Actually Out - Food Authorities Consider Return to Meat Rationing as Unnecessary" (pp. 1148-9).
8. FOREIGN RELIEF. Sen. Wherry, Nebr., inserted a Budapest article, "Hungary's Premier Appeals for Help in Feeding People" (p. 1149).
9. FOOD RATIONING. Sen. Wherry, Nebr., inserted an AP article quoting Alf W. Landon as stating that the President's informal food-rationing order is a direct result of the "cruel and inhuman Morgenthau plan for treatment of Germany" (p. 1149).
10. LUMBER EXPORTS. Sen. Knowland, Calif., criticized lumber exports in view of the need for veterans' housing (pp. 1186-7).
11. SURPLUS PROPERTY; VETERANS. Received a Veterans' Cooperative Housing Association resolution favoring S.J. Res. 132, to clarify the Surplus Property Act relative to the sale of defense housing to veterans (p. 1145).
12. NOMINATIONS. The Banking and Currency Committee reported favorably on the nomination of G.E. Allen to be a member of the RFC Board of Directors and confirmed the nomination of H.A. Mulligan to be a member of that board (pp. 1187, 1188).

SENATE - February 9

13. WHEAT-BREAD PROGRAM. Sen. Hatch, N.Hen., criticized a story that a high USDA official has objected to the recent bread order (pp. 1234-5).
14. F.E.P.C. Rejected, 48-36, a motion for cloture in connection with debate on S. 101, the FEPC bill (pp. 1221-46). The Senate then agreed, 71-12, to a motion by Sen. Chavez, N.Mex., to take up H.R. 5201, the independent offices appropriation bill (p. 1247).
15. ADJOURNED until Wed., Feb. 13 (p. 1248). Committees were authorized to submit reports during the recess (p. 1247).

HOUSE - February 8

16. WHEAT SITUATION. Reps. Rees and Carlson (Kans.) discussed the President's wheat conservation order, stating that it was issued without thorough study and the people should have been informed of the shortage sooner (pp. 1208-9).
17. FERTILIZER. Rep. Hoffman, Mich., urged that a greater supply of fertilizer be made available to the farmers and inserted a constituent's letter reporting cancellation of fertilizer orders (pp. 1209-10).
18. PERSONNEL; POLITICAL ACTIVITIES. Passed with amendments H.R. 1118, to amend the Hatch Political Activities Act by providing less severe penalties for violation (pp. 1203-6).



I have mentioned, Negroes committed 11.9 crimes, or, a ratio of almost 12 to 1.

Mr. President, I ask unanimous consent to have the table from which I have just read printed at this point in the RECORD.

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

Arrests, city of Cincinnati, 1940

	Whites	Negroes	Total
Murder.....	19	33	52
Manslaughter.....	25	11	36
Rape.....	95	138	233
Robbery.....	36	119	155
Aggravated assault.....	257	267	524
Burglary.....	591	675	1,266
Larceny, theft.....	98	72	170
Auto theft.....			
Total.....	1,121	1,315	2,436
Rate per 10,000 population.....	16	191	

Population:			
White (87.8 percent).....			719,811
Colored (12.2 percent).....			69,315
Total.....			789,126
Others.....			183
Total.....			789,309

Crime figures taken from the Annual Report of Division of Police, Department of Safety, City of Cincinnati, 1940.

Population figures taken from 1940 census (U. S. Bureau of the Census).

Mr. ELLENDER. Mr. President, I have some figures relating to some of the southern cities. I do not mean to say that the white people of the South commit more crimes than do the white people of the North, or vice versa, but the ratio as between the whites and the Negroes in the southern cities, such as in New Orleans, and in Houston, has been about 1 to 2.1, or more. In other words, every time a white man committed a crime in the categories which are shown in the table from which I have read, 2.5 colored men committed similar crimes, and in the North the ratio runs as high as 13.6.

I shall now proceed with the figures for Cincinnati for the year 1941:

Murder and manslaughter, whites-18, Negroes 41; rape, whites 27, Negroes 21; robbery, whites 69, Negroes 203; aggravated assault, whites 49, Negroes 139; burglary, whites 167, Negroes 211; larceny-theft, whites 557, Negroes 638; auto theft, whites 118; Negroes 57.

Total, whites, 1,005; Negroes, 1,310.

In other words, the white population, constituting 87.8 percent of the whole, and the colored 12.2 percent, committed 305 less of the crimes than did the colored people.

The rate per 10,000 was, whites 14; Negroes, 190, or a ratio of 1 white to 13.6 colored.

Mr. President, I ask unanimous consent that the table be inserted in the RECORD.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Is there objection?

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

Arrests, city of Cincinnati, 1941

	Whites	Negroes	Total
Murder.....	18	41	59
Manslaughter.....	27	21	48
Rape.....	69	203	272
Aggravated assault.....	49	139	188
Burglary.....	167	211	378
Larceny, theft.....	557	638	1,195
Automobile theft.....	118	57	175
Rate per 10,000 population.....	14	190	2,315

Population:			
White (87.8 percent).....			719,811
Colored (12.2 percent).....			69,315
Total.....			789,126
Others.....			183
Total.....			789,309

Crime figures taken from the Annual Report of Division of Police, Department of Safety, City of Cincinnati, 1941.

Population figures taken from 1940 census (U. S. Bureau of the Census).

Mr. ELLENDER. Mr. President, these figures are significant, and I hope the people of the country will study them. I have stated on this floor on many occasions that we of the South know how to handle the Negro. We of the South, I think, are better friends of the colored people than are the people of the North. If let alone, the progress of the colored people which we have maintained for the past 25 or 30 years will be continued. We were unable to do more because of our economic condition.

During my own lifetime I have seen gradual progress from year to year. There was a time in my State when there were no high schools for colored people, because we could not afford them, but today our whole State is dotted with them. We have several Negro colleges in the State, and we have provided for the colored by way of establishing throughout the State six fine hospitals, which are maintained by the State, and in all of them the colored people are treated to the same extent and by the same doctors as are the white people.

Mr. President, as I stated yesterday and the day before, I do not mean to say that if this bill were enacted it in itself would stop progress, but it would be a step in the wrong direction. We have been taking care of the situation in the South on a more or less voluntary basis. The bill if enacted would simply be a trouble maker, and would impede the fine progress of the white people of the South in their efforts to aid the colored people.

In my State there is no agitation among the colored people that I know of for a bill of this nature. It is brought forward by virtue of the "brain trust," as I stated, located here in Washington, composed of a few colored leaders, about 25, as I pointed out to the Senate day before yesterday.

These 25 colored leaders preach that they represent 13,000,000 of their kind. If the truth were known, I doubt if as many as 1 percent of the colored people of the Nation know what all this is about. They are being mulcted out of fees here and there to maintain a lobby in Wash-

ington with a view of having certain legislation passed, or preventing certain legislation which may affect the colored race.

Many of my good colleagues, for whom I have much respect, are prone at times to listen to the wailing of some of the groups who are in Washington trying to agitate and threatening that unless so-and-so is done "we will remember you at the polls next November."

Mr. President, I shall continue with the figures as to arrests in the city of Cincinnati for the year 1942. I notice that the distinguished Senator from Illinois [Mr. LUCAS] is present, and Cincinnati happens to be quite close to his State. I tried to get figures for the city of Chicago, but I could not obtain them. I am satisfied that the figures as to the city of Chicago would probably be as bad as those with reference to the city of Cincinnati, or perhaps worse.

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

Mr. ELLENDER. I yield.

Mr. LUCAS. Since the distinguished Senator from Louisiana has referred to the Senator from Illinois in speaking of certain conditions in Cincinnati, Ohio, I happen to notice the senior Senator from Ohio [Mr. TAFT] present in the Chamber. I think he lives in Cincinnati. If the Senator has anything he wishes to discuss with me about Chicago, I shall be glad to join in the debate with him.

Mr. ELLENDER. I hope the Senator will not misunderstand me. I merely mentioned the Senator's name to show that he was present. I called the attention of the distinguished Senator from Ohio to these figures yesterday, and we had a brief colloquy at that time.

Mr. LUCAS. As I understand, this is a filibuster, and it would not do any harm to call his attention to the same figures again.

Mr. ELLENDER. Not at all. As a matter of fact, I notice the presence of the distinguished Senator from California [Mr. KNOWLAND], who has been a constant attendant, and I commend him for it. Of course, I know he appreciates the great speech I am making, and I assume that is why he is present. I also notice that the Senator from Nebraska [Mr. BUTLER] is present, as well as the Senator from Ohio [Mr. TAFT], the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Alabama [Mr. HILL], the Senator from Delaware [Mr. TUNNELL], and and the Senator from New Mexico [Mr. HATCH].

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

Mr. ELLENDER. I yield for a question.

Mr. HATCH. It was not necessary for the Senator to call my name today to do me the favor of showing that I was present. He did that yesterday.

Mr. ELLENDER. The Senator is correct. Of course, I know that many of my colleagues are unable to be present



because of the huge amount of work they have before committees. I realize that.

Mr. LUCAS. Will the Senator yield?  
Mr. ELLENDER. I yield.

Mr. LUCAS. I merely wanted to say to the Senator that he is disturbing the Senator from New Mexico [Mr. HATCH] very much, because the Senator from New Mexico is writing a speech, and really the speech of the Senator from Louisiana is rather disturbing some serious thoughts on the part of the Senator from New Mexico. I know it will help the Senator from New Mexico to have the Senator from Louisiana conclude.

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

Mr. ELLENDER. I yield.

Mr. BARKLEY. I should like to bring up a conference report at this time.

Mr. ELLENDER. Will the Senator permit me to get through with these figures? I have just a few more pages. It will take me but a few minutes.

Mr. BARKLEY. Very well.

Mr. ELLENDER. I now turn to the figures of arrests in the city of Cincinnati for the year 1942, with the population ratio the same, 87.8-percent white and 12.2-percent colored.

Murder and manslaughter, whites, 14, Negroes, 39; rape, whites, 23, Negroes, 23; robbery, whites, 72, Negroes, 162; aggravated assault, whites, 60, Negroes, 139; burglary, whites, 248, Negroes, 218; larceny-theft, whites, 539, Negroes, 534; auto theft, whites, 116, Negroes, 42.

Total: whites, 1,072; Negroes, 1,157.

Rate per 10,000 population: whites, 15, Negroes, 168; or 1 white to 11.2 colored.

I ask unanimous consent that the table be inserted in the RECORD at this point.

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

Arrests, city of Cincinnati, 1942

	Whites	Negroes	Total
Murder.....	14	39	53
Manslaughter.....			
Rape.....	23	23	46
Robbery.....	72	162	234
Aggravated assault.....	60	139	199
Burglary.....	248	218	466
Larceny, theft.....	539	534	1,073
Automobile theft.....	116	42	158
Total.....	1,072	1,157	2,229
Rate per 10,000 population.....	15	168	

Population:

White (87.8 percent).....	719,811
Colored (12.2 percent).....	69,315
Total.....	789,126
Others.....	183
Total.....	789,309

Crime figures taken from Annual Report of the Division of Police, Department of Safety, City of Cincinnati, 1942.

Population figures taken from 1940 census (U. S. Bureau of the Census).

Mr. ELLENDER. Mr. President, I now turn to the figures for the city of Cincinnati for 1943.

Murder-manslaughter, whites, 19, Negroes, 30; rape, whites, 23, Negroes, 19; robbery, whites, 83, Negroes, 134; aggravated assault, whites, 72, Negroes, 119; burglary, whites, 390, Negroes, 245; lar-

ceny-theft, whites, 648, Negroes, 456; auto theft, whites, 116, Negroes, 43.

Total: Whites, 1,351; Negroes, 1,046.

Rate per 10,000 population: Whites, 19, Negroes, 151. The ratio is 7.9 Negroes to 1 white.

I ask unanimous consent that the table be printed in the RECORD.

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

Arrests, city of Cincinnati, 1943

	Whites	Negroes	Total
Murder.....	19	30	49
Manslaughter.....			
Rape.....	23	19	42
Robbery.....	83	134	217
Aggravated assault.....	72	119	191
Burglary.....	390	245	635
Larceny, theft.....	648	456	1,104
Automobile theft.....	116	43	159
Total.....	1,351	1,046	2,397
Rate per 10,000 population.....	19	151	

Population:

White (87.8 percent).....	719,811
Colored (12.2 percent).....	69,315
Total.....	789,126
Others.....	183
Total.....	789,309

Crime figures taken from Annual Report of the Division of Police, Department of Safety, City of Cincinnati, 1943.

Population figures taken from 1940 census (U. S. Bureau of the Census).

Mr. ELLENDER. Mr. President, I may say that, as shown by the records I have which extend from 1936 to 1944, 1943 and 1944 are the only years in which the whites committed more crimes than did the Negroes; but the ratios were 7.9 colored to 1 white in 1943, as I have just indicated, and 8 colored to 1 white in 1944.

I shall now give the figures for arrests in the city of Cincinnati in 1944.

Murder and manslaughter, whites, 16, Negroes, 33; rape, whites, 40, Negroes, 24; robbery, whites, 82, Negroes, 94; aggravated assault, whites, 81, Negroes, 133; burglary, whites, 321, Negroes, 208; larceny and theft, whites, 681, Negroes, 511; auto theft, whites, 144, Negroes, 54.

Total of arrests in Cincinnati in 1944: Whites, 1,368; Negroes, 1,057.

Rate per 10,000 of population: Whites, 19; Negroes, 153; or on a ratio basis of 1 white to 8 colored.

Mr. President, I ask that the table showing the number of arrests in the city of Cincinnati in 1944 be printed in the RECORD at this point.

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

Arrests, city of Cincinnati, 1944

	Whites	Negroes	Total
Murder.....	16	33	49
Manslaughter.....			
Rape.....	40	24	64
Robbery.....	82	94	176
Aggravated assault.....	81	133	214
Burglary.....	324	208	532
Larceny, theft.....	681	511	1,192
Automobile theft.....	144	54	198
Total.....	1,368	1,057	2,425
Rate per 10,000 population.....	19	153	

Population:

White (87.8 percent).....	719,811
Colored (12.2 percent).....	69,315
Total.....	789,126
Others.....	183
Total.....	789,309

Crime figures taken from Annual Report of the Division of Police, Department of Safety, City of Cincinnati, 1942.

Population figures taken from 1940 Census (U. S. Bureau of the Census).

Mr. ELLENDER. Mr. President, that completes the picture insofar as the city of Cincinnati is concerned. I shall continue, since the Senator from Kentucky is not at the moment present on the floor, but I wish to say that I shall gladly yield to him when he returns, if thereby I do not lose my right to the floor.

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

Mr. ELLENDER. I yield.

Mr. TAFT. I think the Senate majority leader is ready to proceed. If the Senator will yield to me for the purpose, I shall suggest the absence of a quorum.

Mr. ELLENDER. Mr. President, I yield for that purpose provided I do not thereby lose my right to the floor.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Austin	Hawkes	O'Daniel
Bailey	Hayden	Overton
Ball	Hickenlooper	Radcliffe
Bankhead	Hill	Reed
Barkley	Hoey	Revercomb
Bilbo	Huffman	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Smith
Butler	La Follette	Stanfill
Byrd	Langer	Stewart
Capehart	Lucas	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla.
Cordon	McFarland	Thomas, Utah
Downey	McKellar	Tobey
Eastland	McMahon	Tunnell
Ellender	Magnuson	Tydings
Ferguson	Maybank	Walsh
George	Mead	Wheeler
Gerry	Millikin	Wherry
Gossett	Mitchell	White
Green	Moore	Wiley
Guffey	Morse	Willis
Gurney	Murdock	Wilson
Hart	Murray	

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

FULL EMPLOYMENT ACT OF 1946—  
CONFERENCE REPORT

Mr. BARKLEY. Mr. President, I ask the Senator from Louisiana to yield to me in order that I may submit a conference report on the full-employment legislation.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield for that purpose?

Mr. ELLENDER. I yield with the understanding that I do not thereby lose my right to the floor.

Mr. BARKLEY. Mr. President, I submit a conference report which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The report will be read.



The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 380) to establish a national policy and program for assuring continuing full employment and full production in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

**"SHORT TITLE**

"SECTION 1. This Act may be cited as the 'Employment Act of 1946'.

**"DECLARATION OF POLICY**

"SEC. 2. The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

**"ECONOMIC REPORT OF THE PRESIDENT**

"SEC. 3. (a) The President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the 'Economic Report') setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable.

"(b) The President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 2.

"(c) The Economic Report, and all supplementary reports, transmitted under subsection (b), shall, when transmitted to Congress, be referred to the joint committee created by section 5.

**"COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT**

"SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the 'Council'). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall be a person who, as a result of his training, experience, and attainments, is exception-

ally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote employment, production, and purchasing power under free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman and one as vice chairman, who shall act as chairman in the absence of the chairman.

"(b) The Council is authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this Act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ such other officers and employees as may be necessary for carrying out its functions under this Act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

"(c) It shall be the duty and function of the Council—

"(1) to assist and advise the President in the preparation of the Economic Report;

"(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policy, and to compile and submit to the President studies relating to such developments and trends;

"(3) to appraise the various programs and activities of the Federal Government in the light of the policy declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto;

"(4) to develop and recommend to the President national economic policies to foster and promote free competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof, and to maintain employment, production, and purchasing power;

"(5) to make and furnish such studies, reports thereon, and recommendations with respect to matters of Federal economic policy and legislation as the President may request.

"(d) The Council shall make an annual report to the President in December of each year.

"(e) In exercising its powers, functions, and duties under this Act—

"(1) the Council may constitute such advisory committees and may consult with such representatives of industry, agriculture, labor, consumers, State and local governments, and other groups, as it deems advisable;

"(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

"(f) To enable the Council to exercise its powers, functions, and duties under this Act, there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

**"JOINT COMMITTEE ON THE ECONOMIC REPORT**

"SEC. 5. (a) There is hereby established a Joint Committee on the Economic Report, to be composed of seven Members of the Sen-

ate, to be appointed by the President of the Senate, and seven Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

"(b) It shall be the function of the joint committee—

"(1) to make a continuing study of matters relating to the Economic Report;

"(2) to study means of coordinating programs in order to further the policy of this Act; and

"(3) as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

"(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

"(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

"(e) There is hereby authorized to be appropriated for each fiscal year, the sum of \$50,000, or so much thereof as may be necessary, to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman."

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to declare a national policy on employment, production, and purchasing power, and for other purposes."

ROBERT F. WAGNER,  
ALBEN W. BARKLEY,  
GEORGE L. RADCLIFFE,  
ABE MURDOCK,  
GLEN TAYLOR,  
CHAS. W. TOBEY,  
ROBERT A. TAFT,

*Managers on the Part of the Senate.*

CARTER MANASCO,  
JOHN J. COCHRAN,  
WILLIAM M. WHITTINGTON,

*Managers on the Part of the House.*

Mr. BARKLEY. I ask unanimous consent for the present consideration of the conference report.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. Mr. President, I wish to make only a brief explanation of the conference report, which has already



been agreed to by the House of Representatives, and which I am anxious to have agreed to by the Senate. As Senators are all aware, the Senate passed Senate bill 380, known as the full employment legislation, in which it declared a national policy on the question of employment, provided for the creation of a joint committee of the two Houses, and undertook to set a goal for employment, and production, and purchasing power, in order that we might never again be caught in a widespread unemployment situation without some previous effort to avert it, and to provide a method by which it could be met, if we could not avert it.

The difference in philosophy between the Senate and House bills was very marked, and it was not an easy task to resolve the differences between the two bills. The House of Representatives had in a large measure discarded the Senate bill and had written an entirely different bill. In the declaration of policy the House had restricted the area of the bill very considerably. It declared it to be the responsibility of the Federal Government to take an interest in employment, to avert unemployment, but largely to solve it by public expenditure for the construction of public works such as highways, flood control projects, river and harbor improvements, and other similar projects authorized and appropriated for by Congress.

It was not an easy matter to compose the differences between the two Houses on the question of policy. The House objected to the expression "full employment" because it carried with it the implication that every single human being in the United States, who was out of work at any given time, would be afforded employment by the Federal Government. That was never the intention of the Senate in the use of the expression "full employment" because we all know that there will always be times when there will be some unemployment. There will be frictional unemployment, and transitory unemployment arising from the fact that workers are passing from one job to another. There never can be a time when every available human being will have a job. The House conferees took the position that if we used the word "full" it would carry with it an implied guaranty on the part of the Federal Government that if there were not employment for everyone at all times the Federal Government would step in and provide employment by some method to be paid for by the public.

Another question arose with respect to the use of the word "assured." When we first began to consider this legislation, as it was originally introduced the word "guarantee" was used, which carried the same implication. In the Committee on Banking and Currency of the Senate the word "guarantee" was changed to "assured." In the conference the word "assured" seemed to carry with it in the minds of the House conferees the same implication which was originally carried by the word "guarantee." So the House conferees would not agree to that word. The House conferees finally became convinced that in order to arrive at an agreement on the declaration of policy

we would have to go further than merely declare the obligation of the Federal Government to spend money out of its Treasury to give people work in case of an emergency. So what we did was to write what I think is a better declaration of policy than was contained in either the Senate or the House bill. We shortened it very materially. Both in the House bill and in the Senate bill there were sections and subsections, and a great deal of repetitious language meaning the same thing. We worked out a declaration of policy which I think is much more easily understood, and which accomplishes the purpose of the two Houses and of the President in recommending the legislation. It is very brief, and I shall read it:

SEC. 2. The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free, competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

So without using either the word "full" or the word "assured" we have written in the policy section language which it seems to me covers the entire scope and field within which the Federal Government might operate with all its policies, all its plans, and all its functions, in cooperation with industry, agriculture, labor, and State and local governments to create conditions under which maximum employment will be afforded—not only maximum employment, but maximum production and maximum purchasing power.

If we can by governmental policies create conditions under which those three things can take place, we shall have set a standard and a goal with respect to which I think no one can raise any serious objection.

The virtue of this section is that it is brief and covers the entire ground. It is free from subsections and long terminology which might be subject to misinterpretation. So I think the conferees really improved the declaration of policy, without yielding anything with respect to the obligation and responsibility of the Federal Government. The conferees have spelled out in that section what is equivalent to maximum possible employment, maximum production, and maximum purchasing power, all three of which must go together in order to afford what we have been pleased to call full employment.

The Senate bill provided, in section 3, that the President should make what was called a budgetary report to the Congress. The use of the word "budget" made it possible to confuse the economic budget referred to in this legislation with the President's annual budget sent to Congress, upon which we base our appropriations and outline the financial

requirements of the Government for the ensuing fiscal year. In that section also there was a large amount of what we found later to be unnecessary terminology. The House bill, instead of setting up a budget and requiring the President to send an economic budget to the Congress annually, or as often as he might see fit to do so, provided in section 3 for an economic report. It seemed to the Senate conferees that the use of the term "economic report" in order that it might be differentiated from and not confused with the President's annual budget message, was a better term than the term used in the Senate bill. So we have provided in section 3 for what we call an economic report from the President. We provide as follows:

SEC. 3. (a) The President shall transmit to the Congress within 60 days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the "Economic Report") setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable.

In other words, under those categories in the third section of the conference report the President is to make an economic report to Congress, reviewing the conditions which have existed in the previous year, the trends in employment, production, and purchasing power currently, together with any prospective viewpoint with respect to employment, production, and earning capacity or purchasing power, and any recommendations he may see fit to make to Congress to carry out the policies set forth in section 2.

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

Mr. BARKLEY. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. May I ask if there was any discussion in the conference committee as to the interpretation to be placed upon the words "economic program of the Federal Government"? I have in mind the question of a "public-works program, and I have also in mind that during the war the Federal Government really went into industry and competed with industry. I take it that the words "economic program" could not be interpreted to mean or to imply in the future, possibly, that the Federal Government would go into business and compete with industry, and that sort of thing. I judge, rather, that the activities of the Federal Government under the authority granted would be confined to public works.

Mr. BARKLEY. Mr. President, there was considerable discussion in regard to the whole scope of what the Senate in its bill called the President's budget message, and what the House of Representa-



tives, in its amendments, called the President's economic report. The House of Representatives in its amendments and the House conferees at the outset of the conference took the position that the Federal Government's responsibility and obligation did not go beyond actual public works of the nature I have mentioned, namely, highways, river-and-harbor developments, flood-control works, public buildings and so forth. But it was the theory of the Senate bill, which the House conferees accepted, that beyond the mere expenditure of money from the Treasury, there is a field which envisages a greater obligation on the part of the Federal Government in coordinating its policies, performing its functions and carrying out its plans, always emphasizing, as the bill does, policies which are calculated to foster and promote private industry, the competitive system which we so frequently discuss. For instance, in connection with the policy of the Government, toward trade matters, and in cooperation with labor and with agriculture, with industry, and with State and local governments, there is a responsibility more or less of a moral nature which goes beyond the mere expenditure of money out of the Treasury for public buildings, river-and-harbor projects, and similar matters. But in the conference discussion it was at no time understood that the Government of the United States, as a matter of policy under the section declaring our purpose, was to embark upon enterprises competitive with private factories, and so forth.

Of course, that could not be done anyway, unless Congress authorized it. If there should occur, as there did in 1932, 1933, and the following years, an acute depression accompanied by widespread unemployment, Congress then would have to determine what its policy would be with respect to the expenditure of money. But I do not think the Senator from Massachusetts of the Senate or the country should consider the war period as an analogy to be used and considered in connection with our effort to bring about economic conditions which will foster and promote employment to the fullest possible extent and production and purchasing power to the fullest possible extent, which is the goal of this legislation.

The Senate provided for the creation of a joint committee, to be composed of Members of the two Houses, for the purpose of considering the recommendations of the President and the reports of the Commission or Board.

The fourth section, following provision for the four categories of things on which the President would make his economic report to the Congress within 60 days from the beginning of each session of the Congress, provides for the creation of a Council of Economic Advisers to the President. In arriving at the provisions for creation of that Board, we acceded very substantially to the provisions of the House amendments. We finally agreed that there should be created in the Executive Office of the President a Council of Economic Advisers whose duty it should be to advise the President in connection with the prepa-

ration of his economic report to the Congress, that the President should appoint the three members of the Council by and with the advice and consent of the Senate, and that they should be persons who would be exceptionally qualified to analyze and interpret economic developments, to appraise the programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend a national economic policy to promote employment, production, and purchasing power under free competitive enterprise. It is provided that the salaries of those outstanding men shall be \$15,000 a year, because as we all know the Board must have excellent men if it is to function as it is expected to function in advising the President with respect to economic conditions and trends of employment and production and purchasing power, all of which we wish to have considered together, for all through the bill we have linked the questions of employment, production, and purchasing power, which we think must go together in order to bring about the economic conditions under which competitive enterprise may give the highest possible maximum of employment, as a result of the necessity for production and purchasing power.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield to the Senator from New Jersey.

Mr. SMITH. I have been considerably troubled by finding at some of the committee hearings which have been held that occasionally there is great diversity between the evidence given as to levels of employment, numbers of employees, and so forth. I am interested in knowing whether the members of the economic council would be the ones to determine what were the accurate figures in such respects, so that there would be no dispute.

Mr. BARKLEY. I can say to the Senator that it was the purpose of both the House of Representatives and the Senate, after getting together and in the process of getting together, to provide for the creation of a board whose members, by reason of their character and experience and training, would be able to report to the President accurate figures with respect to employment, unemployment, and all related subjects bearing on the problem we are seeking to solve. Whether anyone or any board can be accurate down to knowing about the last man who is unemployed, I suppose none of us knows, and none of us would be so exacting as to expect that. But the board is to be set up to advise the President regarding all the conditions upon which he is to be required within 60 days from the beginning of each session of Congress to make his economic report to the Congress. We also have provided that the reports, as well as the recommendations made to the President, may become available to the joint committee which would be set up, for its information and benefit in determining both the facts relative to and the wisdom of any legislation or any policy which might be brought before it for consideration.

Mr. SMITH. The economic report probably would be based, would it not, on the recommendations of the council?

Mr. BARKLEY. Yes.

Mr. SMITH. I am troubled by the fact that at our hearings we have frequently found differences of opinion in regard to what are the accurate figures. There have been differences between the figures submitted by the Department of Labor and the figures submitted by various other organizations. I am wondering whether it will be possible for us to satisfy the public as to what the trends are by providing for the creation of this commission.

Mr. BARKLEY. It is true, as the Senator from New Jersey has said, that divergent figures have been given by the Bureau of Labor Statistics of the Department of Labor and various other organizations, through their boards and committees, and at any given time there has been a divergence of opinion as to the number of persons employed and the number of persons unemployed. We have provided for the creation of this Board and we have provided, we hope, for payment to its members of sufficient compensation to justify the employment and service of the best qualified men in the country to perform that task—to gather the facts and make the information official and to be as nearly accurate as any board composed of human beings can be.

Mr. SMITH. It would be a clearing house for such information, would it not?

Mr. BARKLEY. Undoubtedly.

Mr. SMITH. I thank the Senator.

Mr. BARKLEY. Because, of course, in arriving at their figures they would consult all elements in the country—industry, labor, and all other elements, as well as Government and State agencies.

Mr. SMITH. I thank the Senator.

Mr. BARKLEY. In discussing the next provision of the conference report, let me state that the Senate may remember that, in the Senate bill, provision was made for the creation of a joint committee of 30 members, 15 of them to be selected from the Senate and 15 to be selected from the House of Representatives. The House of Representatives provided in its amendment that the persons appointed by the Speaker should be the chairmen of various committees, as set out in the House amendment.

One of our first conclusions was that a joint committee of 30 would be entirely too large, and, then, there is always a question as to the efficacy of joint committees in dealing with legislation. We have had some unfortunate experiences in the Congress with respect to the creation of joint committees dealing with many subjects. We felt that there should be a joint committee of the two Houses to function in receiving and appraising the economic reports which, from time to time, the Congress will receive from the President and, through him, from the economic board which will be created. So we agreed upon a reduction of the number of members of the joint committee from 30 to 14—7 to be selected from each House of Congress, the members selected to be appointed by the Presiding Officer of each House.



We did not designate any committees from which he would appoint them, so he will be able to make his selections from the entire membership of the House concerned. We did provide that the respective party membership of the committee members from each House should be as nearly as possible in proportion to the majority and minority representation in each House. So we have reduced the number of members of the joint committee and we have made provision that the Speaker of the House and the Presiding Officer of the Senate shall have a free hand in making appointments to the joint committee.

In the main, those are the provisions of the conference report. We have shortened the bill very materially. We have made it simpler, without eliminating anything essential to the attainment of the goal of the highest possible maximum of employment of which our country and our economic system are capable.

Mr. President, I wish to say that the conferees from both sides of the Chamber, both Democratic and Republican, represented as far as possible the attitude of the Senate. Of course, the House conferees felt that it was their duty to represent the viewpoint of the House. But we eventually came to the conclusion that in view of the different philosophies of the two bills it was necessary to make concessions on both sides in order to arrive at a satisfactory conclusion. After we had discussed the matter for many days, the light began to break. The House conferees and the Senate conferees were very cooperative and very sincere in their effort to bring about legislation which would foster the highest possible employment, and link it up with production and purchasing power, all of which must go together in order to afford employment to the largest number of available persons throughout the country. So, by incorporating in section 2 of the bill the language, "for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power" we feel that we have gone as far as possible, and as far as we should be required to go in providing what may be called full employment. If there are any persons in this country who are unwilling or unable to work, this bill is not intended for them. The bill is intended for those who are willing, and able to work, and are seeking employment.

Mr. CORDON. Mr. President, I congratulate the conference committee on the job which it has done. I hope that the joint committee provided for in the conference committee's report will be as successful in performing the job assigned to it as the committee of conference has been in the task it has completed. However, that is beside the point.

Mr. BARKLEY. Mr. President, on behalf of the conferees I wish to thank the Senator for his generous comment.

Mr. CORDON. I note that the bill provides for a council of economic ad-

visers to the President to consist of three members. I wonder if perhaps the conference committee had in mind the three great divisions of effort in this country, namely, agriculture, management or industry, and labor, and that perhaps it had the thought that in selecting the members of the council the President might be able to place upon it men each of whom would be well versed in one of the great divisions of effort to which I have referred. It would appear that if that were done, it would be a consummation devoutly to be wished.

Mr. BARKLEY. Mr. President, the conferees discussed the very question to which the Senator has referred. Inasmuch as the council was to be within the executive department for the purpose of assisting the President in arriving at conclusions, after all the facts had been assembled on which he would base his report, it was felt that a council consisting of three members would be sufficient. We also discussed whether we should set out in the statute a provision that the President should make the appointments from three groups. We decided that if the law were to make it mandatory for the President to appoint a representative of each of the three groups, the appointees would automatically consider themselves as spokesmen and representatives of their respective groups, and that it would be more difficult for them to arrive at a consensus of opinion if they were made to believe they were acting merely as representatives of their respective groups.

Therefore, we left the President's hands free in looking over the country and in selecting men of experience and vision when making such appointments. The idea of the conferees was that in making these appointments without designating the appointees as representatives of groups, the President would choose men who would be able to speak in a broad way for all the people, and at the same time have adequate knowledge with reference to any particular segment of the population.

Mr. CORDON. Mr. President, I am in entire accord with the Senator's view that the President should not be limited in his selections. I hope, however, that the President will have in mind the three great economic divisions when he makes his selections.

Mr. BARKLEY. I thank the Senator.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Of course, practically, these appointees would have the rank of cabinet officers.

Mr. BARKLEY. Yes.

Mr. TAFT. And while they might tend to represent one or another of the groups I should hope that they would be of such broad experience and knowledge that they would not be merely representatives of any particular group.

Mr. BARKLEY. The Senator is correct, and what he has stated was the feeling of the conferees. It was hoped that the appointees would be men of such outstanding ability and experience that they would be representing the whole country, and at the same time bring to the service of the council whatever ex-

perience they may have had in their respective callings.

Mr. CORDON. Mr. President, I am in accord with the views of the Senator from Ohio. I did not intend to convey in my brief remarks the suggestion that each of the members of the council should represent one of the great segments of effort in this country, but, rather, that it might be possible that one of them would be well versed and well informed with reference to one of the three great divisions of effort, so that the three would bring full and broad information with reference to the questions which might come before them.

Mr. BARKLEY. That was our viewpoint, and I think it was the unanimous viewpoint of the conferees on both sides.

Mr. President, that is all I have to say.

Mr. TAFT. Mr. President, as a member of the conference committee, and as one who has been struggling with the bill since last August, I am very glad to urge Members of the Senate on this side of the aisle to vote in favor of the conference report. I believe that if the bill had contained originally what it now contains it would have been passed by both Houses of Congress in one month. There is now nothing in the bill to which any Member of the Congress should take exception. I think the Senate conferees did the best they could do with the bill which had already been extensively modified in the Senate, but the House took the attitude, practically, that it would not make any substantial change, and that if we wanted any bill at all we had to agree substantially to this bill. So far as I was concerned, I was glad indeed to do so.

The conferences which were held by the conferees were fairly numerous. First of all, we were doubtful about the words "full employment." I voted rather reluctantly for the bill which finally passed the Senate, although it contained the words "full employment," because of the testimony of many persons who stated that although the words "full employment" were used, the bill did not mean exactly that. It was stated that always there are people who do not wish to work, and therefore "full employment" means only substantially full employment. I was willing to accept the change of language, and I did so. Therefore, there is now no full employment bill, and the bill which we now have before us allays all the fears of those who thought that the actual conditions were being misconstrued.

In the second place, the bill which passed the Senate contained the words "the right to work." From the beginning a violent controversy took place in the Senate as to whether there was such a thing as a right to work. It seemed quite obvious that under our economy there was no legal right to work. I voted for the bill in a slightly modified form, because the authors of the bill explained that they did not mean to construe its language as a legal right to work, that that was not the meaning, and that it should not be so construed. So I took their word for it, although it seemed to me it was somewhat ambiguous, and we might be accused of fooling the people.



Those who have any doubt on that score may eliminate their doubt, because there is no right to work provided for anywhere in the conference-report bill.

The third controversy that arose, both in the committee and in the Senate, was over the word "assurance" or "guaranty" by the Government of a job. The distinguished Senator from Maryland [Mr. RADCLIFFE] was particularly concerned about such an assurance, which he thought could not be given by the Government as a practical matter, even if it wished to do so, and it would only be misrepresenting the situation if it were claimed such assurance was given.

Anyone who has any fear on that score need not vote against the conference report on that ground, because the word "assurance" is completely eliminated from the bill, and by the bill there is no longer any assurance of any kind pinned on the Government.

The original bill contained one thing about which I was most concerned, the provision embodying the so-called compensatory spending theory, by which we would figure up the number of jobs there would be—60,000,000 jobs—and how much income would be required to provide for them—\$20,000,000,000. Then, if we found we were not going to get the money, a program was provided to make up the difference, the so-called compensatory spending theory. To some extent the Senate modified that provision by adopting my amendment proposing that if a spending plan were presented, a tax plan should be presented along with it to take care of it. It was not in very satisfactory language, but no one need be concerned any longer, because there is no provision for the compensatory spending theory, no suggestion in the bill anywhere that the Federal Government has to balance its budget to cover the difference caused by spending anywhere from five, to ten, to twenty billion dollars, as might be necessary to meet the calculations which were required by the original bill.

A national budget idea suggested the same thought, and while I voted for the bill with the national-budget provision in it, I have some doubt as to the wisdom of the suggestion of a spending program to make up the so-called deficit in the Budget. Anyone who is concerned about that can be completely at ease, because the words "national budget" are completely eliminated from the bill, and all that is provided for in the bill is an economic report.

I do not think, either, that the Republicans on this side of the aisle need fear voting for the report because of apprehension that it might be construed as a victory for President Truman, because President Truman endorsed first the original bill containing all the provisions which have been completely eliminated. Then in his message of September 6, he said he wanted—

A national reassertion of the right to work for every American citizen able and willing to work—a declaration of the ultimate duty of Government to use its own resources if all other methods should fail to prevent prolonged unemployment. These will help to avert fear and establish full employment. The prompt and firm acceptance of this bed-

rock public responsibility will reduce the need for its exercise.

Full employment means full opportunity for all under the American economic system.

The "full employment" is eliminated, the "national reassertion of the right to work" is eliminated, and the bill does not bear any resemblance to the bill which was originally recommended.

On January 3 the President said:

A satisfactory full employment bill was passed by the Senate. Another bill was passed by the House of Representatives which is not at all acceptable, and which does not accomplish any of the purposes sought.

There is a slight variation in the conference report bill from the House bill, but it is so slight that it can hardly be recognized. So that we regretfully gave up the full employment, we regretfully gave up the right to work, we gave up the assurance, but I am afraid that the President will have to accept a bill which is substantially the House bill, which he disapproved so strongly on January 3.

So I do not think any Republican need fear voting for the bill because of any apprehension that there is a victory in the passage of the full employment bill, because there is no full employment bill any more. The bill is one which I would have supported from the beginning. It is a bill which provides in effect that the Government shall take thought and shall provide the machinery for eliminating economic depression.

We create a commission of three, who will have the duty of studying economics, determining how the law can be carried out, and making their report, and we declare a general policy of the Government to use all its means to bring about a prosperous condition so that people looking for work may expect to find work.

As I have said, if that had been the original character of the bill, I would have supported it from the beginning, and I think we would have passed the bill immediately with whatever good effect on the morale of the country we might have expected to obtain by the passage of the bill.

For the reasons I have stated, Mr. President, I very strongly hope that the Members of the Senate on this side of the aisle will support the conference report.

Mr. MURRAY: Mr. President, a little more than a year ago, a group of Senators joined me in sponsoring legislation to commit the Federal Government to a policy of maintaining full employment in a free competitive economy. At that time, we were still engaged in all-out war against the Axis Powers—Germany, Italy, and Japan. The Normandy beachhead had already been established, and the prospects for eventual victory seemed quite certain. We were looking forward to what might happen in America following the inevitable day of victory.

During the course of the war, America had built up the greatest productive machine in history, and a period of great industrial and business expansion seemed certain to follow our expected military success.

We were confronted, however, with the disturbing record of recurring booms and depressions in our somewhat imperfect economy. We had learned that unless

something could be done to influence the operations of the so-called business cycle, we would again be certain to experience a postwar boom followed by an unprecedented collapse. We knew that a repetition of the depression which followed in the wake of the last war would again bring widespread unemployment and frustration to millions of our citizens, wrecking the hopes of our veterans, and perhaps undermining faith in the capitalistic system throughout the world.

We could not agree with those who, looking ahead into the future, undertook to bolster their courage with the notion that if we maintained a nicely balanced Budget to keep business from losing confidence, Government relief and charity would see us through.

We could not agree with those who maintained that depressions were inevitably in a free society, and that without regimentation and loss of our freedoms nothing could be done to maintain continuing employment opportunities for our growing population.

It was then our conviction, Mr. President, that the welfare of American business, American farmers, American workers, and American veterans depends more than anything else upon whether or not the Federal Government shall assume the responsibility for maintaining a balanced economy and conditions of full employment in our country. Every practical businessman knows that unless the Government develops a positive and far-sighted economic program, business operating as in the past cannot by itself maintain continuous employment opportunities for workers.

During the 1920's, the Government had failed to recognize its responsibilities in this respect. Instead of providing a program designed to level off the peaks and valleys in industry, commerce, and agriculture, the government in that period, adhering to laissez faire principles, gave business a free rein to manage our economy. Our productive capacity during that period was expanded at a tremendous rate—with fabulous profits and high savings for a favored section of the Nation, and no attempt to maintain a general purchasing power in the hands of the people. The inevitable result was the great depression starting in 1929, which created widespread bankruptcy and destitution—all but wrecking the capitalistic system.

Mr. President, it was our conviction in sponsoring this legislation that a full employment program on the part of the Government is essential to the preservation of free enterprise. Any failure in this responsibility will be certain to threaten our system of free enterprise as well as our political system upon which it is based.

During the last depression, our economy had failed to provide for a third or more of our people. It failed to provide these people with jobs and hence failed to provide them with a livelihood. A situation was thus created in which millions of our citizens were forced to become more interested in obtaining the wherewithall for food, clothing and shelter than in maintaining the system which meant so little to them.



With all these considerations in mind, we drafted a bill designed to provide a framework within which the Federal Government at the end of the war could develop and administer a program of full employment and full production.

Upon introducing this bill on January 22, 1945, I made the following statement:

In the past, we have made many attempts to grapple with the problem of unemployment. But we have lacked the essential weapons to deal with this problem effectively. We have never had a consistent and openly arrived at national policy on employment. We have never had a businesslike method of appraising the operations of our economy and our Government. We have never had a real understanding of the economic responsibilities of the President as Chief of the executive branch, and of the Congress of the United States.

The proposed full-employment bill supplies us the three elements we have lacked in the past.

First, it establishes a national policy on the maintenance of employment opportunities. Second, it creates a budgetary system to appraise the operations of both the national economy and the Government. Third, it defines the economic responsibilities of the President and the Congress.

These three elements, when added together, provide the opportunity for full and wholehearted cooperation between industry, agriculture, labor, State and local governments and the Federal Government—the cooperation which is essential to our hopes and plans for a stronger and better America.

At the time of introduction, this legislation was cosponsored by the Senator from New York [Mr. WAGNER], the Senator from Utah [Mr. THOMAS], the Senator from Wyoming [Mr. O'MAHONEY] and myself. A few months later, the following group of distinguished Senators from the minority party offered certain amendments and joined in the sponsorship of the bill: the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. LANGER].

In the House of Representatives, the bill was sponsored by the distinguished chairman of the House Committee on Small Business [Mr. PATMAN], and cosponsored by a group of 115 Members of the House. As in the Senate, a number of the House sponsors were Members of the minority party.

From the day this bill was introduced, it has been bitterly opposed by those extremists who fight every advancement which has been proposed to make our economic system work in the interests and welfare of the whole people. Special lobbyists were rushed to Washington to work against the bill. An organized letter-writing campaign was initiated to misrepresent the bill in the eyes of the Congress. Scores of pamphlets and brochures denouncing the bill were printed and distributed widely.

Despite this barrage of propaganda and great expenditure of money, the bill evoked enthusiastic and widespread support. Far-sighted businessmen, economists, mayors, governors, religious leaders, farm leaders, representatives of organized labor—all joined in publicly recognizing that the principles of the bill provided an indispensable foundation for

an intelligent program to provide employment opportunities for all who are willing and able to work.

The bill was officially endorsed by a large group of American organizations. I offer but a partial list of such organizations, as follows:

The American Federation of Labor; Railroad Labor Executives Association; Congress of Industrial Organizations; United Mine Workers; American Association of Social Workers; American Jewish Congress; Americans United for World Organization; American Veterans Committee; Brotherhood of Maintenance of Way Employees; Brotherhood of Railroad Trainmen; Business Men of America, Inc.; Central Council of American Rabbis; Council for Social Action of the Congregational Christian Churches; Disabled American Veterans; Hosiery Wholesalers National Association; Independent Citizens' Committee of the Arts, Sciences, and Professions; League of Women Shoppers; Methodist Federation for Social Service; National Association for the Advancement of Colored People; National Catholic Welfare Conference; National Conference of Jewish Women; National Consumers League; National Council of Negro Women; National Council of Scientific, Professional, Art, and White Collar Organizations; National Council for the Social Studies; National Education Association of the United States; National Farmers Union; National Grange; National Lawyers' Guild; National Urban League; National Women's Trade Union League of America; Non-Partisan Council of Alpha Kappa Alpha; Southern Conference for Human Welfare; Synagogue Council of America; Union for Democratic Action; United Christian Council for Democracy; United Council of Church Women; United States Conference of Mayors; and the United Steelworkers of America.

I cannot at this time attempt to review the long and detailed history of this legislation as it has progressed through the two Houses of Congress.

Let me merely state that after careful hearings and intensive consideration by the Senate Banking and Currency Committee, under the able leadership of the distinguished Senator from New York [Mr. WAGNER], the bill passed the Senate on September 28, 1945, by a vote of 71 to 10.

#### THE SENATE BILL

Let me briefly review the basic provisions of the Senate bill.

The declaration of policy, set forth in section 2, provided the following:

First, the objective of full employment—which was defined in terms of employment opportunities for all who are able to work and seeking work;

Second, a declaration of the Federal Government's responsibility for assuring full employment;

Third, a declaration that all Americans able to work and seeking work are entitled to an opportunity for employment;

Fourth, a requirement of a consistent and carefully planned economic program;

Fifth, the policy of providing whatever Federal investment and expendi-

ture might be needed, as a last resort, to achieve full employment; and

Sixth, the policy that the full employment program should aim at expanded foreign trade without economic warfare.

In section 3, the Senate bill provided for an annual Presidential message to Congress, to be called the National Production and Employment Budget. This message was to contain the following:

First, economic goals on employment, production, and consumption;

Second, an appraisal of current and foreseeable trends on employment, production, and consumption;

Third, a review of the Government's economic program during the preceding year and of its impact upon economic trends; and

Fourth, a general program for achieving the desired goals.

In section 4, the Senate bill dealt with the preparation of the President's message. This section left the question of administrative machinery entirely to the discretion of the President but merely provided consultation with the heads of departments and agencies. It also provided for mandatory consultation with industry, agriculture, labor, consumers and State and local governments and authorized the creation of whatever advisory committees might be needed for this purpose.

In section 5, the Senate bill set up a joint committee to analyze the President's message. This committee was to be composed of 15 Members from each House, to be selected at the discretion of the President of the Senate and the Speaker of the House of Representatives.

As compared with the original measure, the Senate bill was in some respects weakened. In other respects it was strengthened. All in all, it was a good measure and a credit to the Senate.

In the House of Representatives the bill did not fare so well. The House Committee on Executive Expenditures reported out a substitute measure which was totally inadequate.

On the floor of the House there was no record vote through which the Members of the House could express themselves on the merits of the Senate bill, and the proposed substitute was accepted. After this action by the House, President Truman wrote to the chairman of the Senate conferees, the Senator from New York [Mr. WAGNER], and the chairman of the House conferees, Mr. MANASCO, and expressed his preference for the Senate bill. I and the other sponsors of the measure fully agreed with the President's position. In fact, I have always maintained that it would be better to have no legislation whatsoever than to have enacted into law this wholly inadequate measure proposed by the House.

The conference committee wisely rejected the House measure and worked out a bill of its own.

Now we have before us the bill as reported by the Senate and House conferees. It is for us to consider whether or not this bill should be accepted and approved.

On the day that the conference bill was made public I expressed my great disappointment that the basic concepts



of the bill were not set forth in more clear-cut and vigorous language. However, it seemed to me that the conference measure, as explained by the distinguished leader of the majority in submitting the conference report, contained all the essentials of a full employment program, which, if properly and firmly administered, would constitute a real contribution to the successful operation of our economic system.

First of all, the conference bill declares a full employment policy. The House conferees succeeded in eliminating from the bill the words "full employment" and other forthright language. They did not succeed in eliminating the fundamental concept that the Federal Government has the ultimate responsibility for creating and maintaining conditions of full employment.

Second, the bill provides an employment, production, and consumption budget. The term "national production and employment budget" was eliminated and the term "economic report" used instead. However, the content of the national production and employment budget has not been changed in any material fashion.

Third, the bill accepts the House recommendation that a Council of Economic Advisers be established to help the President discharge his responsibilities under the act. At the same time the House provisions were substantially improved.

Fourth, the bill follows the line of all previous versions and sets up a Joint Committee on the Economic Report. In my opinion, the conference provisions on the joint committee constitute an important improvement over previous versions.

I should like to take this opportunity to congratulate our distinguished majority leader, the Senator from Kentucky who served as chairman of the conference committee in the absence of the able Senator from New York [Mr. WAGNER], who has contributed so much to the handling of this bill in the Senate. Despite his other duties as majority leader, as chairman of the Pearl Harbor Investigating Committee, and as ranking member of many other important Senate committees, the Senator from Kentucky accepted the responsibility of serving as chairman of the conference committee and devoted two continuous weeks to detailed and intensive work on the bill that is now before us.

When the conference committee started its sessions, there were many who were firmly convinced that no adequate bill could be developed which would be acceptable to the House conferees. I, for one, doubted that it could be done. The fact that it has been done is eloquent testimony to the statesmanship, perseverance, and persuasiveness of our majority leader.

I should now like to comment upon the major sections of the conference bill.

#### SECTION 2

The declaration of policy is set forth in section 2. This declaration reads as follows:

The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable

means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

Does this declaration set forth the objective of full employment?

The answer to this question is "Yes," but instead of using the words "full employment," the bill uses the accepted definition of full employment. The specific language used is—

conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work.

This concept embraces the entire labor force. It is the substance of what is meant by the words "full employment."

Does the declaration recognize the Government's basic responsibility for maintaining conditions of full employment?

The answer to this question is also in the affirmative. Section 2 provides that the responsibility of the Federal Government is one of "creating and maintaining" conditions of full employment. Although the term "assure" which appeared in the original bill and the Senate bill is not used, the words "creating and maintaining" are substantially equivalent.

The Conference bill also provides that it is the responsibility of the Federal Government "to promote maximum employment, production, and purchasing power." This is a constructive addition to the original bill. Under this provision, in addition to maintaining employment opportunities, the Government is to promote conditions under which those seeking work are able to take advantage of these opportunities, and we will have maximum employment. The use of the concept "maximum production" emphasizes the fact that our objective is not only full employment but also full production—that is, a constantly rising production of goods and services. The use of the concept "maximum purchasing power" recognizes the fundamental fact that full production depends upon attaining a constantly rising level of consumption.

The Senate bill contained the declaration that—

All Americans able to work and seeking work are entitled to an opportunity for useful, remunerative, regular and full-time employment.

While the precise language of this provision is not contained in the Conference bill, nevertheless it is obvious that the right to work is implicit in the language of the Conference bill which declares the Government's responsibility to create and maintain employment opportunities "for those able, willing, and seeking to work." Implementation of the right is the important thing. The exact words defining the right are unimportant so

long as the intent is there. Here the intent is clear: to create a responsibility on the part of the Government to create and maintain job opportunities for citizens "able, willing, and seeking to work."

The original bill and the Senate bill committed the Federal Government, with certain qualifications, to provide whatever Federal investment and expenditure might be needed, as a last resort, to maintain full employment. But the conference bill does not refer to specific methods of affecting the level of employment. It makes no mention of Federal investment and expenditure, public works, loans, monopoly and competition, taxation or any other specific function of the Federal Government. Instead it calls upon the Federal Government to "coordinate and utilize all its plans, functions and resources" to achieve the desired objective.

This concept of utilizing all the vast resources of the Federal Government for the purpose of maintaining conditions of full employment appeared in none of the previous versions of this measure. It is a constructive and statesmanlike method of defining the Government's obligation to its citizens. I regard it as an improvement in the bill.

The declaration uses the phrase "to use all practicable means." This emphasizes that the Government's responsibility must be discharged effectively.

Like the Senate bill, it uses the phrase "consistent with its needs and obligations and other essential considerations of national policy." This provision recognizes that the maintenance of employment opportunities is not the sole objective of Federal policy. There are many other important objectives of national policy—such as the promotion of a higher standard of living, the protection of human rights, the maintenance of friendly economic relations with other nations, sound fiscal policy, national defense and security, and so forth. Obviously, there should be no conflict between our full employment program and measures intended to attain these other objectives of national policy. In fact, by creating and maintaining conditions of full employment and full production we shall be making an indispensable contribution to the attainment of these other important objectives.

The declaration also uses the language "with the assistance and cooperation of industry, agriculture, labor, and State and local governments." This provision, which was taken from the Senate bill recognizes that the Federal Government does not have the sole responsibility with respect to employment. It recognizes that the creation and maintenance of employment opportunities must be a joint undertaking, that in a democracy a government program must reflect the will of all its citizens.

Finally, there is the language "in a manner calculated to foster and promote free competitive enterprise and the general welfare." This concept was contained in all of the previous versions of the bill.

#### SECTION 3

Section 3 of the conference bill contains the full substance of the Senate provisions on the National Production



and Employment Budget. According to its provisions, the President shall transmit to the Congress an annual message setting forth:

First, the levels of employment, production, and purchasing power needed to carry out the declaration of policy;

Second, current and foreseeable trends in the level of employment, production, and purchasing power;

Third, a review of the economic effects of the Government's program; and

Fourth, a program for carrying out the policy declared in section 2.

The only substantive change that has been made is that while the Senate bill called for quarterly reports to Congress, the conference bill provides that the President may transmit supplementary reports from time to time. The use of the term "Economic Report," instead of the term "National Production and Employment Budget," is merely a verbal change which has no material effect on the content of the section.

#### SECTION 4

Section 4 of the conference bill sets up a Council of Economic Advisers composed of three persons exceptionally qualified to analyze economic developments. These men are to be paid \$15,000 per year and are to be confirmed by the Senate.

The House version of this section provided that all of the studies, reports, and recommendations of these three advisers to the President be available for use by the joint committee. If this provision had been maintained it would have given the three economic advisers an independent status apart from the Presidency. Conference bill eliminates this provision, thereby emphasizing the fact that their function is to assist the President in discharging his responsibilities under the act.

The Senate bill had contained mandatory provisions on consultation with industry, agriculture, labor, consumers, and State and local governments. To my regret, the consultation provision in the conference bill is permissive instead of mandatory. Moreover, the responsibility for the consultation is to be discharged by the Council of Economic Advisers rather than the President. I assume, however, that a really conscientious Council would lose no time in calling upon industry, agriculture, labor, consumers, and State and local governments to make their most effective contribution to the development of our full-employment program.

Section 5 establishes a Joint Committee on the Economic Report to analyze the President's report to Congress and to help coordinate the diverse activities of the several committees of Congress.

It follows the Senate version by leaving the appointment of the committee's members entirely to the discretion of the President of the Senate and the Speaker of the House of Representatives.

It follows the House version by reducing the membership of the joint committee. In fact it goes even further than the House version by limiting the committee to 7 members from each House. This, I think, is an improvement in the bill, for a committee of 14 will be able to

act in a more unified and decisive manner than would a committee of larger membership.

Section 6, on interpretations, which appeared in all previous versions, has been eliminated. This is an improvement, because the section was really unnecessary.

The more I study the bill as reported by the conference committee, the more I am convinced that it can carry out the original intentions of its sponsors. Its declaration of policy is historic in its implications. When the history of this period is written it will record that just as Federal responsibility for relief was accepted during the great depression, Federal responsibility for maintaining conditions of full employment was proclaimed by the Congress following the end of World War II.

The provisions on the economic report should be of incalculable value in giving the entire country an annual appraisal of how our economy is operating.

The provisions for a Council of Economic Advisers should be of great help to the President and the Executive Office in coordinating the vastly expanded operations of the executive branch.

The Joint Committee on the Economic Report should be a tremendous contribution to the improved organization and operation of the Congress.

But the passage of the Employment Act should give no one a sense of false security. Full employment cannot be maintained without hard work and hard thinking on the part of all our people.

Moreover, let us not underestimate the opposition to full employment. We have still in this country those extremists who fight every advancement proposed to make our economic system work in the interest and welfare of the whole people. From the day this legislation was first introduced, it has been misrepresented by its enemies.

Because of this bitter opposition, while the true purpose and intent of the bill is there, it lacks some of the forthright language contained in the original bill. A desperate effort will be made by its enemies to misconstrue and thereby destroy it. This should be a warning to any who might suspect that the road to full employment is short and easy. Many things, of course, remain to be done in order to carry out the policy of the bill.

#### EXECUTIVE ADMINISTRATION OF THE EMPLOYMENT ACT

The first task under the Employment Act of 1946 will be to develop a sound administrative structure in the executive branch.

When new legislation is enacted, it often happens that many months and sometimes many years are spent in the trial-and-error process of developing an administrative organization. This is what occurred with the Smaller War Plants Corporation. It is what happened with the Surplus Property Administration. Other Members of the Senate will name many other examples. It would be a tragic commentary upon the vast efforts that have been expended in obtaining a sound employment act if the passage of this legislation were to be followed by the usual period of groping and fumbling.

During the past year, therefore, I have had an intensive study made of the problems that must be faced in the administration of a full employment program. At this point I should like to set forth the conclusions I have arrived at—in the hope that they will be of value in the months that lie ahead.

First of all, the basic responsibility for developing the employment program within the executive branch is that of the President, not of the Council of Economic Advisers.

Some proposals that have been made for economic planning have aimed at placing the responsibility in the hands of planning boards. The effect of this act, however, is to underscore the responsibility of the President as the elected representative of the entire country, and as head of the executive branch of the Government. The Council set up in this bill is entirely subordinate to the President. It has no independent nor autonomous authority. Its members, like other officials in the Executive Office, can be removed by the President at any time and for any cause.

The purpose of creating a Council of Economic Advisers is merely to provide additional assistance to the President in order to help him in discharging his responsibilities. The successful operation of the Council will depend not only upon the qualifications of the men selected, but also upon their ability to cooperate with the President's other assistants and advisers.

Second. The members of the Council of Economic Advisers must be wholeheartedly devoted to the principles of the bill.

The employment bill as reported by the conference committee provides that the members of the Council of Economic Advisers be exceptionally qualified to "appraise programs and activities of the Government in the light of the policy declared in section 2." This means that they must subscribe without reservation to the policy declared in section 2. It means that they must believe in the objective of full employment, in the basic responsibility of the Federal Government for maintaining conditions of full employment, and in the need for the Government to utilize all its resources for the purpose of discharging this responsibility.

Third. The facilities of the Bureau of the Budget must be used to the fullest.

In recent years the Bureau of the Budget has demonstrated that it is the major organ in the executive branch capable of coordinating the many and diverse activities of all the agencies and establishments. Every agency must come to this Bureau and justify its requests for appropriations. In so doing it must give a full explanation of its plans and policies. Accordingly, in its efforts to achieve the most efficient use of Federal funds, the Budget Bureau must necessarily perform the function of coordinating, under the direction of the President, the plans and policies of all the various agencies. As President Truman stated in his combined state of the Union and Budget message transmitted on January 21, 1946:



The budgetary program and the general program of the Government are actually inseparable. The budget is the annual work program of the Government.

With the enactment of this legislation, the coordinating function of the Budget Bureau must be developed still further. Unless this is done, the President will be unable to perform the task assigned him by the bill.

Fourth, Program offices should be established in all the various agencies.

The planning function should be decentralized as widely as possible throughout the various agencies, departments, and commissions. In this way, the full employment program can be planned with the full participation of specialized experts in every branch of the Federal Government. This would also contribute to keeping the size of the central staff to a minimum and to carrying out the intent of section 4 (e) (2), which calls for fully utilizing the services of other Government agencies.

Fifth, There should be more effective use of interdepartmental committees to handle problems that cut across agency lines.

Very effective work has been done in recent months through the Interdepartmental Committee on Foreign Economic Relations, which was organized by the State Department. Similar committees might well be established to deal with the complicated interagency problems involved in fiscal policy, monopoly regulation, construction and capital investment, development of underdeveloped areas, public welfare, and similar matters.

Sixth, Funds should be available for research work by State and local planning boards, universities, and similar agencies.

The Federal Government should not try to do all the research. Significant contributions to a full employment policy can be made by planning boards, universities, and research institutions throughout the country. Section 4 (e) (2) of the bill specifically calls for an effort in this direction. This section should be implemented by adequate appropriations.

Seventh, a complete economic statistic program is essential.

It would be a sad mistake to think that the only statistical information needed in the preparation of the economic report is data on employment, production, and purchasing power. Nothing less than a complete program of economic statistics—covering prices, profits, wages, productivity, and so forth—will meet the need. This means central statistical planning, along the lines already established under the Federal Reports Act, to first, fill in the gaps; second, adjust the time lags; third, analyze and interpret the data; fourth, make full use of non-government sources; fifth, establish statistical standards; and sixth, keep reports and questionnaires to a minimum.

Eighth, special attention should be given to the question of Federal-State-local relationships.

The policies of States and local governments have an important role to play in our full employment program. This matter has been seriously neglected in

the past. The successful administration of this act calls for a serious and concerted approach toward coordinating the taxation and expenditure programs of State and local governments, toward eliminating interstate trade barriers and toward developing grass roots planning throughout the country.

Ninth, and last, there must be provision for coordinated administration and continuous check-up on progress.

Legislative and executive policies have repeatedly been frustrated through ineffective administration. In many cases, moreover, the President has no means of knowing in what manner important programs are being carried out. Accordingly, it is essential that major attention be given to obtaining accurate reports of what is really going on throughout the executive establishment, and to achieving the full coordination of executive activities.

#### CONGRESSIONAL ADMINISTRATION OF THE EMPLOYMENT ACT

From the day this legislation was first introduced, the provision for a joint congressional committee to analyze the President's over-all program has been hailed as a distinct contribution to the improvement of congressional operations.

There is general agreement that such a committee could be extremely helpful in coordinating the separate and diverse activities of the many committees in the Senate and the House of Representatives. For example, let me quote from the Senate Banking Committee's minority report on the full employment bill:

We believe there should be such a joint committee studying the effect of proposed legislation on economic stability. We question somewhat whether the standing committees will pay much attention to the report of the joint committee, but it should be helpful by revealing to these committees and the individual Members of the Senate the relationship of this measure to an over-all economic program.

Accordingly, we must take great care to establish this joint committee on sound principles.

First of all, careful consideration should be given to the idea of having the chairmanship and the vice chairmanship of the joint committee held by the majority leader of the Senate and the majority leader of the House of Representatives.

Let us not forget the fact that this joint committee is to serve as an economic policy committee. Its chairman and vice chairman, therefore, might well be those Members of Congress who are responsible for over-all policy. If any other Members of the Congress were selected as chairman and vice chairman of the joint committee and if they succeeded in discharging their duties successfully, then they might find themselves, in large part, performing certain functions of majority leadership.

For the same reason, the leaders of the minority party in both Houses might well serve as the ranking minority members of the joint committee.

Second, the joint committee should submit regular reports on the progress of the full employment program in Congress.

Both the general public and Members of the Congress themselves need regular information on the status of the various measures that make up the President's full employment program. This information should be provided in a regular report of the joint committee explaining the status of each proposal and indicating what changes, if any, have been made by the various committees and Houses of Congress.

Third, the members of the Joint Committee on the Economic Report should limit their activities on other committees.

Effective work by congressional committees becomes impossible when individual Members have too many committee assignments. In view of the importance of the Joint Committee on the Economic Report, therefore, the members of the joint committee should limit their activities on other committees. Since committee assignments in the Senate are much heavier than in the House of Representatives, this applies particularly to the Senate.

Fourth, more rapid progress is needed toward the general improvement of congressional organization.

The successful operation of the joint committee would be merely a first step in the improved organization of the Congress. It cannot be regarded as a substitute for more adequate staffing in our legislative committees, for closer cooperation between committees dealing with related topics, for closer relationships between the two Houses, and for the many other fundamental improvements.

I am looking forward with great anticipation to the forthcoming report of the Joint Committee on the Organization of Congress, headed by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE]. It is my earnest hope that this report will be acted upon, not merely filed away for future study. Unless we achieve a comprehensive strengthening of the Congress, I see little hope that the legislative branch of our Government will be able to do its part in maintaining an economy of full production and full employment.

#### THE NEED FOR PUBLIC SUPPORT

But even with the most effective planning within the executive branch, even with the most effective operations by the Joint Committee on the Economic Report, there is no guaranty that the Congress will make the correct decisions.

The Members of Congress are the representatives of the American people. The wisdom of their decisions, therefore, will depend on how well the American people understand the economic problems facing our country and how effectively they take a position on these matters and present their views to their elected representatives in the Congress. If the American people fail to take a strong position back of this program and demand that this act be effectively enforced, it will become dormant and useless to carry our country through the dangerous days ahead. But if this legislation is given wholehearted support, it will provide a firm foundation upon which we may go forward to a golden age of full employment and prosperity. It will become the framework within which



industry, agriculture, labor, State and local governments, and the Federal Government can work together to translate into a living reality our hopes and plans for a stronger and better America.

Mr. President, millions of our citizens have high hopes for the success of this program. The future of our system of free enterprise depends upon its capacity with the cooperation of our Government to build an economy of full production, employment and prosperity for the American people.

I urge that those who in the past have declared that full employment is a policy foreign to our system of Government and cannot be maintained under our system, to set aside their doubts and join with the sponsors of this legislation in an all-out effort to preserve our country from a major depression 5 or 6 years hence.

Let us provide for all our people the opportunity and security that is their rightful heritage as Americans.

Mr. RADCLIFFE. Mr. President, I rise to express the hope and wish that the pending conference report will be agreed to. It represents the beneficial results of much careful study.

A few moments ago the Senator from Ohio [Mr. TAFT] stated that in the beginning of the so-called full-employment legislation I was one of those who felt that the bill, as originally drafted, should be modified. Such was the case, as I thought that substantial changes should be made in it. I was and am heartily in favor of doing everything which will help to promote employment and production by sound and reasonable methods, but I felt that there was language in the bill which probably would attempt to commit us to a program which we could not succeed in following out in a spirit of wisdom, and that the language in various respects was unfortunately chosen. I suggested various amendments, some of which were adopted in committee and on the floor. The language of one amendment I submitted which was opposed in committee and on the floor of the Senate was to the effect that whatever the Federal Government did in attempting to promote employment should be consistent with its needs and obligations, and other essential considerations of national policy. In other words, the Government should, in formulating its policies, consider each phase of the problem on its intrinsic merits as of the moment and judge accordingly in a true sense of proportion. The actual language itself is not important, but I am very glad that that is its underlying idea, and in fact my phraseology has been embodied in the conference agreement and is now before us. I think the amendment gives us a much better balanced situation and sets forth a true sense of relative values.

The bill has been studied very carefully throughout its various phases of legislative procedure. An unusual amount of time has been devoted to it. I believe that we have at last evolved a measure which will be satisfactory. It has been accepted unanimously by the conferees of both Houses of Congress, of which I was one, and is now before the Senate for action. I am confident that this measure will in its operation be help-

ful to labor, to industry, and to the country as a whole. I certainly trust that the conference report will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### QUOTAS ON BURLEY TOBACCO

Mr. BARKLEY. Mr. President, is the Senator from North Carolina [Mr. HOEY] in the Chamber? There is a bill on the calendar in which he is interested.

Mr. ELLENDER. Mr. President, I have the floor.

Mr. BARKLEY. I beg the Senator's pardon. I wanted him to yield to me for a moment.

The PRESIDING OFFICER. The Senator from Louisiana has the floor. Does the Senator yield to the Senator from Kentucky?

Mr. ELLENDER. I had agreed to yield to the Senator from Alabama [Mr. BANKHEAD].

Mr. BARKLEY. The Senator from Alabama wishes to address the Senate. I think I can dispose of this bill in 5 minutes. I wish to go to the Pearl Harbor Committee as soon as possible.

Mr. BANKHEAD. The Senator has taken a great deal of time since he first told me about that committee.

The PRESIDING OFFICER. To whom does the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I will waive my opportunity in favor of the Senator from Kentucky.

Mr. ELLENDER. If that may be done with the understanding that my rights will not be jeopardized.

The PRESIDING OFFICER. With the understanding that the Senator from Louisiana does not lose the floor, the Senator from Kentucky may proceed.

Mr. BARKLEY. Mr. President, House bill 5135, to amend the Agricultural Adjustment Act of 1938, as amended, was unanimously reported in the House by the Committee on Agriculture, and passed without objection in the House. Full hearings were held on it before the Senate Committee on Agriculture and Forestry, and it was unanimously reported to the Senate and is now on the calendar. I ask that I may call it up at this time only because of the urgency of it. It is a bill which affects the production of burley tobacco for the crop year of 1946. I may say that two or three weeks ago representatives of all the tobacco organizations from all the tobacco-growing States met in Washington in consultation with the Department of Agriculture, and agreed on this proposed legislation.

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

Mr. BARKLEY. I yield.

Mr. MCKELLAR. Does the Senator mean the producers' organizations?

Mr. BARKLEY. Yes; the producers' organizations, the American Farm Bureau Federation, the Grange, the Department of Agriculture, and all the Members of the House of Representa-

tives representing tobacco-growing States.

The reason for the bill is very simple. During the war there was an increase in consumption of tobacco for cigarette purposes, which resulted in an increase in the price of tobacco. Of course, labor costs also went up.

The total crop of burley tobacco for 1945 amounted to 603,000,000 pounds. The market ordinarily opens the 1st of December, and when it opened last December the average price of burley tobacco in the State of Virginia was \$52 a hundred. In Kentucky it was \$48 or \$50 a hundred but immediately, when it was discovered that there was a surplus as a result of the enormous production of 1945, the price began to slip, until it went from \$48 or \$50 a hundred down to a level between \$25 and \$30.

The only way to remedy that situation for this year's crop is to bring about a reduction in the quotas. Under an amendment to the Agricultural Adjustment Act the burley tobacco growers, the flue-cured-tobacco growers, and others voted for a quota system. It must be submitted to the growers, and they must vote for it by a vote of 75 percent. However, the election will not be held until next November. That would affect the crop of the following year. Nothing but the legislation which this bill proposes can result in a reduction of the quotas on that particular type of tobacco for 1946.

The bill would authorize the Secretary of Agriculture to reduce the quota for burley tobacco by 10 percent for 1946, and also authorize him to increase the penalty for overproduction on the part of any grower. The present law provides a penalty of 10 cents a pound. When tobacco was selling at 20 cents a pound, that represented 50 percent of its value as a penalty against overproduction. With present prices, the quota system which had been voted by the farmers is nullified.

The bill would amend the law so as to provide for a 40-percent parity, instead of a penalty of 10 cents a pound. That is satisfactory to the farmers. They have all endorsed it. The reason why it is necessary to act on the matter now is that farmers are now burning their beds to sow the seed for the production of plants which will be replanted in the spring, and they must know in advance what will be done with respect to quotas before they go too far with their crops.

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

Mr. BARKLEY. I yield.

Mr. WHITE. Someone has indicated to me that the bill comes before us with a unanimous report from the Committee on Agriculture and Forestry. Can the Senator confirm that statement?

Mr. BARKLEY. That is true. The same situation was true in the House. It was unanimously reported. It passed the House on the 22d of January without opposition. We had a full day's hearing before the Committee on Agriculture and Forestry in the Senate. The bill was unanimously reported from that committee, and is now on the calendar with the unanimous endorsement of the committees of both Houses. The tobacco-







[PUBLIC LAW 304—79TH CONGRESS]

[CHAPTER 33—2D SESSION]

[S. 380]

AN ACT

To declare a national policy on employment, production, and purchasing power, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SHORT TITLE

SECTION 1. This Act may be cited as the "Employment Act of 1946".

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

ECONOMIC REPORT OF THE PRESIDENT

SEC. 3. (a) The President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the "Economic Report") setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 2.



(c) The Economic Report, and all supplementary reports transmitted under subsection (b), shall, when transmitted to Congress, be referred to the joint committee created by section 5.

#### COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall be a person who, as a result of his training, experience, and attainments, is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote employment, production, and purchasing power under free competitive enterprise. Each member of the Council shall receive compensation at the rate of \$15,000 per annum. The President shall designate one of the members of the Council as chairman and one as vice chairman, who shall act as chairman in the absence of the chairman.

(b) The Council is authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for the carrying out of its functions under this Act, without regard to the civil-service laws and the Classification Act of 1923, as amended, and is authorized, subject to the civil-service laws, to employ such other officers and employees as may be necessary for carrying out its functions under this Act, and fix their compensation in accordance with the Classification Act of 1923, as amended.

(c) It shall be the duty and function of the Council—

(1) to assist and advise the President in the preparation of the Economic Report;

(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering, or are likely to interfere, with the achievement of such policy, and to compile and submit to the President studies relating to such developments and trends;

(3) to appraise the various programs and activities of the Federal Government in the light of the policy declared in section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto;

(4) to develop and recommend to the President national economic policies to foster and promote free-competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof, and to maintain employment, production, and purchasing power;

(5) to make and furnish such studies, reports thereon, and recommendations with respect to matters of Federal economic policy and legislation as the President may request.

(d) The Council shall make an annual report to the President in December of each year.

(e) In exercising its powers, functions and duties under this Act—

(1) the Council may constitute such advisory committees and may consult with such representatives of industry, agriculture, labor, consumers, State and local governments, and other groups, as it deems advisable;

(2) the Council shall, to the fullest extent possible, utilize the services, facilities, and information (including statistical information) of other Government agencies as well as of private research agencies, in order that duplication of effort and expense may be avoided.

(f) To enable the Council to exercise its powers, functions, and duties under this Act, there are authorized to be appropriated (except for the salaries of the members and the salaries of officers and employees of the Council) such sums as may be necessary. For the salaries of the members and the salaries of officers and employees of the Council, there is authorized to be appropriated not exceeding \$345,000 in the aggregate for each fiscal year.

#### JOINT COMMITTEE ON THE ECONOMIC REPORT

SEC. 5. (a) There is hereby established a Joint Committee on the Economic Report, to be composed of seven Members of the Senate, to be appointed by the President of the Senate, and seven Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee—

(1) to make a continuing study of matters relating to the Economic Report;

(2) to study means of coordinating programs in order to further the policy of this Act; and

(3) as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, not later than May 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants, to pro-



cure such printing and binding, and to make such expenditures, as it deems necessary and advisable. The cost of stenographic services to report hearings of the joint committee, or any subcommittee thereof, shall not exceed 25 cents per hundred words. The joint committee is authorized to utilize the services, information, and facilities of the departments and establishments of the Government, and also of private research agencies.

(e) There is hereby authorized to be appropriated for each fiscal year, the sum of \$50,000, or so much thereof as may be necessary, to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman.

Approved February 20, 1946.











