Committee on World War Veterans' Legislation.

By Mr. FOLGER:

H. R. 4967. A bill to provide for operation of the Big Inch and Little Big Inch pipe lines; to the Committee on Banking and Currency.

By Mr. LANDIS:

H. R. 4968. A bill 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 the Committee on Ways and Means.

By Mr. VOORHIS of California:

H. R. 4969. A bill to provide for operation of the Big Inch and Little Big Inch pipe lines; to the Committee on Banking and Currency.

By Mr. RANKIN:

H. J. Res. 287. Joint resolution to declare the date of termination of the wars in which the United States has recently been engaged; to the Committee on the Judiciary.

By Mr. BENNET of New York:

H. J. Res. 288. Joint resolution to provide for the admission to the United States of aliens who are religious or racial refugees; to the Committee on Immigration and Naturalization.

By Mr. MANASCO:

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; to the Committee on Printing.

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:

By Mr. BYRNE of New York:

H. R. 4970. A bill for the relief of Samuel Valente; to the Committee on Immigration and Naturalization.

By Mr. CURLEY:

H. R. 4971. A bill to permit Mary J. James to file an application for and to receive a monthly family allowance under the Servicemen's Dependents Allowance Act of 1942; to the Committee on Military Affairs.

H. R. 4972. A bill for the relief of Albert H. Stoddard; to the Committee on Claims.

By Mr. D'EWART:

H. R. 4973. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Robert B. Zimmerman; to the Committee on Indian Affairs.

By Mr. FARRINGTON:

H. R. 4974. A bill for the relief of Hiro Higa and Kana Higa; to the Committee on Claims.

H. R. 4975. A bill for the relief of Ewa Plantation Co., a Hawaiian corporation; to the Committee on Claims.

By Mr. GOODWIN:

H. R. 4976. A bill for the relief of Mrs. Catherine Fortunato; to the Committee on Claims.

H. R. 4977. A bill for the relief of Mrs. Theresa Ebrecht; to the Committee on Claims.

By Mr. MORGAN:

H. R. 4978. A bill granting a pension to Mrs. Carrie A. Hoover; to the Committee on Pensions.

By Mr. RAYBURN:

H. R. 4979. A bill for the relief of Mrs. L. L. Rogers; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1398. By Mr. HAVENNER: Petition of 2,500 citizens of San Francisco, Calif., protesting the enactment of S. 1171, the Ball-Hatch bill; to the Committee on Labor.

1399. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of the Murray-Patman full employment bill; to the Committee on Expenditures in the Executive Departments.

1400. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of the seaman's bill of rights; to the Committee on the Judiciary.

1401. Also, petition of 2,500 citizens of San Francisco, Calif., protesting the enactment of H. R. 32, the Hobbs bill; to the Committee on the Judiciary.

1402. Also, petition of 2,500 citizens of San Francisco, Calif., protesting the enactment of H. R. 2788, the Gwynne bill; to the Committee on the Judiciary.

1403. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of the Chavez-Norton bill for a permanent FEPC; to the Committee on Labor.

1404. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of the Pepper-Hook 65-cent minimum wage bill; to the Committee on Labor.

1405. Also, petition of 2,500 citizens of San Francisco, Calif., protesting the enactment of H. R. 3937, the Arends bill; to the Committee on Military Affairs.

1406. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of the Kilgore-Forand unemployment insurance bill; to the Committee on Ways and Means.

1407. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of the Wagner-Dingell social-security bill; to the Committee on Ways and Means.

1408. Also, petition of 2,500 citizens of San Francisco, Calif., urging the passage of a better GI bill of rights; to the Committee on World War Veterans' Legislation.

1409. By Mr. LANE: Petition of the Emergency Council for the Dissolution of the Rankin-Wood Un-American Committee; to the Committee on Appropriations.

1410. Also, petition of the Emergency Council for the Dissolution of the Rankin-Wood Un-American Committee; to the Committee on Appropriations.

1411. By the SPEAKER: Petition of Michigan Older Boys' Conference, petitioning consideration of their resolution with reference to atomic power; to the Committee on Foreign Affairs.

# SENATE

## THURSDAY, DECEMBER 13, 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:

Our Father God, for a hallowed moment we step aside from the crowded highway to seek the garden of the soul where Thou keepest tryst for us at the cool of the morning hour. Often when we think Thee far away Thou art by our side unrecognized.

In the overwhelming sense of Thy goodness, O God, may all our selfish desires and all our petty egotisms vanish away. Humble us and forgive us, that we may enter into unity with Thee and may become in some measure the instruments of Thy peace. Into Thy hands we commit our spirits in life and in death, which Thou hast told us is but the swinging gateway to a richer realm of vaster service. In the Redeemer's 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 Wednesday, December 12, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

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 on December 12, 1945, the President had approved and signed the joint resolution (S. J. Res. 51) granting permission to Charles Rex Marchant, Lorne E. Sasseen, and Jack Veniss Bassett to accept certain medals tendered them by the Government of Canada in the name of His Britannic Majesty King George VI.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2737) for the relief of Clara Black.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4129) to provide for reorganizing agencies of the Government, and for other purposes.

The message further announced that the House had passed a bill (H. R. 32) to amend the act entitled "An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation," approved June 18, 1934, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 2737. An act for the relief of the estate of Harry Leon Black;

H. R. 4407. An act reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes; and

H. J. Res. 266. Joint resolution making an additional appropriation for the United Nations Relief and Rehabilitation Administration.

PERSONNEL REQUIREMENTS

The PRESIDENT pro tempore laid before the Senate letters from the Chairman of the President's Committee on Fair Employment Practice and the secretary of the United States Employees' Compensation Commission, transmitting, pursuant to law, estimates of personnel requirements for their respective offices for the quarter ending March 31, 1946, which, with accompanying papers, were referred to the Committee on Civil Service.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

PETITIONS

Petitions were laid before the Senate by the President pro tempore and referred as indicated:

Petitions of several citizens of the city of New York, praying for the enactment of Senate Joint Resolution 40, requesting the President to proclaim February 1 as National Freedom Day; to the Committee on Foreign Relations.

A petition of several citizens of New Orleans, La., praying for the enactment of legislation providing for peacetime universal military training; to the Committee on Military Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREEN (for Mr. ANDREWS), from the Committee on Public Buildings and Grounds:

S. 1649. A bill to authorize the construction of a new Federal office building at Nashville, Tenn.; without amendment.

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. R. 4649. A bill to enable the United States to further participate in the work of the United Nations Relief and Rehabilitation Administration; without amendment (Rept. No. 856).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

S. 1679. A bill to authorize additional compensation for work performed on a legal holiday by employees of the Government Printing Office; to the Committee on Printing.

By Mr. JOHNSON of Colorado:

S. 1680. A bill to amend Veterans' Regulation No. 1 (a), as amended, to provide more liberal rates of increased pension for single amputations due to service, and for other purposes; to the Committee on Finance.

Mr. WHEELER:

S. 1681. A bill to provide for adjustments in connection with the Crow irrigation project, Crow Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. BUSHFIELD:

S. 1682. A bill 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 the Committee on Commerce.

By Mr. ELLENDER:

S. 1683. A bill for the relief of the estate of Mrs. Sufronia Andrus; to the Committee on Claims.

By Mr. MORSE:

S. 1684. A bill to authorize the Federal Public Housing Commissioner to settle the claims for overtime compensation of certain persons who were employed in connection with the University Homes project; to the Committee on Education and Labor.

HOUSE BILL REFERRED

The bill (H. R. 32) to amend the act entitled "An act to protect trade and commerce against interference by violence, threats, coercion, or intimidation," approved June 18, 1934, was read twice by its title and referred to the Committee on the Judiciary.

SALE OF CERTAIN GOVERNMENT-OWNED MERCHANT VESSELS—AMENDMENTS

Mr. LANGER submitted amendments intended to be proposed by him to the bill (H. R. 3603) to provide for the sale of surplus war-built vessels, and for other purposes, which were severally ordered to lie on the table and to be printed.

INCREASE IN COMPENSATION OF FEDERAL EMPLOYEES—AMENDMENTS

Mr. DOWNEY and Mr. MORSE each submitted an amendment, and Mr. BYRD (for himself, Mr. HICKENLOOPER, and Mr. HART) submitted two amendments intended to be proposed by them, respectively, to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, which were severally ordered to lie on the table and to be printed.

RETURN OF SERVICEMEN AND CONDITIONS AMONG TROOPS ABROAD

Mr. WHEELER. Mr. President, I have received a number of letters from servicemen overseas complaining about the delay in getting them home, and also commenting on conditions at the places where they are stationed. I should like to have some of these letters printed in the RECORD, and I ask unanimous consent that that be done.

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

1303 A. A. F. BASE UNIT,
A. P. O. 884, P. M.,
*New York, N. Y., November 25, 1945.*

DEAR SENATOR WHEELER: I've always admired you for your intensely conscientious regard for the rights of Americans. Perhaps you can give me answers to two or more questions.

Recently, rioting has broken out over different parts of India; it is trouble that has been brewing for quite awhile between the English and Indians. Unfortunately, we Americans are classified as being British Allies in this coming uprising.

A few days ago Americans were killed and a goodly number injured in Calcutta, and in the future this strife will spread. You will agree that any American life lost in such a useless manner is criminal. And yet there has been no real effort to evacuate this theater as soon as possible apparently.

On VJ-day some 227,000 troops were in the India-Burma theater. Now, some 3 months later, only 93,000 personnel have left. At this rate another 4 or 5 months will be consumed to repatriate us.

Is this trouble being hushed up in Washington? It seems to me that we are sitting on a keg of political dynamite which may explode any day.

Will you kindly justify our being so slowly withdrawn from this territory? Is it that we are to help the British?

Hoping you can give the answers to these, I remain.

Respectfully yours.

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KALAIKUNDAH AIR BASE,
A. P. O. 493, C. B. I., INDIA,
*November 29, 1945.*

Hon. BURTON K. WHEELER,
*United States Senator From Montana,*
*United States Senate Office Building,*
*Washington, D. C.*

DEAR SENATOR WHEELER: Perhaps I am not conforming strictly to the War Department's wishes by writing to you while I am still in uniform, but I believe that you should know a few facts concerning the Army's policy in redeploying troops to the United States from the India-Burma theater. Please do not regard this as a personal gripe, as there are thousands of GI's in this theater in the same predicament.

At present, I am assigned to a class IV unit, composed of China theater troops which have been declared as surplus by the War Department. By the orders of the War Department, we are to be redeployed to the United States via India. In the process of our redeployment to the States, we have been intercepted by the India-Burma theater and held at this air base for over a month, doing absolutely nothing, and we have prospects of staying even longer. This has been done for reasons unknown to us.

Our supposition is that we are being held here for the express purpose of closing the India-Burma theater. We hardly think it is a square deal that we should close another theater after closing our own.

During our redeployment to the States, our mail from home has been discontinued and returned to the States. Furthermore, we have been advised that we will not receive any mail until our eventual return to the States, because it would be too much trouble. Consequently, none of us have heard from our homes since the middle of last October. In event sickness or death occurred in our families, we would not find out about it for months.

Another point worthy of mention is the recent shipment of approximately 200 Indian students from Calcutta to the University of Chicago. We GI's would like to know why this shipping space on a troop transport, so valuable to us, was used to bring foreigners to our schools when so many of us GI Joes want to get back to American schools ourselves. It also seems odd, that at various times, ships sailing from Calcutta to the States have advertised in Calcutta newspapers for civilian passengers.

A recommendation endorsed by GI's in this theater is a bonus to be paid enlisted men, who served overseas, equivalent to the 5 cents a mile, and per diem subsistance paid all officers who came overseas. This sum was paid to officers to reimburse them for the money they were supposed to have paid out for traveling and living expenses incurred during the trip. However, such expenses were paid by the Navy, leaving the officers a net profit of approximately $1,000 each way to this theater.

I realize that I can expect no answer from you as no mail is delivered to us, but knowing your past record and the fine work which you have done, I know that you will do whatever is possible to remedy this situation.

Sincerely yours.

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THREE HUNDRED AND SEVENTY-THIRD PORT BATTALION,
*APO 70, November 22, 1945.*

Senator BURTON K. WHEELER,
*United States Senate, Washington, D. C.*

DEAR SENATOR WHEELER: For some time I have debated whether or not to write to you. I realize that your mail is very heavy and that you might not be able to read this letter. But I am taking a chance and even adding clippings which give the sentiments of the men over here. Enclosed also is a clipping which features your interest in our predicament. Believe me, we need some help, and soon, over here.

Perhaps you recall that we have met on several occasions at meetings in Great Falls. My father is John L. Goff, of Valier, Mont., for whom you have already done a great deal. For this we are both grateful.

As to my own career—after completing medical school the Army called me away from my eye residency in Philadelphia and assigned me to a general hospital in the

States. In August I was sent over here to the Philippines and at the present time I am assigned to a unit here at base M, San Fernando. My work consists of taking sick call every day for 1 hour, and that is all. Any good enlisted man could do this job, but, no, I do 1 hour's work daily and draw $325 a month. And there are hundreds of doctors like me who are just as miserable and as useless. Believe me, it's disgusting, when I could be in Montana doing a much-needed job in an area with a critical shortage of doctors. The medical men in this Army have been thoroughly mishandled. I am an eye doctor, and here I am doing nothing but first aid, while just a few miles away are three hospitals needing eye men. Damn such efficiency! And my case is only one of many.

My next bone of contention is this: When the ASTP program was organized in 1942 they would not give any aid to me, but damn well called me up when my medical school was finished, and thereby interrupting my training. Now the boys finishing ASTP get all the education, worth between $5,000 and $10,000, and, in addition, are given one point for every month in medical school. Thus, on completion of their training they have 36 points before doing any actual service with the armed forces. What a lousy stinking deal for the rest of us. Now, none of these men can go overseas to replace us because they have in excess of 30 points. I think that it is a damn injustice. But it is typical of Army inefficiency. Please see what you can do about this injustice.

Now something more general about our base. An army base supports, or should support, combat or other units. But this base supports nothing at present and merely exists for itself and for the convenience of the general who needs men under him in order to keep his nice, easy, lucrative job. There are, at this base, enough officers who want to stay in the Army to operate it efficiently—or at least what the Army calls efficiently. It's really a joke. All we do is have "beautification week," "clean-up week," or "good citizenship week," and the latest is the "best driver campaign." We build fences, remove and replace palm trees or perform some equally ridiculous mission. All this takes manpower and taxpayers' money and eventually it will all be waste. The pay-off is that the official bulletin recently requested an officer or enlisted man who was an icthyologist to report to headquarters—believe it or not, the general is building himself an aquarium at the reported cost of $5,000. Still another idiotic episode is that, for the past 5 weeks, he has had a major buying hay for eight horses at the cost of $3,500. The horses, one of which recently died, are for show to the important guests. Oh, yes, he is also building an aviary. There aren't 10 officers out of a hundred who have a good 3 hours' work to do each day. One lieutenant colonel has the big job of taking a census of the number of troops in the various companies for which the Army is paying him the sum of $550 monthly. Multiply this by 10,000 and you will see the figures start to rise for our taxpayers. However, these examples are typical of the 50,000 headquarters of the Army where work is being manufactured just to hoodwink the American people and especially Congress. So why are we kept in? Just for the pleasure of the generals who don't want to give up their little kingdoms. Because the Army won't admit how much they have wasted manpower continually and almost fatally. Please, Senator WHEELER, don't let them hoodwink you. The only men who really know what is going on are the ones who are here at the scene.

Talk of demobilization is really a lot of words for the American people to read about. Action is characteristically slow if at all. The reenlistments of both officers and men is sufficiently high to allow all the men who have no desire to make the Army a career to return to civilian life.

There is a lot of thinking going on over here, Senator WHEELER, among the doctors, dentists, lawyers, and others who resolve, that if action isn't forthcoming soon from the present legislative body that there will be some changes made as soon as we get home. A common saying over here is: No boats, no votes. I, for one, intend to make myself heard in the State of Montana when I return, favorably or otherwise. We're tired of all the talk and no action.

Thank you very much for listening, Senator WHEELER. I would appreciate a reply to this letter.

Very truly yours.

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MERCHANTVILLE, N. J., *December 8, 1945.*

MY DEAR SENATOR: Recently I read in the paper of the controversy you and Senator CONNALLY engaged in over the destruction of Army equipment in Australia. I don't know what happened there, but I do know what happened in India, Tezpur, India, anyway.

Soon after the war ended all surplus communications equipment, transmitters, receivers, compasses, etc., were thrown in a pile and run over with a Cle-track. The same treatment was accorded 180 brand new hack watches. One of the navigators in our squadron whose watch wasn't working just right attempted to trade it in for one of these new ones, but was turned down. Of course, the Army wouldn't give any of the watches to the GI's. Does big business run the Army, too, as it seems to everything else? Because the way we figured it out the watches were destroyed solely so as to prevent any inroads on the watch market back home.

One more question: Why hasn't some Congressman had enough gumption to get up in the House or Senate and demand that as a prerequisite to the large loan about to be made Britain that the British immediately withdraw all troops and equipment from Java? The peoples of the Far East, the Indians especially, had been expecting great things from the United States at the close of the war. Instead, no one in Washington as much as raises his voice in favor of the independence of these peoples.

What was the war fought for anyway? The Atlantic Charter and the "four freedoms" aren't worth the paper they were written on—if they ever were written down—and the Indian people, for one, are already beginning to realize it. The Indian people are kind, friendly, and mild, but even they can stand only so much. Before long they will associate the silence of the United States on the question of Indian independence with acquiescence of British rule of India. This would indeed be a calamity for us.

Respectfully yours,

H. DOUGLAS CAMPBELL,
*An Ex-GI.*

## ECONOMIC AND PRODUCTION GOALS OF FARMERS—ADDRESS BY SENATOR GUFFEY

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an address on the subject of economic and production goals of farmers, delivered by Senator GUFFEY before a farmers' conference at Altoona, Pa., on December 12, 1945, which appears in the Appendix.]

## THE POTSDAM DECISIONS—EDITORIALS FROM THE CHRISTIAN CENTURY

[Mr. WHEELER asked and obtained leave to have printed in the RECORD two editorials from the Christian Century, dealing with the Postdam decisions, 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 | Hart | Murray |
| Ball | Hawkes | Myers |
| Bankhead | Hayden | O'Daniel |
| Barkley | Hickenlooper | O'Mahoney |
| Bilbo | Hill | Radcliffe |
| Bridges | Hoey | Reed |
| Brooks | Huffman | Revercomb |
| Buck | Johnson, Colo. | Robertson |
| Bushfield | Johnston, S. C. | Russell |
| Byrd | Kilgore | Shipstead |
| Capper | Knowland | Smith |
| Carville | La Follette | Stanfill |
| Chavez | Langer | Taft |
| Connally | Lucas | Thomas, Utah |
| Donnell | McClellan | Tobey |
| Downey | McKellar | Tunnell |
| Eastland | McMahon | Vandenberg |
| Ellender | Magnuson | Wagner |
| Ferguson | Maybank | Walsh |
| Fulbright | Mead | Wheeler |
| George | Millikin | White |
| Gerry | Mitchell | Wiley |
| Gossett | Moore | Willis |
| Green | Morse | Young |
| Guffey | Murdock | |

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent because of illness.

The Senator from Arizona [Mr. MCFARLAND] is absent because of a death in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Louisiana [Mr. OVERTON], and the Senator from Tennessee [Mr. STEWART] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. HATCH], the Senator from Nevada [Mr. MCCARRAN] and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

Mr. WHITE. The Senator from Vermont [Mr. AIKEN] has been excused. He is necessarily absent.

The Senators from Nebraska [Mr. BUTLER and Mr. WHERRY] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] is absent due to the necessity for special treatment for his recent injury.

The Senator from Oregon [Mr. CORDON] is absent on official business as heretofore stated.

The Senator from Maine [Mr. BREWSTER] is absent because of a death in his family.

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent.

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Seventy-four Senators having answered to their names, a quorum is present.

## THE PALESTINE PROBLEM—ORDER FOR CONSIDERATION OF SENATE CONCURRENT RESOLUTION 44

Mr. WAGNER. Mr. President, after conferring with the majority and minority leaders, and with the chairman of the Committee on Foreign Relations, and having obtained their consent, I ask unanimous consent that on Monday next, at the beginning of the session, the Senate proceed to consider Senate Concurrent Resolution 44, which deals with the Palestine problem, and that I may be

permitted to address myself to the resolution when it is taken up.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York. The Chair hears none, and it is so ordered.

REORGANIZATIONS IN THE EXECUTIVE BRANCH—CONFERENCE REPORT

Mr. MURDOCK. Mr. President, I present the conference report on H. R. 4129, which is commonly referred to as the reorganization bill, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4129) to provide for the reorganization of Government agencies, 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 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:

"TITLE I

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Reorganization Act of 1945'.

"NEED FOR REORGANIZATIONS

"SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"(1) to facilitate orderly transition from war to peace;

"(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this Act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this Act shall accomplish an over-all reduction of at least 25 per centum in the administrative costs of the agency or agencies affected.

"REORGANIZATION PLANS

"SEC. 3. Whenever the President, after investigation, finds that—

"(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

"(2) the abolition of all or any part of the functions of any agency; or

"(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

"(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

"(5) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganizations specified in the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the transfers, consolidations, coordinations, and abolitions, as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each transfer, consolidation, coordination, or abolition referred to in paragraph (1), (2), (3), (4), or (5) of this section and specified in the plan, he has found that such transfer, consolidation, coordination, or abolition is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function specified in the plan the statutory authority for the exercise of such function.

"OTHER CONTENTS OF PLANS

"SEC. 4. Any reorganization plan transmitted by the President under section 3—

"(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

"(2) may include provisions for the appointment and compensation of the head and one or more assistant heads of any agency (including an agency resulting from a consolidation) if the President finds, and in his message transmitting the plan declares, that by reason of transfers, consolidations and coordinations made by the plan, the responsibilities and duties of such head are of such nature as to require such action. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of $10,000 per annum, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

"(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any transfer, consolidation, coordination, or abolition;

"(4) shall make provision for the transfer of such unexpended balances of appropriations available for use in connection with any function or agency transferred, consolidated, or coordinated, as he deems necessary by reason of the transfer, consolidation, or coordination for use in connection with the transferred, consolidated, or coordinated functions, or for the use of the agency to which the transfer is made, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

"(5) shall make provision for winding up the affairs of any agency abolished.

"LIMITATIONS ON POWERS WITH RESPECT TO REORGANIZATIONS

"SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall have the effect of—

"(1) abolishing or transferring an executive department or all the functions thereof or establishing any new executive department; or

"(2) changing the name of any executive department or the title of its head, or designating any agency as 'Department' or its head as 'Secretary'; or

"(3) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

"(4) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made; or

"(5) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"(6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; or

"(7) increasing the term of any office beyond that provided by law for such office.

"(b) No reorganization plan shall provide for any reorganization affecting any agency named below in this subsection; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Interstate Commerce Commission, Federal Trade Commission, Securities and Exchange Commission, National Mediation Board, National Railroad Adjustment Board, and Railroad Retirement Board.

"(c) No reorganization plan shall provide for any reorganization affecting any civil function of the Corps of Engineers of the United States Army, or of its head, or affecting such Corps or its head with respect to any such civil function. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection.

"(d) No reorganization plan shall provide for a reorganization affecting any agency named below in this subsection if it also provides for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Federal Communications Commission, Federal Deposit Insurance Corporation, United States Tariff Commission, and Veterans' Administration.

"(e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this Act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

"(f) No reorganization specified in a reorganization plan shall take effect unless the

plan is transmitted to the Congress before April 1, 1948.

"TAKING EFFECT OF REORGANIZATIONS

"SEC. 6. (a) The reorganizations specified in the plan shall take effect in accordance with the plan upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

"(b) for the purposes of subsection (a)—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such reorganization plan has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

"(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

"DEFINITION OF 'AGENCY'

"SEC. 7. When used in this Act, the term 'agency' means any executive department, commission, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

"MATTERS DEEMED TO BE REORGANIZATIONS

"SEC. 8. For the purposes of this Act any transfer, consolidation, coordination, abolition, change or designation of name or title, disposition, winding up of affairs, or provision for the appointment and compensation of the head or assistant heads of an agency, referred to in section 3 or 4, shall be deemed a 'reorganization'.

"SAVING PROVISIONS

"SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed, in respect of or by any agency or function transferred to, or consolidated or coordinated with, any other agency or function under the provisions of this Act, before the effective date of such transfer, consolidation, or coordination, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law, have the same effect as if such transfer, consolidation, or coordination had not been made; but where any such statute, regulation, or other action has vested functions in the agency from which the transfer is made under the plan, such functions shall, insofar as they are to be exercised after the transfer, be considered as vested in the agency to which the transfer is made under the plan.

"(2) As used in paragraph (1) of this subsection the term 'regulation or other action' means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

"(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization under the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such reorganization takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization so effected, or, if there be no such successor, against such agency or officer as the President shall designate.

"UNEXPENDED APPROPRIATIONS

"SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this Act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

"PRINTING OF REORGANIZATION PLANS

"SEC. 11. If the reorganizations specified in a reorganization plan take effect, the reorganization plan shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

"TITLE II

"SEC. 201. The following sections of this title are enacted by the Congress:

"(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"SEC. 202. As used in this title, the term 'resolution' means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not favor the reorganization plan numbered transmitted to Congress by the President on , 19 .', the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one reorganization plan.

"SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of ten calendar days after its introduction (or, in the case of a resolution received from the other House, ten calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

"(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

"SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(b) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"SEC. 206. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

"(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

"SEC. 207. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

"(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 204 (a)) be made the subject of a motion to discharge.

"(b) If a resolution of the first House with respect to such plan has been referred to committee—

"(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

"(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

PAT MCCARRAN,
CARL A. HATCH,
ABE MURDOCK,
CHAPMAN REVERCOMB,
H. ALEXANDER SMITH,
*Managers on the Part of the Senate.*
CARTER MANASCO,
JOHN J. COCHRAN,
WILL M. WHITTINGTON,
CLARE HOFFMAN,
GEORGE H. BENDER,
*Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. WHITE. Reserving the right to object; this, I take it, is the conference report on the reorganization bill.

Mr. MURDOCK. That is correct.

Mr. WHITE. Is it signed unanimously?

Mr. MURDOCK. Yes; it is.

Mr. WHITE. Have the minority members of the conference committee on the part of the Senate approved the report?

Mr. MURDOCK. They have.

Mr. KNOWLAND. Mr. President, will the able Senator who has presented the conference report briefly outline what changes have taken place in conference on the reorganization bill?

Mr. MURDOCK. Will the Senator ask specific questions?

Mr. KNOWLAND. How does the bill as it came from conference differ from the bill as it was passed by the Senate?

Mr. MURDOCK. The bill, as it came from conference, differs from the bill as passed by the Senate in the exemptions retained in the conference report. Some of the exemptions contained in the bill as it passed the Senate were eliminated entirely, and others were placed in a class which, in the event they are contained in any reorganization plan prepared by the President must be set forth separately and must not be included on any plan which also provides for a reorganization which does not affect such agency. I read from the language of the report:

> No reorganization plan shall provide for a reorganization affecting any agency named below in this subsection if it also provides for a reorganization which does not affect such agency.

In other words, the conferees felt that with respect to the agencies, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the United States Tariff Commission, and the Veterans' Administration, if the President wanted to reorganize in any way one of those agencies he must do so separately and according to the language just read. He cannot submit to Congress anything in a plan affecting any one of those agencies if it involves a reorganization which does not affect that particular agency. The conferees felt that with respect to those agencies Congress should have the right to pass on them separately and exclusively and thus avoid combining them with numerous other agencies.

The agencies which were wholly exempted in the conference report are the Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, the National Mediation Board, the National Railroad Adjustment Board, and the Railroad Retirement Board. The only way that any of the agencies just named can be reorganized or affected by reorganization is by the addition to them of some other agency, some other bureau, some other personnel, or adding to the functions they already exercise. But nothing can be taken away from them.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. MURDOCK. I yield.

Mr. KNOWLAND. Specifically, for my own information, I wanted to find out what agencies had been eliminated from the bill as passed by the Senate. For instance, the Maritime Commission, and I think several other agencies which were inserted in the bill by the Senate have been stricken out by the conferees.

Mr. MURDOCK. The Maritime Commission went out and the land banks, the Federal Power Commission, and one or two other agencies. We were unable to get the House conferees to agree with respect to them. We were successful, however, respecting the ones which I have named, in agreeing that any reorganization of them must be brought before Congress separately.

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

Mr. MURDOCK. I yield.

Mr. VANDENBERG. I was held in committee and have not had the benefit of the Senator's statement. Will he be good enough to repeat the status of FDIC under the conference report?

Mr. MURDOCK. The FDIC is included in that category of agencies which cannot be reorganized if the plan in which they may be affected provides for a reorganization which does not affect such agency, but they are subject to reorganization in a separate and exclusive plan. The House conferees were unwilling to agree to their entire exemption, along with the Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, the National Mediation Board, the National Railroad Adjustment Board, and the Railroad Retirement Board, but did agree to exempt them from any reorganization plan that involves a reorganization which does not affect such agency. So, if the President sees fit to reorganize the FDIC he must send up a separate plan dealing with FDIC alone.

Mr. VANDENBERG. Then, for instance, if there were an attempt to close the FDIC into, let us say, the Comptroller's office, what would the situation be?

Mr. MURDOCK. I would say that the President could, under the bill, send up a plan which would transfer the FDIC to the Comptroller of the Currency or, let us say, to the Federal Reserve System, but nothing else could be included in that reorganization not affecting the FDIC. So the Congress has the right to pass exclusively on the question whether or not it wishes anything done with the FDIC or any other agency included in this category.

Mr. VANDENBERG. Will the Senator tell me on what possible theory the SEC is considered to be more sacred from tampering than the FDIC?

Mr. MURDOCK. I cannot explain that, but I am sure the Senator understands that in conferences of this kind there must be an attitude of give and take. The Senate conferees felt that they did the best they possibly could in the matter, and we are hopeful that the Senate will agree to the conference report.

Mr. VANDENBERG. I agree with the Senator that in conferences an attitude of give and take is necessary; but I am not prepared to agree that any give and take is justified in connection with the status of the FDIC, which is the steel beam under American confidence in the fiscal system of this country. I am very much disappointed that the House of Representatives should have insisted upon any sort of license to manipulate the FDIC. Without any reflection upon the able Senator from Utah and the service which I know he has rendered—and I know that his sympathy is with the FDIC—I am unable to vote for a conference report which allows any latitude in respect to the FDIC, because I think it is the No. 1, triple A agency of the Government which ought to be exempted.

Mr. MURDOCK. I am in full agreement with the Senator as to the very distinguished record which that agency has made, and I would have much preferred to have exempted it entirely, but that was impossible in the conference and our insistence on exemption of FDIC, in my opinion, would have precluded a reorganization law.

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

Mr. MURDOCK. I yield.

Mr. TAFT. Will the Senator tell us what was done with the amendment which I offered, and which was adopted by the Senate, prohibiting any change in legislation enacted by the Congress since the first of January of this year?

Mr. MURDOCK. I did not understand the first part of the Senator's question.

Mr. TAFT. I am asking what was done with the amendment which I offered, which is section 5 (e), I believe, which provided that no change should be made in a reorganization plan contrary to a statute enacted by the Congress since the first of January of this year.

Mr. MURDOCK. We were able to get the House to agree to the following language, which is in the report on page 4:

> (e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

The language which the Senator offered to the conference in the way of an amendment was very seriously considered by the conference but ultimately rejected.

Mr. TAFT. The language read by the Senator, which was adopted by the conferees, covers the matters which I had in mind, except that it does not cover the fixing of powers within an agency. Let me cite an example of what I have in mind. The other day we had before us for consideration the hospital bill, and we passed it, with the provision that the Federal Hospital Council should have final authority over the Surgeon General on the question of prescribing regulations with which the States must comply. That was attempted to be changed by the Senator from Montana [Mr. MURRAY], and the Senate voted down the proposal and made that power final. It seems to me that the day after this act is passed, under a reorganization plan the President could reverse that action and take away that power within the agency from the Federal Hospital Council and give it back to the Surgeon General.

I realize the difficulties which the Senator had, but I believe that if any reorganization plan should be submitted deliberately reversing an action of that kind which the Congress had just taken, even though there were other important things in the plan, I would feel called upon to oppose it. I hope the President will feel that he should not in any case reverse any action taken by the Congress since January 1, even with respect to the fixing of powers within an agency which is not now covered by the amendment, because I believe it would endanger the success of the entire plan if he should do so.

Mr. MURDOCK. I agree with the Senator that when the Congress has deliberately taken certain action it would be inconsistent for the President, having approved such action, to interfere with it by reorganization. However, I invite the Senator's attention to this factor, which was the basis of the objection of the House conferees to the intra-agency reorganization which would be precluded if the language suggested by the able Senator had been included in the bill: The House conferees pointed out that in nearly every appropriation bill there are many intra-agency distributions of functions which are given of necessity little attention by the Congress, and that if the language which was suggested by the Senator had been included, whatever was done in any of the appropriation bills would be a prohibition against the President interfering with or changing anything in the way of functions which had been prescribed in an appropriation bill. The House conferees felt that such a provision would be too restrictive.

Mr. TAFT. If we should see fit to place legislation in an appropriation bill, I do not see why it would not be like any other legislation. I quite agree that if it were merely a restriction on the use of funds for a year, it would be quite proper to change it.

Mr. MURDOCK. The difficulty we had was in finding language which would fit that kind of a situation.

Mr. TAFT. I appreciate what the Senator has done.

Mr. MURDOCK. We did everything we could to try to meet the views of the Senator. The Senator knows what my attitude was on the floor of the Senate toward his amendment. I thought it was a reasonable amendment.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. HOEY in the chair). The Senator will state it.

Mr. VANDENBERG. Is it correct to say that under the existing parliamentary situation a motion a recommit the bill to the conferees would not be in order?

The PRESIDING OFFICER. The House having already agreed to the report, such a motion would not be in order.

Mr. VANDENBERG. So it is impossible to move to recommit. Therefore, if Senators wish to object to the conference report, the only course left is to vote down the conference report, which would permit of a new conference. Is that correct?

The PRESIDING OFFICER. A further conference could be asked.

Mr. VANDENBERG. Under those circumstances, Mr. President, I am left with no alternative to voting against the conference report. I am very sorry to be compelled to take that position. I realize that the able Senator from Utah has probably done everything within his power under the existing circumstances to obtain an agreement with the House. However, if the Senate were to take this action, perhaps the House might realize more definitely how deeply some of us feel about this matter, and might reconsider. I have the total conviction that there is nothing so important at this uncertain moment of flux in the economic life of America as that the American people should continue to be able to sleep at night in respect to the sanctity of their banking system and the security of their deposits. If it had not been for the total and magnificent confidence which the American people had in their banking system and the sanctity of their deposits as a result of the operations of the FDIC during the past 12 hectic years, God only knows what would have happened in the United States. We are still in the throes of the same economic uncertainty. The one thing which the American people are sure of is that their bank deposits are safe. The Federal Deposit Insurance Corporation has been magnificently operated and has made a superb contribution to American confidence during these difficult days. I know of nothing more important, as a matter of fundamental psychology, than that it should be removed from any possibility of suspicion that it is going to be manipulated into some sort of a different status or a different organization; and, so far as I am concerned, I am going to ask the Senate to vote "no" on the conference report, under those circumstances.

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

Mr. VANDENBERG. I yield.

Mr. SMITH. I may say to the distinguished senior Senator from Michigan that this matter was a subject of discussion among the conferees, and I hope the Senator realizes that two classifications are provided for. One forbids touching in any way certain designated boards or agencies, and the other implies that there may be possible improvements or strengthening of some boards, and, if so, it provides that each must be handled under a separate recommendation by the President, not under a general plan. I was willing to have the Federal Deposit Insurance Corporation included in the second class, with the understanding that if the President sends to Congress a plan regarding the Federal Deposit Insurance Corporation, it can be acted on separately. But by adopting such a provision we do not exclude it from the possibility of improvement.

Mr. VANDENBERG. Mr. President, some of the agencies are given full protection; some are given half protection. I will ask my able friend the Senator from New Jersey to indicate to me any agency to which the conference report gives full protection, which is as remotely important to the American psychology of individual security in these days as is the Federal Deposit Insurance Corporation.

Mr. SMITH. I agree absolutely with the Senator's implication. I know of nothing more important, and in the conference I took the position that the Federal Deposit Insurance Corporation should come under class 1, the class of agencies to be entirely exempted. But there were arguments on the other side. Inasmuch as the President would have to give the Congress his full reasons for suggesting the reorganization of such agencies and inasmuch as there was a desire to have the possibility of reorganization made as broad as possible, I thought it might be wise to cover the Federal Deposit Insurance Corporation in the report and to provide that it should be left open to strengthening and improvement. We all agree regarding its value and importance in the period of reconstruction.

Mr. VANDENBERG. Mr. President, the Senator from New Jersey has said that the Federal Deposit Insurance Corporation is put in this twilight zone by the conference report in order to leave it open to strengthening and improvement. Of course, any plan which might be proposed for reorganization would be offered in the name of improvement and strengthening. That is not the point. The point is that the Federal Deposit Insurance Corporation is so fundamentally important in this continuing period of economic flux in America, so fundamentally important to the confidence of the American people in the security of their bank deposits, and the only source of the absolute feeling of security which they now have respecting any phase of their economic life—I say it is so important that we should not invite even an argument over some form of reorganization which is alleged to be in the interest of improvement. There is no justification on the record, Mr. President, for contemplating that this particular agency can be reorganized by way of improvement, because it has been 100 percent successful in every objective to which it has been directed. Furthermore, it has been operated at a minimum of expense, with a maximum of success, so that it now represents a billion-dollar asset to the Federal Government. It is in a position to repay every penny which ever was put into it. It has a record which defies comparison with that of any other instrumentality of the Government; and if some instrumentalities are to be set to one side as totally free of any danger of any manipulation, I submit this is the agency of all agencies which belongs in that classification.

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

Mr. VANDENBERG. I yield.

Mr. MURDOCK. Does the Senator have any objection to taking the powers of examination from the Comptroller of the Currency, let us say, and giving them to the Federal Deposit Insurance Corporation?

Mr. VANDENBERG. I am not sure whether I have any objections. I realize the argument which can be made

for consolidating the examinations of banks; but I know of no advantage to be gained from that particular procedure which remotely would compensate for the danger to the confidence of the American people in the security of their bank deposits which would result from opening even a back door to an assault upon the Federal Deposit Insurance Corporation.

Mr. MURDOCK. Of course, Mr. President, the Senator's whole argument is predicated, as I understand it, on the assumption that the President of the United States would have some reason to injure an agency for which he voted, which was sponsored by the administration to which he belonged, and in which, in my opinion, his interest is just as sincere as is the interest of the distinguished senior Senator from Michigan.

Mr. VANDENBERG. I agree that undoubtedly the President has that interest. My argument is not predicated upon the premise the Senator has indicated. My argument is premised on the fact that this conference report does identify half a dozen agencies of the Government which are considered to be so important that they must be in a preferred class, but the conference report does not put the Federal Deposit Insurance Corporation in that preferred class.

Mr. DOWNEY. Mr. President——

Mr. MURDOCK. Mr. President, will the Senator yield for this question——

Mr. VANDENBERG. I yield again to the Senator from Utah.

Mr. MURDOCK. Certainly the Senator knows the distinction, without my elaborating on it here, between the Interstate Commerce Commission and the Federal Deposit Insurance Corporation.

Mr. VANDENBERG. I certainly do know the distinction, and the Interstate Commerce Commission does not for an instant measure up to the importance in the intimate life of the American people today which the Federal Deposit Insurance Corporation has.

Mr. MURDOCK. I admit that. But its functions are entirely different. They are quasi legislative and quasi judicial; that is true.

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

Mr. VANDENBERG. As soon as the Senator from Utah has concluded, I shall yield to the Senator from California. I am yielding to the Senator from Utah at the moment.

Mr. MURDOCK. Mr. President, if the Senator from California has something more important to say, I shall be glad to subside.

Mr. VANDENBERG. I shall be happy to yield to the Senator from California as soon as the Senator from Utah has concluded.

Mr. MURDOCK. Mr. President, the distinction which was made was not carried through to its logical conclusion with reference to some other agencies. But that is the distinction which was made in regard to the Federal Deposit Insurance Corporation, which is exclusively and wholly an executive or administrative agency, rather than one with quasi-judicial and quasi-legislative powers.



Mr. VANDENBERG. Does the Senator say that the Securities and Exchange Commission is in that classification?

Mr. MURDOCK. Yes; it has certain quasi-judicial and quasi-legislative functions.

Mr. VANDENBERG. It is a far stretch of the imagination for me——

Mr. MURDOCK. I do not question the statement the Senator has made, namely, that today no agency of Government is more closely related to the individual citizen than is the FDIC. But I think it is a little unfair to assume that the present President of the United States would do anything to injure or interfere with the great record which has been made by the FDIC. We should not forget in our debate that the FDIC is a creature of the Roosevelt administration; that a Democratic President and a Democratic Congress may be depended upon to protect this great and important agency from any real or even imaginary injury. I know of no law enacted during my tenure of office in Congress from which I get more comfort and take greater pride in than the law which launched the FDIC. I assure the distinguished Senator from Michigan that I will be constantly on the alert for any plan affecting this agency.

Mr. VANDENBERG. Let me stop the Senator there. I am making no such assumption as he implies. But I may say that when we do not put the FDIC in the top classification where it is exempt from reorganization, but in a lower classification where there is an invitation to some sort of reorganization, we are taking from it the maximum protection which we are giving to other agencies. My argument is not based in any way whatsoever upon any lack of confidence in the President. It is based solely on the proposition that so long as we have any categories, the FDIC is entitled to be placed in the top category.

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

Mr. VANDENBERG. I yield to the Senator from California.

Mr. DOWNEY. Mr. President, in view of the very emphatic and determined position which is being taken by the Senator from Michigan, and the extent to which the debate is proceeding, I am reluctantly compelled to call for the regular order of business.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HILL. The conference report cannot be set aside, can it, Mr. President?

The PRESIDING OFFICER. The only point to which privilege attaches is the presentation of the report. The determination of it is not privileged. The Senator from California has a right to demand the regular order.

Mr. HILL. I hope the Senator from California will not insist upon his demand. This is a very important report, and it must be disposed of before the recess.

Mr. DOWNEY. Mr. President, I must admit that I am in a very embarrassing position. For about 10 days the acting majority leader has been requesting from time to time that the Senate lay aside consideration of the Federal pay bill. The distinguished Senator from Tennessee has notified me that he will attempt to proceed with the deficiency bill late this afternoon, and unless some agreement is reached not to continue with consideration of the Federal pay bill, I believe the proper thing to do under all the circumstances with which the Senate is now familiar, is to proceed with consideration of the bill at this time. The Senator will remember that I endeavored to accommodate the distinguished Senator from Virginia, our acting majority leader, and other Senators, by agreeing that the Federal pay bill might be put over until noon today. I thoroughly understand the jeopardy I am in, but I most assuredly think that the Federal pay bill has rights. If I can now force consideration of that bill I shall attempt to do so. Of course, if for some reason of its own the Senate wants to take a different viewpoint, the responsibility is off my conscience.

Mr. HILL. So far as the agreement was concerned to postpone consideration of the Federal pay bill until some time today, I do not think I was a party in requesting that that be done. I believe that the Senator from California acceded to the wishes of the Senator from Virginia. The conference report will have to be disposed of before there may be any recess. It has been under consideration already for approximately 40 or 45 minutes. I certainly hope that the Senator from California will permit the Senate to proceed to final action on the report.

Mr. DOWNEY. Mr. President, as chairman of the Civil Service Committee, I think that the Senate of the United States is placing itself in a dubious position by trying, through one method or another, to impede consideration of the Federal pay bill. If it is desired not to proceed with its consideration, I shall be willing to wait until a quarter after 1 o'clock. The Senator from Michigan has assumed a strong position with regard to the conference report. I have no way of knowing how much time consideration of the report may consume. The Federal pay bill has been on the Senate floor for a very considerable period of time, and the conference report has only just been presented to the Senate.

Mr. VANDENBERG. The Senator will acquit me of any purpose to interfere with his program.

Mr. DOWNEY. I wish to say immediately and very emphatically that I desire to give the Senator from Michigan, as well as other Senators, full latitude in arguing the very important matter which has been discussed on the floor of the Senate.

Mr. VANDENBERG. I am willing to present my objections to what I consider to be a very vital weakness in the conference report.

Mr. DOWNEY. I am certain that within a very few days if only the Federal pay bill is before the Senate we will not have a quorum. I know that the distinguished leaders will keep a quorum

present in order to dispose of the conference report. However, we owe the million and a half or two million employees of the Government the obligation of acting upon this bill. I am not anticipating what any Senator will do, but I do know that the bill has been before the Senate for at least 10 days.

Mr. VANDENBERG. How many employees did the Senator state?

Mr. DOWNEY. I said a million and a half or two million.

Mr. VANDENBERG. Very well; I am speaking in behalf of 60,000,000 bank depositors in the United States.

Mr. DOWNEY. Allow me to say that so long as the conference report is pending its rights are certainly not being imperiled.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Rule 27 provides that "the presentation of conference reports shall always be in order." I think the conference report has been presented. Am I correct in understanding that the conference report has been presented, Mr. President?

The PRESIDING OFFICER. It has been presented, and the presentation of a conference report is always in order.

Mr. TAFT. The rule further provides that "when received, the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate." I raise the question, Mr. President.

The PRESIDING OFFICER. No motion has been made. If it is made, it is entitled to be voted upon.

Mr. TAFT. I move that the Senate proceed to the consideration of the conference report. That motion is not debatable, Mr. President, as I understand it.

The PRESIDING OFFICER. The motion is not debatable.

Mr. MURDOCK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MURDOCK. When a conference report is taken up by unanimous consent, is there any need for a motion of the kind which has been made?

The PRESIDING OFFICER. The conference report has already been brought before the Senate for consideration, but the regular order has been called for. When the regular order is called for, a motion may be made to proceed with the consideration of the conference report.

Mr. MURDOCK. I thank the Chair.

The PRESIDING OFFICER. The motion of the Senator from Ohio that the Senate proceed to the consideration of the conference report is not debatable. The question is on agreeing to the motion.

The motion was agreed to; and the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LA FOLLETTE. Mr. President, I wish to say a word in this connection. I want to subscribe, if I may be privileged to do so, to the remarks which have been made by the distinguished Senator from Michigan [Mr. VANDENBERG]. I believe that if there is any agency of the Government which is entitled to complete exemption under the reorganization proposal, it is the Federal Deposit Insurance Corporation. I may also say, Mr. President, that for the life of me I cannot understand the reason for the treatment which has been given by the conferees to the Federal Power Commission. The Federal Power Commission belongs in the same category with the other agencies which have been exempted, and yet it has been left naked to the winds. I cannot understand what motivated the conferees in according such treatment to that agency unless it be that the agency has been active in protecting the consumers of this country.

Mr. President, I find myself in a position where I must oppose the conference report on the grounds stated.

Mr. MURDOCK. Mr. President, the only answer to the Senator from Wisconsin is that both Houses of Congress have acted on the reorganization bill. Congress wants reorganization, and if the conferees on the part of the Senate had taken the position that they would not deviate from the Senate's position, of course, there would be no reorganization.

Mr. LA FOLLETTE. If the conferees on the part of the Senate had taken the position that some logic should be applied in the treatment of these various agencies and had required the House conferees to return to the House and request that a separate vote be taken on the proposition in that body, I think they would have been in a much better position than they are now in.

Mr. MURDOCK. I ask the Senator from Wisconsin if he will always be willing to underwrite the logic which motivates the actions of either House.

Mr. LA FOLLETTE. No; I will not be willing. I would prefer to be in a position where I felt that the Senate conferees had been willing to make a fight for the position of the Senate to the point of forcing the House conferees to take the matter to the House for a separate vote, than to permit a situation to arise which might result in a perfectly illogical determination of what agencies of the Government are to be excluded from the proposed legislation and what ones are not to be excluded. The Senator cannot find logic in the treatment which has been accorded the Federal Deposit Insurance Corporation or the Federal Power Commission.

Mr. MURDOCK. I might not find logic which would be satisfactory to the distinguished Senator from Wisconsin; but his implication that the Senate conferees did not make a fight is incorrect.

Mr. LA FOLLETTE. They did not make a fight to have the conferees on the part of the House take the proposition back to the House for a vote.

Mr. MURDOCK. Because the House conferees assured us that it would be futile to do such a thing.

Mr. LA FOLLETTE. They always do that.

Mr. MURDOCK. That is true.

Mr. LA FOLLETTE. In other words, the Senate conferees caved in before they made a last-ditch fight.

Mr. MURDOCK. I do not think it is fair to say that there was any caving in. We made all the fight we thought was justified in the light of the ultimate objective of getting a reorganization bill.

Mr. President, every Senator can stand on his feet and make a plea for some agency of government that should have been exempted. We went through that for 20 days here on the floor. The same thing is true of the debate in the House of Representatives. Now, if we have got to go through that same debate and same argument again on the conference report, my claim is that there will be no reorganization in the executive department.

I hope that the conference report will be agreed to.

Mr. DONNELL. Mr. President, I find myself unable to vote in favor of the adoption of the conference report. The reason for my position in this matter has been very extensively stated on previous occasions but in order that there may be no possible misunderstanding as to the basis on which I shall be unable to vote for the report and shall vote against it, I call attention specifically to one portion of the report. It is provided on the first page of the conference report:

> In lieu of the matter proposed to be inserted by the Senate amendment insert the following—

And on page 4 of the conference report, included in the language which is to be inserted, is the following:

> SEC. 6. (a) The reorganizations specified in the plan shall take effect in accordance with the plan upon the expiration of the first period of 60 calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such 60-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

Mr. President, I shall be unable to support the conference report for the reason that in my opinion the language which is thus proposed to be inserted violates the Constitution of the United States of America as a delegation of legislative power to the President.

I shall not undertake to argue extensively this proposition. My position upon the matter is clear and is set forth with the best clarity of which I am capable in previous reports of the debates upon the reorganization bill. I do not care to go over the argument again, but I wish once more to refer to section 1 of article I, of the Constitution of the United States, which reads:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Likewise I refer to the language which appears in the case of Field against Clark in a decision of the Supreme Court of the United States from the lips of Mr. Justice Harlan, in One Hundred and Forty-third United States Reports, page 649:

> That the Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I yield for a question.

Mr. CONNALLY. What does the Senator say as to this constitutional question: Congress had the power to create these departments, which it did, for when the Constitution was first adopted they did not exist. Since it had the power to create them originally and has the power to abolish them entirely, does it not have the power to supervise their reorganization and to authorize the President, as a ministerial matter, to reorganize them and change their functions?

Mr. DONNELL. The question asked by the distinguished Senator from Texas raises again the proposition which was presented here extendedly some few weeks ago, namely, that this bill, in the first place, does not set up standards by which the President shall act which are sufficiently definite or clear to save it from the prohibition contained in the constitutional provision I have read.

It is true that Congress had a perfect right to create these various agencies, and by like token, inasmuch as the right to create them rests in Congress, the right undertaken to be delegated by this bill cannot be delegated to the President of the United States.

Mr. CONNALLY. Mr. President, will the Senator yield further?

Mr. DONNELL. I yield.

Mr. CONNALLY. If Congress should pass an act authorizing the President of the United States on the 1st of next January to abolish the OPA, would that be constitutional?

Mr. DONNELL. I should say that that would involve a statute or the repeal of a statute and would be clearly a violation of the Constitution of the United States.

I am not familiar with all the details of the creation of the OPA, whether or not by regulation, whether or not by statute, or what the provisions are, but I undertake to say and to repeat that where Congress has within itself power to create an agency, and has created it, it cannot delegate to the President of the United States the power to repeal the legislation which the Congress has itself enacted.

I have cited on other occasions a number of decisions of the Supreme Court and one of the upper or appellate courts—the Circuit Court of Appeals—on this proposition. I have referred also on this floor to the statement in the report of the Judiciary Committee of the Senate concerning the provision of the bill, setting forth that the contemplated reorganization would take effect unless it was disapproved by one House of Congress, and I have cited the fact that the Judiciary Committee of the Senate in its report has itself not once, but at least four times, definitely and clearly in express language stated that the procedure thus proposed is a delegation of legislative power.

Mr. President, we have no ability, no power to transfer to the President the duties which rest upon the shoulders of Congress. We have not merely powers, Mr. President, we have responsibilities. The exclusive law-making power of our Government is possessed by the Congress of the United States and not by the President of the United States, and no action which this body, or both Houses of Congress, can take can legitimately, legally, or constitutionally delegate that power or responsibility to the President of the United States.

Mr. President, I trust my position in this matter is clearly contained within the records of the debates. I shall not argue it further, but I wish to make it perfectly clear that, upon sound ground, as I see it, that the legislation proposed as set forth in the conference report violates the Constitution of the United States, as constituting a delegation of legislative power, I shall decline to vote for the conference report.

Mr. President, I call attention to the fact that under the provision of the proposed statute, if it be enacted, it will be possible for the President to prepare and transmit to Congress measures which will have the full force and effect of law, setting aside, repealing, or altering existing provisions of law which have endured already, perhaps, for a hundred years, in some cases, and if Congress does nothing whatsoever with respect to the proposed plan of reorganization, it will become effective. If that is not a delegation of legislative power to the President it seems to me it is impossible to find or imagine an instance in which a delegation of power would occur.

I stated a few moments ago, Mr. President, that there are no adequate standards provided by the bill by which the President of the United States shall be governed in the proposed preparation and transmittal of a reorganization plan. The distinguished Senator from North Carolina [Mr. HOEY], now presiding over the Senate, will doubtless recall that if the President shall find, in substance, that the reorganization plan which he prepares will conduce to the orderly transition from war to peace conditions, his reorganization plan may be drawn and will become effective if every Member of Congress shall go to sleep, shall go home for the Christmas holidays, or lock up his office and take no action whatsoever.

Mr. President, as I see it, no Members of the Senate, so far as I know, are opposed to the reorganization of the governmental agencies known as the executive agencies. I see sitting in the Senate Chamber this afternoon the distinguished junior Senator from Virginia [Mr. BYRD], who has valiantly presented to the Senate and to the Nation the importance of further economy in National Government and the importance of reorganization. I recall now, as I did a few days ago, that the distinguished Senator from Virginia has totally and exactly reversed himself from the position which he took in 1939 on this question of delegating power to the President. He very frankly stated to the Senate a few days ago, in substance, that he is doing so from a consideration of desperation, as he put it, at the inability, in his judgment, to procure a reorganization unless the powers proposed to be vested in the President by the bill shall be so vested in him.

Mr. President, I insist today, with all the vigor and earnestness within my power, that considerations of expediency should never be permitted to overcome or overwhelm us in the performance of the duties which every Member of the Senate has sworn or taken affirmation to follow and support. I undertake to say that the proposed legislation provides no adequate standards, provides nothing which, by the strongest stretch of the imagination, it seems to me, can constitute an adequate standard by which the President shall be governed. The proposed legislation leaves it to the President to prepare a plan which may set aside statutory enactments of the Congress over a century of time. Under it the plan so prepared shall become effective, not conditioned upon approval by Congress, but conditioned upon nondisapproval by Congress, a plan under which, as I have said, every Member of Congress could go to sleep, or lock up his office, or go home and do nothing for the remainder of his term, and still the provisions of the statute would become binding law in the United States.

I say such a plan as that is clearly violative of the Constitution of the United States; that it amounts clearly to an attempt to delegate to the President a legislative power, and constitutes, clearly, as the Committee on the Judiciary, composed of some 17 Members of the Senate, said at four different places in its report, a delegation of legislative power; and I quote verbatim from the report, I think.

I submit, Mr. President, that it is a clear violation of our constitutional duties to enact the legislation as it is set forth in the conference report. Therefore I shall be unable to support the report, although I am for reorganization. I am for a reorganization which shall be prepared, perhaps, by the President and transmitted to Congress. I have no objection to that. Perhaps it may be prepared by Congress, but certainly it should be a reorganization which will not go into effect unless it shall have first received the affirmative approval of both Houses of the United States Congress, in which exclusively, under the Constitution of the United States, the entire legislative power of our Government is vested.

Mr. REVERCOMB. Mr. President, as one of the conferees on behalf of the Senate, I feel that I should make a statement in view of the debate which has proceeded this morning.

Let me say that when the legislation upon reorganization was first started, as a member of the subcommittee of the Committee on the Judiciary considering the legislation, I took the position that any reorganization should be written into a bill in complete form, and presented to the President. I held to that position for some length of time. However, I was told by some of my elders of the Senate that it could never be done, that it was not workable, that reorganization could never be obtained if that method were pursued. I gave way to the views of those who had dealt with the subject longer than I had.

If proof ever were needed of the correctness of my advisers, it has been afforded here this morning. Every Senator has his own view, particularly as to what agencies of the Government should be reorganized. I shall not debate this

morning that the Federal Deposit Insurance Corporation should be or should not be reorganized. The fact is that I hold to the view stated by the Senator from Michigan. I shall not debate the subject whether or not the Federal Power Commission should be exempted totally. But I do say to the Senate that the Senate conferees met day after day upon the bill and earnestly supported the bill that was passed by the Senate. I further wish to say that if the conference report shall be voted down and returned to conference, I do not believe we will get a bill on reorganization.

Mr. VANDENBERG. Mr. President, will the Senator from West Virginia yield?

Mr. REVERCOMB. I yield.

Mr. VANDENBERG. I should not want to have that happen. I respectfully suggest to the Senator that if the conference report shall be voted down and a new conference sought, and the House conferees are asked to take this one item back to the floor for a separate vote, I do not see how they can resist the request, and I should be willing to abide by the result.

Mr. REVERCOMB. The Senator refers to the one item in which he is interested. The Senator from Wisconsin is interested in another item. The Senator from Missouri says he cannot support the report because it provides the feature of double veto by the Congress upon the report.

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

Mr. REVERCOMB. I yield.

Mr. DONNELL. Not the question of double veto; it is the fact that the bill does not reserve to the Congress the right first to approve the plan before it shall become effective. I do not regard as particularly important, from the standpoint of constitutionality, the question whether the disapproval of one House or the disapproval of both Houses shall be that which shall prevent the act from going into effect. My point is that the plan which shall be presented by the President should not go into effect unless it first receives the approval of both Houses of Congress by joint resolution of the two Houses.

Mr. REVERCOMB. I think I understand the position of the Senator from Missouri quite well.

If we go back to conference and obtain one change, or obtain two changes, there will still exist opposition to the bill. In my opinion, therefore, Mr. President, it comes down to this: The Senate conferees have done the best they could to bring forth a bill for reorganization which would be passed by the House of Representatives, and we hope would be passed by the Senate. We have met time after time in the conference. I myself had to give up something in the bill which I urged very strongly and thought was necessary, and which I know would be an improvement to th bill. That was the feature that a proposed reorganization plan could not stay in committee longer than 10 days, and would then automatically come to the floor of the Senate. I could not get an agreement on that proposal. But I signed the report—why? Because I believe the bill is of sufficient scope to permit reorganization and to permit the Congress to protect the people and to protect its own position when the plan of reorganization comes back to Congress for us to pass upon.

In summary let me say that I do not think recommitting the bill to conference will help. I further say that if the report is rejected by the Senate, the House having accepted it with provisions in it which the House did not want to accept, but which the Senate had placed in the bill—I say that if it is rejected we shall have taken a step which I believe will mean an end to the reorganization of the Federal agencies.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. VANDENBERG. Mr. President, on that question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. VANDENBERG. 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:

| | | |
|---|---|---|
| Austin | Hart | Murray |
| Ball | Hawkes | Myers |
| Bankhead | Hayden | O'Daniel |
| Barkley | Hickenlooper | O'Mahoney |
| Bilbo | Hill | Radcliffe |
| Bridges | Hoey | Reed |
| Brooks | Johnson, Colo. | Revercomb |
| Buck | Johnston, S. C. | Robertson |
| Byrd | Kilgore | Russell |
| Capper | Knowland | Shipstead |
| Carville | La Follette | Smith |
| Chavez | Langer | Taft |
| Connally | Lucas | Thomas, Utah |
| Donnell | McClellan | Tobey |
| Downey | McKellar | Tunnell |
| Eastland | McMahon | Vandenberg |
| Ellender | Magnuson | Wagner |
| Ferguson | Maybank | Walsh |
| Fulbright | Mead | Wheeler |
| George | Millikin | White |
| Gerry | Mitchell | Wiley |
| Gossett | Moore | Willis |
| Green | Morse | Young |
| Guffey | Murdock | |

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report on House bill 4129. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BANKHEAD. I have a general pair with the senior Senator from Nebraska [Mr. BUTLER]. I transfer that pair to the senior Senator from Louisiana [Mr. OVERTON] and will vote. I vote "yea."

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent because of illness.

The Senator from Arizona [Mr. MCFARLAND] is absent because of a death in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Louisiana [Mr. OVERTON], and the Senator from Tennessee [Mr. STEWART] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. HATCH], the Senator from Ohio [Mr. HUFFMAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Maryland [Mr. TYDINGS] are detained on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Oklahoma [Mr. THOMAS] are absent on official business.

The Senator from Idaho [Mr. TAYLOR] is detained at an important committee meeting.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. HATCH], the Senator from Ohio [Mr. HUFFMAN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arizona [Mr. MCFARLAND], the Senator from Louisiana [Mr. OVERTON], the Senator from Florida [Mr. PEPPER], the Senator from Tennessee [Mr. STEWART], the Senator from Idaho [Mr. TAYLOR], the Senator from Maryland [Mr. TYDINGS], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

Mr. WHITE. The Senator from Vermont [Mr. AIKEN] has been excused. He is necessarily absent.

The Senator from Nebraska [Mr. BUTLER] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] is absent due to the necessity for special treatment for his recent injury.

The Senator from Oregon [Mr. CORDON] is absent on official business as heretofore stated.

The Senator from Maine [Mr. BREWSTER] is absent because of a death in his family.

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent on official business.

The result was announced—yeas 49, nays 23, as follows:

YEAS—49

| | | |
|---|---|---|
| Bankhead | Hart | Myers |
| Barkley | Hayden | O'Mahoney |
| Bilbo | Hill | Radcliffe |
| Buck | Hoey | Reed |
| Byrd | Johnson, Colo. | Revercomb |
| Carville | Johnston, S. C. | Robertson |
| Chavez | Kilgore | Russell |
| Connally | Lucas | Smith |
| Downey | McClellan | Thomas, Utah |
| Eastland | McKellar | Tunnell |
| Ellender | McMahon | Wagner |
| Fulbright | Magnuson | Walsh |
| George | Maybank | Wheeler |
| Gerry | Mead | Wiley |
| Gossett | Mitchell | Willis |
| Green | Murdock | |
| Guffey | Murray | |

NAYS—23

| | | |
|---|---|---|
| Austin | Hawkes | O'Daniel |
| Ball | Hickenlooper | Shipstead |
| Bridges | Knowland | Taft |
| Brooks | La Follette | Tobey |
| Capper | Langer | Vandenberg |
| Donnell | Millikin | White |
| Ferguson | Moore | Young |
| Gurney | Morse | |

NOT VOTING—24

| | | |
|---|---|---|
| Aiken | Cordon | Saltonstall |
| Andrews | Glass | Stanfill |
| Bailey | Hatch | Stewart |
| Brewster | Huffman | Taylor |
| Briggs | McCarran | Thomas, Okla. |
| Bushfield | McFarland | Tydings |
| Butler | Overton | Wherry |
| Capehart | Pepper | Wilson |

So the conference report was agreed to.

LEGISLATIVE PROGRAM

Mr. DOWNEY. Mr. President, I desire to call for the regular order.

Mr. HILL. Mr. President, will the Senator withhold his request for a moment?

Mr. DOWNEY. Yes; I withhold it for a moment.

Mr. HILL. The Senator knows, of course, what would be the effect of his request for the regular order, namely, that the ship sales bill, which has been under consideration now for several days, would be sent back to the calendar. I hope the Senator from California will not request the regular order, but will give us an opportunity to conclude consideration of the ship sales bill. I understand that the distinguished junior Senator from Maryland [Mr. RADCLIFFE], the distinguished junior Senator from Wyoming [Mr. ROBERTSON], and the distinguished junior Senator from California [Mr. KNOWLAND] have been in conference with respect to the bill, and that neither one of the three will desire to speak for more than 5 minutes, if the Senate is given an opportunity to proceed with the consideration of that bill.

Mr. DOWNEY. Mr. President, reluctantly I must decline to accede to the suggestion of the Senator from Alabama.

Mr. HILL. I wish to say to the distinguished Senator from California, in justice to myself, that yesterday afternoon, when I talked to the Senator along about 3 o'clock, I thought he agreed that we would have an opportunity to finish action on the ship sales bill early in the session today.

Mr. DOWNEY. Mr. President, I did not so understand any statement I made. I regret it if I was ambiguous or if the Senator misunderstood me. I will say to the Senator that I understood from the distinguished acting chairman of the Appropriations Committee, the senior Senator from Tennessee [Mr. MCKELLAR], that there is considerable doubt whether the deficiency appropriations bill will be before the Senate before Monday. I think that will give us ample time in which to dispose of the Federal pay bill and also the ship sales bill.

I may say that I think the program is understood, namely, that the Senator from Virginia is to present to the Federal pay bill an amendment which will embody his ideas, and after he has explained his amendment it is my intention to offer an amendment in the nature of a substitute. I do not believe I shall occupy the floor of the Senate in discussion of the amendment which will be offered by the Senator from Virginia or in discussion of my own amendment more than 1 hour, and I think the question can easily be settled upon a vote either on the amendment of the Senator from Virginia or on the amendment in the nature of a substitute which I shall offer. Of course, I have no way of knowing how long the Senator from Virginia will address the Senate in the presentation of his thoughts or how long any of our other colleagues will address the Senate in presenting their views on these matters. But if we begin now to work on the Federal pay bill, I think there is no reason why we cannot conclude action on it this afternoon.

Mr. MCKELLAR. Mr. President, will the Senator yield to me?

Mr. DOWNEY. I yield.

Mr. MCKELLAR. I am not sure the Senator from California has accurately stated what I told him. I wish to make a statement at this time about the deficiency appropriations bill. I have no desire to interfere in any way with action on the Federal pay bill; but the Senator from California will recall that I received permission to report the deficiency appropriations bill if we were able to report it today. We received permission to leave it with the clerk. If it is reported today, it will be in order for the Senate to consider it tomorrow. We have been working on the bill for several weeks. It contains a great many items—in fact, more than I have ever before known to be in a deficiency bill since I have been in the Senate. I do not think the bill involves any controversy; and if we are able to have it reported this afternoon, I should like to have time tomorrow to have the Senate consider it. I hope its consideration will not take over an hour, because there is not much controversy about it, in my judgment.

Mr. DOWNEY. Mr. President, let me say that I have already agreed with the distinguished senior Senator from Tennessee that, so far as I am concerned, I shall make no objection to having his bill heard immediately, whenever he desires to present it on the floor of the Senate.

Mr. WHITE. Mr. President——

Mr. DOWNEY. I yield to the Senator from Maine.

Mr. WHITE. I join in the hope expressed by the Senator from Alabama that the Senator from California will not insist at this time upon the regular order, which will mean the consideration at this time of the pay bill. We have shifted these bills back and forth during the last 10 days, from unfinished business to a place somewhere in the rear of unfinished business. I think it has not been a creditable performance, so far as the Senate is concerned. I do not think it has reflected credit upon the legislative processes of the Senate. I do not suppose anyone is more definitely hostile to the ship-sales bill than I am; but here we are with that bill well toward the end of its consideration before this body. From all that I can learn about the situation, I feel quite assured that it will ultimately be disposed of one way or the other within a reasonable time this afternoon. It seems to me—and I say this with great respect to the Senator from California who proposes that the Senate proceed otherwise—that it is in the interest of the orderly conduct of our business that we hold our hands to the plow and go to the end of the furrow with the particular bill which has been before the Senate for so long. When we have concluded action on it, I assume we then shall be in a position to take up the Federal pay bill, and I hope for a speedy determination of it.

But if at this time we suspend consideration of the ship-sales bill and turn our attention to another bill, I think we shall add confusion and legislative delay, and I think we shall create some doubt in the public mind regarding whether we know what we are doing.

Mr. DOWNEY. Mr. President, I agree with what the distinguished Senator has said, namely, that once we have put our hand to the plow, we should go to the end of the furrow before we leave it. We started on the Federal pay bill long before we started to consider the ship-sales bill. I tried to be courteous and I yielded to Senators two or three times upon representations—which I know were made in good faith, but which were not carried out—that action on the bill would be finished within a certain period of time.

Mr. President, I shall be frank with the Senate and with the acting majority leader. I have received very good information that when the deficiency appropriations bill and the ship-sales bill are out of the way, it will no longer be possible to obtain the attendance of a quorum in the Senate. I have no doubt that there are Senators who would be very glad to avoid having to pass upon this wage question by not having a quorum present. But I desire to say it will be against all my resistance if that happens. If my bill goes down, I shall attempt to see that the ship-sales bill, at least, is not considered in front of it. I may not be able to accomplish that.

Let me say that we waited 4 or 5 years before we raised the basic pay of the Federal workers. For 4 or 5 long years we, the Congress of the United States, helped to work out plans by which the greatest corporate profits which ever have been made were accumulated, plans by which the farmers were protected, plans by which industrial workers were protected. But it was not until the spring of 1945, 4 years after the cost of living had begun to mount, that we got around to attending to an increase of the basic salaries of Government workers.

I wish to say that what I am requesting for the Government workers is nothing more than what has already been granted by 25 or 50 great industries; it is nothing more than General Motors has already offered.

In other words, in the substitute which I am about to offer for the amendment of the Senator from Virginia [Mr. BYRD] I am doing nothing more than attempting to bring the wages of Federal workers up to the present standard of living. So far as I know, no one in industry objects to that plan. Justice delayed is justice denied. There are hundreds of thousands of Federal workers who will face bleak and insolvent conditions at Christmas. So far as I am concerned, I shall do everything I can do in order to drive this bill through before we leave for the holiday adjournment, and I shall not yield for anything. If Senators wish to displace my bill, I shall go home and rest easily.

Mr. RADCLIFFE. Mr. President, the Senator from California has been so patient and generous that I hesitate to say anything at this time. What has been said by the Senator from Maine and by the Senator from Alabama with regard to disposing of the proposed ship-sales legislation is obviously correct and I shall not dwell upon it. However, I have talked with several Senators and I know of only two or three Members of the Senate who will discuss the bill, and not one of them has told me that he will talk longer than 5 minutes. I cannot guarantee what may develop; but I assert

to the Senator from California that, so far as I can now judge from the appearance of things, we can vote quickly on these matters.

Mr. DOWNEY. Mr. President, though not so wise as Ulysses was, I am like Ulysses in that my ears are stuffed with cotton and I shall no longer listen to the song of the siren. I shall not yield any further. There is cotton in my ears.

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

Mr. DOWNEY. I yield. [Laughter.]

Mr. HILL. I understand that the Senator will insist on the regular order.

Mr. DOWNEY. Yes.

Mr. HILL. I hope the Senator will be so much like St. Paul that he will yield to no one, and will drive his bill just as hard as he possibly can do so. I may say further that I shall be here to help the Senator dispose of the bill.

Mr. DOWNEY. I may say to my distinguished friend from Alabama that I shall take his advice.

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

Mr. DOWNEY. I yield.

Mr. LANGER. Mr. President, as a ranking member of the minority on the Civil Service Committee, I wish to say that I believe the distinguished Senator from California is absolutely correct in his position. The Federal pay bill has been delayed time and again. Any member of the committee who attended the hearings and listened to the testimony offered by poor Federal employees knows that this legislation has long been needed. I am here to help the Senator in every way I possibly can.

INCREASE IN COMPENSATION OF FEDERAL EMPLOYEES

The Senate resumed the consideration of the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

Mr. DOWNEY. Mr. President, I desire to withdraw the amendment.

The PRESIDING OFFICER. The Senator from California withdraws his amendment.

Mr. DOWNEY. I do not desire to have any other of my amendments presented. I understand that it is now the desire of the Senator from Virginia [Mr. BYRD] to offer an amendment.

Mr. BYRD. I did not understand that the Senator from California was offering a substitute for my amendment. I suggest that he offer an amendment to his own bill, and then I may offer a substitute for his amendment. After he offers his amendment I can then determine whether I wish to offer mine.

Mr. DOWNEY. The distinguished Senator from Virginia asked me to allow this matter to go over until noon today so that he would have time in which to prepare and present his amendment. I think that the logical and orderly procedure is for the Senator to carry out his program.

Mr. BYRD. I did not make any agreement to that effect. I understood the Senator from California would stand on his bill. He proposes to offer another bill. I think that when he offers his substitute for the pending bill I will then be in a position to determine whether I wish to offer my amendment. The Senator has not taken me into his confidence and I do not know what kind of a substitute he proposes to offer.

Mr. DOWNEY. Mr. President, if the Senator from Virginia prefers the procedure which he has suggested, I have no objection to it. I therefore send forward the amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Beginning on page 1, it is proposed to strike out all after the enacting clause down to and including line 16 on page 3, and insert in lieu thereof the following:

That (a) the first sentence of section 405 (a) of the Federal Employees Pay Act of 1945 is amended to read as follows: "Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 40 percent of that part thereof which is not in excess of $1,200 per annum, plus 30 percent of that part thereof which is in excess of $1,200 per annum."

(b) (1) The proviso to the fifth paragraph under the heading "Crafts, protective, and custodial service" in section 13 of the Classification Act of 1923, as amended, is hereby amended to read as follows: "*Provided*, That charwomen working part time be paid at the rate of 90 cents an hour, and head charwomen at the rate of 97 cents an hour."

(2) Such section is amended so as to provide the following rates of compensation for positions in the clerical-mechanical service:

Grade 1, 92 to 99 cents an hour.
Grade 2, $1.07 to $1.15 an hour.
Grade 3, $1.23 to $1.31 an hour.
Grade 4, $1.38 to $1.54 an hour.

(c) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

Sec. 2. Section 602 of the Federal Employees Pay Act of 1945 is amended by inserting after the words "section 405 of this act", wherever they occur in such section, a comma and the words "as amended."

Sec. 3. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: "Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 40 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 30 percent of that part of such rate which is in excess of $1,200 per annum."

(b) The first sentence of section 521 of such act is amended to read as follows: "Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 40 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 30 percent of that part of such rate which is in excess of $1,200 per annum."

(c) Sections 502 and 522 of such act are hereby repealed.

Sec. 4. Section 603 (b) of the Federal Employees Pay Act of 1945 is amended by inserting after the words "by reason of the enactment of this act" the words "or any amendment thereto."

Mr. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BYRD. Is the Senator from California offering the amendment as a substitute for the bill, or as an amendment to the bill?

Mr. DOWNEY. I am offering it as an amendment in the nature of a substitute.

The PRESIDING OFFICER. The amendment is a substitute for everything except section 5, which is the last section of the bill.

Mr. BYRD. The Senator offers it on his own responsibility, and not in behalf of the Civil Service Committee. Am I correct?

Mr. DOWNEY. Yes; that is correct.

Mr. President, I think the Senator from Virginia has performed a valuable service in suggesting the kind of amendment he has suggested. I think it shapes up very well, indeed, the issues and the controversy which exist between me and some other Senators who are opposing the bill.

The Senator from Virginia suggested that he was going to present an amendment which would abrogate the basic raise of 16 percent which was given the employees last spring, go back to the basic rates which existed prior to the new law going into effect July 1, and then give certain increases. I think that is a very excellent form for the bill to take, because I think it makes the issue very clear to Senators.

In the amendment which I am offering to the Senate I am following the same form followed by the Senator from Virginia, so that we can all clearly understand the difference in our two proposals. I might say that, speaking first in a general way, and later with more detailed qualifications, the proposal I am making in the amendment would tend only to bring the Federal workers up to the present higher cost of living standard as compared with that of 1941. In reality the increases which are provided for in my amendment will do nothing except assure to the Federal workers the same real purchasing power they had in 1941.

On the other hand, the Senator from Virginia by his amendment would accomplish the same result for the workers in the lowest groups, but in the upper groups——

Mr. BYRD. Will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BYRD. The Senator from Virginia has not presented any amendment, nor has he made any announcement as to what he intended to offer in conjunction with his colleagues, except to say that he opposed the 20-percent flat increase. I hope the Senator from California will wait until the Senator from Virginia offers an amendment before he attempts to discuss it.

Mr. DOWNEY. I may be in error, I may be confusing newspaper reports and other statements——

Mr. BYRD. No statement has been made, I assure the Senator.

Mr. DOWNEY. I may be confusing newspaper reports and other statements with the statement the Senator made on the Senate floor, but I thought he did indicate the general nature of his proposal.

Mr. BYRD. The Senator is mistaken. I said I favored a graduated increase. I did not say what kind of a graduated increase.

Mr. DOWNEY. Then, Mr. President, to make the controversy clear, assuming the newspaper reports of usually credible columnists are correct as to the nature of the amendment to be offered by the Senator from Virginia——

Mr. BYRD. I do not like to interrupt the Senator again, but no newspaper correspondent or newspaper reporter has been authorized by me to say that the Senator from Virginia is in favor of any specific ratio of increase. I assure the Senator that is correct.

Mr. DOWNEY. Mr. President, that may be correct, and it may be that I am misinformed as to the ideas presently existing in the mind of the Senator from Virginia, but if I am in any respect in error, of course the Senator from Virginia will correct me.

Mr. BYRD. Would it not be better to let the Senator from Virginia say what is in his own mind, instead of the Senator from California trying to say it, or repeat something from the newspapers which was not authorized?

Mr. DOWNEY. It undoubtedly would have been better, I think, under all the arrangements that were made on the Senate floor, for the Senator from Virginia to have carried out the agreement we made, and for him to have presented——

Mr. BYRD. May I say——

Mr. DOWNEY. Let me finish, please; it would have been better for him to have presented his amendment which he had taken time to prepare.

Mr. BYRD. I was entirely willing to present the amendment on the assumption that the Senator from California would stand by his own bill, on which he held hearings, and which was reported by him in the name of the Civil Service Committee. Now that the Senator from California has changed his bill, I think I am entitled to know what changes he proposes; otherwise I have no way of knowing whether I desire to offer a substitute or an amendment. I think the proper procedure is clearly indicated in this matter.

Mr. DOWNEY. Mr. President, as I have already said, the proposal contained in the amendment I present does nothing more, in the main, than assure to every Federal worker an increase which will restore to his wages the real buying power they had in 1941.

I have been furnished with a list of perhaps 25 or 30 wage increases which have been given in the United States since the Japanese war, and if my information concerning them is correct—and I feel reasonably confident it is correct—every wage increase so far has at least given the workers a sufficient increase to meet the increased cost of living.

Many of the wage increases which have been given have run 5, 10, 15, and I think even 20 points in percentage above the amount necessary to bring the workers back to the level of the increased cost of living. There have been wage increases in the oil industry, in the textile industry, in printing, in the lumber industry, and in numerous other industries, and, as I have already said, every one of those adjustments, according to my information and my interpretation, provides a much better standard for the worker than was proposed in my original bill providing for a 20-percent raise and than is proposed in the amendment.

I am informed, I think credibly, that the offer made by the General Motors Corporation to its electrical workers and to its other workers is designed to bring their wages up to that standard of the cost of living. In other words, Mr. President, I am only submitting to the Senate a formula which has been almost exactly duplicated by the General Motors Corporation in its offer to its employees. The employees have not yet accepted the offer, and if and to what extent it will be raised by the General Motors Corporation, of course, I have no idea, but as it stands, the offer of General Motors is almost exactly the same as the formula proposed in the amendment.

Mr. President, the effect of the pending amendment is to eliminate the basic raise which was made last spring, and to substitute upon the then existing wages the percentages of increase set forth in the bill.

Mr. LANGER. Mr. President, 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:

| | | |
|---|---|---|
| Austin | Gurney | Murray |
| Ball | Hart | Myers |
| Bankhead | Hawkes | O'Daniel |
| Barkley | Hayden | O'Mahoney |
| Bilbo | Hickenlooper | Radcliffe |
| Bridges | Hill | Reed |
| Brooks | Hoey | Revercomb |
| Buck | Johnson, Colo. | Robertson |
| Bushfield | Johnston, S. C. | Russell |
| Byrd | Kilgore | Shipstead |
| Capper | Knowland | Smith |
| Carville | La Follette | Stanfill |
| Chavez | Langer | Taft |
| Connally | Lucas | Thomas, Utah |
| Donnell | McClellan | Tobey |
| Downey | McKellar | Tunnell |
| Eastland | McMahon | Vandenberg |
| Ellender | Magnuson | Wagner |
| Ferguson | Maybank | Walsh |
| Fulbright | Mead | Wheeler |
| George | Millikin | White |
| Gerry | Mitchell | Wiley |
| Gossett | Moore | Willis |
| Green | Morse | Young |
| Guffey | Murdock | |

The PRESIDING OFFICER (Mr. YOUNG in the chair). Seventy-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY].

Mr. TAFT. Mr. President, in the past few moments I have been trying to figure out the exact effect of the amendment offered by the Senator from California, but I am afraid that my efforts have been a complete failure. I certainly would be very loath to vote on this particular amendment or on the amendment of the Senator from Virginia [Mr. BYRD] until I had seen it.

I should like to say a few words regarding the general situation. I have not been on the committee, and I have not been deeply involved in the debate or in the problem which is before us but I have been interested in the general question of wages and salaries. With the confusion which exists with respect to this amendment, it seems to me that the bill should be recommitted to the committee for further consideration.

One further consideration impresses me. The other day the Senator from California made out a very persuasive case for the increase of certain Federal salaries On the other hand, I know many Federal employees who are well off at their present salaries. It seems to me that there ought to be a selective consideration of the question of raising Federal salaries if we are to do anything as substantial as is now proposed, which would cost the Government between $500,000,000 and $1,000,000,000, according to various estimates which have been presented.

Only yesterday I received complaints from Ohio to the effect that some Federal employees are now receiving salaries which completely upset the State scale and make it more or less impossible to hire employees for the State and local governments. The appeal made here is largely in behalf of Federal employees in Washington. Of course the Washington situation is a peculiar one. Hundreds of thousands of people have rushed to Washington to get jobs, creating a short age in housing facilities available in Washington. They have had much higher living expenses than they would have had if they had stayed at home. Washington is probably the worst place there is in that respect, and undoubtedly there are many hardship cases here.

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

Mr. TAFT. I yield.

Mr. BYRD. I make the point of no quorum.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Ohio yield for that purpose?

Mr. TAFT. Yes; I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | |
|---|---|---|
| Austin | Johnston, S. C. | Reed |
| Byrd | Knowland | Revercomb |
| Carville | Langer | Robertson |
| Donnell | Lucas | Russell |
| Downey | McClellan | Smith |
| Gerry | Mitchell | Taft |
| Gossett | Morse | Thomas, Utah |
| Hart | Murdock | Tunnell |
| Hawkes | Murray | Vandenberg |
| Hayden | O'Daniel | Wheeler |
| Hickenlooper | O'Mahoney | Young |
| Hill | Radcliffe | |

The PRESIDING OFFICER. Thirty-five Senators have answered to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators, and Mr. BANKHEAD, Mr. BILBO, Mr. BRIDGES, Mr. CONNALLY, Mr. ELLENDER, Mr. FERGUSON, Mr. GREEN, Mr. GUFFEY, Mr. JOHNSON of Colorado, Mr. MAYBANK, Mr. MEAD, and Mr. STANFILL answered to their names when called.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Forty-seven Senators have answered to their names. There is not a quorum present.

Mr. HILL. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BALL, Mr. FULBRIGHT, Mr. GURNEY, Mr. LA FOLLETTE, Mr. McKELLAR, and Mr. SHIPSTEAD entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, I merely wish to explain that several members of the Appropriations Committee have been in attendance at the committee in trying to complete consideration of the deficiency bill. It was because of their presence at the committee that they were delayed in arriving in the Chamber.

PERSONAL STATEMENT CONCERNING SHIP-SALES BILL

Mr. BYRD. Mr. President, will the Senator from Ohio yield for a statement relating to yesterday's proceedings?

Mr. TAFT. I would prefer not to yield.

Mr. BYRD. What I have to say will take only 2 or 3 minutes. I wish to make a statement.

Mr. TAFT. Does the Senator merely desire to correct the RECORD, or to make a statement?

Mr. BYRD. I wish to make a statement, Mr. President.

Mr. TAFT. Very well; I yield.

Mr. BYRD. Mr. President, yesterday a colloquy took place between myself and the Senator from Maryland. From a reading of the RECORD it might appear that the Senator from Virginia was impliedly criticizing the efficiency with which the Senator from Maryland was handling the bill then pending, the so-called ship-sales bill. I may say, Mr. President, that that was not the intention of the Senator from Virginia. I have great affection and regard, as well as a very high admiration, for the distinguished Senator from Maryland. I do not know of any more diligent, industrious, or able Member of the Senate than is the Senator from Maryland. What the Senator from Virginia was complaining about was the manner in which the ship bill, and the amendment to it which was then pending, had been drafted. I wish merely to read one paragraph of the amendment in illustration of the reason for the objection which was made by me. What I am about to read is a portion of the amendment which had been offered by the Senator from Maryland on behalf of the committee, and which was later rejected. On page 2, beginning in line 4 of the amendment, the following language was set forth:

> The dead-weight tonnage of vessels chartered under this subsection to any chartering nation (and its nationals) at any time shall not exceed such percentage of the tonnage under charter or defense aid transfer on September 1, 1945, to the member nation which has suffered the largest merchant ship war losses, as the tonnage of war losses of such chartering nation is to the said war losses of such member nation, except that the amount chartered hereunder to the chartering nation may in any event be equivalent to the tonnage of vessels under charter or defense aid transfer to such nation on September 1, 1945.

What I have read constitutes one single sentence, beginning in line 4 and ending in line 14 on page 2 of the amendment. In reading the language, one may think he knows what it means until he reaches approximately the middle of the sentence, when he finds that he does not understand it at all. I believe, Mr. President, it would require a half dozen Philadelphia lawyers in order to determine, if they could do so, what the language which I have read means, and each one of them would reach a different version.

Mr. President, I believe that bills to be introduced in Congress should be written in plainer language than the ship-sales bill has been written. There is no reason in the world why such a clause as the one which I have read should be prepared. I exonerate completely the Senator from Maryland. I know that ordinarily Members of the Senate do not actually write bills. I make the observation that bills should be written on Capitol Hill by our legislative drafting employees. They are able, conscientious, and absolutely trustworthy. But during the past few years we have fallen into the custom of accepting for introduction bills which have been prepared by employees of various governmental departments having a particular interest in the enactment of the legislation. I believe that was one of the difficulties experienced in connection with the ship bill, which, in itself, is one of the most difficult, confusing, and vexing pieces of legislation that has ever been presented to the Senate.

Instead of criticizing the Senator from Maryland, I wish to commend him for the explanations which he gave of the bill.

Mr. President, if necessary, the Congress should require that bills to be introduced in either the Senate or the House of Representatives shall be prepared either by Members of the Congress or by the employees of the legislative drafting bureaus of the Senate and of the House. I think it is a bad practice to permit the various agencies of the Government to write their own version of legislation and send it to various Members of Congress to be introduced. Much of the legislation which is thus prepared is unintelligible and hard to understand.

I arose to express my high estimation of the splendid capacities of the Senator from Maryland [Mr. RADCLIFFE].

INCREASE IN COMPENSATION OF FEDERAL EMPLOYEES

The Senate resumed the consideration of the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government.

Mr. TAFT. Mr. President, before the quorum call I expressed the opinion that because of the amendment which was offered by the Senator from California, and the substitute for it which will apparently be offered by the Senator from Virginia, it is clearly apparent that no one is supporting the committee version of the bill. It seems to me, therefore, to be proper to recommit the bill, together with the amendments, to the Civil Service Committee for further consideration and study.

There is another reason why such further consideration should be given. The proposal is for a flat increase. If we are going to spend $500,000,000 a year in increasing the salaries of Government workers, it seems to me that we should make the increase a selective one. The Senator from California made an excellent case for certain employees in Washington whose salaries should be increased. On the other hand, there are sections of the country in which Federal employees are among the best paid employees of those communities. No difficulty is experienced in getting persons to take such Federal positions. I think that some kind of selective consideration should be given to the question of who should be raised and who should not be raised. After all, the Washington situation is an extraordinary one. Hundreds of thousands of people were rushed into Washington to occupy Federal jobs. The Government wanted them, and they came to Washington. Their coming resulted in swamping the housing facilities of the city and creating such a housing situation that rents, regardless of control, went up so high that they have now become higher than in any other section of the country, and have created a special war situation which is not typical of the entire Nation. It seems to me that careful consideration and study should be made of the entire subject.

I understand that the chairman of the House committee which will handle the matter has announced that the House will not take up the subject until sometime next spring.

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

Mr. TAFT. I yield.

Mr. DOWNEY. Is the Senator from Ohio suggesting that he himself favors discriminating with respect to the wages paid Federal employees in the various localities of the United States because of differences in the cost of living?

Mr. TAFT. I do not believe that it will be feasible to do so. I think there are some classes of employees who deserve an increase and who can make out a case for an increase, whereas on the other hand, there are other classes who cannot do so. I do not think we should base the percentage of increase on what is required in Washington under wartime conditions. That is the point which I was trying to make.

Mr. DOWNEY. In order that I may clearly understand the Senator, let me inquire if he is suggesting that we should pay a stenographer in a certain pay classification in Washington more than we should pay a stenographer in a similar classification in Toledo, Ohio, for example, or in some other city in Ohio.

Mr. TAFT. I do not think that would be feasible. I think something could be said in favor of it, but I think it would be almost impossible to work it out. It probably could be handled by grading employees outside of Washington at

lower levels, or by grading employees in Washington at higher levels, and I have no doubt that that is now done to some extent.

Mr. DOWNEY. Is the distinguished Senator from Ohio aware of the fact that the statistics indicate that the increased cost of living has been only a fraction of 1 percent greater in the larger towns than in the smaller towns?

Mr. TAFT. Yes; and I have not believed the figures. The statistics are very uncertain. They represent only spot checks made here and there, and are not complete. Regardless of the OPA statistics, or the Bureau of Labor statistics, it is fairly clear to me that in certain places of the country living conditions are much worse than they are in other places.

Mr. DOWNEY. Mr. President, will the Senator further yield?

Mr. TAFT. I yield to the Senator from California.

Mr. DOWNEY. I admire the Senator's judgment and high order of intellect. If he is not suggesting that there be some sort of discrimination in wages based on high cost of living, what is he suggesting?

Mr. TAFT. The Senator from California has stated certain extreme cases. Why? I do not know why the committee should consider them, because there are many employees, even in Washington, who are receiving more than they are worth. I know of many persons who, if in private business, would not receive anything like the salaries they are receiving in Government service. I know some who came from college, and when they entered the Government service drew $5,000 or $6,000 a year, who in private employment could not have made more than $1,800 or $2,400 when they started. I feel very certain that if the Senator will actually make an investigation of the hardship cases to which he has referred, he will find special circumstances which can be dealt with by salary increases in certain fields where increases are needed. But there has been no such study. As I understand, the committee made no study whatever, and obtained no information from the survey groups who make a practice of studying personnel problems and general wage rates, as well as classification problems. Their help was sought when we started to establish the classifications, but it has not been done in the last 2 years that I know of.

Mr. DOWNEY. Will the Senator yield further?

Mr. TAFT. I yield.

Mr. DOWNEY. While the Senator may know some men who in his opinion are worth only $1,500, but who are receiving $5,000, let me say that there are less than 3 percent of all Government employees in the fortunate position of receiving in excess of $5,000. I should like to add that the proportion of employees in the Government receiving that kind of salary is substantially less than the proportion in private industry. As a matter of fact, I was very much startled to learn that only about 1 out of every 2,000 employees was classified in the top brackets, receiving $3,000 or more.

Mr. TAFT. However, the Senator is proposing to raise those in the higher brackets just as much as any others. He is proposing to raise everyone, according to the last amendment, 30 percent over what he was getting a year ago, even if he receives $9,000 a year. Am I not correct? Do I read the Senator's amendment correctly?

Mr. DOWNEY. The Senator is correct, except to the extent that there are no raises provided by the bill which will bring any salary about $10,000. But I should like to say to the distinguished Senator—and I have heard him emphasize this very point, so I am sure it will strike sympathetic ears—in reality I am not trying to raise anybody's salary in real buying power. My only effort is to have all Federal employees paid, in real buying power, at least as much as they received in 1927 and 1941. By our allowing the wages of Federal employees to remain where they are, with the cost of living having increased, those in the higher brackets are now receiving 25 percent less in real buying power than they received in 1941.

Mr. TAFT. I was not dealing with that question. I was dealing with the question whether an automatic increase in all groups in the Federal Government should be made, thus increasing the permanent governmental budget, as I understand, by more than $500,000,000 a year, or whether we should begin to discriminate a little, find out who is entitled to an increase and who is suffering hardship, and reduce to some extent at least the tremendous cost of the proposed increase.

I agree with the Senator that to the extent there has been a permanent increase in the cost of living, salaries, at least in the lower groups, should be increased to that level—and probably those in the higher grades. To that extent I agree with the Senator. But before we arbitrarily do that for everyone, it seems to me a study should be made to ascertain whether some of those groups are not already getting more than they are entitled to, and whether we cannot in some way reduce the total cost, while recognizing the general principle.

Let me say another thing about the general principle. If the increase is to be permanent—and it is to be permanent, and will probably last forever—we should be fairly sure that the increase in the cost of living will be permanent; and we are not perfectly certain of that. Personally I think it will amount to at least 25 percent. The Government says now it is 33 percent. There may be some reduction in that percentage. I agree, however, that there is to be some permanent increase, yet I am not perfectly certain it will be 33 percent.

I shall vote for an increase—I am not saying I will not—but I think there should be some discrimination, and more complete study of the whole situation, to see how the objective can be accomplished with a somewhat less total cost to the Federal Government than is involved in the bill reported by the committee.

Mr. LANGER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. LANGER. Does not the Senator think that in simple fairness, while the study is being made, we should allow this increase, and set a definite date, 6 months or 8 months or 10 months from now, when it will terminate? The hardship cases the distinguished Senator from California has mentioned are not isolated cases. There are many of them all over the country.

Mr. TAFT. I am not prepared to say what I would do under those circumstances. But that has not been the proposal. We have provided definitely for a temporary increase in the legislative employee field, which will be good until a certain date, and is understood to be temporary. If some such proposal should be made, I would not have so strong a feeling that we should be sure before we step. But that has not been the proposal up to date.

I think for another reason a more complete study should be made. As a matter of fact, all these employees have received an increase very recently. They are better off than they were, and I think we should have time to consider the matter carefully before we act.

Furthermore, we face today a tremendous difficulty in our budget figures. We do not know what the budget is going to be.

Mr. LANGER. Mr. President, the Senator has just made the statement that some of the employees got an increase. I should like to have him name who they are.

Mr. TAFT. We passed an act——

Mr. LANGER. We passed an act giving them an increase, and the President took off overtime, and the take-home pay of these employees is less today than it was before we passed the act.

Mr. TAFT. I do not take much stock in take-home pay. That seems to rest on the theory that one should get the same pay for working a short time as for working a long time, and I do not think that is sound. Personally I see no reason for a complete Saturday holiday in Washington. I think it is absolutely unsound, if the Senator wants to know my theory. Perhaps that is one way in which we could reduce the cost, namely, by increasing the amount of work the employees did by having them work at least half a day Saturday, and having fewer employees. But certainly we should do something, and I think the committee has some responsibility. Now they are recommending such an increase in salaries that the total represents a tremendous amount. There will be fewer employees here and there.

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

Mr. TAFT. I yield.

Mr. DOWNEY. Since the Japanese war there has already been a substantial reduction in the Federal pay roll, both in number of employees and in amount of salaries. We have made provision for the Bureau of the Budget to put personnel ceilings on the number of employees, and we have our Appropriations Committees to work that out.

I should like to call the following figures to the attention of the distinguished Senator from Ohio: The total pay roll for employees in continental United

States for the fiscal year 1945 was $7,327,000,000. The estimated pay roll for the next fiscal year is only $4,248,000,000.

Mr. TAFT. Mr. President, those figures do not greatly impress me. In fact, they impress me rather unfavorably, since they show such a tremendous amount to be spent in the next fiscal year, when we are past the war. Of course, the war bureaus are to be cut down. I question whether any agency of the Government which was not a war or strictly an emergency agency has cut its number of employees since the war ended. In fact, they are all proposing to increase the number. It seems to me it is just one big problem, and the Federal Government must make a reasonable effort to present a budget of what the pay roll is to be after the war. There has not been a suggestion of how great a reduction in the number of employees the Government is going to make. No budget has been presented. Neither the President nor the Secretary of the Treasury has afforded us any idea of what the postwar budget will amount to. I have added the figures myself, and I find that, if the President's recommendations are enacted into law, the budget will be very close to $26,000,000,000 a year—which is all the present tax system yields—without any further reduction of any kind, and imposing a very heavy burden on many people in the United States.

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

Mr. TAFT. I yield.

Mr. DOWNEY. The Senator's remarks certainly have no application to the pending issue, because there were presented to the committee most careful calculations, coming from the Bureau of the Budget, the Civil Service Commission, and other agencies of the Government, as to the number of employees the Government would have by next July. Those figures are being and have been worked over.

The Senator from Ohio says he is not impressed by a cut of almost one-half in the Federal pay roll. I do not know what would impress the Senator. I suppose if I had said it would be down to 10 percent of what it was last year, the Senator would have made the same remark.

Mr. TAFT. No; I would not. The Senator from California mentioned, as I remember, a pay roll of over $4,000,000,000 a year for Federal employees, and I say that that did not impress me. If that is as far as we can go by the first of next January, then I say that the Government departments and agencies are grossly overstaffed, that there will be a tremendous number of extra employees around, more than necessary to do the work, and that I am not impressed by such a figure. If the Senator suggested $2,500,000,000 or $3,000,000,000 I would say that was a fairly reasonable figure.

Mr. DOWNEY. Mr. President, will the Senator yield to me again?

Mr. TAFT. I yield.

Mr. DOWNEY. In the month of July we had what would be an annual equivalent of Federal payments for employees in continental United States, $7,969,000,000. The figures that are being worked out show that by next July that amount will be cut in half. Let me point out to the distinguished Senator——

Mr. TAFT. The figure was $4,200,000,000, as I understand?

Mr. DOWNEY. Four billion two hundred and forty-eight million dollars, representing a reduction of almost one-half.

Let me also say that a large part of that is for expenditures in the Post Office Department. Last year the Post Office Department of the United States showed a profit of $150,000,000, which went into the Treasury of the United States. Yet, in the figure $4,248,000,000, the expenses of the workers in the Post Office Department are included. Let me add that if it were not for the right of free mail accorded to our soldiers and what we term "penalty" or "franked mail" which is sent free by governmental representatives, the Post Office Department would show a huge profit. I throw this out for whatever it may be worth: In my opinion, the cheapest service afforded the people of the United States is that which enables them to send a letter across the continent for 3 cents. If our postal service were in the hands of the Western Union or the telephone company, it would probably cost a dollar or two dollars to send a letter across the continent.

Mr. REED. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. REED. While the Senator from California is on his feet referring to the $150,000,000 profit which the Post Office Department made last year, I hope he will permit me to correct the figure and make it $112,000,000. But the Post Office Department is now running at a rate which will mean a deficit of about $100,000,000 through this fiscal year. That, however, has nothing to do with the matter under consideration.

Mr. TAFT. Mr. President, my point is that the total $4,200,000,000 Budget figure for the first of next July is not extraordinary. It does not impress me. In any event, it is admitted not to be what the postwar figure should be. We have never had any estimate of what the postwar Budget would look like. We cannot get it from the Secretary of the Treasury. We have no basis on which to figure. Yet we are constantly increasing governmental expenses, although we do not know whether we can raise by taxation the amount which will be necessary to pay the bill. I do not say that we do not have to go ahead and do some things, but I do say that when we are going ahead with a project which may increase the Budget from $500,000,000 to $1,000,000,000 a year we should thoroughly investigate the whole business and see whether we cannot find some way to reduce the total over-all expense at the same time that we take care of the proper demands of the employees. I merely suggest that a study should be made of the situation. The House apparently is going to do it, and there is no reason why the Senate should pass on this question without doing something in the way of investigating at the same time.

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

Mr. TAFT. I yield.

Mr. LANGER. The Senator must be familiar with the fact that more than 2 years ago the so-called Byrd-Langer amendment was adopted. It provided that every month each department shall make a report to the chairman of the Civil Service Committee. It is also submitted to the Comptroller of the Currency. Department after department reports to the Byrd committee. So we have a double check on the situation. The number of employees has been going down, steadily down, all the time. I do not see what a further investigation could possibly disclose, or what more the Comptroller of the Currency can do than he is doing, or what more the Director of the Budget can do than he is doing in getting rid of surplus men and women employees.

Mr. TAFT. I say that they have not done that. Of course, there has been a large reduction. Many of these employees were making munitions during the war and other things directly connected with the war. They were working in arsenals. They were engaged in work that could have no possible object except in time of war. Of course, there has been a reduction in their number, and there should be. But in the current fiscal year we are still incurring a deficit of $35,000,000,000, for a single year, adding that much to the public debt. So far as I can see, for the fiscal year 1947 we shall have a deficit of probably $15,000,000,000. Certainly we are not doing anything extraordinary in the way of getting Government expenses back to normal.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. LANGER. I ask the distinguished Senator to suggest what else can be done. Each month the Comptroller of the Currency and the Director of the Budget have submitted to them by the heads of the departments a report of the number of employees they have, and an investigation is being made whereby the Director of the Budget can arbitrarily remove from the pay roll any employees he finds are not needed. Congress, upon the recommendation of our committee, has given those officials that power. What else could be done?

Mr. TAFT. Permit me to make one suggestion. I suggested I saw no reason why office workers should have a complete Saturday holiday. I see some reason why in the case of industrial plants there should be a Saturday holiday; but I never have seen why office workers should have a Saturday holiday. Suppose we say, "We will give you this much more but you will work as everyone else does. You will work in the way civilian office workers work. You will work, as they do, Saturday morning and we will increase your compensation. We will then cut down by 10 percent the number of employees, because of the longer work week." I do not know whether that is a practical plan.

Mr. LANGER. I call the Senator's attention to the fact that during the war

the same office workers were working all day Saturday. They had no time to go shopping. The health of many of them was impaired as a result.

Mr. TAFT. I always thought that was unreasonable also. I never could see why they should not have had a Saturday half holiday.

Mr. LANGER. They did not have it at all during the war. Now, for the first time since the war began, they are getting a few hours off.

Mr. TAFT. No; they are getting all day Saturday off.

Mr. LANGER. I may say that that is being done in industry after industry all over the United States of America.

Mr. TAFT. I think it is a great mistake so far as office work is concerned. It is not being done in ordinary downtown office work in Washington, or in many other cities. It is being done in the case of many of the office employees of industrial concerns, but it is not being done generally, and I do not see any reason why it should be. I merely suggest that that is one method we might try in an effort to cut down the ultimate total cost of this particular bill. The discussion arises on my contention that adding to the present confusion is the fact that both the chairman of the committee and other members of the committee have offered completely different plans from that approved by the committee and for that reason we should recommit the bill to the committee to consider further what plans should be adopted, and to see whether other things might be done which the committee could at least recommend, whether within their jurisdiction or not, which would reduce the overall cost of this increase.

Mr. DOWNEY. Mr. President, will the Senator yield while I place some figures in the RECORD?

Mr. TAFT. Certainly.

Mr. DOWNEY. I want to say in the first place that I know that many Senators are honestly impressed with the very general statement that has been made concerning the overwhelming number of Federal employees. It is my own opinion, after several weeks of careful investigation, that the increased personnel in the departments in Washington, eliminating the Army and Navy, about which I know nothing, is far less than one would have expected, and far less in proportion than the increased amount of business done by those agencies.

I have heard repeated remarks made by Senators—and I know they were made in good faith—referring to what they termed a million employees of the Federal Government outside continental United States. In the first place, the figure of 1,000,000 is too high. The number is 850,000. Of that 850,000, 733,000 are in the Army, and most of the remainder are in the Navy.

Mr. TAFT. The Senator means they are civilian employees in the Army?

Mr. DOWNEY. Yes; civilian employees, and I am about to explain what they are. I think that more Senators have said they did not see how they could vote for this pay bill because of the great volume of personnel, and they mention the figure of 1,000,000 employees who are supposed to be abroad. I have discussed this subject carefully with the Army representatives. Of the 750,000 employees of the Army outside continental United States, one-third of them are being paid by occupied countries. In other words, the conquered governments are paying for one-third, and they are nearly all citizens of the conquered governments. Ninety percent of these employees are not citizens of the United States. Another one-third are being paid by our allies on reverse lend-lease. They are on our pay rolls, but being paid by the governments of our allies. The other one-third, comprising principally coolie labor in the Pacific area, are being paid coolie wages. They cannot be paid by our Government more than the prevailing wage in their own country, and probably the maximum amount they are receiving is $20 a month.

In weighing this bill I do not think there is any equitable reason for thinking about the employees of the Army and Navy outside continental United States.

I want to add that the overwhelming proportion of the increased personnel in the Government is in the Army and Navy. Again, I cannot express any opinion as to whether the War Department and the Navy Department are wasteful of their manpower. The figures indicate that in June 1943 the emergency war agencies had reached their peak. In October 1945 they were down to 86,000, or about one-half the peak number. I understand that at the present time the figure is between 50,000 and 60,000. The emergency agencies are rapidly passing out of existence.

Between June 1939 and the present time the old-line agencies have increased 36 percent in personnel. According to the figures I have, the Post Office Department increased by 50 percent, but on an investigation of the Post Office Department I find that about 50,000 employees have been substitute carriers and other employees in that class, who were not carried on the pay roll 4 or 5 years ago. They cost the Government only a few dollars a month each. They are now carried on the Post Office pay rolls. In addition, the Post Office Department lost 50,000 of its best workers through the draft. It was necessary to employ 75,000 submarginal workers to take their places, and they were not able to do one-half the work that was done by the former employees. In spite of all those handicaps, the business now being done, and which has been done for the past year by the Post Office Department is far above the percentage represented by the increased number of employees.

The Senator says that none of these agencies are releasing employees. The Post Office Department is not. The Post Office Department is now employing more men than it employed in June.

Mr. TAFT. I have not even suggested a criticism of the Post Office Department.

Mr. DOWNEY. That is the largest agency outside the Army and Navy.

Mr. TAFT. What are the figures for the 1st of next July? Is any reduction proposed by the 1st of next July?

Mr. DOWNEY. By next July the Post Office Department expects to get back to practically the same number of employees that it had 4 or 5 years ago. On the average, the Post Office Department has carried one letter a day to every one of our soldiers and sailors. It has had to handle about 11,000,000 such letters a day, and it has handled them without any charge. As I previously stated, I had understood that last year the Post Office Department operated at a profit of $150,000,000. I was corrected by the Senator from Kansas [Mr. REED]. Probably his information is accurate. He gave the figure $112,000,000.

It is true that presently the Post Office Department is operating at a deficit; but I think perhaps the prognostications of the Senator from Kansas as to what the deficit may be for this fiscal year are too pessimistic. However, I have no desire to enter into a debate on that question. So far as I am concerned, I feel that the employees of the Post Office Department have done a fine job. The largest increase has been in that Department.

The charts which I have distributed show the increases and decreases in every department—the Department of Justice, the Department of Agriculture, the Department of Labor, the Department of Commerce, and so on. I have made a very careful investigation, and I find that the increased number of personnel does not nearly correspond to the increased amount of business.

Mr. President, I do not wish to hurt the feelings of any Senator or any Member of the House, but by far the greatest increase in percentage, considering the amount of money being spent for personnel presently as compared with 1941, is in the Congress of the United States. During that period of time our disbursements have gone up about 70 percent. I do not believe that that is any reason to condemn us. In my own office my business has increased from 150 to 200 percent, and my girls have often had to work until 6 or 7 o'clock in the evening, and sometimes all day Saturday and Sunday. But if my office is handling from 150 to 200 percent more business I cannot very well criticize myself or the Senate because our disbursements are comparatively the highest in the United States.

The Senator from Ohio has been very courteous. Before I conclude let me say this: I believe that we should attempt to approach these problems a trifle more calmly. I find that among 50 percent of the American people there is the folklore that Senators reach their offices about 10 or 11 o'clock every morning, have a good lunch, go to the floor of the Senate for a few minutes, and then play poker or golf for the rest of the day.

Mr. TAFT. I take every opportunity to destroy that notion.

Mr. DOWNEY. In my opinion, Senators individually are the most heavily burdened and drudging workers that I know of. Nevertheless, the impression is abroad among 50 to 75 percent of our people that we are overpaid, that we are slackers, and that we do not attend to our duties. I believe that that impression springs from a quality of the human heart which many of us have. When we make generalized statements about the Department of Justice, the Department of Agriculture, the Department of Commerce, or the Post Office Department, I

believe that many times we are falling into the same sort of unhappy error into which many of the American people fall with respect to Members of Congress.

Mr. TAFT. This bill does not cover the Post Office Department, does it?

Mr. DOWNEY. No; it does not.

Mr. TAFT. Is it anticipated that the same increase will be sought by Post Office employees?

Mr. DOWNEY. Opposition Senators have suggested that instead of counting the mere cost of this bill, we ought to calculate the amount for the postal employees and the wage-board employees. I think that is the provident thing to do.

Mr. TAFT. So far as I am concerned, I am in favor of raising salaries and wages substantially, to the point reached in percentage by the permanent increase in the cost of living. I should say that that would certainly be 25 percent, and possibly somewhat higher. I do not think there will be any permanent decrease. I do not see how there could be any great decrease in present prices.

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

Mr. TAFT. I yield.

Mr. BYRD. In the colloquy between the Senator from Ohio and the Senator from California they were speaking of the number of employees. On November 11, 1918, which was Armistice Day following the last war, there were 917,000 employees. That included the war workers. The day Mr. Roosevelt took office, on March 4, 1933, there were 555,000 employees. In October this year there were 2,643,881 civil-service employees within this country, and outside the country there were 733,792 civilian employees, making a total in October, 3 or 4 months after the war with Japan was ended, of 3,377,673, as compared with 555,000 when President Roosevelt took office, and as compared with 917,000 on Armistice Day following the First World War.

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

Mr. TAFT. I yield.

Mr. DOWNEY. I should like to make clear an interpretation of the figures which the Senator from Virginia has given. My figures are not quite the same as his, but generally speaking they are the same. The figure I have, representing the total number of employees for all agencies, both in and outside the United States, on September 30, 1945, is 3,360,000. That is approximately the figure which the Senator gave. Almost exactly a quarter of those, or 850,000, are principally employees of the Army and Navy outside continental United States, costing us almost nothing. Of the remaining number, about 70 percent, or a total of 2,200,000, were in the Army and Navy, 443,000 were in the Post Office Department. The total figure for those in all other agencies of the Government is 594,000, which is 36 percent more than the figure of 5 years ago. Stripping the figures down to the old-line agencies——

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

Mr. TAFT. I yield.

Mr. BYRD. We have always had an Army and Navy. The Senator from California is stripping them entirely in his comparison. With what year is the comparison made?

Mr. DOWNEY. June 1941.

Mr. TAFT. The Senator is referring to civilian employees of the Army and Navy.

Mr. BYRD. We have always had civilian employees in the Army and Navy. If the Senator wishes to make a comparison, let him add them in both instances.

Mr. TAFT. Mr. President, I did not start this particular controversy. My only point was that it seemed to me that when such a tremendous cost is involved we should not arbitrarily say that everyone shall have an increase of 20 percent, or any other increase, without studying how we can reduce the total cost. No consideration has been given to that problem, and I think we could well afford to recommit the bill to the committee for that purpose.

Mr. President, I wish to suggest one further thing. There is a certain advantage in Government service which does not exist in other services. A very typical case came to my attention the other day. A man who had been in the armed forces had returned home. He had become a very excellent automobile mechanic. He wanted a job. I said to him, "It seems to me that any of the automobile companies would be willing to pay you $10 a day. You could make probably $3,000 or $4,000 a year as an automobile mechanic." No; he wanted a Government job at $1,800, if you please. Why? I suppose he figured that he would be set for life. He would have that much money for life, and he could be assured of an income. For all practical purposes, he would have permanent tenure, which does not exist in private industry. If he were in the Government service and a depression should come along, he would still retain his job. So, in spite of the fact that he could earn more in private industry, a position in the Government service appealed to him more strongly. There are some advantages in Government service which do not exist in private industry, and I believe that it is fair to take that factor into consideration.

Mr. President, there is another reason why I think we ought to postpone the question of wage increases, and particularly salary increases. I felt very strongly on the question of the amendment proposing to increase the salaries of Members of Congress. Today in this country a tremendous struggle is under way as to what wages shall be. I do not know what they ought to be. I am perfectly confident of one thing, and that is that we cannot increase wages in industry without increasing prices, and that if we have a general increase in all wages, we shall have a general increase in all prices before we are through; and to the extent that wages are increased above the cost of living, that increase is just as much inflation as would be an increase in prices. It is bound to bring about the increase in prices which we all wish to avoid.

That struggle is being fought out, and properly so, and it should be fought out in each industry and in each case and with reference to the particular groups of employees who are involved in the disputes. I do not think the Government should take a position in favor of a 10 percent or 20 percent or 30 percent salary increase for its employees and thus set an example which all others would follow. I do not think the Members of Congress could increase their salaries 50 percent and not have every working man in the United States feel—and properly so—that he must be entitled to a similar increase. It can be said that some of them have already received increases greater than the increase in the cost of living. The increase in average factory wage rates has been approximately 42 percent since the beginning of the war, as compared with the 33 percent increase in the cost of living. But that does not make so much difference. If we increase the salaries of Government employees 30 percent, that percentage will be seized upon as a figure which sets an example for every other possible wage or salary increase.

We can point out that Senators and Government employees have not received any increases over certain periods of time, and we can make various arguments on that basis. Nevertheless, if we grant Government employees any salary increases at this time, that action will be bound to have a substantial effect on the struggle which now is being waged throughout the country. I do not think we know enough about what that increase should be to be justified in setting any example here by way of stating what the percentage of increase in Government salaries should be.

So, Mr. President, I feel very strongly that we should wait until next spring before we do anything in regard to increasing the salaries of Senators. I think Senators are clearly entitled to at least a 25-percent salary increase simply in order to take care of the increase which has occurred in the cost of living. Of course, many men working in industries may be entitled to a greater increase because their capacity to produce has increased, whereas it is difficult to demonstrate that the productivity of the civilian employees of the Government has increased in any way. So it seems to me that if their case for an increase in their salaries is to be justified, it must rest simply on ground that there has been an increase in the cost of living. I think we shall do far better, as a government, to say, "We will not undertake to lay down a rule. We will permit every industry by means of collective bargaining to work out the proper solution of its own particular problem, and we will not try to establish a scale or set an example in the way of an increase in the salaries of Government workers which immediately will be seized upon, it seems to me, as an argument for increases in other fields. For instance, if we grant a 10-percent increase in the salaries of Government workers, laboring people may feel that that increase reacts to their disadvantage in view of the fact that they may believe they are entitled to a 30-percent increase. On the other hand, if we grant a 20- or 30-percent increase in the salaries of Government employees, industrial employers may ob-

ject because they may say their employees should not receive more than a 10-percent increase.

In view of the fact that within the last 6 months we have granted a salary increase to Government workers, I think we can well wait another 6 months or a full year before another increase in salaries is given.

In any event, Mr. President, I would vote against any increase, and certainly I would not be willing to vote for the increase proposed in the bill.

We have two other measures which I cannot analyze at this time. I do not know how much of an increase they propose. I have seen tables covering the increase proposed by the amendment of the Senator from California. I have seen tables covering the increase proposed by the amendment of the Senator from Virginia. Frankly, I cannot analyze them quickly enough to determine just how much of an increase they would grant. But I do feel that altogether, and taking everything into consideration, it is clear that the bill should be recommitted to the committee. If that is done, then, after the bill is further considered by the committee and subsequently is reported to the Senate and is considered by the Senate, if it then contains provision for an increase in the salaries of Government employees in accordance with the increase in the cost of living, I shall be glad to vote for a bill substantially complying with that principle.

Mr. REED. Mr. President, the Senator from Ohio has said practically everything I could possibly say on the pending subject, and no doubt he has said it a great deal better and more forcefully than I could have done. I simply wish to make a few observations at this time about the situation.

First, Mr. President, I wish to have the Senator from California understand that I did not say or, at least, I did not intend to say, that there will be a deficit of $100,000,000 in the Post Office Department this year. What I intended to say and what I hope I did say was that at the present rate of operation, the deficit in the Post Office Department this year will be approximately $100,000,000, as against a $112,000,000 surplus, as I recall the figures, for the operations during the last fiscal year.

Mr. President, I think Members of Congress should have higher salaries. Our expenses have increased; our work has increased. But I am unwilling to vote to increase my own salary or that of any other Member of Congress so long as the Government is being operated on a deficit basis. Of course, I believe that the expenses and the burdens of Members of Congress, of both Houses—I know it is true in the case of Members of the Senate—have increased. Our expenses have increased to a point where I, at least, am not able to live within the salary which I as a Senator draw from the Government. I am one of those Senators who maintain two homes. I maintain a home in Washington and one in Kansas. Our salaries are insufficient to pay our expenses in maintaining two homes and also to pay our other expenses. I do not think the quality of legislators would be increased in the slightest by increasing the salaries paid to them. I do not belong to the school of those who believe that in places of distinction the salaries paid necessarily constitute a factor which influences the quality or character of the men who seek such places. But in all fairness, men who take these places, even if they ask for them—and all of us did—should receive salaries which at least suffice to pay their expenses.

The amount of my official salary does not happen to be of vital importance to me because, fortunately, out of a lifetime of effort and accumulation, I have an income outside of my senatorial salary. I know, however, that some of the most earnest and effective Members of the Senate do not have such incomes, and they necessarily must rely entirely upon their senatorial salaries to meet their expenses. To those men my heart goes out; I do not see how they do it. Some Senators who are in that position are on the floor of the Senate at this time.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. REED. I yield.

Mr. KILGORE. Does the Senator mean to imply that membership in the Congress should be denied to any person who does not have sufficient outside income, either from savings previously accrued or from outside work which he does while serving in the Congress, to enable him to meet his expenses while serving in either this body or the House of Representatives?

Mr. REED. I do not quite understand the question of the Senator from West Virginia. I ask him to repeat it, please.

Mr. KILGORE. I wish to know whether the Senator from Kansas means to imply that membership in the Congress of the United States should be denied to any citizen of the United States who, either because he had not previously acquired sufficient assets or because he would not obtain outside earnings while serving as a Member of the Congress would be unable to meet the expenses which he would incur while serving in the Congress?

Mr. REED. No. My answer to the Senator from West Virginia is that we talk about sacrifices made during the war, but very few people in the United States, other than the families who contributed men and women to the armed forces, have made any real sacrifices. Most of our people had a great deal of inconvenience, yes; but sacrifices, no.

I think it is not asking too much of the Congress to request it not to increase the salaries of its Members so long as the Government is operating on a deficit basis and so long as the Government has to borrow the money with which to pay the salaries of Members of Congress and the salaries of all other Government employees.

Mr. KILGORE. Mr. President, I am afraid the Senator begs the question. I should like to have an answer to it. I do not disagree with the Senator in regard to the matter of raising salaries, but I simply wonder if it is and has been the policy of the Senator from Kansas and of other Members of this body to adopt the view outlined in my question in regard to membership in the Congress. I have heard so much argument on the floor of the Senate along that line that sometimes I feel that possibly that is the policy of the Senate of the United States, or at least of a majority of the Members of the Senate.

Mr. REED. Mr. President, I can say this much to the Senator from West Virginia: I think the Congress of the United States, and I know the Senate of the United States, is more parsimonious with itself when it comes to dealing with its salaries and operating expenses than it is in dealing with the salaries or expenses of any other branch or department of the Government.

I was glad that the Senator from California decided not to offer an amendment which would have brought the question of congressional salaries to a vote.

I wish to close this phase of my remarks by repeating that I think the salaries of Members of Congress are presently inadequate. I think they should be adequate. But I hesitate very much to advocate or agree to an increase of our salaries so long as it is necessary for the Government to borrow the money with which to pay its expenses.

Now, I wish to discuss the question of the civil-service employee whose pay would be raised perhaps 20 percent by enactment of the bill reported from the committee of which the distinguished senior Senator from California [Mr. DOWNEY] is chairman. I think some of our friends in the Senate emphasize too much the so-called hardships which Government employees undergo. Any group of employees who work 8 hours a day for 5 days a week, who have 26 days' annual leave with pay, who have 8 holidays a year, who receive 15 days' leave with pay if they are sick, certainly can have no case at all for relief, insofar as their working conditions are concerned.

To reduce it, Mr. President, to an hourly basis, when, under the proposed program, we take the working days of the year and deduct from them the annual leave and the holidays, we find that civil-service employees work on an average of 5 hours and 36 minutes a day. I refuse to believe that any group of workers, in the Government or anywhere else, who are working on an average of 5 hours and 36 minutes per day, are being overworked.

There is an indefinite factor which is worth referring to and given a little consideration. I have been informed by the press that the Government employees in Washington will be given a 3-day Christmas holiday. If we take into consideration the Sunday preceding, it will be 4 days. Almost every time anything of an unusual nature occurs in Washington such as a parade on Constitution Avenue or Pennsylvania Avenue, the employees of all Government departments take another holiday or part holiday. If that much time, which is an indefinite factor, is deducted, the average workday would be less than 5½ hours. So much for the

subject of working conditions. I now come to the question of salary.

Mr. President, the work of the Federal employees engaged in clerical and routine work is not hard. I have no doubt that such workers find difficulty in living under conditions which obtain in Washington at this time, and yet, Mr. President, the salaries which that class of employees receives for the work which it does exceeds the pay of employees in private institutions throughout the business life of Washington where similar work is being performed.

When the Senator from Ohio refers to persons who can earn more money outside Government than they can within the Government, that may be true. I have made no survey in that regard. However, I have discussed the matter with many persons and have found that almost universally the salaries paid by private industry in offices, in stores, and in retail and wholesale establishments—I am speaking of salaries paid by private employers in Washington—are less than those paid the low-bracket Government employees whom we are discussing. As I have said, our Government employees have, I believe, the best working conditions of any class of employees of whom I know, so far as hours of work are concerned. I do not know of any other employees who are paid annual salaries, even those within the lower brackets, who work so few number of hours during the week or month or year as do the Government workers.

I agree with the Senator from Ohio that I would be glad to see Government employees receive more money than they are now receiving. However, I want them to do more work for the money which is paid them. There is no reason why an office worker should have two holidays a week, or have Saturday off, unless we are trying to spread the work and have as many employees as it is possible to have.

Mr. President, I have been in civil service longer, I believe, than any other Member of the Senate, and almost as long as any Senator has been a Member of the Senate. It is impossible to spread work and increase salaries at the same time. If Government workers wish greater salaries, my answer to them would be, as the Senator from Ohio has stated, instead of working 40 hours a week, let them work 45 hours a week, and let them be given a half day off on Saturdays. Give them an increase of 12½ percent in their pay. If their hours of work are increased 12½ percent, give them a 12½-percent increase in their wages and decrease proportionately the total number of persons employed. That makes sense. That gives the employees more money and it does not overwork them. No sociologist or economist who has ever given a thought to this subject has ever found any reason in the world for limiting the hours in a workweek except for two reasons. The first one is that the length of the workweek imperiled the health of the worker. Certainly that factor is not even remotely on the horizon in this case. The other reason is that of spreading the work. However, we cannot spread work among a greater number of persons and at the same time increase their salaries.

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

Mr. REED. I yield to the Senator from California.

Mr. DOWNEY. I cannot say that I am persuaded by the argument which the Senator has made. But it at least has interested me. I would be further interested in knowing, if he were the dictator of our policy, how much vacation he would give employees of the Government each year. Would he give them any vacation at all?

Mr. REED. I give my own employees 2 weeks. The Senator knows that the postal workers receive only 15 days' leave of absence. They do not receive 26 days as do other Government employees in Washington.

Mr. DOWNEY. Would the Senator pursue that policy even though it resulted in increasing the number of unemployed persons throughout the Nation?

Mr. REED. Mr. President, I do not want the Senator to bring an extraneous matter into this discussion, but I believe that the entire basis of economy, whether private or Government, is production. There is no way by which we can consume unless we produce. In all economic adjustments there should be recognized some relation between the cost of production in the form of wages, and the production of the commodity itself, if it can be measured in that way. Of course, Government work cannot be measured in that way.

Mr. DOWNEY. Mr. President, will the Senator yield further to me?

Mr. REED. I yield.

Mr. DOWNEY. I should like to state to the Senator a fact, which I do not know will either interest him or influence him, and perhaps it is not even relevant. But it is expected that 18 months from now almost all the male workers in civil service will be veterans of this and, to a lesser extent, of the First World War. Perhaps 60 percent of the total number of the remaining workers will largely be the typists and stenographers who engage in work not ordinarily performed by men. It is now clearly indicated that we will not be able to find the number of jobs in civil service for perhaps anywhere near the number of veterans who are already endeavoring to find suitable jobs of every kind and cannot find them. Would the distinguished Senator feel that we were doing too much for the boys who spent 2 or 3 years away from their homes and careers in the fox holes, by giving them 26 days of vacation each year? Does he think we are doing too much by trying to spread jobs?

Mr. REED. Mr. President, I do not want to be a demagog on this floor. I have voted, as I believe every other Senator has voted, for very liberal provisions in behalf of veterans, with respect to their pay and their allowances, and for the GI bill of rights, as well as other measures which were advanced in their behalf. I do not want any hypothetical question raised at this time that some years from now we will drag in the veterans in a way which has nothing to do with the pending bill. I do not think the veteran who came out of the war whole, and has gone into Government service, would ask for a higher rate of pay than is being paid to men in civil life who are doing a similar type of work.

Mr. DOWNEY. Mr. President, all that the pending bill proposes to do is to lift civil-service workers to the cost-of-living standard and place their compensation on a parity with what industry is paying its workers.

Mr. REED. That is the Senator's view of it. It is not my view.

Mr. DOWNEY. I know what my amendment provides. I am merely asking for an increase sufficient to bring the wages of Government workers up to a level where they can meet the cost of living.

Mr. REED. Is the Senator referring to the pending bill?

Mr. DOWNEY. That is practically all that the bill would do.

Mr. REED. And it is to be in addition to the pay which was granted during the present session of this Congress.

Mr. DOWNEY. The bill perhaps lifts the compensation of a few workers in the lower category above the cost of living. But it does not go even far enough to lift proportionately the compensation of the workers in the higher brackets up to the increased cost of living.

Mr. REED. Mr. President, this bill comes before the Congress at the most inopportune time. In the first place, as the Senator from Ohio so very forcefully pointed out, we are in a period of economic confusion. I believe, that because of encouragement, perhaps, contained in the President's statement of some months ago, which was a far more liberal one than it should have been, hopes have been held out for higher increases to industrial workers than are probably possible of realization. For the Congress to increase Government salaries by any fixed percentage, and raise all employees from top to bottom without regard to what they do, and without regard to their conditions or the relation of their salary to the cost of living, is a mistake. It is not only a mistake in and of itself, but I fear it is tremendously confusing. The very pendency of this bill is confusing the entire labor-wage situation.

Finally, Mr. President, the Senator from California knows, from the conversations we have had, that in my opinion the debt of nearly $300,000,000,000 which this country will face before we come back to the balancing of our budget is the most important factor existing in our whole financial and economic structure. Unless within the next 3 or 4 years we can manage to balance the budget, to take care of the interest and the service charges upon that debt, establish our credit, and bring our expenses within our revenue, the talk now being indulged, and all the ideas about raising salaries, will be futile. If we continue deficit spending without care, or apparently without reason, the credit of this country will be disturbed to the point that our debt will get beyond our credit capacity to control it, and our bonds become impaired in value because of a lack of faith in the Government. In that event the most awful catastrophe imaginable will overtake this country.

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

Mr. REED. In a moment I shall be glad to yield.

I said some time ago, Mr. President, that I came here with the firm intention of doing all I could, through my votes, to preserve the credit of the Government. I did not want to vote for any appropriation unless it could be demonstrated that it was immediately necessary.

Mr. President, we cannot continue to vote $500,000,000 for airports, $500,000,000 for highway programs, four or five hundred million dollars, perhaps, for one bill, and a hundred million or a hundred and fifty million or two hundred or two hundred and fifty million in some other direction—it is impossible to continue on that road without utterly weakening our national credit, and that would be the worst disaster to the salaried people that could be imagined.

I now yield to the Senator from North Dakota.

Mr. LANGER. I merely wished to ask the Senator whether in his opinion it is not more important to increase the salaries of our Government employees than to lend England $4,400,000,000, and to lend Russia several hundred million dollars?

Mr. REED. I do not know yet how I shall vote on the loan to Great Britain, but I find myself slipping, and may vote for it.

The Government of the United States owes fair treatment to its workers. I owe fair treatment to those who work for me, and every employer is under the same obligation. In my opinion the United States has not failed in according its workers fair treatment.

In my home town, in the town in which the Senator from North Dakota lives, in the town in which the Senator from South Dakota lives, in the town in which the Senator from Iowa lives, the Federal workers are the best paid, where they do work comparable to that performed by private workers. That is true all over the country, with the exception of the postal workers in the large cities. We have had difficulty in keeping the postal salaries in large cities and the postal salaries in the smaller towns from coming in conflict with each other. It is a difficult problem. But there is not a Senator in this Chamber who lives in a city of less than 50,000—and I live in one of less than that number—who does not know that the Government employees are the best paid workers in the city, considering comparable employment in private business.

We are not treating our employees badly. The Senator from California made quite a point about one case a few days ago, that of Mr. Bell. It is very true there are some men in the Government service who remain in it perhaps out of public spirit, perhaps because they have been in it a long time, at lesser salaries than they would be paid in private employment if they were doing the same work in private employment. That is the class of employees in the Government service who generally receive from $7,000 to $8,000 up to the maximum, whatever it may be. That is not exceptional.

Men leave private employment in one place and go to private employment in another at an increase in salary. There is something about Government work which is attractive. It is steady, it is continuous, it is not subject to the fluctuations which are found in private employment, there are long vacations—too long, I think—short hours, and sick leave. All those things tend to make Government work more attractive.

In the city of Washington the Government can always get employees in the clerical lines, because such employees receive greater salaries, as a rule, than those in private employment. It would be folly, of course, to say that there were no exceptions, but as a rule the employees in the Government offices in Washington doing clerical work receive more than they could get for doing the same kind of work for private employers.

Mr. President, the situation surrounding the pending bill is one of almost indescribable confusion. The Senator from California brought a bill to the floor. The Senator from Virginia is to offer quite an extensive amendment, perhaps in the nature of a substitute. I understand the Senator from California may perhaps modify his own bill to a material extent.

A motion to recommit the bill should not come from the Senator from Kansas or the Senator from Ohio, but I agree thoroughly with the Senator from Ohio that not only the best way but it seems to me the only way this question can be intelligently handled is by recommitting the bill to the Committee on Civil Service.

Mr. MEAD obtained the floor.

Mr. LANGER. Mr. President, will the Senator yield so that I may call for a quorum?

Mr. MEAD. It is not necessary.

Mr. LANGER. The bill now pending is a very important measure, and we would like to have a quorum present.

Mr. MEAD. Very well.

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

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. MEAD. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | |
|---|---|---|
| Austin | Green | Morse |
| Ball | Gurney | Murdock |
| Bankhead | Hart | Murray |
| Bilbo | Hawkes | Myers |
| Bridges | Hill | O'Daniel |
| Bushfield | Hoey | O'Mahoney |
| Byrd | Johnson, Colo. | Radcliffe |
| Capper | Kilgore | Reed |
| Carville | Knowland | Revercomb |
| Chavez | La Follette | Robertson |
| Connally | Langer | Russell |
| Donnell | McClellan | Shipstead |
| Downey | McKellar | Smith |
| Ellender | McMahon | Tunnell |
| Ferguson | Mead | Vandenberg |
| Fulbright | Millikin | White |
| Gerry | Mitchell | Wiley |
| Gossett | Moore | Willis |

The PRESIDING OFFICER. Fifty-four Senators having answered to their names, a quorum is present.

Mr. MEAD. Mr. President, a few days ago I discussed the bill which is now before the Senate, and I explained my position with reference to it as it was reported from the Civil Service Committee. I am now going to speak against a motion to recommit the bill, or the substitute, to the Committee on Civil Service.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. Is a motion pending to recommit the bill?

The PRESIDING OFFICER. There is no motion pending to recommit.

Mr. MEAD. If my colleague from Iowa had waited, I was about to add "in the event that such a motion is made." I heard the statement made by the able Senator from Ohio, as I hope my distinguished colleague from Iowa did, and I intend to deal with it a little later.

Mr. HICKENLOOPER. I beg the Senator's pardon.

Mr. MEAD. Mr. President, we have before us a substitute measure which may give some inspiration to a motion to recommit the bill. In order to bring before the Senate a question which will be properly before the Senate, I suggest to the able chairman of the Civil Service Committee that he withdraw his amendment and reinstate the bill as reported to the Senate by the Civil Service Committee, so that we may all know what is before the Senate and what the provisions of the bill are.

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

Mr. MEAD. I am glad to yield.

Mr. DOWNEY. While I am confident that the amendment in the nature of a substitute which I have presented would be more acceptable to the Senate, and I myself would prefer to press it, in view of the practical impossibility of having the attention of Senators long enough to explain it, I have a sense of discouragement in having them understand what it is, and I therefore think the suggestion of the Senator from New York is well taken. Consequently, for the present I will withdraw the amendment which I have offered.

Mr. MEAD. Mr. President, I am well pleased with the action taken by the able chairman of the Civil Service Committee, because there has been confusion in this body, but if we return to the bill as reported by the committee we shall have before us a copy of the bill as reported. We shall have before us a report from the Committee on Civil Service, and we shall have the benefit of that explanation.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. Did the Senator from California withdraw his amendment?

Mr. MEAD. The Senator from California stated that he would withdraw the amendment. I understand that he will probably go through the proper parliamentary procedure to do so when he has the floor.

The PRESIDING OFFICER. The Senator from California has a right to withdraw his amendment, and he has done so.

Mr. HICKENLOOPER. Then, as I understand, the state of the RECORD at the moment is that the RECORD shows

that the amendment in the nature of a substitute offered by the Senator from California has now actually been withdrawn.

The PRESIDING OFFICER. That is correct.

Mr. MEAD. Mr. President, we are now considering the bill as reported by the Committee on Civil Service. We can properly follow that bill, because we have a printed copy of it before us. We have an explanation of the bill before us in the report which the Civil Service Committee has submitted with the bill.

Mr. President, this is a very simple measure. It calls for an increase of 20 percent over the existing wage level. That is a very simple issue. It was well explained by the able chairman of the committee. The cost-of-living feature which prompted the majority of the committee to report the bill favorably to the Senate is likewise easy to understand. That too was dwelt upon at great length by the chairman of the committee.

The application of the 20-percent yardstick maintains a differential in the various classifications in the civil-service categories, from the top to the bottom. If there are Members of the Senate who feel that the 20-percent increase is not sufficient, or is too much, they have an opportunity to offer amendments to increase or reduce that figure. But, Mr. President, I do not believe that we ought to adopt the ancient device of recommitting the bill to the committee for further consideration and study. That device was used in the first Congress which was assembled in this building. It has been used in every subsequent session of every Congress that has ever been held.

This bill was introduced in accordance with parliamentary procedure. It was referred to the appropriate committee. It was considered by that committee. Hearings were held by the committee. Witnesses were summoned from the rank-and-file to the grade of Cabinet officer, and after the hearings were held, the committee voted in executive session to report the bill to the Senate, and the bill was reported to the Senate and placed upon the calendar in the regular way.

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

Mr. MEAD. I am glad to yield.

Mr. DOWNEY. In connection with that statement, I should like to invite the attention of the Senate to the fact that extensive hearings were held last spring upon the pay bill which we then passed. The distinguished Senator from North Dakota [Mr. LANGER] and other Senators desired to have a considerable higher increase than was then allowed. We did approve the provision for overtime pay, in addition to an increase in the basic allowance. There was a full study of the pay scale at that time, and I believe that a majority of the committee then stated that whenever overtime pay was done away with it would be the disposition of the committee to bring in a bill which would increase Government salaries above the cost-of-living standard.

Mr. MEAD. That was my understanding, Mr. President. Overtime payments have been eliminated, which in my judgment is another justification for the immediate consideration of this legislation. If we send the bill back to the committee I am not sure that there will be any greater interest in it, or that any greater number of Members of the Senate will be concerned over it than is the case at the present time. In fact, I believe that this is the appropriate time. I believe that as a result of several days of discussion there is great interest in the bill. Therefore I hope it will not be recommitted, and that we may proceed to reconsider the bill as reported by the committee.

Mr. President, the Civil Service Commission has been brought into this debate. The Civil Service Commission has approved the bill. I remember when it was always necessary—or at least helpful—for the Civil Service Commission to recommend or approve legislation having to do with wages and working conditions of the personnel employed by the United States. After all, it is the responsibility of the Civil Service Commission to recruit personnel for the various departments and agencies of the United States. They know how difficult and expensive that operation is, because of the rapid turn-over in Government employment. They know more, perhaps, than any other agency of the Government about the difficulties which beset them in the proper recruitment and organization of Government personnel. We have the approval of the Civil Service Commission of the bill which has been reported by the committee. Moreover, the President of the United States favors the principles contained in this bill. In my judgment that is an added reason why the Senate should not recommit the bill to a committee which has already given consideration to it.

Mr. President, other arguments have been advanced. It has been suggested that we wait until next year, to find out what the Budget will be. I think it will be a source of great encouragement to an underpaid typist, stenographer, or clerk when he is told to wait until we know more about what the budget is to be before we allow him sufficient salary to keep body and soul together.

It has been suggested that it is inopportune to raise wages now, and that we should put it off until we balance the Budget. I think that would be marked encouragement to the poor people of the District of Columbia who are working for Uncle Sam at salaries which in my judgment are inadequate. It is proposed that we tell them to wait until some time in the future, until we can balance the Budget, before we take care of them.

Mr. President, not very long ago we repealed the excess-profits tax. We did not say to the corporations, "You must wait until we balance the Budget, or until next year, when we know how much it is going to cost to operate the Government." Not long ago we reduced the taxes on corporations. We did not say to them, "You must wait until we balance the Budget." No. But we use that argument now, when it applies to the lowly paid wage earners employed by the Government of the United States.

Not long ago we talked about lending foreign governments billions of dollars, and evidently we are about to do it. But we are not going to say to those governments, "You must wait until we balance our Budget. You must wait until we know how much money we shall need next year." Oh, no. We use that argument only when it applies to the poor devil who works for the Government of the United States.

Just a few days ago we rescinded appropriations of $52,000,000,000 which we had already made for the conduct of the war. Less than half a billion dollars will be required to cover the entire cost of this bill for a whole year, and before that year is up the personnel will be reduced in many instances. Perhaps the total reduction will absorb a great percentage of the cost of the bill. But if the war had lasted another week we should have spent a great deal more than we would spend for the cost of this bill for an entire year.

Mr. President, I am for the consideration of the bill which is now before the Senate, a bill with which we are all familiar, a bill which has been reported to this body by the proper committee. I really believe that it would be a serious mistake and that we would be inconsistent with ourselves and our record if we were to send the bill back to the Committee on Civil Service. So I am appealing to the Senate now, in the event that a motion is made to recommit the bill, to vote down the motion and proceed in an orderly manner to consider the bill which has been reported by the Committee on Civil Service. If there is anything wrong with that bill, we shall have ample opportunity to correct it. If it is insufficient in the increases which it proposes, we can modify it. So I appeal to the Senate to consider the bill which has been reported by its own Committee on Civil Service.

Mr. HICKENLOOPER obtained the floor.

Mr. BYRD. Mr. President, will the Senator yield to me to permit me to suggest the absence of a quorum?

Mr. HICKENLOOPER. I yield.

Mr. BYRD. 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:

| | | |
|---|---|---|
| Austin | Hart | Mitchell |
| Bridges | Hawkes | Morse |
| Byrd | Hickenlooper | Murray |
| Capper | Hill | O'Daniel |
| Carville | Hoey | O'Mahoney |
| Chavez | Huffman | Radcliffe |
| Connally | Johnson, Colo. | Smith |
| Donnell | Knowland | Taft |
| Downey | Langer | Taylor |
| Gerry | McClellan | Tunnell |
| Gossett | McKellar | White |
| Green | Maybank | Wiley |
| Guffey | Mead | |
| Gurney | Millikin | |

The PRESIDING OFFICER. Forty Senators have answered to their names. There is not a quorum present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senator; and Mr. BALL, Mr. FERGUSON, Mr. HAYDEN, Mr. KILGORE, Mr. LA FOLLETTE, Mr. SHIPSTEAD, Mr. TOBEY, and Mr. VANDENBERG answered to their names when called.

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. A quorum is not present.

Mr. HILL. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama [Mr. HILL].

The motion was agreed to.

The PRESIDING OFFICER. The Sergent at Arms will execute the order of the Senate.

After a little delay Mr. BANKHEAD entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, a quorum is present.

Mr. BYRD. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. BYRD. I should like to propound an inquiry to the Senator from California. As I understand, he has withdrawn his substitute which he offered this morning. Am I correct?

Mr. DOWNEY. The Senator is correct.

Mr. BYRD. Does that mean that the amendment which the Senator had pending will be reinstated?

Mr. DOWNEY. Mr. President, I make no statement on that point. I have withdrawn my amendment.

Mr. BYRD. I ask unanimous consent to send forward, and to have lie on the table, two amendments which are being proposed by myself, the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Connecticut [Mr. HART], who are members of the Civil Service Committee. I ask that the amendments and a table in explanation of their objectives be printed at this point in the body of the RECORD.

There being no objection, the amendments submitted by Mr. BYRD for himself, Mr. HICKENLOOPER, and Mr. HART were received, ordered to lie on the table and be printed, and the amendments and table were ordered to be printed in the RECORD as follows:

Amendment intended to be proposed by Mr. BYRD, Mr. HICKENLOOPER, and Mr. HART to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, viz: On page 1, strike out lines 3 to 8, inclusive, and insert in lieu thereof the following:

"That (a) the first sentence of section 405 (a) of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 36 percent of that part thereof which is not in excess of $1,200 per annum, plus 18 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 9 percent of that part thereof which is in excess of $4,600 per annum.' "

Amendment intended to be proposed by Mr. BYRD, Mr. HICKENLOOPER, and Mr. HART to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, viz: Beginning on page 1, line 9, strike out all down to and including line 16 on page 3 and insert in lieu thereof the following:

"(b) (1) The proviso to the fifth paragraph under the heading 'Crafts, Protective, and Custodial Service' in section 13 of the Classification Act of 1923, as amended, is hereby amended to read as follows: '*Provided*, That charwomen working part time be paid at the rate of 88 cents an hour, and head charwomen at the rate of 93 cents an hour.

"(2) Such section is amended so as to provide the following rates of compensation for positions in the clerical-mechanical service:

"Grade 1, 88 to 95 cents an hour.

"Grade 2, $1.01 to $1.09 an hour.

"Grade 3, $1.17 to $1.23 an hour.

"Grade 4, $1.31 to $1.45 an hour.

"(c) The increase in existing rates of basic compensation provided by this section shall not be construed to be an 'equivalent increase' in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

"SEC. 2. Section 602 of the Federal Employees Pay Act of 1945 is amended by inserting after the words 'section 405 of this act,' wherever they occur in such section, a comma and the words 'as amended.'

"SEC. 3. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 36 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 9 percent of that part of such rate which is in excess of $4,600 per annum.'

"(b) The first sentence of section 521 of such act is amended to read as follows: 'Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 36 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 9 percent of that part of such rate which is in excess of $4,600 per annum.'

"SEC. 4. Section 603 (b) of the Federal Employees Pay Act of 1945 is amended by inserting after the words 'by reason of the enactment of this act' the words 'or any amendment thereto.' "

TABLE I

| Rates on June 30, 1945 | Present rate (Public Law 106) effective July 1, 1945 | Proposed amendment 36-18-9 percent over June 30, 1945, rates | Percentage increase, proposed amendment over present base rates under Public Law 106 | Percentage increase, proposed amendment over June 30, 1945, base rates[1] |
|---|---|---|---|---|
| $1,200 | $1,440 | $1,632.00 | 13.33 | 36.00 |
| 1,440 | 1,704 | 1,915.20 | 12.39 | 33.00 |
| 1,620 | 1,902 | 2,127.60 | 11.86 | 31.33 |
| 1,800 | 2,100 | 2,340.00 | 11.43 | 30.00 |
| 2,000 | 2,320 | 2,576.00 | 11.03 | 28.80 |
| 2,300 | 2,650 | 2,930.00 | 10.57 | 27.39 |
| 2,400 | 2,760 | 3,048.00 | 10.43 | 27.00 |
| 2,600 | 2,980 | 3,284.00 | 10.20 | 26.31 |
| 2,900 | 3,310 | 3,638.00 | 9.91 | 25.45 |
| 3,200 | 3,640 | 3,992.00 | 9.67 | 24.75 |
| 3,500 | 3,970 | 4,346.00 | 9.47 | 24.17 |
| 3,800 | 4,300 | 4,700.00 | 9.30 | 23.68 |
| 4,600 | 5,180 | 5,644.00 | 8.96 | 22.70 |
| 5,200 | 5,810 | 6,298 | 8.40 | 21.12 |
| 5,600 | 6,230 | 6,734 | 8.09 | 20.25 |
| 6,000 | 6,650 | 7,170 | 7.82 | 19.50 |
| 6,500 | 7,175 | 7,715 | 7.53 | 18.69 |
| 7,000 | 7,700 | 8,260 | 7.27 | 18.00 |
| 7,500 | 8,225 | 8,805 | 7.05 | 17.40 |
| 8,000 | 8,750 | 9,250 | 6.86 | 16.88 |
| 8,500 | 9,275 | 9,895 | 6.68 | 16.41 |

[1] Percentages indicated reflect the aggregate of increases under Public Law 106 and the proposed amendment, but do not reflect within-grade increases or promotions.

Table I (above) shows results of a 36-18-9 percent pay-increase formula when applied to the Federal compensation rates as of June 30, 1945.

Mr. HICKENLOOPER. Mr. President, I wish to ask the Senator from California——

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

Mr. HICKENLOOPER. I yield.

Mr. WHITE. If the Senator decides to start his speech this evening, I am wondering how long he is likely to proceed. It is now almost 5 o'clock. I do not know but perhaps the acting majority leader is now ready to move that the Senate take a recess.

Mr. HICKENLOOPER. Mr. President, I expect to cover this subject at some length. I expect to begin by giving a history of this type of legislation and lead up to where we are at the present time. I will consume some time. I have no objection, if it is desired, to have the matter go over until tomorrow.

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

Mr. HICKENLOOPER. I yield.

Mr. HILL. I believe that it is the wish of the distinguished chairman of the committee, the Senator from California [Mr. DOWNEY], that the Senate proceed for a while longer. I think we might continue for a while and allow the Senator from Iowa an opportunity to begin his speech before we take a recess.

Mr. HICKENLOOPER. Very well.

Mr. President, I approach this point in the consideration of the pending bill with some confusion in my mind. The confusion is especially heightened because, as a member of the Committee on Civil Service, I have had a little to do with the proposed legislation, as well as the legislation which became effective last July 1.

At the outset it may be stated that we are dealing here with a very substantial sum of public money. The pending bill, in the form in which it is now before the Senate, involves a potential expenditure, in addition to the expenditures which we are now making for public salaries, of a sum somewhat in excess of $1,000,000,000 a year. The bill does not specifically apply to any persons except those within the classified civil service. As I understand, the amount of money involved will be approximately $600,000,000 a year.

Most of the various documents now lying on the desks of Senators, and under various authorships, begin with the proponents of the measure in its present form prefacing much of the assumption of the cost of this bill as contained in their literature upon the premise or allegation that the number of employees on the Federal pay roll will have been reduced by next July to 2,000,000. The number of employees on the Federal pay roll today, considering those under the Wage Board, is between three and three and a half million. According to one statistical sheet which I have received and which was allegedly compiled from Government sources, the Federal pay roll for the fiscal year of 1945 is $7,327,000,000. In any event, the amount is in excess of $7,000,000,000.

While the pending bill applies only to those who are in the classified civil service, I think it has been amply demonstrated and admitted by both sides of the controversy that whatever is done for the classified civil-service employees will

of necessity be extended to the public employees in other branches of the service until all the public employees will receive substantially the same percentage of increase that is provided for in the pending bill. Therefore, if the experience of the past means anything, I think we may say that, in this bill, we are dealing with a 20-percent increase across the board on $7,000,000,000, because that is the 1945 fiscal pay roll.

I think it is fair to say that that amount has been reduced somewhat by small reductions in public personnel. But the figure still stands roughly at $7,000,000,000 annually. If, during the course of public administration, because of the legislative attitude, and governmental pressure, we grant an increase to this great segment of the public employees, it is certain that the increase will be applied to the other segments as well. That will mean $1,400,000,000 if the Government continues to employ substantially the same number of employees that it employs now.

Mr. DOWNEY. Mr. President——

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Iowa yield to the Senator from California?

Mr. HICKENLOOPER. I yield.

Mr. DOWNEY. I think the Senator is in error in his last statement, in that he has not taken into account the fact that practically all overtime has been done away with. In July the overtime, on an annual basis, was a billion, seven hundred million dollars. While the overtime was not nearly so great in the last fiscal year, when we had a total pay roll of over $7,000,000,000, the doing away with overtime alone will reduce the total cost to the Government by approximately 25 percent.

Mr. HICKENLOOPER. I may say to the Senator from California, Mr. President, that at the same time we did away with the overtime, by the bill taking effect the 1st of last July, we increased the pay of the classified employees, and I may say to the Members of the Senate that we are now preparing to increase the pay of postal employees in accordance with some general understandings which were had last spring, and that the increase effected by the bill which went into effect on July 1, amounted to 15.9 percent. So that the overtime that was taken away, decreasing the amount of actual dollars the employees received, was offset in great measure by the increase in base pay that was granted in the law which went into effect the 1st of July. The amount is still somewhere in the neighborhood of $7,000,000,000. I think it is of little consequence, because I have at least five sets of statistics in my files, each compiled by allegedly capable and responsible governmental agencies, no two of which agree in their figures within about 7 percent. In addition to that, the committee of the Senator from Virginia on reduction of nonessential Federal expenditures has compiled statistics directly from Federal bureau and agency heads themselves, and those statistics do not coincide, accurate as the sources may be, with these other statistics, by a few percent. They all add up, however, to the fact that this pay-roll bill is going to cost somewhere between six and a half billion and seven billion dollars as it now stands. The measure proposed, in the form in which it is before the Senate at the moment, proposes a 20-percent increase to the classified employees, which will automatically, and in the very course of political and public events, be extended to the other employees of the Government. If it is given to the classified employees, it should be given to the other employees of the Government. Public morality and public responsibility would demand that that be done.

Mr. President, that is what we are dealing with, a bill involving increases in excess of a billion dollars a year, at a time when we have just ended the greatest financial and human effort this Nation and the world ever saw, and when we should be getting back to some kind of a basis of public and private financial sanity, when this Nation of ours, which has been built upon that principle, should go forward and reconstruct itself for that glorious tomorrow to which so much lip service is rendered, but to which so little support in the Halls of the Congress and in the minds of administrative officials apparently is being given.

Last spring the question of the pay of public employees was a very pertinent one. It was recognized that the public employees had not been given increases commensurate with the increases in similar lines of activity in other employments, that no substantial increase had been given to the employees since 1941, and that some consideration should be given to them. At that time we had hearings before the Committee on Civil Service. The Senator from California then, as now, was zealous to see that what he in his opinion thought was justice was done.

The committee had what I thought were some extremely harmonious meetings. Serious attention was given to the subject, with a realization that there was a problem, and at that time, because of the restriction imposed by the Little Steel formula, the committee was confined within certain limits so as not to violate the 15-percent increase laid down in the Little Steel formula and the "hold the line" policy.

It was recognized at that time that the cost of living probably had risen in the neighborhood of 30 percent, because that was developed by the evidence, and there was no dispute about it, except in the case of private figures. There was no disputes as to the cost of living in governmental figures, those of the Civil Service Commission, and even of the employee groups themselves. Based on the limitation of the Little Steel formula and, with this knowledge of the increase in the cost of living, the committee did give an increase that amounted to approximately 15.9 percent in the aggregate.

I will say to the Senator from California that it was recognized at that time that probably a more substantial increase should have been given in order to bring the compensation of Federal employees up to a point that would meet the increase in the cost of living. But I shall have to dispute the statement of the Senator from California that it was understood, or agreed, or even contemplated at that time, that the increases later to be considered would bring the salaries up to a point above the cost of living increase. It is my recollection, though I have no particular record of private conversations at that time, that the general sense of the committee was that we should sometime after the first of the year, when the restriction of the Little Steel formula should be removed, then seriously consider a readjustment of the Federal-pay scale, in an attempt reasonably to approach, under all conditions, the increased cost of living as a factor in the pay scale and pay roll of the Federal Government. The degree of the increase, or its amount, according to my recollection, was not specifically discussed, nor did I have any firm idea of what it might be. The bill went into effect the 1st of July, and it has been in effect since.

Mr. DOWNEY. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. DOWNEY. I wonder if the Senator would allow me to interpolate that since that 16-percent raise was a graduated raise, it did raise those drawing above $8 000 only to the extent of 9 percent of their basic salaries. I would like to have the record made complete.

Mr. HICKENLOOPER. I think that is entirely correct, but I may say that in considering the wage adjustment at that time, as I recall—and I cannot speak for any other member of the committee, and do not intend to commit any other member of the committee—the whole philosophy of that increase in salary was that neither at that time, nor in considering wage increases in the future, was a basic readjustment of Federal wages to be considered. Rather were we considering the human, equitable readjustment of wages in this emergency period to meet the living costs, the living necessities created by the unusual situation of war, and all the economics that go with it.

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

Mr. HICKENLOOPER. Yes.

Mr. DOWNEY. All I want to emphasize is that we did recognize at that time that the cost of living had increased approximately 30 percent. I personally believed then it was up 33 or 35 percent, but we used the figure 30 percent, which was then the official figure, and we were only giving a basic rate in the higher brackets of 9 percent, which, of course, resulted in the increase in the upper brackets still being something like 22 or 23 percent below the increased cost of living, which, of course, meant that much of an actual cut in real purchasing power.

Mr. HICKENLOOPER. Mr. President, I will come to that point in a moment. I say again that what I have stated was my understanding of the philosophy of the legislation passed at that time and of its intents and purposes and what we were trying to arrive at. It does little good at this time to say what this or that Member said, but there was a divergence of opinion in the committee, and yet I think a harmonious unity of opinion was reached eventually.

The Senator from Virginia [Mr. BYRD] and I, and I believe the junior Senator from Connecticut [Mr. HART], in trying to approach this problem made some suggestions about a graduated scale of increase. Because of the fact that the fiscal year began the 1st of July, the time was then so short that something had to be done rather drastically, and perhaps roughly, so far as any analytical studies were concerned. The proposal was therefore made, in order to meet this situation and so the increase could begin on the first of the fiscal year, that a 20-percent increase be given on the first $1,200 of salary, with 10 percent on the overplus of $1,200 to $4,600, and that 5 percent on salaries over $4,600 be given.

The theory of that increase, Mr. President, as I understand it—and certainly I will say, as I know I intended it—was that the impact of the cost of living in these days of unusual economic turmoil comes upon the necessities of life, comes upon the needed food, the needed clothing, the needed schooling, all the things that go into the necessities of life for the little man; and by the little man I mean the one in the low salary brackets, who spends from 90 to 100 percent of everything he can earn on the necessary costs of living. Everything he earns as a rule goes for food, clothing, shelter, medical supplies, and the other necessities of family life or individual life. Therefore, when the cost of living goes up beyond the point where he is normally able to meet it, it rises above the level of what he is already spending and he does not have the surplus money to meet it, nor does he have the excess salary to absorb it.

Let me show how it worked out. Under the legislation which became effective on the 1st of last July, the employee who was receiving $1,200 was increased to $1,440, I believe. Will the Senator from California correct me if I am in error? I believe we fixed a minimum of $1,500 in that measure.

Mr. DOWNEY. One thousand four hundred and forty dollars.

Mr. HICKENLOOPER. I have not read the law recently—that is, in the last few days—but it was my recollection that no salary was to be under $1,500.

Mr. DOWNEY. One thousand four hundred and forty dollars became the minimum.

Mr. HICKENLOOPER. Anyway, the one who theretofore received $1,200 received $1,440, or a $240 increase. Remember that we were giving this increase to meet the increased cost of necessities, the increased cost of living. It was not a basic wage adjustment. It was not made on the basis of a survey between grades in the public service to see whether this grade was getting the correct pay in comparison to that one, or a survey to evaluate the services and see whether the pay was too much or too little.

An employee who received $1,200 was given a $240 raise. On his salary above $1,200 he received an increase of 10 percent on all the overplus of his salary up to $4,600. That gave the employee who received $4,000 $220 on the first $1,200 and 10 percent on the next $2,800, or $280 more. So he received an increase of somewhere between $400 or $500. That increase was a dollar increase. That increase was money in his pocket with which he could buy more food needed for his family, or with which he could buy food at higher prices.

The employee in the bracket from $7,000 to $7,500 received an increase of 6 or 7 percent—perhaps it was six and a fraction percent. The employee who received $7,500 was given a 7.5-percent increase. Seven percent on $7,000 is $490. The employee whose salary was $7,000 received roughly $500 more in his pocket with which to pay for the necessities of living, the food and clothing which he and his family had to buy.

An employee who received a salary of $9,000 was given an increase of $640. He received 6.53 percent increase on his salary. He got a little bit more by way of increase than the employees whose salary was $7,000, in order to meet the necessities of life.

This was not done to readjust the ratio in the pay scale between what he was doing, and what another employee down the line or up the line from him was doing, but to meet the cost of living, to meet the emergency situation, to meet the increased prices. That was the situation with respect to the measure which became effective July 1 last.

TRANSFER TO TEXAS OF LAND AND PERSONAL PROPERTY IN LIMESTONE COUNTY

Mr. O'DANIEL. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. O'DANIEL. Mr. President, there is a bill on the calendar, S. 1471, Calendar No. 791, which should have immediate consideration, by reason of the fact that failure to pass the bill heretofore is delaying action in taking care of certain incapacitated persons in the State of Texas. The bill has the approval of everyone concerned, including the Secretary of Agriculture. The bill was referred to the Committee on Agriculture and Forestry and was approved unanimously by the committee and was reported to the Senate. The urgency in the matter is due to the fact that the bill must go to the House of Representatives in order to be passed before Christmas. It concerns a parcel of land in Texas which is owned by a Texas corporation, which desires to transfer it to another Texas corporation under the control of the Board of Control, which handles all eleemosynary institutions in the State of Texas. These institutions are overcrowded, and the jails are filled with poor unfortunate individuals who cannot be taken care of properly.

Passage of the bill is necessary because the Texas corporation which originally owned the land transferred it to the Secretary of Agriculture, as a trustee, to hold in trust, for the purpose of rehabilitating farm families. The Secretary of Agriculture was unable to perform that function, and later the war came on and he permitted the use of the property for prisoner-of-war camps. Now it is unfit for the original purpose, and all parties concerned, including the War Department, the Surplus Property Custodian, the Public Health Service, the Department of Agriculture, and all members of the Committee on Agriculture and Forestry have agreed that the bill should be passed giving the Secretary of Agriculture permission to transfer the property to the State of Texas.

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

Mr. O'DANIEL. I yield.

Mr. HILL. As I understand, the bill applies only to a piece of property in the State of Texas.

Mr. O'DANIEL. That is correct.

Mr. HILL. And the bill was unanimously reported by the Senate Committee on Agriculture and Forestry, and has the approval of the Department of Agriculture.

Mr. O'DANIEL. That is correct. It meets with entire approval.

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

Mr. O'DANIEL. I yield.

Mr. SMITH. I understand that the bill has been considered by all members of the committee, on both sides of the aisle, and that they all feel the same way about it.

Mr. O'DANIEL. That is true. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1471) 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 PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill 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 Agriculture is hereby authorized and directed to transfer, convey, grant, and quitclaim unto Texas Rural Communities, for subsequent use by or transfer to the State of Texas, acting by and through the State Board of Control, for the benefit and rehabilitation of convalescent or handicapped residents of the State of Texas, all right, title, claim, interest, equity, and estate in and to the real and personal property comprising the Mexia Colony project of Farm Security Administration, Limestone County, Texas, presently administered by the Secretary of Agriculture as trustee under an agreement of transfer, dated October 31, 1939, with Texas Rural Communities.

SEC. 2. Such transfer by the Secretary of Agriculture shall be subject to any legal rights existing by virtue of any lease or other agreement by the Secretary, his successors or representatives, as such trustee.

SEC. 3. Any such transfer shall not be deemed to impose any liability upon the Secretary of Agriculture with respect to his obligations under such agreement of transfer of October 31, 1939.

Mr. O'DANIEL. I thank the Senator from Iowa for yielding.

INCREASE IN COMPENSATION OF FEDERAL EMPLOYEES

The Senate resumed the consideration of the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government.

Mr. HICKENLOOPER. Mr. President——

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

Mr. HICKENLOOPER. For what purpose?

Mr. BYRD. Very few Senators are in the Chamber, and I should like to have more Senators hear the Senator's speech. Would it be in order to make the point of no quorum?

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. HILL. Mr. President, I hope the Senator will not make the point of no quorum at this time. It is now nearly half past 5. If it is agreeable to the Senator from California, I should like to move that the Senate proceed to the consideration of executive business.

Mr. DOWNEY. Mr. President, I believe that the Senator from Iowa is making a constructive and valuable statement on this subject. It ought to be heard by as many Senators as possible. I agree that it would be well to take a recess at this time, with the hope, at least, that more Senators may be present tomorrow to listen to the Senator from Iowa.

Mr. HILL. Mr. President, will the Senator from Iowa yield so that I may move that the Senate proceed to the consideration of executive business?

Mr. HICKENLOOPER. I yield.

EXECUTIVE SESSION

Mr. HILL. 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 PRESIDING OFFICER (Mr. TAYLOR in the chair) 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.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WAGNER, from the Committee on Banking and Currency:

Lynn U. Stambaugh, of North Dakota, 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.

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. F. Arthur Schoenfeld, of the District of Columbia, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary; and

Sundry officers for appointment in the foreign service of the United States.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

COMPTROLLER OF CUSTOMS

The legislative clerk read the nomination of Arthur A. Quinn to be comptroller of customs for customs collection district No. 10, with headquarters at New York, N. Y.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. HILL. I ask that the President be immediately notified of all nominations confirmed of today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the Executive Calendar.

RECESS

Mr. HILL. 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 23 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 14, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 13 (legislative day of October 29), 1945:

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE MAJOR GENERAL

Chaplain Luther Deck Miller (brigadier general, Chief of Chaplains), United States Army.

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Emil J. Koch, Warner Springs, Calif. Office became Presidential July 1, 1945.

FLORIDA

Nell H. Connell, Weirsdale, Fla., in place of T. F. Connell, retired.

GEORGIA

Carr McLemore, Surrency, Ga., in place of E. S. Brindle, retired.

ILLINOIS

Lucille G. I. Johnson, Malden, Ill. Office became Presidential July 1, 1945.

Robert L. Ryerson, West York, Ill. Office became Presidential July 1, 1945.

IOWA

Ralph L. Zearley, Garber, Iowa. Office became Presidential July 1, 1945.

LOUISIANA

Enolia T. Ordoyne, Larose, La. Office became Presidential July 1, 1943.

MAINE

Mary E. Burbank, Maplewood, Maine. Office became Presidential July 1, 1945.

MICHIGAN

Earle S. Treend, Gobles, Mich., in place of Earl Hudson, removed.

MISSOURI

Harvey H. Reynolds, Cairo, Mo., in place of R. L. McKinney, resigned.

Irvin P. Swift, Delta, Mo. Office became Presidential July 1, 1945.

Christena Ramsey, Novelty, Mo. Office became Presidential July 1, 1945.

NEBRASKA

Salem Abraham, Ainsworth, Nebr., in place of E. D. Collins, retired.

William G. Hoffman, Bladen, Nebr., in place of F. B. Householder, transferred.

NEW YORK

Josephine E. Morrison, Lake Pleasant, N. Y. Office became Presidential July 1, 1945.

PENNSYLVANIA

Jane M. Phillis, Fombell, Pa. Office became Presidential July 1, 1945.

Clarence C. MacKenzie, Hatboro, Pa., in place of A. C. Winner, deceased.

Lillian J. Biggerstaff, Hunkers, Pa. Office became Presidential July 1, 1944.

George R. Frey, Kutztown, Pa., in place of R. D. Stein, killed in action.

Grace F. Brant, Plumville, Pa. Office became Presidential July 1, 1943.

Verna Heppe, Sheppton, Pa. Office became Presidential July 1, 1944.

David J. Scales, Jr., Susquehanna, Pa., in place of E. J. Holleran, deceased.

TEXAS

Lula M. Winfough, Darrouzett, Tex., in place of M. L. Beck, resigned.

Roy L. Nickels, McAdoo, Tex. Office became Presidential July 1, 1945.

Mary Newman Lemmons, Pantex, Tex. Office became Presidential April 1, 1945.

Bernice E. McCoy, Prairie Lea, Tex. Office became Presidential July 1, 1945.

John F. Dickinson, Riviera, Tex., in place of L. H. North, resigned.

Reid B. Horney, Robstown, Tex., in place of O. T. Kellam, resigned.

Viola I. Havenhill, Twitty, Tex. Office became Presidential July 1, 1945.

WASHINGTON

Lora M. Antoine, Chelan Falls, Wash. Office became Presidential July 1, 1945.

WISCONSIN

Carrie Vos, Kansasville, Wis., in place of A. H. Vos, deceased.

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CONFIRMATIONS

Executive nominations confirmed by the Senate December 13 (legislative day of October 29), 1945:

COMPTROLLER OF CUSTOMS

Arthur A Quinn, to be comptroller of customs for customs collection district No. 10, with headquarters at New York, N. Y.

POSTMASTERS

MARYLAND

Maude R. Phelps, Clarksville.
Mary E. Cavey, Ilchester.
Ethel Goddard, St. Marys City.

OREGON

Margery A. Kron, Garden Home.

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# HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 13, 1945

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, hold us to the realization that tomorrow we shall be judged by a generation which has the right to the inheritance of our faith today. Ours is a declared responsibility of good government, and herein we must match our faith against all difficulties. While nations are in turmoil and disquiet is sweeping our business world, while restlessness is running through human ranks with easy contagion, and trembling hearts are passing down into the valley where lie the long shadows of sorrow, O infinite Father, show our country the way to deliverance. O grip its thought with a passionate patriotism, that unhappi-

ness in the home, hatred in the task, and madness in the street may be no more. Holy Spirit, faithful guide, kindle in us a new conception of our religion that will embody all the principles of the dignity of the human soul. Hear our humble prayer for Thy name's sake. Amen.

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 disagrees to the amendments of the House to the bill (S. 1152) entitled "An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BILBO, Mr. MCCARRAN, Mr. HOEY, Mr. SALTONSTALL, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 1031. An act for the relief of Matthews Mattas; and

H. R. 2578. An act for the relief of Rufus A. Hancock.

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 Justice.
3. Department of the Treasury.
4. Post Office Department.
5. Interstate Commerce Commission.
6. Interim International Information Service.
7. National Archives.
8. Office of Price Administration.
9. Petroleum Administration for War.
10. Selective Service System.

EXTENSION OF REMARKS

Mr. STEWART asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a broadcast by Ken Miller over radio station KVOO, Tulsa, Okla., and in the other a letter from Ferdie Deering, editor of the Farmer-Stockman, and an item appearing in the Daily Oklahoman.

SOIL CONSERVATION

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

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

There was no objection.

[Mr. STEWART addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CRAVENS asked and was given permission to extend his remarks in the RECORD in three instances and include in each an article.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an article on Facing Winter appearing in today's Washington Post.

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD in two instances and include in one an address delivered by Mr. Henry Morgenthau and in the other an editorial from the New York Enquirer.

DEPARTMENT OF STATE WAITS

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

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

There was no objection.

[Mr. WEICHEL addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 30 minutes.

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

There was no objection.

PROPOSED LOAN TO GREAT BRITAIN

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

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

There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix.]

FOREIGN BROADCAST INTELLIGENCE SERVICE

Mr. KUNKEL. 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 Pennsylvania?

There was no objection.

Mr. KUNKEL. Mr. Speaker, the Foreign Broadcast Intelligence Service, as I pointed out yesterday, is being liquidated as a result of House action in rescinding part of FCC's National Defense Appropriation. The demise of the FBIS is dangerous to the National Welfare and will create a major gap in our means of fathering world-wide intelligence.

The present organization of FBIS contains listening posts at Guam; Kauai; Portland, Oreg.; Washington, D. C.; and London. Each site has been carefully selected to obtain optimum reception. Each station has elaborate engineering facilities which have taken a long time to perfect. The staff contains highly trained linguists, engineers, and transmitter experts whom it would require months and years to train to their present level of efficiency. If FBIS is liquidated, this physical plant and trained personnel will be scattered to the four winds.

The intelligence gathering agencies of this Government require foreign broadcast monitoring. Some time after FBIS goes out of existence, a similar monitoring service will have to be recreated. The disadvantages of allowing the present organization to die, only to start a new one several months from now, are obvious: First, the initial dollar cost of setting up a new organization will be at least three times as much as the cost of operating the present going concern during the remainder of the fiscal year. Second, the present sites with their facilities and complicated lease arrangements will be dismantled. Third, the highly trained personnel of FBIS will no longer be available.

In addition to all those reasons why it is false economy to scuttle FBIS, there is this all-important one: During the long period when there will be no monitoring, this Government will be without some of the most important intelligence available concerning international affairs.

PROPOSED LOAN TO GREAT BRITAIN

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

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

There was no objection.

[Mr. RICH addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that tomorrow after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I address the House for 15 minutes.

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

There was no objection.

WHEN DID WAR END?

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from a sailor.

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

There was no objection.

[Mr. MILLER of Nebraska addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that a statement which was sent with a letter to the Committee on Foreign Affairs from the Secretary of State be a part of my remarks today. I understood yesterday that it would be inserted in the RECORD when the resolution was tabled. There is nothing secret about them. Already that information has been made public

but I feel that it should be a part of the CONGRESSIONAL RECORD.

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

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent that in the remarks I shall make in the Committee of the Whole upon the bill S. 380, I may include as part of my remarks the bill H. R. 4181, some comments thereon, and such editorials and figures as may be pertinent to my remarks.

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

There was no objection.

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include two speeches, one by B. C. Forbes, and one by himself at the recent meeting of Investors League in Chicago.

AIR-MAIL POSTAGE

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

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

There was no objection.

[Mr. HAGEN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his own remarks in the Appendix of the RECORD and to include therein a newspaper article.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include certain tables showing that our national debt and obligations amount to over $620,000,000,000 at the present time. That is not including the proposed loan. I also ask unanimous consent to include certain quotations.

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

There was no objection.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and to include therein a recent statement by J. Henry Scattergood.

TIME FOR ACTION ON PALESTINE

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

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

There was no objection.

Mr. CELLER. Mr. Speaker, the Senate Foreign Affairs Committee by a vote of 17 to 1 yesterday adopted a resolution providing for, first, unlimited Jewish immigration into Palestine within its absorptive economic capacity; second, an eventual democratic commonwealth; third, a Jewish national home.

This should be a ringing summons to the House Foreign Affairs Committee to adopt forthwith an identic resolution so that there can be compliance with the Palestine planks in both the Republican and Democratic platforms.

Significantly, General Montgomery, a brave soldier and distinguished general, under British orders is turning back across the border Polish-Jews fleeing pogroms. Thus, on the one hand, Britain cruelly refuses to receive the refugees, and, on the other hand, forbids them going to the one place where they can live in safety and dignity—the one place where they are not unwanted—Palestine.

Britain is guilty of deepest depravity and inhumanity in her treatment of Jews and her perfidy on Palestine.

The SPEAKER. The time of the gentleman from New York has expired.

ATTACKS ON COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include certain excerpts from the RECORD and from newspaper publications.

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

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

LOAN TO GREAT BRITAIN

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

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

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, the Treasury and other governmental departments, at the direction of the President, are out propagandizing the public and molding the Congress into shape for the approval of an additional so-called loan of $4,400,000,000 to England. The Keynes-Morgenthau international monetary and financial scheme, euphemistically called Bretton Woods, was rammed down Congress' throat on the ostensible ground that it was needed to form one of the main pillars of the peace structure and to make loans to foreign nations. So far as I know, ours is the only Government which has acted as though it might believe this.

Having inveigled the Congress into approving the scheme England and the other countries shrewdly delayed to accept it. Why? Because this put them in a bargaining position to force Congress to approve additional loans to them. Lord Keynes and his UNO crowd, with the support of the administration, are virtually telling the Congress that unless it gives assurance of furnishing them with additional loans to those provided in Bretton Woods they will not sign the Bretton Woods agreement.

This appears to be the dilemma Congress now is in. To refuse to approve these loans would almost be tantamount to wrecking the main part of the foundation of the peace machinery and cause the whole thing to go smash.

The promoters of these loans are exploiting to the limit this abnormal situation in which they have placed Congress as a bargaining weapon to force the United States to underwrite their economies, and socialistic economies at that, not temporarily but permanently.

How many more billions is it expected our taxpaying public will furnish to keep this "one world" business going?

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a speech made last Sunday by Archbishop Cushing, of Boston, a very powerful and timely speech on the necessity of further appropriations to continue UNRRA, in order to save countless thousands of lives of unfortunate persons during the coming winter.

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

There was no objection.

Mr. WEICHEL and Mr. WALTER asked and were given permission to extend their remarks in the RECORD.

BALTIC REFUGEES

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

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

There was no objection.

Mr. FLOOD. Mr. Speaker, 2 weeks ago I made an appeal from this floor, and subsequently addressed a communication to His Majesty's Swedish Government, that they not turn over to Russia a group of 167 Baltic nationals who had escaped to Sweden. The American press was subsequently full of ghastly pictures, depicting the scenes of German nationals and these Baltic nationals attempting self-destruction to evade return to Russian-occupied territory.

At this time I refer only to those of the Baltic races, especially the Lithuanian groups, and I appeal to Secretary Byrnes from the floor of Congress that in his meeting with the Russians and the British at Moscow this week this problem be reexamined as part of his agenda and that steps be taken from now on to examine with greater exactitude the transporting back to Russia of the nationals of Slavic and Baltic ancestry and middle Europe. Especially do I have reference to Poles and Lithuanians, whose return to Russia is an order of execution after a sentence of death.

REORGANIZATIONS IN EXECUTIVE BRANCH

Mr. MANASCO. Mr. Speaker, I call up the conference report on the bill (H. R. 4129) to provide for the reorganization of Government agencies, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The Clerk read the statement of the managers on the part of the House.

The conference report and statement are as follows:

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. 4129) to provide for the reorganization of Government agencies, 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 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:

"TITLE I

*"Short title*

"SECTION 1. This Act may be cited as the 'Reorganization Act of 1945.'

*"Need for reorganization*

"SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"(1) to facilitate orderly transition from war to peace;

"(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

"(3) to increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"(6) to eliminate overlapping and duplication of effort.

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this Act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this Act, shall accomplish an over-all reduction of at least 25 per centum in the administrative costs of the agency or agencies affected.

*"Reorganization plans*

"SEC. 3. Whenever the President, after investigation, finds that—

"(1) the transfer of the whole or any part of any agency, or of the whole or any part of the functions thereof, to the jurisdiction and control of any other agency; or

"(2) the abolition of all or any part of the functions of any agency; or

"(3) the consolidation or coordination of the whole or any part of any agency, or of the whole or any part of the functions thereof, with the whole or any part of any other agency or the functions thereof; or

"(4) the consolidation or coordination of any part of any agency or the functions thereof with any other part of the same agency or the functions thereof; or

"(5) the abolition of the whole or any part of any agency which agency or part does not have, or upon the taking effect of the reorganizations specified in the reorganization plan will not have, any functions,

is necessary to accomplish one or more of the purposes of section 2 (a), he shall prepare a reorganization plan for the making of the transfers, consolidations, coordinations, and abolitions, as to which he has made findings and which he includes in the plan, and transmit such plan (bearing an identifying number) to the Congress, together with a declaration that, with respect to each transfer, consolidation, coordination, or abolition referred to in paragraph (1), (2), (3), (4), or (5) of this section and specified in the plan, he has found that such transfer, consolidation, coordination, or abolition is necessary to accomplish one or more of the purposes of section 2 (a). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session. The President, in his message transmitting a reorganization plan, shall specify with respect to each abolition of a function specified in the plan the statutory authority for the exercise of such function.

*"Other contents of plans*

"SEC. 4. Any reorganization plan transmitted by the President under section 3—

"(1) shall change, in such cases as he deems necessary, the name of any agency affected by a reorganization, and the title of its head; and shall designate the name of any agency resulting from a reorganization and the title of its head;

"(2) may include provisions for the appointment and compensation of the head and one or more assistant heads of any agency (including an agency resulting from a consolidation) if the President finds, and in his message transmitting the plan declares, that by reason of transfers, consolidations and coordinations made by the plan, the responsibilities and duties of such head are of such nature as to require such action. The head so provided for may be an individual or may be a commission or board with two or more members. In the case of any such appointment the term of office shall not be fixed at more than four years, the compensation shall not be at a rate in excess of $10,000 per annum, and, if the appointment is not under the classified civil service, it shall be by the President, by and with the advice and consent of the Senate;

"(3) shall make provision for the transfer or other disposition of the records, property, and personnel affected by any transfer, consolidation, coordination, or abolition;

"(4) shall make provision for the transfer of such unexpended balances of appropriations available for use in connection with any function or agency transferred, consolidated, or coordinated, as he deems necessary by reason of the transfer, consolidation, or coordination for use in connection with the transferred, consolidated, or coordinated functions, or for the use of the agency to which the transfer is made, but such unexpended balances so transferred shall be used only for the purposes for which such appropriation was originally made;

"(5) shall make provision for winding up the affairs of any agency abolished.

*"Limitations on powers with respect to reorganizations*

"SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this Act shall have the effect of—

"(1) abolishing or transferring an executive department or all the functions thereof or establishing any new executive department; or

"(2) changing the name of any executive department or the title of its head, or designating any agency as 'Department' or its head as 'Secretary'; or

"(3) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

"(4) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made; or

"(5) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"(6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; or

"(7) increasing the term of any office beyond that provided by law for such office.

"(b) No reorganization plan shall provide for any reorganization affecting any agency named below in this subsection; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Interstate Commerce Commission, Federal Trade Commission, Securities and Exchange Commission, National Mediation Board, National Railroad Adjustment Board, and Railroad Retirement Board.

"(c) No reorganization plan shall provide for any reorganization affecting any civil function of the Corps of Engineers of the United States Army, or of its head, or affecting such Corps or its head with respect to any such civil function. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection.

"(d) No reorganization plan shall provide for a reorganization affecting any agency named below in this subsection if it also provides for a reorganization which does not affect such agency; except that this prohibition shall not apply to the transfer to such agency of the whole or any part of, or the whole or any part of the functions of, any agency not so named. No reorganization contained in any reorganization plan shall take effect if the reorganization plan is in violation of this subsection. The agencies above referred to in this subsection are as follows: Federal Communications Commission, Federal Deposit Insurance Corporation, United States Tariff Commission, and Veterans' Administration.

"(e) If, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies or transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under this Act shall have the effect of, changing the status of such agency in relation to other agencies or of abolishing any such transferred function or providing for its exercise by or under the supervision of any other agency.

"(f) No reorganization specified in a reorganization plan shall take effect unless the plan is transmitted to the Congress before April 1, 1948.

*"Taking effect of reorganizations*

"SEC. 6. (a) The reorganizations specified in the plan shall take effect in accordance with the plan upon the expiration of the first period of sixty calendar days, of continuous session of the Congress, following the date on which the plan is transmitted to it; but only if, between the date of transmittal and the expiration of such sixty-day period there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan.

"(b) For the purposes of subsection (a)—

"(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

"(2) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain; except that if a resolution (as defined in section 202) with respect to such reorganization plan has been passed by one House and sent to the other, no exclusion under this paragraph shall be made by reason of adjournments of the first House taken thereafter.

"(c) Any provision of the plan may, under provisions contained in the plan, be made operative at a time later than the date on which the plan shall otherwise take effect.

*"Definition of 'agency'*

"SEC. 7. When used in this Act, the term 'agency' means any executive department, commission, independent establishment, corporation wholly or partly owned by the United States which is an instrumentality of the United States, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government. Such term does not include the Comptroller General of the United States or the General Accounting Office, which are a part of the legislative branch of the Government.

*"Matters deemed to be reorganizations*

"SEC. 8. For the purposes of this Act, any transfer, consolidation, coordination, abolition, change or designation of name or title, disposition, winding up of affairs, or provision for the appointment and compensation of the head or assistant heads of an agency, referred to in section 3 or 4, shall be deemed a 'reorganization'.

*"Saving provisions*

"SEC. 9. (a) (1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed, in respect of or by any agency or function transferred to, or consolidated or coordinated with, any other agency or function under the provisions of this Act, before the effective date of such transfer, consolidation, or coordination, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law, have the same effect as if such transfer, consolidation, or coordination had not been made; but where any such statute, regulation, or other action has vested functions in the agency from which the transfer is made under the plan, such functions shall, insofar as they are to be exercised after the transfer, be considered as vested in the agency to which the transfer is made under the plan.

"(2) As used in paragraph (1) of this subsection the term 'regulation or other action' means any regulation, rule, order, policy, determination, directive, authorization, permit, privilege, requirement, designation, or other action.

"(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any reorganization under the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such reorganization takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or officer under the reorganization so effected or, if there be no such successor, against such agency or officer as the President shall designate.

*"Unexpended appropriations*

"SEC. 10. The appropriations or portions of appropriations unexpended by reason of the operation of this Act shall not be used for any purpose, but shall be impounded and returned to the Treasury.

*"Printing of reorganization plans*

"SEC. 11. If the reorganizations specified in a reorganization plan take effect, the reorganization plan shall be printed in the Statutes at Large in the same volume as the public laws, and shall be printed in the Federal Register.

"TITLE II

"SEC. 201. The following sections of this title are enacted by the Congress:

"(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in section 202); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"SEC. 202. As used in this title, the term 'resolution' means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not favor the reorganization plan numbered transmitted to Congress by the President on , 19 .', the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one reorganization plan.

"SEC. 203. A resolution with respect to a reorganization plan shall be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"SEC. 204. (a) If the committee to which has been referred a resolution with respect to a reorganization plan has not reported it before the expiration of ten calendar days after its introduction (or, in the case of a resolution received from the other House, ten calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such reorganization plan which has been referred to the committee.

"(b) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same reorganization plan), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(c) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same reorganization plan.

"SEC. 205. (a) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a reorganization plan, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

"(b) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"SEC. 206. (a) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a reorganization plan, and all motions to proceed to the consideration of other business, shall be decided without debate.

"(b) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a reorganization plan shall be decided without debate.

"SEC. 207. If, prior to the passage by one House of a resolution of that House with respect to a reorganization plan, such House receives from the other House a resolution with respect to the same plan, then—

"(a) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 204 (a)) be made the subject of a motion to discharge.

"(b) If a resolution of the first House with respect to such plan has been referred to committee—

"(1) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

"(2) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

CARTER MANASCO,
JOHN J. COCHEAN,
WILL M. WHITTINGTON,
CLARE HOFFMAN,
GEORGE H. BENDER,
*Managers on the Part of the House.*

PAT MCCARRAN,
CARL A. HATCH,
ABE MURDOCK,
CHAPMAN REVERCOMB,
H. ALEXANDER SMITH,
*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 amendments of the Senate to the bill (H. R. 4129) to provide for the reorganization of Government agencies, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the con-

ferees and recommended in the accompanying conference report:

The bill as agreed to in conference is generally similar to the bill as passed by the House. A number of clarifying amendments and changes in phraseology have been made which it is not necessary to explain. A few important substantive changes from the House bill have been made, however, and these changes are stated below.

EXEMPTED AGENCIES

The agencies exempted from the act in whole or in part are exactly the same under the conference agreement and the House bill, with the following exceptions:

Railroad labor and retirement agencies: Under the House bill (sec. 5 (b)) no reorganization plan could affect any provision of the railroad retirement acts or subchapter B of chapter 9 of the Internal Revenue Code or the Railroad Unemployment Insurance Act or the Railroad Labor Act, nor could any plan affect any agency functioning pursuant to, or functions being performed pursuant to such acts, except functions of the Bureau of Internal Revenue not related to subchapter B of chapter 9 of the Internal Revenue Code.

Under the conference agreement (sec. 5 (b)) in lieu of this provision the Railroad Retirement Board, National Mediation Board, and the National Railroad Adjustment Board are placed in the same exempt status as the Interstate Commerce Commission, the Federal Trade Commission, and the Securities and Exchange Commission, so that no reorganization plan shall provide for any reorganization affecting any of these agencies, but the provision does not prevent the transfer to one of such agencies of other agencies or functions.

Corps of Engineers: Under the House bill (sec. 5 (d)) no reorganization plan could abolish any civil function of the corps or of its head or vest any such civil function in any agency outside the control and jurisdiction of the War Department, except under a separate plan not involving reorganizations of other agencies. Transfers to the corps of other agencies and functions were not subject to this limitation.

Under the conference agreement (sec. 5 (c) no reorganization plan may provide for any reorganization affecting any civil function of the Corps of Engineers of the United States Army, or of its head, or affecting such corps or its head with respect to any such civil function.

Civil Service Commission: Under the House bill (sec. 5 (c)) no reorganization plan could provide for a reorganization affecting the Civil Service Commission, except under a separate plan not involving reorganizations of any other agency, but the prohibition did not apply to the transfer to the Civil Service Commission of other agencies and functions.

Under the conference agreement (sec. 5 (d)) this exemption of the Civil Service Commission is removed.

Quasi-judicial and quasi-legislative functions: Section 2 (h) of the Senate amendment contains a provision not found in the House bill providing that no reorganization plan shall provide for, and no reorganization under the act shall have the effect of, divesting any quasi-judicial agency of the means, right, or power to exercise independent judgment and discretion, to the full extent authorized by law, in the performance and effectuation of its quasi-judicial, investigative, or rule-making functions.

In lieu of this provision the conference agreement (sec. 5 (a) (6)) includes a provision in the bill to the effect that no reorganization plan shall provide for, and no reorganization under the act shall have the effect of, imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which vested prior to the taking effect of the reorganization; but this prohibition is not to prevent the abolition of any such function.

DEAD LINE ON TRANSMITTAL OF PLAN

Under the House bill (sec. 5 (e)) no reorganization could take effect unless the plan was transmitted to Congress before July 1, 1948. The Senate amendment (sec. 4 (d)) made this date July 1, 1947. Under the conference agreement (sec. 5 (f)) the date is made April 1, 1948.

SAVINGS RESULTING FROM REORGANIZATIONS

Section 2 (c) of the House bill stated that it is the policy and expectation of Congress that the transfers, consolidations, and abolitions contained in each reorganization plan shall accomplish an over-all reduction of at least 25 percent in the administrative cost in the agency or agencies affected by the plan.

Section 3 of the House bill provided that the President, in his message transmitted with the reorganization plan, should state to such extent as he deemed practicable approximately the reduction of expenditures, if any, which it is probable will be brought about by the taking effect of the reorganizations specified in the plan.

The above-referred-to provision of section 3 was not contained in the Senate bill and is omitted under the conference agreement. The House provision in section 2 (c) above referred to did not appear in the Senate amendment. Under the conference agreement (sec. 2 (c)) it is provided that it is the expectation of Congress that the transfers, consolidations, coordinations, and abolitions under the act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected.

DECLARED PURPOSES OF ACT

Both the House bill and the Senate amendment provided that the President shall determine what changes in the reorganization of the Government are necessary to accomplish certain-named purposes. One additional purpose contained in the Senate amendment, but not in the House bill, is retained under the conference agreement (sec. 2 (a) (1)). It is "to facilitate orderly transition from war to peace."

CONTENTS OF PLANS

Under both bills, when the President found that the consolidation of the whole or any part of an agency or of its functions with any other agency or its functions was necessary to accomplish one of the purposes of the act, he could include such consolidation in the reorganization plan. The Senate amendment (sec. 3 (a) (2) and (3)) added "coordination" to the provisions with respect to consolidation, and the conference agreement (sec. 3 (3) and (4)) accepts this addition.

The House bill (sec. 4 (2)) provided that the plan might include provisions for the appointment and compensation of the head and one or more assistant heads of any agency; but the compensation so fixed should be at a rate not in excess of $12,000 a year and confirmation by the Senate was required in the case of appointments at over $9,800 a year. The Senate amendment (sec. 3 (b) (5)) fixed the highest permissible compensation under the plan at $10,000 and the conference agreements adopts this change. The Senate amendment provided for Senate confirmation of all appointments of heads of agencies or (except for appointment under the classified civil service) in the case of appointments as a "policy maker" or at a rate of compensation in excess of $5,000 a year. The conference agreement (sec. 4 (2)) is the same as the House bill except that it is provided that, when the appointment (regardless of rate of compensation) of a head or assistant head of an agency is not under the classified civil service, it shall be by the President by and with the advice and consent of the Senate.

The House bill and the Senate amendment both provide for the abolition of the whole or any part of an agency if such agency does not have, or upon the taking effect of the reorganizations specified in the plan will not have, any functions. The Senate amendment adds a parenthetical clause listing the circumstances under which the absence of the functions may occur which reads as follows:

"(by reason of reorganizations under this act or otherwise or by reason of termination of its functions in any other manner)."

This provision, which was also found in the Reorganization Act of 1939, was omitted from the House bill and is also omitted under the conference agreement on the ground that it is purely surplusage and adds nothing to the bill.

PROHIBITIONS ON REORGANIZATIONS

The Senate amendment (sec. 2 (i)) provided that no plan should contain any provisions increasing the term of office beyond that provided by law for such office. The House bill did not contain this provision. It is retained under the conference agreement (sec. 5 (a) (7)), although even without the provision the bill does not authorize any such increase.

The conference agreement (sec. 5 (e)) adds a prohibition, not found in the House bill, which is a modified version of a provision of the Senate amendment. This provision of the conference agreement provides that if, since January 1, 1945, Congress has by law established the status of any agency in relation to other agencies, no reorganization plan shall provide for, and no reorganization under the act shall have the effect of, changing the status of such agency in relation to other agencies. It also provides that if, since January 1, 1945, Congress has by law transferred any function to any agency, no reorganization plan shall provide for, and no reorganization under the act shall have the effect of, abolishing such transferred function or providing for its exercise by or under the supervision of any other agency.

The Senate amendment (sec. 2 (e)) contains an express prohibition against consolidating with any executive department any other executive department or all the functions thereof. Under the conference agreement this is omitted as surplusage, being fully covered by other provisions (sec. 5 (a) (1) of the bill as agreed to in conference) prohibiting transfers of an executive department or all of its functions.

CARTER MANASCO,
JOHN J. COCHRAN,
WILL M. WHITTINGTON,
CLARE HOFFMAN,
GEORGE H. BENDER,
*Managers on the Part of the House.*

Mr. WHITTINGTON. Mr. Speaker, the House passed the reorganization bill on October 4, 1945. On November 19, 1945, the Senate struck all after the enacting clause and inserted the Senate reorganization bill.

Under the conference report the bill, as agreed to, while it may have been an entirely new bill, emphasizes only matters that were agreed to by either or both of the Houses. No new matters except clarification of provisions are embraced in the conference report.

The bill, as agreed to, retains not only the form but the substance of the bill as it passed the House. Where retained, the additional matter embraced in the Senate bill is included at the appropriate place in the House bill as passed.

PURPOSES

The purposes and objectives are set forth in section 2. They include not only the language of the House bill but clarifying language of the Senate bill. The purpose includes a modification of the so-called Martin amendment. The conference report expresses the hope that the reorganizations will result in an overall reduction of administrative costs of not less than 25 percent. The provisions contained in the objectives of the House are retained. Economy is mentioned and emphasized. Revenues are given their proper place. Not only agencies but functions may be abolished.

PLANS

The plans as passed by the House are preserved.

The substance of the so-called Taft amendment in the Senate is retained. It covers measures passed after January 1, 1945.

QUASI-JUDICIAL AGENCIES

Agencies were urged to be exempted because they were quasi-judicial. An amendment was included in the Senate bill that stipulated that no reorganization plans should divest a quasi-judicial agency of its power to exercise independent judgment. It has not been the view that the transfer of an independent agency to a department would deprive such agency of its quasi-judicial functions. The only case cited was the reorganization of the Civil Aeronautics Board. It was not deprived of its quasi-judicial functions. But to preserve the principle, the proposed language to prevent divesting such an independent agency of its quasi-judicial functions is retained in the conference report. It is believed that the provisions protect any agency with quasi-judicial investigative or rule-making functions that may be transferred.

EXEMPTIONS

The Senate and the House bills treated exemptions by a different method. The House bill provided the exemptions named. The Senate bill excluded them from the definition of an agency. The substance of the House bill was retained. The Senate bill did not include the Civil Service Commission and the Veterans' Administration among its exemptions. It did include the Maritime Commission, the Federal Power Commission, and the Federal land bank. The conference report retains the Veterans' Administration, but does not include as exceptions the Federal land bank, the Federal Power Commission, the Maritime Commission, or the Civil Service Commission. The Senate, I repeat, had declined to include the Civil Service Commission. The House, I emphasize, had rejected not once, but twice, the exclusion of the Maritime Commission. This Commission constructed more than 6,000 ships to win the war. They have expended multiplied billions of dollars. Now that the war is over, it can certainly do no harm when the matter of combining the whole Army and the Navy is under consideration to take a look at the Maritime Commission. The Federal Power Commission only has a small number of employees. Its quasi-judicial functions are preserved. All admitted that the Federal land bank should never have been included in the first instance. No one assigned a cause for including it. In the conference report, Federal land banks are not exempt. The conference report, therefore, with respect to exemptions is an improvement on either the Senate or the House bills. The categories of the House bill are retained with the one exception of the Civil Service Commission. The conference report agrees that the provision of the Senate bill in substance exempting the civil functions of the Corps of Engineers should be substituted for the House provision that called for a vote up or down.

DATE

The conference report provides that all reorganizations must be submitted by April 1, 1948, rather than July 1, 1948, as provided by the House bill, or July 1, 1947, as provided by the Senate bill.

TITLE II

Title II of the bill as passed by the House, identical with title II as passed by the Senate, is retained in the conference report. This title is for the benefit of those who oppose the reorganization. As best the matter can be devised by parliamentary procedure, the rights of the opposition are protected. A vote is assured.

CONCLUSION

The Reorganization Act describes the standards, authorizes the President to submit plans, and it takes both Houses to pass the reorganization bill. Having authorized the President to make the reorganization, the Senate and the House bills both provided that it would take a concurrent resolution of both Houses to nullify the reorganization. The conference report so provides. The purpose of reorganization is emphasized. The objective is to reduce administrative expenditures, promote economy, abolish functions, and to increase efficiency within governmental revenues. Adequate machinery for the submission of plans to accomplish the objectives are provided. I am familiar with all of the reorganization acts passed. The last act was passed in 1939. The conference report is the most effective and the most efficient reorganization bill ever passed by Congress and should be promptly approved.

Mr. COCHRAN. Mr. Speaker, I have been a member of every committee that has considered a reorganization bill for the executive departments, whether it was a standing committee, a select committee, or a joint committee, that has been set up since the Coolidge administration. I feel that the conference report that is presented here today, contains language that will give the President all the power he needs to reorganize the executive branch of the Government. It has few restrictions.

The President, in a special message to the Congress, asked for this legislation. The Congress has responded in such a way as to put the President on the spot. The responsibility now rests with the President.

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 1939 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 prinicple 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. Wherever 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.

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 recommit.

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 themselves 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. 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. 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 Federal 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 toward 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. 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. 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 committe of economic advisers, and a joint committe to whom all this material must ultimately be referred. The bill is so loosely drawn that it occured 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. 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 cosponsoring 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. 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 artifically 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 legislaton 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 worthwhile 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 $3,000,000,000 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. HOLIFIELD] 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, on 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 administration, 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 regislation to free enterprise, we offer a great deal of encouragement 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 to 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. 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 statesupporting 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 misalinement 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 belong, 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 States' 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 provide 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 following 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 unemployment, 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 those, 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. 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 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. MANASCO. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

FULL EMPLOYMENT BILL

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 now 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 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.

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 county 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 recommendations. 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 gentlewoman 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 is 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 coauthor 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 promises 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; Aiken, Ball, Brooks, Burton, Butler, Capehart, Capper, Cordon, Donnell, Ferguson, Hawkes, Hickenlooper, Knowland, Langer, Morse, Reed, Revercomb, Saltonstall, Smith, Taft, Tobey, Vandenberg, Wiley, 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 happened 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)[1]

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

[1] All page references apply to the unrevised prints of the hearings.

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."

* * * * *

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."

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 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 businesman 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 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 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 Goevrnment 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 behavoir 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 encumbent 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 gov-

ernment. 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 didnt 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 a while 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 a while 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. PATTON. 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 Na-

tion, 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 th 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 juct 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 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 fail 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 misunderstnad, but they will be the exceptions, not the rule.

Mr. JUDD. Then your mail must be different from mine, because my people——

Mr. PATMAN. Your mail 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 nonpartisan 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 loans 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 Reconversion 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 between 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. WHITTINGON. 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 Reconversion 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 Reconversion, 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 $86,000,000,000 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, especailly, 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 Reconversion 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. 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-caled 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 streamling 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 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-percent 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 gentlewoman 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 gentlewoman 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. 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 resentful. Those who are still luckly 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 vet-

erans, 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. 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 reoccurring.

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 and 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 wise 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 assure 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 the false label of full employment?

Mr. Chairman, I submit that 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 that 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 indefinite. 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 is "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 is to know what the situation is, predicted there would be 5,500,000 or more unemployed in 3 months.

At the same time the War Manpower Commission was predicting 5,000,000 unemployed in the last quarter of 1945. How accurate were they? In October, 2 months later, 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.

Furthermore 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 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 making jobs at some unknown time in the future an unknown amount of money, although we have no possible way of knowing what the state of the country's Treasury will be at that time. 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, but 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 welfare. 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 Advisers 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 reports of the Council of Economic Advisers 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 the 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 $445,000. 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 all of you, both Republicans and Democrats, will support it.

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, 18 months in advance, as to 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 estimated 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 administration. This bill will not benefit the workers of the Nation.

Mr. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

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.[1] The select committee filed its report on May 9, 1944.[2] 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,[3] was again referred to the select committee for further study. After additional consideration in conferences, H. R. 4384 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.[4] 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, woodworking 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

[1] 78th Cong., 1st sess. The resolution was originally approved by the House on March 18, 1943.

[2] 78th Cong., 2d sess., H. Rept. No. 1430, Union Calendar No. 492.

[3] The hearings were held from March 29, 1944, to May 15, 1944.

[4] Rept. No. 1747, 78th Cong., 2d sess.

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) $10,001,000 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 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, GIBSON, 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 postwar 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 unpleasantries 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 reconversion 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 Congress 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. 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 "middling."

"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 joint 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 appropriations 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 devise 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 expediters, 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 premedical, predental, and pretheological 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 1946 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,[1] Cambridge, Mass.
Tufts College, Boston, Mass.
Worcester Polytechnic Institute,[1] 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,[1] Hoboken, N. J.
Colgate University,[1] Hamilton, N. Y.
Columbia University, New York, N. Y.
Cornell University, Ithaca, N. Y.
Rensselaer Polytechnic, Troy, N. Y.
Union College,[1] Schenectady, N. Y.
University of Rochester, Rochester, N. Y.
Webb Institute of Naval Architect,[1] New York, N. Y.
Bucknell University, Lewisburg, Pa.
Pennsylvania State College, State College, Pa.
Swarthmore College,[1] 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,[1] 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,[1] Oberlin, Ohio.
Case School of Applied Science,[1] Cleveland, Ohio.
Ohio State University, Columbus, Ohio.
Marquette University, Milwaukee, Wis.
University of Wisconsin, Madison, Wis.
California Institute of Technology,[1] 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,[1] 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,[1] Georgetown, Tex.

[1] 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. 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 I O U'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 Rusisa. 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. 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 root 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 med-

dle 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 milksop 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 popsicle 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. HOFFMAN. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

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 misconstruction 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. Schwellenbach, 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 appro-

priate 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 boom to mankind. This is the social philosophy of Ralph Biodget, 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 in-

stitutions 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 recession.

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 America 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 Member 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. 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 Employment-Production 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 congressional 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.

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'ALESANDRO (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 and to include a newspaper article.

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.

ENROLLED BILL SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2737. An act for the relief of the estate of Harry Leon Black.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 2737. An act for the relief of the estate of Harry Leon Black;

H. R. 4407. An act reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes; and

H. J. Res. 266. Joint resolution making an additional appropriation for the United Nations Relief and Rehabilitation Administration.

ADJOURNMENT

Mr. MANASCO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 33 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, December 14, 1945, at 11 o'clock a. m.

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COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

At 10 a. m., on Friday, December 14, 1945, the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary will continue hearings on the bill (H. R. 4479), 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 hearings will be conducted in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

864. A letter from the Chairman, President's Committee on Fair Employment Practice, transmitting its quarterly estimate of personnel requirements covering the quarter ending March 31, 1946; to the Committee on the Civil Service.

865. A letter from the Under Secretary, Department of Agriculture, transmitting recommendations for changes in the Federal Seed Act of August 9, 1939 (53 Stat. 1275); to the Committee on Agriculture.

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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. MURDOCK: Committee on Irrigation and Reclamation. H. R. 4932. A bill to amend section 9 of the Boulder Canyon Project Act, approved December 21, 1928; without amendment (Rept. No. 1437). Referred to the Committee of the Whole House on the State of the Union.

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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. DICKSTEIN: Committee on Claims H. R. 262. A bill for the relief of Robert M. Wikle; with amendment (Rept. No. 1406). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. H. R. 804. A bill for the relief of Alvin W. Twigg; with amendments (Rept. No. 1407). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. H. R. 841. A bill for the relief of Lander H. Willis; with amendment (Rept. No. 1408). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 1037. A bill for the relief of Mrs. Hortense Arnow, J. M. Rogers, and Mrs. Willie L. Rogers; with amendments (Rept. No. 1409). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 1264. A bill for the relief of Lt. Col. John P. Maher, Field Artillery Reserve, Army of the United States; with amendment (Rept. No. 1410). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 1399. A bill for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.; with amendments (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 1732. A bill for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, Mrs. Mabel Glenn Gray, and Mrs. Ruth C. Shedd for injuries sustained when an Army truck was in collision with the car in which they were riding; with amendments (Rept. No. 1412). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 1950. A bill for the relief of Harry Cohen; without amendment (Rept. No. 1413). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 2011. A bill for the relief of the estate of J. Earl Evans; with amendment (Rept. No. 1414). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 2480. A bill for the relief of Wesley A. Mangelsdorf; with amendment (Rept. No. 1415). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 2786. A bill for the relief of John S. Wingate; with amendment (Rept. No. 1416). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 2843. A bill for the relief of the legal guardian of James Harold Nesbitt, a minor; with amendment (Rept. No. 1417). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 2956. A bill for the relief of Therese R. Cohen; with amendment (Rept. No. 1418). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 3003. A bill for the relief of Mary G. Paul; with amendment (Rept. No. 1419). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3050. A bill for the relief of David Siskind; with amendment (Rept. No. 1420). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 3121. A bill for the relief of Elizabeth M. Simmons and Robert H. Simmons; without amendment (Rept. No. 1421). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 3126. A bill for the relief of Mrs. Jean Taube Weller; with amendment (Rept. No. 1422). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 3127. A bill for the relief of Harry F. Vinton, Jr.; with amendment (Rept. No. 1423). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 3159. A bill for the relief of Ernest Pedro Ferreira; with amendment (Rept. No. 1424). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 3177. A bill for the relief of James J. Barrett, Jr.; with amendment (Rept. No. 1425). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 3261. A bill for the relief of Gen. William J. Williamson; with amendment (Rept. No. 1426). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 3301. A bill for the relief of the legal guardian of James Herbert Keith, a minor; with amendment (Rept. No. 1427). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 3430. A bill for the relief of George F. Powell; without amendment (Rept. No. 1428). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3431. A bill for the relief of F. W. Burton; without amendment (Rept. No. 1429). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3543. A bill for the relief of Elmer D. Thompson; with amendment (Rept. No. 1430). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3590. A bill for the relief of Charles Brown and the legal guardian of Lula Mae Brown; with amendment (Rept. No. 1431). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 4054. A bill for the relief of H. A. Edd; without amendment (Rept. No. 1432). Referred to the Committee of the Whole House.

Mr. CHENOWETH: Committee on Claims. H. R. 4176. A bill for the relief of Mabel R. Woodfall; with amendment (Rept. No. 1433). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 3828. A bill for the relief of James R. Vaughan; with amendment (Rept. No. 1434). Referred to the Committee of the Whole House.

Mr. ENGLE of California: Committee on War Claims. H. R. 916. A bill for the relief of Mrs. Beulah Hart; without amendment (Rept. No. 1435). Referred to the Committee of the Whole House.

Mr. O'TOOLE: Committee on War Claims. H. R. 1930. A bill for the relief of Maj. Edward A. Zaj; without amendment (Rept. No. 1436). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 4980. A bill to authorize the issuance of visas by United States Army officers in certain designated areas until consular service is reestablished; to the Committee on Immigration and Naturalization.

By Mr. RAINS:

H. R. 4981. A bill to amend the Mustering-Out Payment Act of 1944; to the Committee on Military Affairs.

By Mr. BLOOM:

H. R. 4982. A bill to enable the Department of State more effectively to carry out its responsibilities in the foreign field by means of (a) public dissemination abroad of information about the United States, its people, and its policies, and (b) promotion of the interchange of persons, knowledge, and skills between the people of the United States and the peoples of other countries; to the Committee on Foreign Affairs.

By Mr. D'EWART:

H. R. 4983. A bill to provide for adjustments in connection with the Crow irrigation project, Crow Indian Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. GREEN:

H. R. 4984. A bill authorizing lump-sum payments to enlisted personnel of the armed forces upon their discharge or release covering accumulated leave; to the Committee on Military Affairs.

H. R. 4985. A bill to give widows of any deceased person, entitled to wartime service-connected death compensation or pension at the rates provided in paragraph 2 of section 5 of Public Law No. 198, Seventy-sixth Congress, approved July 19, 1939, credit for each child regardless of number, removing present top limit of $100 monthly; to the Committee on World War Veterans' Legislation.

By Mr. BEALL:

H. R. 4986. A bill 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 the Committee on Ways and Means.

By Mr. BENDER:

H. R. 4987. A bill 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 the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H. R. 4988. A bill 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 the Committee on Ways and Means.

By Mr. GROSS:

H. R. 4989. A bill 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 the Committee on Ways and Means.

By Mr. HENRY:

H. R. 4990. A bill 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 the Committee on Ways and Means.

By Mr. JENSEN:

H. R. 4991. A bill 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 the Committee on Ways and Means.

By Mr. SHORT:

H. R. 4992. A bill 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 the Committee on Ways and Means.

By Mr. TALLE:

H. R. 4993. A bill 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 the Committee on Ways and Means.

By Mr. WICKERSHAM:

H. R. 4994. A bill to amend section 7 of the act of April 28, 1904, as amended, to extend the franking privilege of the Vice President and Members of Congress to include certain correspondence sent by air mail to members of the armed forces in reply to inquiries from them affecting the interest of such members of the armed forces; to the Committee on the Post Office and Post Roads.

By Mr. WEICHEL:

H. R. 4995. A bill to provide for the immediate use of all ships owned and controlled by the Maritime Commission and War Shipping Administration to return our overseas men; to the Committee on the Merchant Marine and Fisheries.

By Mr. KELLY of Illinois:

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; to the Committee on Printing.

By Mr. FLOOD:

H. Con. Res. 113. Concurrent resolution relative to the opening of Palestine for free entry of Jews; to the Committee on Foreign Affairs.

By Mr. LANDIS:

H. Res. 456. Resolution providing for an investigation with respect to the handling and disposition of surplus lumber; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Municipal Council of Santa Rita, Samar, P. I., expressing gratitude to Gen. Douglas MacArthur for his successful military operations

in the Philippines; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COFFEE:

H. R. 4996. A bill for the relief of Joan Esther Hedin; to the Committee on Claims.

By Mr. EARTHMAN:

H. R. 4997. A bill for the relief of the estate of Novella Wade; to the Committee on Claims.

By Mr. GIBSON:

H. R. 4998. A bill for the relief of Mrs. Vivian M. Meeks; to the Committee on Military Affairs.

By Mr. KING:

H. R. 4999. A bill for the relief of the Franco-Italian Packing Co.; to the Committee on Claims.

By Mr. MURPHY:

H. R. 5000. A bill for the relief of Marion Powell, a minor; to the Committee on Claims.

By Mr. PETERSON of Florida:

H. R. 5001. A bill for the relief of Raphael Elder; to the Committee on Claims.

H. R. 5002. A bill for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel; to the Committee on Claims.

By Mr. WHITE:

H. R. 5003. A bill for the relief of Joseph MacGuffie and Eugene Rohrer; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1412. By Mr. ANDREWS of New York: Resolution adopted by the Amalgamated Local 686, International Union of United Automobile, Aircraft, and Agricultural Implement Workers of America, at a meeting of American War Veterans in Lockport, N. Y., requesting immediate abrogation of clause in the Servicemen's Readjustment Act of 1944 which disqualifies veterans, employed in plants involved in industrial disputes, from receiving unemployment insurance in the event of a work stoppage; to the Committee on World War Veterans' Legislation.

1413. By Mr. LUDLOW: Petition of residents of Marion County, Ind., urging early and favorable consideration of H. R. 2082 to bring about a suspension of the alcoholic beverage industry for the duration of the emergency; to the Committee on the Judiciary.

1414. Also, petition of residents of Marion County, Ind., in favor of the passage of S. 623 to stop alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1415. By The SPEAKER: Petition of Social Work Action Committee, Washington Chapter, petitioning consideration of their resolution with reference to American responsibility for support of UNRRA; to the Committee on Foreign Affairs.

# SENATE

FRIDAY, DECEMBER 14, 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:

Our Father God, we thank Thee that in the fullness of the times the lamps of prophecy were dimmed by dawn when the Star of the Morning arose, as Thou didst gather Thy light into life and the Word was made flesh and dwelt among us. Once more a weary and war-worn world lifts agonized eyes to the Star of Hope and hails the birth that broke the ages in two. We commemorate His holy nativity, His lowly toil, His lonely way, the gracious words of His lips, the deep compassion of His heart, His friendship for the fallen, His love for the outcast, His care for the sick, the hungry, and the naked.

We thank Thee that He who came to a crib of straw and could not be stopped by a cruel cross is our Great Contemporary, and that when from our plenty we feed and warm and clothe even our enemies, we, too, bow at the manger and keep Christmas in our hearts as the Christ of the Holy Night whispers, "Ye do it unto Me." 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 Thursday, December 13, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

REPORT OF COMMITTEE ON APPROPRIATIONS FILED DURING THE RECESS

Under authority of the order of the 11th instant,

Mr. McKELLAR, from the Committee on Appropriations, to which was referred the bill (H. R. 4805) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, reported it on December 13, 1945, with amendments, and submitted a report (No. 857) thereon.

LEAVE OF ABSENCE

Mr. WHITE. Mr. President, it had been my purpose on yesterday to ask that the junior Senator from Nebraska [Mr. WHERRY] be excused from attendance upon the sessions of the Senate on yesterday and also today because of the attention he is giving to public business. I defaulted on my intention and my obligation, and I now therefore make the request that the Senator from Nebraska be excused for his failure to attend yesterday and that he be excused also from his obligation to attend today.

The PRESIDENT pro tempore. Is there objection?

Mr. HILL. Mr. President, reserving the right to object—and I do not intend to object—I do not know how the Senate can excuse the Senator from Nebraska nunc pro tunc, so to speak. Certainly I am not raising any objection. I realize the Senator from Nebraska is engaged on important public business; but I hardly know how we can go back and excuse him for a previous absence, except for the sake of the RECORD. I was simply wondering what precedent and policy we might be making.

Mr. WHITE. It seems to me that if we can excuse a Senator from attendance today, Friday, we can excuse him for his failure to be present on the preceding day.

Mr. HILL. I certainly shall not object.

The PRESIDENT pro tempore. Without objection, the Senator from Nebraska is excused.

EXECUTIVE COMMUNICATIONS, ETC.

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

ADMINISTRATION OF FEDERAL SEED ACT OF AUGUST 9, 1939

A letter from the Under Secretary of Agriculture, recommending the enactment of legislation affecting the administration of the Federal Seed Act of August 9, 1939; to the Committee on Agriculture and Forestry.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF CERTAIN NAMES

Four letters from the Attorney General, withdrawing certain names from reports relating to aliens whose deportation was suspended more than 6 months, heretofore transmitted by him to the Senate pursuant to law; to the Committee on Immigration.

PETITIONS

Petitions were laid before the Senate by the President pro tempore and referred as indicated:

A letter from Clarence Poe, president and editor of the Progressive Farmer, Raleigh, N. C., relating to world-wide abolition of peacetime military conscription; to the Committee on Military Affairs.

A letter from Carlos P. Romulo, Resident Commissioner of the Philippines, to the United States, transmitting a resolution adopted by the Municipal Council of Santa Rita, Province of Samar, P. I., commending the President and Congress of the United States and General MacArthur for liberating the oppressed people of the Philippine Islands; to the Committee on Military Affairs.

RELIEF OF PEOPLE OF GERMANY, AUSTRIA, AND HUNGARY

Mr. BROOKS. Mr. President, I have received petitions signed by approximately 100,000 citizens of Illinois reading as follows:

We, the undersigned citizens, respectfully petition the Government of the United States to reestablish postal, wireless, and banking services with Germany, Austria, and Hungary, and to allow relief shipments of clothing, food, and other necessities to save the lives of millions of people in Germany, Austria, and Hungary.

Mr. President, these signatures are evidence of a very extensive anxiety and activity on the part of many of our citizens to be of direct assistance to distressed people in central Europe, particularly the nations named in their petition, as they face disaster, disease, and famine, as well as death from the cold.

Several times I have taken this matter up with the State Department and other Senators have done likewise.

The establishment of these services would allow direct methods of relief.

The same humanitarian reasons that have impelled our extreme generosity in providing billions for UNRRA would seem to urge our Government to rees-