

TO Mr. Vest

FROM Governor Eccles

REMARKS:

This is the correspondence I received from Senator McClellan relative to a bill he plans to introduce and about which I just spoke to you over the telephone.

GOVERNOR ECCLES' OFFICE

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United States Senate

COMMITTEE ON PUBLIC WORKS

January 25, 1950

The Honorable Marriner S. Eccles
Member, Board of Governors
Federal Reserve System
Federal Reserve Building
Washington, D. C.

Dear Mr. Eccles:

Attached are tear sheets from the Congressional Record of January 19 containing a copy of S. 2898, which I introduced on that date, and also my remarks with reference to this bill.

This is the measure that I discussed with you briefly a few evenings ago at the home of Congressman Regan. At your convenience I would like for you to study this proposed legislation and let me have the benefit of your frank opinion as to its merits and any suggested revisions or modifications that you think are desirable.

Assuring you of my appreciation of your assistance in this matter, and with kindest regards, I am

Sincerely yours,


John L. McClellan

JLM:mn

Encs.

~~not reported for the general purposes intended to be accomplished~~

AMENDMENT OF LEGISLATIVE REORGANIZATION ACT RELATING TO EVALUATION OF FISCAL REQUIREMENTS OF EXECUTIVE BRANCH

Mr. McCLELLAN. Mr. President, out of order, I ask unanimous consent to introduce for appropriate reference, a bill and I request that the bill may be printed in the body of the RECORD as a part of my remarks, because I should like to take a few minutes of the Senate to discuss it.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, the bill will be received, printed in the RECORD, and appropriately referred, and without objection, the Senator from Arkansas may proceed. The Chair hears no objection.

The bill (S. 2898) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States, introduced by Mr. McCLELLAN, was read twice by its title, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 138 of the Legislative Reorganization Act of 1946, as amended, is hereby amended to read as follows:

"JOINT COMMITTEE ON THE BUDGET

Sec. 138. (a) There is hereby created a joint service committee to be known as the Joint Committee on the Budget (hereinafter in this section called the "joint committee") to be composed of 10 members as follows:

"(1) Five Members who are members of the Committee on Appropriations of the Senate, three from the majority party and two from the minority party, to be chosen by such committee; and

"(2) Five Members who are members of the Committee on Appropriations of the House of Representatives, three from the majority party and two from the minority party, to be chosen by such committee.

"(b) No person shall continue to serve as a member of the joint committee after he has ceased to be a member of the committee from which he was chosen, except that the members chosen by the Committee on Appropriations of the House of Representatives who have been reelected may continue to serve as members of the joint committee notwithstanding the expiration of the Congress. A vacancy in the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection, except that (1) in case of a vacancy during an adjournment or recess of Congress for a period of more than 2 weeks, the members of the joint committee who are members of the committee entitled to fill such vacancy may designate a member of such committee to serve until his successor is chosen by such committee, and (2) in the case of a vacancy after the expiration of a Congress which would be filled from the Committee on Appropriations of the House of Representatives, members of such committee who are continuing to serve as members of the joint committee, may designate a person who, immediately prior to such expiration, was a member of such committee and who is reelected to the House of Representatives, to serve until his successor is chosen by such committee.

"(c) The joint committee shall elect a chairman and vice chairman from among its members at the first regular meeting of each session: *Provided, however,* That during even years the chairman shall be selected from among the members who are Members of the House of Representatives and the vice chairman shall be selected from among the members who are Members of the Senate, and during odd years the chairman shall be selected from among the members who are Members of the Senate and the vice chairman shall be selected from among the members who are Members of the House of Representatives.

"(d) A majority of the Members of each House who are members of the joint committee shall together constitute a quorum for the transaction of business, but a lesser number, as determined by the joint committee, may constitute a subcommittee and be authorized to conduct hearings and make investigations. Any member of a subcommittee so designated shall constitute a quorum for the conduct of any hearing or investigation, but the concurrence of a majority of the members of such subcommittee shall be necessary before any report or findings may be submitted to the joint committee.

"(e) It shall be the duty of the joint committee—

"(1) (A) to inform itself on all matters relating to the annual budget of the agencies of the United States Government, during and after the preparation thereof; (B) to provide the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate with such information on items contained in such budget, and the justifications submitted in support thereof, as may be necessary to enable said committees to give adequate consideration thereto; and (C) to consider all available information relating to estimated revenues, essential programs, and changing economic conditions, and, on the basis thereof, report to said committees findings relating to necessary adjustments or revisions in appropriations as may be required to balance the budget;

"(2) to recommend to the appropriate standing committees of the House of Representatives and the Senate such changes in existing laws as may effect greater efficiency and economy in government;

"(3) to make such reports and recommendations to any standing committee of either House of Congress or any subcommittee thereof on matters within the jurisdiction of such standing committee relating to deviations from basic legislative authorization, or in relation to appropriations approved by Congress which are not consistent with such basic legislative authorization, as may be deemed necessary or advisable by the joint committee, or as may be requested by any standing committee of either House of Congress or by any subcommittee thereof.

"(f) The joint committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act anywhere within or without the District of Columbia whether the Congress is in session or has adjourned or is in recess; to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194) shall apply in the case of any failure of any witness to comply with any subpoena

or to testify when summoned under authority of this section.

"(g) Employees of the joint committee, upon the written authority of the chairman or vice chairman, shall have the right to examine the books, documents, papers, reports, preliminary and other estimates of budget requirements, or other records of any agency of the United States Government within or without the District of Columbia: *Provided, however,* That such employees shall not be permitted access to books, documents, papers, reports, estimates, records, or any other thing containing information classified for security purposes unless specifically authorized by the joint committee to receive such types of classified information.

"(h) At the request of any member of the Committee on Appropriations of either House or of any member of a subcommittee thereof, or at the request of any member of the staffs of such committees or subcommittees, professional employees of the joint committee may be detailed to advise and assist such committees or subcommittees or the staffs thereof during consideration of any appropriation bill or part thereof.

"(i) The joint committee shall, without regard to the civil-service laws or the Classification Act of 1949, as amended, employ and fix the compensation of a staff director and such other professional, technical, clerical, and other employees, temporary or permanent, as may be necessary to carry out the duties of the joint committee, and all such employees shall be appointed without regard to political affiliation and solely on the ground of fitness to perform the duties to which they may be assigned: *Provided, however,* That such appointment may be terminated by the concurrence of a majority of the members of the joint committee. No person shall be employed by the joint committee until a thorough investigation as to loyalty and security shall have been made by the Federal Bureau of Investigation and a favorable report on said investigation submitted to the chairman or vice chairman.

"(j) It shall be the duty of each agency of the Government to supply to the joint committee duplicate copies of any budgetary request submitted to the Bureau of the Budget, either for regular or supplemental appropriations required for each fiscal year, with the detailed justifications in support thereof.

"(k) When used in this section, the term 'agency' means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government. Such term includes the Comptroller General of the United States and the General Accounting Office, and includes any and all parts of the municipal government of the District of Columbia except the courts thereof.

"(l) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section. Appropriations for the expenses of the joint committee shall be disbursed by the Secretary of the Senate upon vouchers signed by the chairman or vice chairman."

Mr. McCLELLAN. Mr. President, the bill which I have just introduced bears the title, "A Bill To Amend the Legislative Reorganization Act of 1946 To Provide for More Effective Evaluation of the Fiscal Requirements of the Executive Branch of the Government of the United States."

This bill, if enacted, will repeal the provisions of section 138 of the Legislative Reorganization Act of 1946 which

established the Joint Committee on the Legislative Budget. That provision of the Legislative Reorganization Act, as we all know, has proved unworkable. The joint committee established by that provision of law under the Eightieth Congress, with the Republican Party in the majority and in control of the Congress, was unable to function in accordance with the provisions of that statute. Likewise, Mr. President, in the Eighty-first Congress under the leadership of the Democratic Party, that joint committee has not been able to function, and I think it may now be assumed that this provision of the statute is a dead letter and should be repealed or so revised as to give it some practical operating effect. I propose, Mr. President, to repeal that provision of the law and to substitute in lieu of that section of the Legislative Reorganization Act the provisions of the bill which I have today introduced.

Under the Constitution the Congress has the responsibility and duty of appropriating public funds for the support of all branches of the Federal Government. The Chief Executive, as the head of the executive branch, submits to the Congress a budget of estimated revenues, anticipated expenditures, and recommendations for appropriations to meet the operating cost of the Government. The President's budget is not mandatory upon the Congress, but it is most persuasive and is largely accepted by the Congress as a yardstick to guide it in making annual appropriations, and particularly so with respect to appropriations for all agencies of the executive branch of the Government. Under our system, the President recommends, but the final responsibility and duty with respect to appropriations are vested in the Congress.

To aid and counsel the President in his budgetary recommendations to the Congress, there has been created an agency known as the Bureau of the Budget established within the Executive Office of the President. The Bureau of the Budget has a staff and personnel of some 531 employees. Its work and duties continue the year around, and I regard it as an indispensable adjunct to the Office of the President and to the executive branch of the Government. Among other duties it is charged with the duty of screening requests for appropriations that are submitted by the different departments, bureaus, and agencies of the executive branch of the Government. Its services are of great value to the President in preparing his annual budget and in paring requests for funds by administrative agencies, and holding down the operating costs of the executive branch of the Government. Therefore, Mr. President, I do not have in mind, and I want to stress that it is not the purpose of the legislation which I propose to in any way hinder, obstruct, impair, or detract from the functions of the Bureau of the Budget. But, Mr. President, the Congress has the final responsibility for appropriating the funds requested by the several agencies of the Government and by the President in the budget he submits to us, and to enable the Congress to more intelli-

gently and adequately meet this responsibility is the purpose of the bill I have introduced.

The President's initial estimate of expenditures for the present fiscal year was \$41,900,000,000. Supplemental requests increased estimated and requested expenditures to \$43,300,000,000 for the fiscal year 1950. Meanwhile, anticipated receipts had declined from an originally estimated \$41,000,000,000 to a revised estimate of \$37,800,000,000. This resulted in an anticipated deficit of some \$5,500,000,000 for this fiscal year. On January 9, 1950, the President submitted his budget to Congress for 1951, the next fiscal year, in which he recommends total expenditures of \$42,400,000,000 as against anticipated revenues of \$37,300,000,000.

Thus the President's budgetary recommendations for fiscal 1951 at present envision another deficit for 1951 in excess of \$5,000,000,000. When the 1950 budget was submitted, the President envisioned a deficit of some \$900,000,000, but it develops that the deficit for this fiscal year will be 6 times greater than the President anticipated or estimated when he submitted the 1950 budget 1 year ago. I trust that ratio of error will not hold true for 1951. But I think we can assume that, unless the Congress meets its responsibility to reduce the expenditures recommended by the President in the present budget, the deficit for 1951 will very likely greatly exceed the amount of \$5,000,000,000, plus, which the President acknowledges will accrue if the Congress conforms to his wishes with respect to expenditures.

So, Mr. President, notwithstanding the excellent services rendered by the Bureau of the Budget in an administrative and advisory capacity to the President, we are confronted, it seems, with perpetual and increased deficit spending unless the Congress puts a stop to it and materially reduces the present tremendously swollen and rapidly growing annual cost of the Federal Government.

To establish and maintain sound fiscal policies, to prevent waste and unnecessary and excessive expenditures of the public funds, to keep the Government solvent and generally operating on a balanced-budget basis is the final duty and inescapable responsibility of the Congress itself. This is no easy task, Mr. President. It is a job that will require not only courage of individual Members of Congress, but one where the greatest of wisdom and skill should be employed—a job that Congress cannot adequately perform without securing the ablest technical assistance and counsel that can possibly be made available to it. That, Mr. President, is what I propose to do in this legislation.

This measure, Mr. President, would establish within the Congress a Joint Committee on the Budget, composed of five members of the Appropriations Committee of the House of Representatives and five members of the Appropriations Committee of the Senate, with an adequate technical staff, to serve as an agency of the Congress. It is to be a service committee to the Appropriations Committee of both Houses of Congress,

with authority to study and further screen budgetary requests that come to us from the executive branch of the Government.

Mr. President, it might be asked, why not simply increase the staffs of the two Appropriations Committees of Congress? If that course were followed—and I think possibly the same results could be achieved by it—there would be absolutely a duplication of effort. To adequately staff one committee would cost as much as the expense of a joint staff.

Furthermore, Mr. President, the plan would enable the members of the Budgetary Committee to work together as a joint committee of the two Appropriations Committees, with a staff under its direction making an all-year-round study of budget requests.

As I proceed, I shall point out how the proposed legislation would make it possible for that to be done.

This committee will be adequately staffed with technical and professional personnel, and will have the job—an all-year-around job, Mr. President—of studying budget requests and expenditures in the various departments and agencies of the executive branch of the Government, with a view of eliminating unnecessary expenditures and in aiding—not supplanting—the Appropriations Committees and the Congress to make cuts and reduce appropriations in every instance where it can possibly be done without impairing essential and necessary services of the executive Branch of the Government.

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

Mr. McCLELLAN. If the Senator will wait for a moment until I make one further statement, I shall be very happy to yield to the distinguished chairman of the Appropriations Committee.

So that proper studies can be made by this committee and its staff, it would also require that all agencies of the executive branch of the Government submit to the committee a duplicate of all budget requests for expenditures that they submit to the Bureau of the Budget. This would enable the committee and staff, Mr. President, to make studies along with the Bureau of the Budget, and, so, where the Bureau of the Budget or the executive branch of the Government fails to make reductions that can or should be made, on the basis of factual information that the studies and work of this committee may provide, the Congress certainly will be in a better position to make such reductions.

I am now very happy to yield to the distinguished chairman of the Appropriations Committee.

Mr. MCKELLAR. I am very much interested in the Senator's proposal. It must be evident to everyone that we should take steps to balance the budget. The question I wish to ask the Senator is whether he has had any estimate made as to the cost of the proposal he makes.

Mr. McCLELLAN. I have had no estimate made, I will say to the able Senator, because the Congress can itself control it. We have had no estimate made, anymore than we have had estimates made of what it would cost to staff

any other committee. But I may say to my distinguished friend that I cannot conceive that it would be necessary for us to provide a staff for this committee comparable to the staff which is provided for the Budget Bureau. They have 531 employees working the year round to prepare the budget which the President submits. With the limited staff with which we undertake to operate in the Appropriations Committee, as the Senator knows, it is an absolute physical impossibility for the present staff to begin to make the checks and the analyses of the budget and of all the requests which I believe to be essential if we are to reduce expenditures in a sound, businesslike way, and do it discreetly and with judgment, so as not to impair actual services of the Government which are needed, which are indispensable, and which are essential to a proper functioning of the executive branch of the Government.

As I pointed out a moment ago, I think the staff could well be limited, but if we provide, as our proposal would require, that the executive agencies of the Government, when they submit their budget requests to the Bureau of the Budget, be required at the same time to submit them to an agency of the Congress which would be prepared to work the year round, we would have information in advance of the hearings before the Appropriation Committee as to whether the requests had been properly screened, whether they had been reduced, what the requests were originally, and what action was taken on them. The budget comes to us now at the beginning of a session of Congress, when appropriation bills are being introduced. With the limited facilities we now have, it is a physical impossibility for the Congress to be certain it is doing the work which could and should be done.

I do not maintain, Mr. President, that what is proposed is the only approach or the only solution. It may not be. But I believe this bill will serve as a basis for the appropriate committees of the Congress and for the Members of the Senate to study this problem, to hold hearings, and to try to find some means, some vehicle, which we can employ to fortify and equip the Congress to do the job of reducing Federal expenditures. That ought to be done, and ultimately, Mr. President, in my judgment, it must be done.

The joint committee proposed by this bill will be specifically a service committee, having no authority granted to standing committees, nor would it be authorized to report directly to Congress. It will report to the Appropriations Committees of both Houses, and to their subcommittees, or, in certain instances, to other standing committees. It will have a staff director and be staffed by an adequate number of professional budget and technical experts who will be assigned work with the agencies of the Government during the preparation of their annual budget in the same manner as the Bureau of the Budget now works with those agencies on behalf of the President. It will have access to the same information. There will then be available to the

Appropriations Committees of both Houses of the Congress, at the time the President's budget message is received, detailed factual information on all items contained in the budget.

Again, Mr. President, I emphasize that I am not trying to set this up for the Senate alone, because if this service is worth while and needed, I feel that a joint committee and one staff could serve both Appropriation Committees, rather than to have a separate staff for each committee.

In this way the Congress can better, more fully and intelligently discharge its duty to the American people by reducing the cost of Government without at the same time crippling essential activities.

Mr. President, if after a thorough study of the bill it is determined, in the wisdom of the Congress, that it would cost more to service and to operate this staff and this committee than the anticipated savings would amount to, such a committee should not be established. But if by establishing such a committee we can reasonably expect to reduce the costs of Government, and have a proper and adequate check upon the executive agencies of the Government with reference to their expenditures, then, Mr. President, for each dollar of the cost of operating and servicing this committee we should get returns of many, many dollars in Federal savings.

It is further believed that this procedure will expedite and in some instances eliminate the necessity for formal hearings on certain titles of the appropriation bills which now require a great deal of the time of the Members of Congress and the officials of the executive departments. Through utilization of factual, detailed data compiled by its service committee, the Committees on Appropriations would be in immediate possession of information that must now be developed through long and tedious hearings. This new procedure cannot help but speed up the legislative process in the appropriation field.

Any investigation of the budget items will necessarily require a knowledge of the manner in which past and current appropriations have been and are being expended. The bill, therefore, proposes to grant to the new joint committee the additional responsibility of reporting to the appropriate standing committees of the Houses of Congress any matters which relate to the improper expenditure of funds, and areas in which economies might be effected through cutback of programs by legislative action.

Finally, as this proposed committee will have useful, detailed information in the formulation of the legislative budget, it is charged with the duty of submitting to the Appropriations Committees suggestions for adjustments or revisions in appropriations which may be made to balance the budget, or hold deficits to the minimum.

It is also contemplated that the Joint Committee, through its staff of experts, will obtain information as to estimated revenues and the general economic condition of the country from all available sources and submit such information to the Appropriations Committees.

Mr. President, one reason why section 138 of the Legislative Reorganization Act has not been found practical, is that the committee was not staffed, it was not equipped to do the job. So far as I know, no attempt to operate under it has ever actually been consummated. It has been found impossible for the Ways and Means Committee and the Appropriations Committee and the Finance Committee simply to say, "The revenues are going to be so much and the expenditures should not be more than so much," because the information has not been made available to them, and because the Joint Committee was not equipped and staffed with the talent necessary to acquire the information and make it available to the Budget Committee.

This function is a modified form of the duties imposed on the Legislative Budget Committee established in the Legislative Reorganization Act of 1946 and, therefore, section 138 of that act is repealed and the enlarged powers of the new joint committee substituted therefor. Senators are well aware of the fact that the Joint Committee on the Legislative Budget was unable to accomplish its duties primarily because it had no adequate information upon which to base a major policy decision on the maximum amount which should be spent for the operation of our Government. Its estimates, based on information supplied by the executive branch, failed to accomplish the purpose for which it was created.

This new budget committee and procedure to be established by this proposed legislation, in my judgment, will greatly improve our legislative appropriation processes. The establishment of this committee and this service will enable both the House and the Senate Committees on Appropriations to be provided with continuous, factual and detailed information relative to the various appropriation items and programs contained in the budget. By having its own facilities, a committee created by and responsible to it, the Congress will no longer be compelled to rely upon wholly ex parte evidence of need for expenditures by the administrative agencies of the Government that want to spend the money.

In my brief period of service on the Appropriations Committee, Mr. President—and I think this statement can be verified by all other members of the Appropriations Committee—we have had the situation that the President has had the Bureau of the Budget within the Executive office. The Bureau serves him. Members of the Bureau come before committees of Congress, together with the heads of the agencies of the executive branch of the Government and present their side of the matter. They support the budget. They come to committees of Congress prepared with statistics and other persuasive material and arguments to induce the Appropriations Committees and the Congress to grant them the money they say they want and need to spend. Under our present system we are simply having to take what is presented to us, or, in most instances, arbitrarily act to the contrary. The proposed sys-

tem and procedure, however, would enable us not to be compelled, as we are now, even to act arbitrarily if we are to cut expenses, but would enable us to act intelligently on the basis of reliable information.

With about 1,800 items of recommended appropriations in the President's budget I think I can say without challenge from any source that no Member of the Senate or of the Congress, even though he may be a member of the Appropriations Committee, can possibly have the detailed knowledge or the time personally to examine each item separately and be satisfied in each instance that the item of expenditure itself is necessary or that the amount requested is the minimum required to do the job. In fact no single individual without any other responsibilities could perform that stupendous task, and certainly Members of Congress, already burdened with other tremendous legislative and official duties, can give the President's budget and the appropriation bills the time required for necessary screening of budgetary requests so as to be fully informed and thoroughly satisfied that the particular item and amount requested are fully justified. Every Member of the Senate knows that to be so. I dare say not a Member of the Senate would stand upon this floor and say he is familiar with every item in the budget and is satisfied that this or the other expenditure is essential and necessary to be made. It is physically impossible for each Member of this body, in the course of the performance of the heavy duties laid upon him today, so to inform himself through his own efforts.

This year, Mr. President, we are undertaking to process a single, omnibus appropriation bill. That means, Mr. President, that this measure will likely be retained in the House for quite a long time before it reaches the Senate. Certainly, it will take much longer to get an omnibus appropriation bill over from the House than it has in the past for the House to get over to the Senate separate appropriation bills for the different departments. Thus the Senate Appropriations Committee will experience this delay and cannot and will not know what the House bill contains until it has passed the House and reaches the Senate. We can well anticipate, therefore, that the time after receipt of the bill from the House until the end of this fiscal year will be comparatively short, and likely not sufficient for the Appropriations Committee of the Senate to give thorough and adequate consideration to the measure before the beginning of the next fiscal year.

I favor the single appropriation bill. I hope the experiment will prove advantageous and that it will be an improvement over the system of considering separate appropriation bills, which has been the practice in the past. But even if we continued the past procedure of having some 12 or 13 separate appropriation measures, the need for this service of a budgetary committee would exist, but with this change to a single, omnibus appropriation bill, the need is further accentuated.

I know that the present occupant of the Chair, the distinguished chairman of the Appropriations Committee of the Senate, the Senator from Tennessee [Mr. McKellar] realizes the difficulties under which we are compelled to labor with a single appropriation bill, and that if we wait until after the House acts and sends its bill to the Senate before we undertake to make a study, or make any preparation toward passing an appropriation bill, we will find it impossible to give adequate consideration to the bill and study it and make the checks which ought to be made, in time to pass the bill before the end of the fiscal year.

For that reason I believe the chairman of our Appropriations Committee has, very wisely—I do not know that a decision has been made yet—proposed to begin hearings immediately on the basis of the budget, without knowing what action the House will or will not take. I believe that if we had in effect a system whereby we required the executive agencies of the Government to submit to the joint committee of the Congress the same request it submits to the budget, we also could make a year-around study, just as the President's advisers do, so we could be prepared to act when the time came, and act without the necessary delay which occurs under our present system.

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

Mr. McCLELLAN. I yield.

Mr. McCARRAN. What the Senator from Arkansas is now discussing is a matter of vital importance to the Senate. In the judgment of the Senator from Nevada the Senate should take its place in the appropriation facilities of the Government. It was never intended by the Constitution, so far as I can determine, that appropriations must of necessity arise in the House. Be that as it may, this body must sustain its position in the matter of appropriating for the Government. With that in mind we have held several meetings of the Appropriations Committee. I am not at all certain, and I express only my own views, that the omnibus bill will be a success. But it is certainly worthy of trial. To that extent, we are entirely content to go forward and try to work it out successfully.

In keeping with that, let me say that as chairman of a subcommittee having charge of the appropriation bill for the State Department, the Department of Commerce, the Department of Justice, and the Judiciary, I have called a meeting of the subcommittee on the 31st of this month, and have requested the representatives of those agencies to appear before the committee at that time, with a view to going forward independently, hoping that we may have the printed copies of the House hearings, if they are then available, and may avail ourselves of such information as the House committees have been able to obtain, but also going forward independently ourselves, looking to our independent position in making appropriations for those agencies.

Mr. McCLELLAN. Mr. President, I thank the able Senator from Nevada. I

may say that I believe that if this proposal were now in effect and if the committee were now functioning, the Senate Appropriations Committee could go forward with facts and information which would enable it to act intelligently and to expedite the work the committee will be compelled to do.

Through the utilization of fully developed information made available to them at the time when the budget is submitted, the Appropriations Committees of both the House and Senate would be better prepared to pass on appropriation items when the bill is under consideration, since much information and detail would have already been ascertained by the Joint Committee on the Budget and its staff, and made available to the Appropriations Committees.

Mr. President, this pyramiding cost of the Federal Government, which entails continuing and increasing deficit spending, causes many of us grave concern. I have felt that, as one Member of the Senate, I have a personal duty and obligation, as does every other Member of this body, to do something about this problem—not just talk about it and say I favor economy in government, but to do everything within my power to correct this situation. At least, Mr. President, I intend to make the effort. In fact, Mr. President, I started or attempted to secure action of that sort during the last session of Congress. Other members of this body, having the same deep concern that I have about the policy of deficit spending, likewise undertook to take action at the last session of Congress to materially reduce Federal expenditures and balance the budget, or at least hold the deficit to a very practical minimum.

It will be recalled that during the last session of Congress various joint resolutions were introduced, by Senators from both sides of the aisle, calling for cuts of different dimensions in the appropriations, cuts that were definitely under the budget estimates and recommendations. Those resolutions were referred to the Committee on Expenditures in the Executive Departments, of which I am chairman. The committee conducted extensive hearings, in an effort to report a resolution designed to bring about a sizable reduction in Federal expenditures.

The Committee on Expenditures in the Executive Departments finally reported Senate Joint Resolution 108, which would have required the President to make reductions of from 5 to 10 percent in the total appropriations made during that session. One reason for that method of approach to this problem—and, Mr. President, it was an unorthodox method; I admit that was because some of the appropriations measures at that time had already passed both Houses of Congress. Others had been passed by the House and were then pending in the Senate. We could not recall the bills that had already been passed and enacted into law. In fact, the Congress was not prepared, it had not equipped itself with adequate facilities, Mr. President, to make the cuts wisely and discretely on the individual items in each appropriation bill that would have been

red to bring about a reduction sufficiently large to balance the budget. The situation too, Mr. President, was considerably aggravated because the President's budget estimate of revenues was so inaccurate and because additional and supplementary budget requests so increased the amount of proposed expenditures that it had become apparent that the \$900,000,000 deficit which the President's original budget for 1950 estimated was a great understatement of the reality. In those circumstances, it appeared to many of us that Congress had no other alternative except to pass a resolution on the order of Senate Joint Resolution 108, and to delegate to the President the power to reduce appropriations and cut expenditures between 5 and 10 percent, in the hope that the budget might be balanced, or at least that the deficit would be held to the lowest practicable minimum.

We know, Mr. President, the parliamentary obstacles and the administrative opposition which that joint resolution encountered. Some 63 Senators, representing both political parties and more than 40 States in this Union, signed a petition urging the leader of the majority party to bring up the joint resolution in the Senate for a vote. That request was denied by the policy committee and the leadership of the majority. Therefore, Mr. President, the Senate was given an opportunity to consider resolution in its own right and upon its individual merits. Those of us who sponsored and favored it had to resort to the tactic of offering it as an amendment to an appropriation bill. Because it was offered as legislation on an appropriation bill, the rules of the Senate required, as all of us know, a two-thirds majority vote for suspension of the rule, so that the amendment might be offered for adoption. It was not adopted, Mr. President, I regret to say, although on that vote 49 Senators, a constitutional majority of this body, voted in favor of suspending the rule, so as to permit the resolution to be offered as an amendment, and only 28 Senators voted against doing so. Obviously, Mr. President, a majority of the Senate during the last session of Congress favored a reduction in Federal expenditures, but that parliamentary obstacle was resorted to and was interposed to defeat the will of the majority of this body.

Having met defeat, under the above circumstances, in an effort to pass Senate Joint Resolution 108, which could have resulted in a balanced budget, I tried to do something a little more modest. I introduced Senate Joint Resolution 131, which would have left untouched and unimpaired the present requirements of existing budget law, but would have added an additional requirement, namely, that the 1951 budget to be submitted include revised expenditure figures so reduced as to be in balance with estimated revenues. That would have given Congress the full picture of what the President wanted to spend and what he was willing to say he would spend if the Congress was unwilling to continue the policy of deficit spending, and insisted upon a balanced budget.

Mr. President, we are here confronted with a budget of expenditures, which the President wishes to make next year, in excess of \$5,000,000,000 more than the anticipated revenues will be. Had that joint resolution become law, we would have had this budget with just another column of figures added to it. It would have shown what the President would have eliminated from the budget if the Congress insisted upon balancing the budget. That would have been helpful to us. It would not have been any more binding than the President's other budget recommendations, but it would have been helpful to a Congress that is economy-minded in response to the publicly expressed sentiment of the American people, who want government costs reduced and want to get the Government back on a sound fiscal basis.

Senate Joint Resolution 131 met with no opposition when I offered it as an amendment to the executive pay bill, relating to salary increases for officials of the executive branch of the Government. In fact, I thought the administration accepted it. No opposition was expressed to it in the Senate. As I recall, it was adopted without a dissenting vote. Being a Senate amendment, of course it went to conference. Although I do not know what occurred in conference or before the conferees met, I do find in the CONGRESSIONAL RECORD of October 13, 1949 (p. 14727), the following statement by Representative EDWARD H. REES, a member of the conference committee:

The bill, as passed by the other body—

He was referring to the bill providing for salary increases for personnel of the executive branch of the Government— included a provision that would require the President to submit a balanced budget in addition to his regular budget. * * * I thought the provision had merit and sound reasoning. The President objected to this provision of the legislation. He opposed it so strenuously that he followed the unusual procedure of calling the conferees of both Houses to the White House, before they had opportunity to consider the measure, so he could tell the conferees he wanted that particular provision removed from the legislation.

So, Mr. President, Senate Joint Resolution 131, passed by the Senate, did not become law. It was stricken from the bill in conference.

Let me pause to remind my colleagues that I think it is now perfectly obvious that we are not going to get any help from the present Bureau of the Budget in respect to balancing the budget, because it is under the direction of the President; and I am quite certain that the President will contend this year, as he did last year, that the budget he has submitted is one he has pared down to the very minimum. We must either accept it or we must meet what many conceive to be our responsibilities as Senators and as representatives of the people by undertaking to find a way to reduce it, where and if it can be reduced, without destroying or unduly impairing essential services of the Government.

I have said that the final responsibility for fiscal policies rests with the Congress of the United States, but, Mr. President,

the initial responsibility is and shall remain with the President of the United States. It is his duty to give consideration to and be concerned about the solvency of the Government and the pursuit of sound fiscal policies of the Government. He has the duty and responsibility of requesting appropriations of the Congress. The Congress has provided him with a staff of experts in the Bureau of the Budget to enable him to study the financial conditions of the Government, to screen requests for expenditures that come to him and, through him, to the Congress, from the different agencies of the executive branch of the Government. Thus, the Congress, in great measure, relies upon the President of counsel and guidance in the matter of Federal expenditures and, while the Congress has the final responsibility to say yes or no to budgetary requests of the President, this does not relieve the President from the duty to cooperate with the Congress in establishing and pursuing sound fiscal policies, in attaining and keeping a balanced budget, and in keeping the Government solvent. The President of the United States has just as solemn a duty as has the Congress to formulate sound fiscal policies, to the end that the Government may keep on a safe and sane course and not go down the road to insolvency, notwithstanding the fact that the final power is reposed in the Congress itself to prevent such a course.

I do not care to rehash all the arguments I made in support of Senate Joint Resolution 108 and Senate Joint Resolution 131 when those resolutions were offered as amendments to other bills at the last session of Congress, but I should like to point out the divergent views entertained and expressed by myself and by the majority leadership with respect to Senate Joint Resolution 108, as reflected by the debate when that measure was under consideration.

The majority leader, speaking in opposition to the resolution, as shown by the CONGRESSIONAL RECORD of June 21, 1949, at pages 8203-8205, stated:

I maintain with all the sincerity I possess that the Congress of the United States has the responsibility for cutting appropriations. The President of the United States submits his budget to the Congress, and under the Constitution and laws of the country it is the duty of the Congress to say whether or not it will approve funds requested in that budget, whether it will cut the budget, or whether it will increase the budget. It is our responsibility; and in my judgment we should not shift the responsibility to the President of the United States and tell him to cut the budget 5 or 10 percent after we ourselves refused to do so in the Senate. For that reason, in view of what has happened in connection with appropriation bills which have come before us, certainly the majority leader is not going along with that kind of a resolution. We should have the courage to reduce appropriations if we desire to do so. If we do not have the courage to do it, we should not shift our responsibility to the Executive.

I pause to say I have confidence in the Congress. I believe the Congress has the courage to do it. I question that the Congress has equipped itself with the proper facilities and technical help to enable it to reduce it at all times intel-

lignently. That is what I think is needed. That is what the bill I have introduced seeks to do.

A little later in the same speech, the able majority leader further stated:

But, Mr. President, the Senate cannot do what is attempted to be done by the joint resolution, simply pass the buck to the President of the United States, and hope to convince the American people that we are doing our duty and accepting our responsibility as Senators. I say it is ridiculous to place that responsibility on the President, after he himself has said that he has had his experts work on the budget, that he has cut it to the bone; and then has sent it to us either to reduce or to increase. Now some Senators propose that we send the problem right back to him, that we delegate to him the power to appropriate for the Congress of the United States.

Like others, constituting a majority of the membership of this body, I did not accept what I conceived to be an unsound argument on the part of the majority leadership of this body. After listening to the able, but what I conceived to be the unsound, argument of our distinguished majority leader, I stated, as shown by the CONGRESSIONAL RECORD of August 29, 1949, at page 12616, as follows:

I do not care who shouts that the passing of this resolution is an act of political cowardice. The President of the United States cannot escape his share of either the blame or the legal and moral responsibility for any deficit that occurs either great or small so long as the Congress does not appropriate in excess of his budget recommendations.

No, Mr. President, this is not an act of political cowardice. On the contrary, it is sound legislation necessary in the public welfare, and failure to balance the budget or to hold the deficit to the minimum this legislation makes possible may well prove to be a stupid and dangerous blunder. The risk is too great. This living beyond our means in government must be stopped. It often takes courage to do our duty, and the duty to maintain sound fiscal policies now is so impelling—the safety and security of the Nation is involved.

I reiterate, with even stronger emphasis than then, that the necessity for maintaining sound fiscal policies is now so impelling as to involve the safety and security of the Nation.

When this resolution was defeated by a vote of 49 yeas to 28 nays, to which I have already alluded, certain newspapers—I believe one of them was the New York Times—on September 2, 1949, quoted the President of the United States as saying:

The Senate has done the right thing. It was the duty of Congress to analyze all appropriation bills, and to pass them or not. It was not a function that they could transfer to the President.

I do not agree with all the President said, but let us accept this much of his statement:

It was the duty of the Congress to analyze all appropriation bills.

I can agree with this, Mr. President. It is our duty to analyze them, and it is our responsibility to make the final decision. That is what the bill I have introduced today seeks to do—to better equip the Congress with necessary and ade-

quate facilities to do just what the President says it is the duty of the Congress to do—to “analyze all appropriation bills.” After having equipped ourselves to do a thorough job of analyzing appropriation bills and the President’s budget, then the Congress can better meet its responsibility of voting the appropriations which the President requests of it, eliminating some items entirely and making reductions in others where reductions can and should be made.

Pursuing the argument that was made against Senate Joint Resolution 108, that it is the full responsibility of Congress to cut appropriations, and the President’s statement that it is the duty of Congress to analyze all appropriation bills, it is obvious that unless the Congress adequately equips itself to do this, it definitely cannot adequately or fully meet that responsibility. If the Congress simply accepts the ex parte evidence submitted at hearings of the Appropriations Committees by the executive branch of the Government, including its Bureau of the Budget, and votes appropriations accordingly, for all practical purposes and effect it will simply be abdicating the power of appropriation to the Chief Executive of the Nation.

If we are going to follow the Budget plan, if we are going to take the evidence adduced before the Appropriations Committees from the heads of the executive agencies of the Government, if we are going to take that evidence without any question or check against it, then we are, in effect, absolutely delegating to the executive branch of the Government the writing of the “ticket” for appropriations.

Too long already the Congress has labored under the handicap of an outmoded system of checking against the executive branch of the Government with respect to budget requests for appropriations. This course cannot be continued in the face of the challenge that now confronts us. Deficit spending has already reached a down-hill momentum. The deficit for 1951, if the President’s program is followed, will be greater than the deficit of \$5,000,000,000 in 1950, and there is every indication that each succeeding year deficits will increase unless the Congress itself puts on the brakes. The American people want the brakes applied. The Congress is the instrumentality of the people that has the power to apply the brakes.

The urgency of action by Congress in this area has been stressed by many outstanding authorities who have joined in the large chorus of protests against unbalanced budgets in these times of high national income, high taxes, and a high level of prosperity. Speaker of the House RAYBURN is reported to have stated recently that “A prudent man pays his debts when he has the money.”

Similarly, Dr. Edwin G. Nourse in a recent speech, which was followed shortly by his resignation as Chairman of the President’s Council of Economic Advisers, stated:

I am not happy either when I see Government slipping back into deficits as a way of life when production and employment are high, instead of putting its fiscal house in

order and husbanding reserves to support economy if less prosperous times overtake us.

Dr. Nourse reiterated his position in a speech at Richmond on January 13, in which he asserted that every effort should be bent toward getting the spending policies out of the red if the Nation is to avoid cracks in its economic structure, and stated that he told the President that—

The administration has resorted again to inflationary short-cuts, and I think that the deliberate launching of a program for false prosperity is a grave mistake. * * * And I don’t think the program is either sound or progressive.

I have not seen the article, Mr. President, and cannot vouch for the accuracy of it, but I am in receipt of a letter from one of my constituents, Mr. M. F. Sloan, a farmer of Pochontas, Ark., from which I quote as follows:

I have just read Senator Capper’s *The Reddest Menace to America is Government Red Ink*.

Then he says, “I believe there is a lot of truth in it,” and he quotes again from the article as follows:

The flood of red ink can overwhelm and destroy us as individuals, as family units, and as a nation. It can be as devastating as an atomic bomb explosion. We had better stop it and the inevitable inflation that follows it, before it is too late.

Mr. President, I subscribe to those sentiments, and I resolve to do everything in my power to stop it. I intend to vote accordingly in this session of Congress.

In closing I remind my colleagues of what President Franklin D. Roosevelt said, before he became President, in a speech he delivered at Pittsburgh on October 18, 1932:

If a nation is living within its income its credit is good. If in some crisis it lives beyond its income for a year or two, it can usually borrow money temporarily on reasonable terms. But if, like the spendthrift, it throws discretion to the winds, is unwilling to make no sacrifice at all in spending, extends its taxing up to the limit of the people’s power to pay and continues to pile up deficits, it is on the road to bankruptcy.

Mr. President, I do not propose by my vote and by my services here to help America travel down that road.

Mr. President, in conclusion, I wish to invite my colleagues to study this proposed legislation, and I urge them to give to me and to the committee to which the bill will be referred the benefit of their study, their counsel, and their suggestions, to the end that we may all work together to do something about this problem which I think may well prove to be a challenge, a definite threat, and a danger to our future security and liberty.

Mr. McCARRAN. Mr. President, I wish to join in the expressions of the able Senator from Arkansas. I entered the Chamber during the course of his presentation. I take this opportunity to join in the expressions he has made, which I have listened. From observations made in a study throughout Europe a little while ago, I found, as have others, that today the American dollar is the only sound currency in the world. If anything should occur which would

air the integrity and strength of the American dollar, I do not know where civilization might go, nor where, indeed, the American way of life might go. So I join with the able Senator from Arkansas in expressing the hope that the Congress of the United States may take unto itself that which belongs to the Congress, and see to it that deficit spending shall be ended.

Mr. McCLELLAN. I thank the Senator from Nevada.

THE WORK OF THE SENATE COMMITTEE ON THE JUDICIARY

Mr. McCARRAN. Mr. President, I sought recognition so that I might speak for a moment of the committee of which I have had the privilege for some time of being the chairman, namely, the Senate Committee on the Judiciary. That committee has as many members on its staff as has any other committee of the Senate, if not more than has any other committee of the Senate.

Hence, I think it entirely appropriate that I speak of the work of that committee. The Judiciary Committee, as the record will show, has presented to the Senate for consideration and has itself considered more legislation, more bills, more resolutions, and more matters of vital importance than has any other committee.

I do not say that with the idea of speaking disparagingly of other committees but rather to show to the Senate the United States the load which, through the Reorganization Act, was placed on the shoulders of the Judiciary Committee.

With that in mind I have had prepared a complete statement and summary of the work done and accomplished by the Committee on the Judiciary of the Senate during the first half of the Eighty-first Congress, and I ask unanimous consent now that the clerk may read and that there may be inserted as a part of my remarks a statement prepared from the records of the Committee on the Judiciary.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

SENATE JUDICIARY COMMITTEE WORK AND WORK LOAD, FIRST SESSION, EIGHTY-FIRST CONGRESS

The work load of the Senate Judiciary Committee during the first session of the Eighty-first Congress consisted of 39.2 percent of all Senate bills and resolutions introduced; 45 percent of all House bills and resolutions presented in the Senate; 40.5 percent of all bills and resolutions, irrespective of origin.

Not only did the Judiciary Committee get a far larger share of the work load than any other standing committee of the Senate; it also performed a larger share of all committee work than any other committee. Of 1,203 written reports filed in the Senate by all committees, the Judiciary Committee filed 524, which presented 43.5 percent.

The total of reports filed to the Senate does give the whole picture of committee activity, because committee consideration of many bills resulted in adverse action and indefinite postponement. Furthermore, the committee handled and disposed of more than 3,000 individual immigration cases, involving suspension of deportation. Each immigration case is equivalent to a bill.

During the first session the Judiciary Committee received 1,244 Senate bills and resolutions and 402 House bills and resolutions, making a total of 1,446 bills and resolutions.

By the end of the session the committee has disposed of 498 Senate bills and resolutions and 352 House bills and resolutions, or a total of 850 bills and resolutions.

Of the bills thus disposed of, 122 were general bills other than claims or immigration; 498 were private relief bills; 210 were private immigration bills; 9 were general claims bills; and 11 were general immigration bills.

Committee approval was granted to 241 Senate bills and resolutions and 290 House bills and resolutions, or a total of 531 bills and resolutions of both Houses.

(It will be noted that written reports were filed by the Committee with respect to all but 7 of the 531 bills and resolutions approved.)

Of the bills and resolutions acted upon favorably, 75 were general bills other than claims or immigration; 302 were private relief bills; 138 were private immigration bills; 9 were general claims bills; and 7 were general immigration bills.

Bills indefinitely postponed by the committee included 257 Senate bills and resolutions, 62 House bills and resolutions, or a total of 319 bills and resolutions of both Houses.

Of the bills thus acted upon unfavorably, 47 were general bills other than claims or immigration; 196 were private relief bills, 72 were private immigration bills; and 4 were general immigration bills.

Measures pending before the committee at the end of the session included 746 Senate bills and resolutions and 50 House bills and resolutions, or a total of 796 bills and resolutions of both Houses.

Of these bills, 119 are general bills other than immigration and claims; 164 are private relief bills; 449 are private immigration bills; 24 are general claims bills; and 40 are general immigration bills.

It will be noted the committee disposed of 352 House bills and resolutions out of 402 such measures referred to it, leaving only 50 House bills and resolutions pending at the end of the session.

In comparison, out of 1,244 Senate bills and resolutions referred to it, the committee acted upon 498, leaving 746 Senate bills and resolutions pending.

(In this connection it should be noted the committee received 294 Senate bills and 117 House bills subsequent to June 30.)

Suspensions of deportation by the Attorney General, under authority delegated by the Congress, are submitted in groups; but in the committee, each such individual case requires separate investigation, appraisal, and action. At the beginning of the first session, there were pending in the committee 1,501 cases of suspension of deportation, to which were added 2,926 additional cases submitted during the session, making a total of 4,427 cases; of which 2,966 were approved, 38 were rejected, 85 were "screened out" and held for further consideration, and 4 were withdrawn by the Attorney General; leaving 1,334 cases "in process" at the end of the session.

(The Chief of the Adjudication Division of the Immigration and Naturalization Service estimates that during the second session of this Congress, approximately 5,000 additional cases of suspension of deportation will be transmitted to the Congress for approval. These 5,000 cases will include cases for the adjustment of the status of displaced persons, pursuant to the displaced persons law. No such cases of adjustment were included in the suspensions reported during the first session.)

During the first session, the committee received 138 executive nominations, of which 63 were Federal judges, 30 were United States district attorneys, 33 were United States mar-

shals, 1 was Attorney General of the United States, 2 were assistant attorneys general, 3 were members of the Displaced Persons Commission, 3 were members of the War Claims Commission, and 3 were members of the Motor Carrier Claims Commission.

At the end of the session, nominations not yet acted upon totalled 29, of which 23 were nominations submitted within less than a week of the end of the session.

During the session, the committee and its subcommittees conducted 91 hearings, which involved 198 separate hearing sessions. The record of these hearings total 20,220 folios.

Mr. McCARRAN. Mr. President, I file this report with the Senate as a complement to the members of the Committee on the Judiciary of the Senate, 13 members in all. Twelve of the thirteen, regardless of party lines, have devoted their time, their energy, and their best efforts to a colossal load which has been given to the committee. With our best efforts we have accomplished the result that is set out in this report.

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

Mr. McCARRAN. In a moment, I desire at this time to pay my personal respects and to offer my sincere gratitude and my compliments to the members of the committee, who, regardless of political lines, served with me on the committee.

I now yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, the Senator referred to 12 out of the 13 members of the committee. I assume he was, in modesty, eliminating himself.

Mr. McCARRAN. That is correct.

Mr. DONNELL. If I may have the privilege of saying just a word with respect to the activities and work of our distinguished chairman, to my mind, as the chairman of the Judiciary Committee, he has made himself a place for many, many years in this great body, whether he be here in person or in memory, by reason of the great and outstanding service which he is rendering and has rendered as chairman of the Committee on the Judiciary of the Senate. I take pleasure in saying this very brief word of tribute to him, and giving this expression of my admiration for his fine qualities, integrity, and ability.

Mr. McCARRAN. I am, indeed, grateful for the kind remarks of the Senator from Missouri.

At this time, Mr. President, I wish to draw the attention of the Senate to a highly important phase of the work of the Committee on the Judiciary. Having taken occasion to make an intimate study of the matter of immigration, and especially an intimate study of the matter of displaced persons as that phase of immigration comes to the committee of which I have the honor of being chairman, I draw the attention of the Senate to the colossal load of immigration matters which are referred to the committee. It is estimated that 5,000 cases will be referred to the committee during the second session of the Eighty-first Congress. The record shows the disposal of thousands of cases during the first session.

Mr. President, there are being brought into this country unlimited thousands of immigrants about whom there is a question as to whether or not

they fit into our ideology. Indeed, no more vital question can come before the Senate and before the Congress than whether or not there are being brought into this country those who are enemies of our form of government. If that is the case, then the load that is placed on the shoulders of the Committee on the Judiciary and on the Congress of the United States becomes all the more burdensome, all the more important, all the more colossal.

I draw the attention of the Senate to the fact that it is estimated that 5,000 cases will come before the Judiciary Committee during the second session of the Eighty-first Congress, including the question of displaced persons. If that shall follow, then it is for the Senate and for the Congress to be alert every minute to every one of the immigration cases that comes before this body.

The staff of the Committee on the Judiciary, the membership of the Committee on the Judiciary, yea, indeed, the staff of the whole Senate, must be called into play in order that we may to the best of our ability determine whether or not any and every individual who comes here seeking admission to our land, or citizenship, is worthy of citizenship. If the screening that is taking place abroad is ineffective, unworthy, and incompetent, then it is time for us to devise another method of screening, another method of determination as to whether or not there are being brought into our country enemies to our form of government, and if that is so, then we must stop it.

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

Mr. McCARRAN. I yield to the Senator from Arizona.

Mr. HAYDEN. I appreciate the great burden that is placed upon the Senate Committee on the Judiciary by a requirement in the law—why it was ever enacted I am not quite clear—that the Committee on the Judiciary shall pass upon deportation cases. Obviously that is purely an executive function. Why should a committee of the Senate be required to pass upon the question of whether or not a person is lawfully in the United States? It would be just as reasonable to expect a congressional committee to go to Europe and screen every person who is proposed to be brought to the United States under any immigration law. That is clearly an executive function. Has the Senator ever considered the advisability of repealing that provision of the statute which burdens his committee with 5,000 cases?

Mr. McCARRAN. In answer to the inquiry of the Senator from Arizona, I will say that that has been a matter of consideration. So far as I am concerned, I would not advocate repeal, because it might appear that the committee is trying to shirk its duty. I am not one who will shirk his duty. I shall try to perform the duty as best I can.

Mr. HAYDEN. I am quite sure that whoever initiated that statute had no idea that a Senate committee would be required in one session of Congress to pass upon 5,000 deportation cases. It is perfectly obvious that Senators, along

with their other duties, cannot individually look into cases of this kind. The function is purely an executive one. Congress enacts statutes providing who can and who cannot come into the United States. It enacts statutes providing for deportation of persons who are in the United States in violation of our laws. Why a committee of Congress should be required to perform an executive function I cannot understand. It is utterly illogical to me.

Mr. McCARRAN. I voted against the Reorganization Act; but it is the law. So long as it is the law, the Committee on the Judiciary will attempt to carry out its duties under the law. Let me say to the Senator from Arizona and to the Senate that it is almost impossible to carry it out as it should be carried out. It is almost impossible to carry it out with the staff we have. If that staff were augmented many times, it would still be highly questionable whether we could properly carry it out. However, I am not ready to shirk the duty, and I never shall. So long as the provision remains in the law we will carry it out to the best of our ability. We have not been able to meet all the obligations, but we are going to meet them as best we can. I wish to say to those who are critical, if there be those who are critical of the acts of the Committee on the Judiciary in passing upon deportation cases, that I want Senators to be more critical, because they cannot be too critical of those who are permitted to remain in this country and obtain citizenship, for that will make those persons more alive to their duties as citizens, and more willing to take part in carrying on the Government of the United States.

Mr. President, today of all times in the world, when our country is the pivot country of the world, we must maintain integrity in our citizenship, and that is true also with respect to those who have come here to make this their haven, their safe harbor, their hope for the future.

DELIVERED - PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES

Mr. KEFAUVER. Mr. President, it is my understanding that under a previous order of the Senate the conference report on Senate bill 1008 is to come up for consideration tomorrow. Inasmuch as the conference report differs substantially from the original bill, and as it was amended in the House and in the Senate, and also since there has been a change of members of the Federal Trade Commission, I made a written request of the Federal Trade Commission for their opinion on the proposed legislation. In response to that request I received a letter dated January 18, 1950, which represents the majority opinion of the Federal Trade Commission, and under date of January 19, 1950, I received a separate view by the Chairman of the Federal Trade Commission, Mr. Lowell B. Mason. I ask unanimous consent that the two opinions be printed at this point in the body of the RECORD.

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

FEDERAL TRADE COMMISSION,
Washington, January 18, 1950.
Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: This is in further response to your letter of January 11, 1950, and the request therein for an analysis of S. 1008 as reported by the conference committee, and a statement of the Commission's position with respect to the bill in its present form.

The Federal Trade Commission believes that S. 1008 in the form in which it was reported from conference will greatly weaken, if not destroy, the effectiveness of section 2, of the Clayton Act as amended, as well as jeopardize and probably similarly affect other sections of that act. Two features of the bill are of paramount importance in this conclusion: (1) the definition of "the effect may be" contained in section 4-D of the bill and (2) the conflict between sections 2-B and 3 of the bill upon the issue of whether or not meeting the equally low price of a competitor in good faith shall constitute a complete defense to charges of price discrimination.

As introduced by Senator O'MAHONEY, Section 4-D of the bill defined "the effect may be" as meaning a showing of reasonable probability of the specified effect. For more than 20 years the courts consistently interpreted "may be," as used in the Clayton Act, as meaning reasonable probability. This interpretation expressed a declared intent of the Congress to use the Clayton Act to curb monopolistic practices in their incipency. This definition was changed during debate in the Senate, but the original version was restored by the Committee on the Judiciary of the House. It is believed that this definition was intended to make sure that the meaning of "reasonable probability" should continue and to settle any doubts raised by the use of the term "reasonable possibility" in the decision of the Supreme Court in *Federal Trade Commission v. Morton Salt Company*.

The bill as reported by the conference committee provides, however, that the term "the effect may be" shall mean that there is reliable, probative, and substantial evidence of the specified effect. This definition requires evidence of an effect which cannot be obtained until after the effect has appeared. It therefore amounts to a provision that the words "may be" shall be read as "is." The definition would therefore no longer rest upon the standard of reasonable probability, and the Commission would not be able to proceed against a price discrimination because of its probable effects, or even its certain future effects, but could only proceed after the effects had actually occurred.

It has been said that the conference committee definition of "may be" was intended to affirm the standards of proof set forth in the Administrative Procedure Act. This purpose could have been accomplished by defining the term as a reasonable probability determined from reliable, probative, and substantial evidence, though this would have been repetitious of the standard presently applicable.

The conference committee's definition of "the effect may be" applies directly to the language of section 2 of the Clayton Act. The defined term also appears, however, in section 3 of the Clayton Act, prohibiting exclusive-dealing and tying contracts, and also in section 7, prohibiting corporations from acquiring the stock of other corporations when the effect may be substantially to lessen competition. Similarly, the defined term appears in the bill to amend section 7 of the Clayton Act which has been passed by the House, and which the President has just recommended that the Congress enact. Since it is unlikely that the courts would give one meaning to the term in one section of the

S. 2898

IN THE SENATE OF THE UNITED STATES

JANUARY 19 (legislative day, JANUARY 4), 1950

Mr. McCLELLAN introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments

A BILL

To amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

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

3 That section 138 of the Legislative Reorganization Act of
4 1946, as amended, is hereby amended to read as follows:

5 “JOINT COMMITTEE ON THE BUDGET

6 “SEC. 138. (a) There is hereby created a joint service
7 committee to be known as the Joint Committee on the
8 Budget (hereinafter in this section called the “joint com-
9 mittee”) to be composed of ten members as follows:

10 “(1) Five Members who are members of the Com-

1 mittee on Appropriations of the Senate, three from the
2 majority party and two from the minority party, to be
3 chosen by such committee; and

4 “(2) Five Members who are members of the Com-
5 mittee on Appropriations of the House of Representatives,
6 three from the majority party and two from the minority
7 party, to be chosen by such committee.

8 “(b) No person shall continue to serve as a member of
9 the joint committee after he has ceased to be a member of
10 the committee from which he was chosen, except that the
11 members chosen by the Committee on Appropriations of
12 the House of Representatives who have been reelected may
13 continue to serve as members of the joint committee not-
14 withstanding the expiration of the Congress. A vacancy in
15 the joint committee shall not affect the power of the re-
16 maining members to execute the functions of the joint com-
17 mittee, and shall be filled in the same manner as the original
18 selection, except that (1) in case of a vacancy during an
19 adjournment or recess of Congress for a period of more
20 than two weeks, the members of the joint committee who
21 are members of the committee entitled to fill such vacancy
22 may designate a member of such committee to serve until
23 his successor is chosen by such committee, and (2) in the
24 case of a vacancy after the expiration of a Congress which
25 would be filled from the Committee on Appropriations of

1 the House of Representatives, the members of such commit-
2 tee who are continuing to serve as members of the joint
3 committee, may designate a person who, immediately prior
4 to such expiration, was a member of such committee and
5 who is reelected to the House of Representatives, to serve
6 until his successor is chosen by such committee.

7 “(c) The joint committee shall elect a chairman and
8 vice chairman from among its members at the first regular
9 meeting of each session: *Provided, however,* That during
10 even years the chairman shall be selected from among the
11 members who are Members of the House of Representatives
12 and the vice chairman shall be selected from among the
13 members who are Members of the Senate, and during odd
14 years the chairman shall be selected from among the members
15 who are Members of the Senate and the vice chairman shall
16 be selected from among the members who are Members of
17 the House of Representatives.

18 “(d) A majority of the Members of each House who
19 are members of the joint committee shall together constitute
20 a quorum for the transaction of business, but a lesser num-
21 ber, as determined by the joint committee, may constitute a
22 subcommittee and be authorized to conduct hearings and
23 make investigations. Any member of a subcommittee so
24 designated shall constitute a quorum for the conduct of any
25 hearing or investigation, but the concurrence of a majority

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1 of the members of such subcommittee shall be necessary
2 before any report or findings may be submitted to the joint
3 committee.

4 “(e) It shall be the duty of the joint committee—

5 “(1) (A) to inform itself on all matters relating
6 to the annual budget of the agencies of the United
7 States Government, during and after the preparation
8 thereof; (B) to provide the Committee on Appropria-
9 tions of the House of Representatives and the Committee
10 on Appropriations of the Senate with such information
11 on items contained in such budget, and the justifications
12 submitted in support thereof, as may be necessary to
13 enable said committees to give adequate consideration
14 thereto; and (C) to consider all available information
15 relating to estimated revenues, essential programs, and
16 changing economic conditions, and, on the basis thereof,
17 report to said committees findings relating to necessary
18 adjustments or revisions in appropriations as may be
19 required to balance the budget;

20 “(2) to recommend to the appropriate standing
21 committees of the House of Representatives and the
22 Senate such changes in existing laws as may effect
23 greater efficiency and economy in government;

24 “(3) to make such reports and recommendations to

1 any standing committee of either House of Congress
2 or any subcommittee thereof on matters within the juris-
3 isdiction of such standing committee relating to devia-
4 tions from basic legislative authorization, or in relation
5 to appropriations approved by Congress which are not
6 consistent with such basic legislative authorization, as
7 may be deemed necessary or advisable by the joint
8 committee, or as may be requested by any standing
9 committee of either House of Congress or by any sub-
10 committee thereof.

11 “(f) The joint committee, or any subcommittee thereof,
12 shall have power to hold hearings and to sit and act any-
13 where within or without the District of Columbia whether
14 the Congress is in session or has adjourned or is in recess;
15 to require by subpoena or otherwise the attendance of wit-
16 nesses and the production of books, papers, and documents;
17 to administer oaths; to take testimony; to have printing and
18 binding done; and to make such expenditures as it deems
19 advisable within the amount appropriated therefor. Sub-
20 poenas shall be issued under the signature of the chairman
21 or vice chairman of the committee and shall be served by
22 any person designated by them. The provisions of sections
23 102 to 104, inclusive, of the Revised Statutes (U. S. C.,

1 title 2, secs. 192-194) shall apply in the case of any failure
2 of any witness to comply with any subpoena or to testify when
3 summoned under authority of this section.

4 “(g) Employees of the joint committee, upon the
5 written authority of the chairman or vice chairman, shall
6 have the right to examine the books, documents, papers,
7 reports, preliminary and other estimates of budget require-
8 ments, or other records of any agency of the United States
9 Government within or without the District of Columbia:
10 *Provided, however,* That such employees shall not be per-
11 mitted access to books, documents, papers, reports, estimates,
12 records, or any other thing containing information classified
13 for security purposes unless specifically authorized by the
14 joint committee to receive such types of classified information.

15 “(h) At the request of any member of the Committee
16 on Appropriations of either House or of any member of a
17 subcommittee thereof, or at the request of any member of
18 the staffs of such committees or subcommittees, professional
19 employees of the joint committee may be detailed to advise
20 and assist such committees or subcommittees or the staffs
21 thereof during consideration of any appropriation bill or
22 part thereof.

23 “(i) The joint committee shall, without regard to the
24 civil-service laws or the Classification Act of 1949, as
25 amended, employ and fix the compensation of a staff director

1 and such other professional, technical, clerical, and other
2 employees, temporary or permanent, as may be necessary
3 to carry out the duties of the joint committee, and all such
4 employees shall be appointed without regard to political
5 affiliation and solely on the ground of fitness to perform
6 the duties to which they may be assigned: *Provided, how-*
7 *ever,* That such appointment may be terminated by the
8 concurrence of a majority of the members of the joint com-
9 mittee. No person shall be employed by the joint committee
10 until a thorough investigation as to loyalty and security
11 shall have been made by the Federal Bureau of Investigation
12 and a favorable report on said investigation submitted to
13 the chairman or vice chairman.

14 “(j) It shall be the duty of each agency of the Gov-
15 ernment to supply to the joint committee duplicate copies
16 of any budgetary request submitted to the Bureau of the
17 Budget, either for regular or supplemental appropriations
18 required for each fiscal year, with the detailed justifications
19 in support thereof.

20 “(k) When used in this section, the term ‘agency’
21 means any executive department, commission, council, inde-
22 pendent establishment, Government corporation, board, bu-
23 reau, division, service, office, officer, authority, administra-
24 tion, or other establishment, in the executive branch of the
25 Government. Such term includes the Comptroller General

1 of the United States and the General Accounting Office, and
2 includes any and all parts of the municipal government of
3 the District of Columbia except the courts thereof.

4 “(1) There are hereby authorized to be appropriated
5 such sums as may be necessary to carry out the purposes of
6 this section. Appropriations for the expenses of the joint
7 committee shall be disbursed by the Secretary of the Senate
8 upon vouchers signed by the chairman or vice chairman.”

81ST CONGRESS
2^D SESSION

S. 2898

A BILL

To amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States.

By Mr. McCLELLAN

JANUARY 19 (legislative day, JANUARY 4), 1950
Read twice and referred to the Committee on Expenditures in the Executive Departments