

him before America's Town Meeting of the Air in New York on January 18, 1945, which appears in the Appendix.]

TIME TO TAKE STOCK—ADDRESS BY ALF M. LANDON

[Mr. CAPPER asked and obtained leave to have printed in the Record an address entitled "Time To Take Stock" delivered by Hon. Alf M. Landon, of Topeka, Kans., before the annual meeting of the junior chamber of commerce in Cleveland, Ohio, January 18, 1945, which appears in the Appendix.]

COMPULSORY MILITARY TRAINING—ADDRESS BY BRIG. GEN. ALBERT L. COX

[Mr. MAYBANK asked and obtained leave to have printed in the Record an address on compulsory military training delivered by Brig. Gen. Albert L. Cox at the Central High School in Washington on January 18, 1945, under the auspices of the Parent-Teachers' Association, which appears in the Appendix.]

SIX FULL DAYS' WORK EVERY WEEK—PLAN OF KIWANIS CLUB OF WEST POINT, VA.

[Mr. BYRD asked and obtained leave to have printed in the Record a plan to regulate full-time work in essential industry by every available person, proposed by the Kiwanis Club of West Point, Va., which appears in the Appendix.]

TRIBUTE TO GOVERNOR BRICKER, OF OHIO—EDITORIAL FROM THE COLUMBUS SUNDAY DISPATCH

[Mr. TAFT asked and obtained leave to have printed in the Record an editorial entitled "An Outstanding Governor Retires," from the Columbus Dispatch of Sunday, January 7, 1945, which appears in the Appendix.]

POSTMASTER, MOUNT VERNON, MO.

Mr. MCKELLAR. As in executive session, from the Committee on Post Offices and Post Roads, I report favorably the nomination of Ruth C. Fossett, to be postmaster at Mount Vernon, Mo., in place of Robert Stemmons, resigned.

The VICE PRESIDENT. The nomination will be received and placed on the Executive Calendar.

Mr. MCKELLAR. As in executive session, I now ask unanimous consent for immediate consideration of this postmaster nomination, in which the President of the Senate is interested.

The VICE PRESIDENT. Without objection, it is so ordered. The nomination will be stated.

The legislative clerk read the nomination of Ruth C. Fossett to be postmaster at Mount Vernon, Mo.

Mr. MCKELLAR. I ask unanimous consent, as in executive session, that the nomination be confirmed.

Mr. WHITE. Does the Senator ask unanimous consent for the confirmation of a postmaster nomination?

Mr. MCKELLAR. Yes, as in executive session.

Mr. WHITE. Has the nomination been reported from the committee, and is it on the Executive Calendar?

Mr. MCKELLAR. Yes.

Mr. TAFT. Mr. President, what is the nomination?

Mr. MCKELLAR. The nomination was just read at the desk. I ask that it again be read for the benefit of the Senator from Ohio.

The VICE PRESIDENT. The nomination will be read.

The legislative clerk again read the nomination.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NATIONAL POLICY AND PROGRAM FOR CONTINUING FULL EMPLOYMENT

Mr. MURRAY. Mr. President, I have sent to the desk on behalf of the Senator from New York [Mr. WAGNER], the Senator from Utah [Mr. THOMAS], the Senator from Wyoming [Mr. O'MAHONEY], and myself, a bill to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State, and local governments, and the Federal Government.

This bill offers a fundamental method of attacking America's No. 1 post-war problem: that of assuring post-war jobs for the people of our country.

I ask that the bill be printed in the body of the Record, and that a series of questions and answers which I have prepared in explanation of the bill be printed following the bill itself.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 380) to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government, introduced by Mr. MURRAY (for himself, Mr. WAGNER, Mr. THOMAS of Utah, and Mr. O'MAHONEY), was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the Record, as follows:

Be it enacted, etc.,

SECTION 1. This act may be cited as the "Full Employment Act of 1945."

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that—

(a) It is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States;

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

(c) In order to carry out the policies set forth in subsections (a) and (b) of this section, and in order to (1) promote the general welfare of the Nation; (2) foster and protect the American home and the American family as the foundation of the American way of life; (3) raise the standard of living of the American people; (4) provide adequate employment opportunities for returning veterans; (5) contribute to the full utilization of our national resources; (6) develop trade and commerce among the several States and with foreign nations; (7) preserve and strengthen competitive private enterprise, particularly small business enterprise; (8) strengthen the national defense and security; and (9) contribute to the establishment and maintenance of lasting peace among nations, it is essential that continuing full em-

ployment be maintained in the United States;

(d) In order to assist industry, agriculture, labor, and State and local governments in achieving continuing full employment, it is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditure;

(e) To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment; and

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

THE NATIONAL PRODUCTION AND EMPLOYMENT BUDGET

SEC. 3. (a) The President shall transmit to Congress at the beginning of each regular session the National Production and Employment Budget (hereinafter referred to as the "National Budget"), which shall set forth in summary and detail for the ensuing fiscal year, or such longer period as the President may deem appropriate—

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

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

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

The estimates and information herein called for shall take account of such foreign investments and expenditure for exports and imports as affect the volume of the gross national product.

(b) The extent, if any, by which the estimated aggregate volume of prospective investment and expenditure for any fiscal year or other period, as set forth in the National Budget in accordance with paragraph (a) (3) of this section, is less than the estimated aggregate volume of investment and expenditure required to assure a full employment volume of production, as set forth in the National Budget in accordance with paragraph (a) (2) of this section, shall for the purposes of this title be regarded as a prospective deficiency in the National Budget. When there is a prospective deficiency in the National Budget for any fiscal year or other period, the President shall set forth in such Budget a general program for encouraging such increased non-Federal investment and expenditure, particularly investment and expenditure which will promote increased employment opportunities by private enterprise, as will prevent such deficiency to the greatest possible extent. The President shall also include in such Budget such recommendations for legislation relating to such program as he may deem necessary or desirable. Such program may include, but need not be limited to, current and projected Federal policies and activities with reference to banking and currency, monopoly and competition, wages and

working conditions, foreign trade and investment, agriculture, taxation, social security, the development of natural resources, and such other matters as may directly or indirectly affect the level of non-Federal investment and expenditure.

(c) To the extent, if any, that such increased non-Federal investment and expenditure as may be expected to result from actions taken under the program set forth in accordance with subsection (b) of this section are deemed insufficient to provide a full employment volume of production, the President shall transmit a general program for such Federal investment and expenditure as will be sufficient to bring the aggregate volume of investment and expenditure by private business, consumers, State and local government, and the Federal Government, up to the level required to assure a full employment volume of production. Such program shall be designed to contribute to the national wealth and well-being, and to stimulate additional non-Federal investment and expenditure. Any of such programs calling for the construction of public works by the Federal Government shall provide for the performance of the necessary construction work by private concerns under contracts awarded in accordance with applicable laws, except where the performance of such work by some other method is necessary by reason of special circumstances or is authorized by other provisions of law.

(d) If the estimated aggregate volume of prospective investment and expenditure for any fiscal year or other period, as set forth in the National Budget in accordance with paragraph (a) (3) of this section, is more than the estimated aggregate volume of investment and expenditure required to assure a full employment volume of production, as set forth in the National Budget in accordance with paragraph (a) (2) of this section, the President shall set forth in such Budget a general program for preventing inflationary economic dislocations, or diminishing the aggregate volume of investment and expenditure to the level required to assure a full employment volume of production, or both.

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

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

(g) The President may from time to time transmit to Congress such supplemental or revised estimates, information, programs, or legislative recommendations as he may deem necessary or desirable in connection with the National Budget.

PREPARATION OF NATIONAL BUDGET

SEC. 4. (a) The National Budget shall be prepared in the Executive Office of the President under the general direction and supervision of the President, and in consultation with the members of his Cabinet and other heads of departments and establishments.

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

(c) The President may establish such advisory boards or committees composed of representatives of industry, agriculture, labor, and State and local governments, and others, as he may deem advisable for the purpose of

advising and consulting on methods of achieving the objectives of this act.

JOINT COMMITTEE ON THE NATIONAL BUDGET

SEC. 5. (a) There is hereby established a Joint Committee on the National Budget, to be composed of the chairmen and ranking minority members of the Senate Committees on Appropriations, Banking and Currency, Education and Labor, and Finance, and seven additional Members of the Senate, to be appointed by the President of the Senate; and the chairmen and ranking minority members of the House Committees on Appropriations, Banking and Currency, Labor, and Ways and Means, and seven additional Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The party representation of the joint committee shall reflect the relative membership of the majority and minority parties in the Senate and the House of Representatives.

(b) It shall be the function of the joint committee—

(1) to make a study of the National Budget transmitted to Congress by the President in accordance with section 3 of this act; and

(2) to report to the Senate and the House of Representatives, not later than March 1 of each year, its findings and recommendations with respect to the National Budget, together with a joint resolution setting forth for the ensuing fiscal year a general policy with respect to such National Budget to serve as a guide to the several committees of Congress dealing with legislation relating to such National Budget.

(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpoena, or to testify when summoned, under authority of this section.

(e) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistance as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties. The committee may utilize such voluntary and uncompensated services as it deems necessary and is authorized to utilize the services, information, facilities, and personnel of the departments and establishments.

(f) The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman.

RATE OF EXPENDITURES

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

(b) Subject to such principles and standards as may be set forth in applicable appro-

priation acts and other statutes, the rate of Federal investment and expenditure may be varied to whatever extent and in whatever manner the President may determine to be necessary for the purpose of assisting in assuring continuing full employment, with due consideration being given to current and anticipated variations in savings and in investment and expenditure by private business, consumers, State and local governments, and the Federal Government.

AID TO COMMITTEES

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

INTERPRETATION

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

(a) The operation of plants, factories, or other productive facilities by the Federal Government;

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

(c) Any change in the existing procedures on appropriations; or

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

The statement presented by Mr. MURRAY is as follows:

QUESTIONS AND ANSWERS ON THE FULL EMPLOYMENT BILL

1. Does the bill aim at an economic situation where there will be 60,000,000 jobs?

The bill purposely does not offer any preconceived figure for the total number of jobs needed to provide full employment. The number of jobs needed for full employment depends on such changing factors as total population, the number of young people in the labor force, the size of our post-war armed forces, the extent to which old people retire from the labor market, the number of women who resume their full-time house-keeping duties, the number of hours worked, technological progress, and other considerations. In view of probable changes in these items, the exact number of jobs that would constitute full employment in any one year can best be estimated currently.

2. Does the bill guarantee everyone the kind of job he wants?

This is not a bill to guarantee jobs to any individual. It aims at making real the time-honored right of every American able to work and seeking work to find a job, by giving him the assurance that there are jobs to be had.

3. Does the bill provide for a planned economy?

The bill aims at creating a dynamic approach to the problem of providing expanded production and consumption, thus creating sufficient job opportunities. The approach attempted is not dissimilar to the one taken in the Homestead Act which helped expand our system of free enterprise during the last century.

The kind of Government responsibility envisioned in this bill is excellently described by a quotation from the January 8, 1945, issue of the magazine *Time*:

"If Government responsibility means stabilization of high business volume by control of the over-all volume of spending and other general measures which do not dictate how men shall earn their livings, it would be a capitalistic blessing."

4. What effect would enactment of the bill have upon the war effort?

By assuring the country that unemployment would not be the aftermath of victory,

the enactment of the bill would mean still greater effort by industry, labor, and agriculture. In particular, it would help avoid the excessive shifts to nonwar work which have taken place after every military victory. Above all, the enactment of the bill unquestionably would contribute to the morale of our fighting men.

5. What would the passage of this bill mean for business and agriculture?

The bill aims at the highest levels of sustained production possible under the free-enterprise system, with the least amount of Government coercion or domination. This is the economic climate most beneficial to business and agriculture.

The bill also aims at eliminating the wild economic fluctuations that have hitherto been so disastrous for the small businessman and the small farmer.

6. Does the bill call for increased expenditures by the Federal Government?

The bill is neither an appropriation measure, nor a revenue measure. It provides a framework within which the administrative and legislative branches of Government working with private enterprise may effectively promote such governmental policies and actions as will bring about maximum activity on the part of private enterprise. This is the only effective way of keeping Federal expenditures to a minimum.

At the present time, nearly half of the total job opportunities are being provided by Government spending for war purposes. As we approach post-war conditions, this proportion will naturally shrink. Consequently, we are entering a period in which Federal expenditures will be declining as expenditures by business and consumers rise, so that the total is maintained at the level necessary to provide full employment.

7. Does the bill provide for "deficit financing"?

The bill provides a positive way for bringing about the greatest possible activity on the part of business. This, in turn, would make it possible to reduce Government expenditures to a minimum. Therefore, except in most dire emergencies, the Government would not have to step into the breach with a spending program.

Furthermore, Government spending does not necessarily mean "deficit financing." It is entirely possible for a Government-expenditure program to be financed through money raised by taxes, rather than through borrowing.

8. What about the national debt?

The enactment of the bill into law, and its sound administration, would have the result of stimulating activity by private enterprise to the maximum. The resultant increase in the production of goods and services would, over a period of time, permit the collection of a comparatively high volume of taxes for debt-retirement purposes, which would be impossible if the national income were to remain at low pre-war levels. The annual service upon the debt, moreover, would represent a relatively small proportion of the national income.

9. How would this bill guard against the danger of inflation or of a speculative boom?

The best guaranty against inflation is a larger volume of production of goods and services. It is precisely the aim of this bill to stimulate the highest possible volume of production by private enterprise. Therefore, this bill provides the best protection imaginable against inflationary tendencies which may occur during the transition from a war economy to a peacetime economy.

In addition the President is required to set forth in the National Budget "a general program for preventing inflationary economic dislocations, or diminishing the aggregate volume of investment and expenditure to the level required to assure a full employment volume of production, or both" if there

is a prospect of too much spending in comparison with the volume of goods available.

10. Does the bill provide for a new W. P. A.?

It is the very purpose of the bill to assure a continuing high level of activity upon the part of private enterprise and thus to prevent emergency situations in which it might become necessary to resort to a new W. P. A.

On the other hand, should it become necessary to provide additional employment opportunities through Federal public works, the bill provides for the performance of construction work by private concerns under contracts awarded in accordance with applicable laws.

11. What is the difference between the National Budget created by this bill and the regular Federal Budget?

The regular Federal Budget deals with the expenditures of the Federal establishments, together with the extent to which these expenditures are to be financed through taxes or borrowing. It does not reveal the relationship between Federal expenditures and those of business, consumers, and State and local governments.

The National Budget, however, deals with the Nation as a whole, not merely the Federal Government. In addition to Federal expenditures, it includes expenditures of business, consumers, and State and local governments. If all expenditures are less than that required to assure full employment, the difference is regarded as a deficit in the National Budget. Such deficit means unemployment and insufficient production. This may be overcome by increasing the aggregate expenditures by business, consumers, and Government until they equal the amount required to assure full employment.

12. In what way does a deficit in the Federal Budget differ from a deficit in the National Budget?

The Federal Budget shows a deficit when expenditures exceed receipts other than from borrowing. In the National Budget, the total of consumer, business, and Government expenditures is always equal to the total of receipts, for the income of business, consumers, and Government comes only from these three sources of expenditures. This balance between the Nation's expenditures and the Nation's receipts may take place at any level—either at \$200,000,000,000 or at \$100,000,000,000. But when the national total of all expenditures or all receipts is less than that required to assure full employment, the difference is regarded as a deficit in the National Budget. This deficit, which shows up as unemployment and underproduction, may be overcome by increasing aggregate expenditures of business, consumers, and Government to equal the amount required to assure full employment.

13. If it is estimated that there are 80,000,000 persons looking for jobs and willing to work, and if it is estimated that private enterprise may provide only 40,000,000 jobs, would the bill call on the Federal Government to provide the deficit of 20,000,000 jobs?

Under the bill the estimates as to the number of persons looking for jobs and the number of jobs available in private business would be made by the President on the basis of available public and private information. Once the estimates are made and a deficiency is found to exist, it is the responsibility of the President to recommend, and of the Congress to adopt, any measures which they believe necessary and desirable for the purpose of aiding and encouraging private enterprise to provide additional job opportunities. Only if the President and the Congress agree that an adequate number of additional job opportunities cannot be created by these various means, is it the responsibility of the Federal Government to provide direct programs for employment.

14. Is the National Budget limited to a single fiscal year?

The question of drawing up a National Budget for 1 fiscal year or longer is left to the judgment of the President. Certain programs of economic development that Congress may want to provide for will present a long-range character that may be planned in 1 year and executed in the course of 2 or 3 years.

Furthermore, individual industries or other groups in the economy may also find it more practical to base their investment plans on projects covering more than 1 year. Therefore, the bill allows the President to present a National Budget for a period longer than 1 fiscal year.

15. Are existing economic statistics adequate for the effective administration of this bill?

A tremendous amount of new information has become available both to private enterprise and to Government as a result of the war effort. The President has asked the Bureau of the Census, the Bureau of the Budget and cooperating Government agencies to bring together war and nonwar statistics that will be needed for reconversion to post-war production.

The problem of making advance estimates, however, will not materially affect the administration of the bill, since provision is made for a quarterly review of the National Budget and for whatever changes in the rate of Federal expenditure which may be necessary to meet changing conditions.

16. Why isn't the responsibility of developing the National Budget given to one of the regular Government departments?

The National Budget transcends in scope the activities and responsibility of any one department. While it would be based on the estimates and programs submitted by the various agencies, its development properly belongs in the Executive Office of the President.

17. Is Congress obligated to accept the National Budget transmitted by the President?

No. Like the regular Federal Budget, the National Budget is in the nature of a Presidential recommendation to Congress. Under the provisions of the bill, the Congress would be free to reject in part or in total the President's recommendation and to substitute its own program for full employment.

18. Would the enactment of this bill make other legislation on domestic economic problems unnecessary?

No. The purpose of the bill is to bring into proper focus the wide range of legislative proposals which affect employment and which are likely to be sponsored by the administration or various economic groups—proposals in the field of taxation, social security, export trade, and so forth. Its enactment would give rise to a vastly increased amount of legislative activity.

19. Why is a Joint Committee on the Budget set up?

At present, there is no arm of the Congress that has the responsibility of considering all the elements in the Federal Budget, or the relationships between the Federal Budget and the national economy. With a National Budget in operation, comprehensive congressional consideration of budgetary problems would be still more important than under present circumstances. The Joint Committee on the Budget, therefore, is created to study the National Budget in its entirety.

20. What is the purpose of the joint resolution on the Budget?

At present, individual fiscal measures are handled separately and without any formal consideration of budgetary policy in general. Under the bill, therefore, a joint resolution on the Budget is to be drawn up by the Joint Committee on the Budget and reported to both Houses, where it would then be debated. The resulting resolution would then serve as a general policy framework to guide the operations of the several committees of each

House dealing with fiscal matters. This resolution is to be reported to both Houses by March 1, of each year, so that there would be sufficient time to debate the resolution and enact fiscal policy measures by the beginning of the next fiscal year.

21. What changes does the bill call for in the activities of the various individual congressional committees?

There would be no change in the activities of the individual congressional committees, except that the joint resolution on the Budget would provide a general policy framework within which they would operate.

22. Does the bill provide for lump-sum appropriations to the President?

No. The bill provides for no appropriations at all.

23. How does the philosophy of the bill differ from the "Compensatory economy" philosophy developed during the 1930's?

First of all, it places major emphasis upon non-Federal expenditures and that Federal expenditures are only to be used as a last resort.

Second, it provides for preventing unemployment, rather than for "taking up the slack" after men are walking the street looking for work.

Mr. MURRAY. Mr. President, I wish to make an explanation of the bill. I understand the Senate is still in the morning hour, but it seems that speeches are being made, and if speeches are to be made at this time I want the right to make a statement now in support of the proposed legislation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. BARKLEY. Mr. President, will the Senator yield long enough to enable me to make an observation?

Mr. MURRAY. I yield.

Mr. BARKLEY. Mr. President, for years I have sought to secure the enforcement of the rule which provides that during the morning hour no Senator shall speak longer than 5 minutes. That rule is constantly being violated, and I hope the President of the Senate, without his attention having to be called to it, will enforce that rule. The rule was made for a good purpose, in order that Senators who desire to transact business in the morning hour will not have to wait to listen to long speeches. If any Senator desires to make a speech, he should obtain unanimous consent, but he should not transgress the rule.

Mr. WHITE. Mr. President, may I express my complete concurrence in what the majority leader has just stated. I think the rule should be respected. I believe that if the rule is respected, by and large, in the length of time its enforcement will amply justify its existence.

Mr. MURRAY. Mr. President, I am in full sympathy with that rule, and have always followed it. But if I am to be precluded from making a statement in explanation of a very important piece of legislation, I shall ask to have the privilege—

Mr. BARKLEY. Mr. President, the Senator has already obtained unanimous consent to make his explanation. I made the statement which I did simply for the benefit of other Senators, and for future conduct of business.

Mr. MURRAY. Mr. President, in the history of the world, the struggle for

existence has manifested itself in economic systems that have been constantly changing. At one time western civilization was based upon the feudal manor. Then came the city and the development of handicraft industry. Then came the industrial revolution, and with it the economic system of free enterprise and the political system which we call democracy.

In America private enterprise and political democracy have developed and flourished side by side. They have contributed more to human welfare and human happiness than any previous system. The American people, therefore, want to preserve this system. They want it further strengthened and perfected so as to usher in a still greater future for our country. They know that no economic system can survive by remaining static. Times and conditions change, and our lives must change with them.

Our free-enterprise system has been subject to many improvements. Since the beginning of the twentieth century, we have enacted minimum-wage laws, we have reduced working hours, we have created unemployment compensation benefits, we have provided old-age benefits, we have guaranteed the right of collective bargaining for labor, we have corrected abuses in the security market and provided protection to investors. We have made it possible for millions of farmers to cooperate among themselves and with their Government in matters of land use, soil conservation, production, and prices. When these laws were first proposed they were attacked and it was charged that they would undermine our system. But after these laws were put in operation they were recognized as necessary to the strengthening of business enterprise, and today no one would dare to propose their repeal.

While we have been improving and strengthening our economic system of free enterprise throughout the years, we have as yet been unable to control the violent economic fluctuations which have resulted in periodic mass unemployment.

During the nineteenth century we had the western frontier, which acted as a safety valve in times of depression. Furthermore, it permitted constant expansion. We aided this expansion through the enactment of the Homestead Act, the Railroad Land Grant Act, and the mineral and mining laws, which threw open the public domain to exploitation and development. As early as 1816 we began to enact tariff laws deliberately designed to protect and foster business rather than for revenue. Through the pension system following the Civil War, we increased the capacity of our population to consume the newly developed riches and thereby, in turn, provided additional incentive for further expansion.

Expansion is the essence of our capitalist system. But today, when there is no longer any frontier in the geographical sense, we must think of strengthening our free competitive economy by expanding it from within. Today our new frontier is in our back yard in every State and city of the country. Today we must again attempt to foster economic expansion through wise laws, just as we

did when we enacted the Homestead Act and the other measures which helped develop the West.

If, after the war, we fail to expand, America will once again be visited with another great depression. And another serious depression would mean millions of disillusioned and jobless men would have little interest in the maintenance of a system which offers so little in the way of good living conditions. It would give birth to strong political pressures against such a system.

There are some in this country who have lost faith in capitalism. It is up to us in the Congress to stop this trend. I have a stubborn and abiding faith in the principle of private competitive enterprise and in the necessity of making our system work. I have confidence that we can succeed in finding a way to eliminate its principal weakness—periodic mass unemployment.

The full employment bill which we are proposing here today is a bill to help make free enterprise work. For unless we make it work, unless we can make it operate so as to avoid the wild fluctuations that have characterized our economy in past years, capitalism will be threatened in America and throughout the world. Already, before the war, three of the largest nations in the world had abandoned it, and many other nations were preparing to emulate their action.

There are some today who dread lest America be converted to socialism, communism, fascism, or some other ism such as those that have taken root in other countries. I say to them—let us make our system of private competitive enterprise work so well here in America that other countries will seek to imitate us. Other nations follow our lead in technology—in mass production methods of making steel and of fabricating automobiles and airplanes. Why should we not progress to the point where they will imitate us in the field of economics also?

Why can we not take the lead in remedying the weaknesses that have developed in our capitalist system? Why can we not set an example here for all the peoples of the world by affording the fullest possible opportunity and encouragement for private initiative and ending chronic unemployment? Why can we not demonstrate to the world that it is possible to have the highest standard of living without abandoning our cherished political freedoms?

My colleagues, who have joined me in sponsoring this bill, the distinguished senior Senators from New York, Utah, and Wyoming, have to their credit some of the most valuable and constructive social and economic legislation on the statute books of the Nation. They have served their country well as chairmen of important committees of the United States Senate, and their broad understanding of economic and social problems is well recognized.

As chairman of the Temporary National Economic Committee, the senior Senator from Wyoming has made a historic study of the operations of the American economy. In the final report of the Temporary National Economic

Committee in March 1941 he made the following prophetic statement:

The termination of the war effort, putting to an end, as it may very suddenly, the industrial activity now gaining tremendous momentum, will bring with it problems more critical and more fraught with danger than those which followed the collapse of 1929. Unless the democratic society of America shall have prepared in advance for this hour there will be no alternative except Government action, which will necessarily be as inconclusive as the action which has heretofore been taken. The unsolved problems of post-war depression will be heaped upon the unsolved problems of pre-war depression and it is difficult to say how, in these circumstances, democracy can survive unless democracy prepares for peace now.

The distinguished senior Senator from Wyoming concluded his statement by stressing the need of finding "a formula for stimulated production under the impetus of peace rather than war."

My colleagues and I believe that the full-employment bill provides a method of achieving the desired volume of peacetime production within the framework of our democratic political institutions and of our economy of free enterprise.

In the past we have made many attempts to grapple with the problem of unemployment. But we have lacked the essential weapons to deal with this problem effectively. We have never had a consistent and openly arrived at national policy on employment. We have never had a businesslike method of appraising the operations of our economy and our Government. We have never had a real understanding of the economic responsibilities of the President, as Chief of the executive branch, and of the Congress of the United States.

The proposed full-employment bill supplies us the three elements we have lacked in the past.

First. It establishes a national policy on the maintenance of employment opportunities:

Second. It creates a budgetary system to appraise the operations of both the national economy and the Government.

Third. It defines the economic responsibilities of the President and the Congress.

These three elements, when added together, provide the opportunity for full and wholehearted cooperation between industry, agriculture, labor, State and local governments and the Federal Government—the cooperation which is essential to our hopes and plans for a stronger and better America.

I shall discuss each of these points briefly.

NATIONAL POLICY ON FULL EMPLOYMENT

The bill declares that it is the policy of the United States to foster free competitive enterprise and to assure the existence at all times of sufficient employment opportunities for all Americans who have finished their schooling and who do not have full-time home and family responsibilities. The bill recognizes that these Americans are entitled to opportunities for "useful, remunerative, regular, and full-time employment."

The right to a job does not mean guaranteeing John Jones a given job carrying a set salary and a definite social standing. It is not the aim of the bill to provide specific jobs for specific individuals. However, I believe nobody will deny that our economic system of free enterprise must offer 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."

Full employment is not a static condition. It depends upon changing national trends, population growth, changes in school age or retirement age, the number of persons serving in the armed forces, the number of hours worked, and similar factors which change the size of the labor force.

Furthermore, full employment does not mean that there should be at any given time no unemployment at all. Our economic system requires flexibility, which means that at all times a minimum amount of unemployment is unavoidable. Technological advances, the desire to shift to other work, seasonal changes in production, or other circumstances cause what is known among economists as short-run frictional unemployment. As conditions change, the volume of this relatively small amount of frictional unemployment will also change.

The responsibility of the Government with regard to full employment is clearly stated in the bill. I quote from the declaration of policy, as set forth in the bill:

In order to assist industry, agriculture, labor, and State and local governments in achieving continuing full employment, it is the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment through private and other non-Federal investment and expenditure.

To the extent that continuing full employment cannot otherwise be achieved, it is the further responsibility of the Federal Government to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment.

This policy is in accord with the philosophy recently expressed by an outstanding political leader. I quote:

Government's first job in the peacetime years ahead will be to see that conditions exist which promote widespread job opportunities in private enterprise . . .

If at any time there are not sufficient jobs in private employment to go around, the Government can and must create job opportunities, because there must be jobs for all in this country of ours.

This statement was made in San Francisco on September 21, 1944, by the Republican candidate for the Presidency of the United States, Gov. Thomas E. Dewey.

In the same speech, Governor Dewey emphasized the responsibility of government, in the following words:

Yet, if there is one thing we are all agreed upon, it is that in the coming peacetime years we in this country must have jobs and opportunity for all. That is everybody's business. Therefore it is the business of government.

In this connection I should also like to quote from an editorial from a leading American business magazine, pointing out the Government's responsibility on employment so clearly that it has been imprinted upon my mind ever since. The editorial reads:

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.

This editorial appeared in the June 1938 issue of Fortune magazine, and I obtained unanimous consent to have it printed in the CONGRESSIONAL RECORD during 1938.

A BUDGETARY SYSTEM

The bill sets up a national production and employment budget to help appraise the extent to which the total demand for goods and services is sufficient to assure the productive employment of those who are willing and able to work.

This national production and employment budget differs from the ordinary budget of the Federal Government in that it includes not only investment and expenditures by the Federal Government, but also investment and expenditures by all groups in the country: Consumers, business, State and local governments, and the Federal Government. The sum total of all these expenditures adds up to what the economists call the gross national product or the gross national income. This total expenditure for goods and services is the generally accepted measurement of our Nation's total economic activity.

When the aggregate volume of expenditures by consumers, business, State and local governments, and Federal Government is equivalent to the volume needed to guarantee full employment, this national production and employment budget is regarded as balanced. If there is a deficiency of total expenditures, the result will be unemployment.

The purpose of this new budgetary system is to provide a businesslike way of appraising:

(a) The number of jobs needed over a given period to provide full employment;

(b) The total of consumer-business-Government expenditures required to provide that number of jobs;

(c) The prospective volume of investment and other expenditures by consumers, business, and Government, including expenditures in our foreign trade;

(d) The fiscal or other programs required to encourage additional private employment, if necessary; and

(e) Whatever program of Federal investment and expenditure may be required as a last resort to make up the difference between the total required expenditures and the total that is likely to prevail without additional Federal investment and expenditures.

This procedure is not only businesslike and logical, but it is also conducive to drawing upon all segments of our economy for their maximum effort.

A FRAMEWORK OF RESPONSIBILITY

The responsibility of the President under the bill is to report to Congress, at the beginning of each regular session, on the extent to which the economy is providing jobs for all. This report might be regarded as an essential part of the state of the Union message. If he finds that there is unemployment or that there is the danger of unemployment, he must transmit his program for assuring full employment through stimulating private enterprise and through necessary Government programs, together with recommendations for such additional legislation as he deems desirable.

Congressional responsibilities are also defined.

At the present moment, unfortunately, there is no single body within either House of the Congress which has the responsibility of considering in a comprehensive manner either:

First. The general contents—with respect to taxes, appropriations, and borrowings—of the regular Federal Budget; or

Second. The relationship between the regular Federal Budget and the national economy.

For example, both Houses of Congress have just received the President's proposed Budget for the coming fiscal year. The Appropriations Committee will study the Budget's proposals for individual agencies. The Finance Committee will study the revenue aspects of the Budget message. But no committee will study the Budget message as a whole, or its relation to our national economy.

The full-employment bill sets up a joint committee to make a detailed study of the national production and employment budget transmitted to Congress by the President. This committee, called the Joint Committee on the Budget, is to be composed of 16 Members of each House, chosen in such a manner as to reflect the relative political strength of the major political parties.

By March 1, at the very latest, this committee would be expected to report to both Houses of Congress a joint resolution setting forth a general policy with respect to the National Budget for the next fiscal year.

Consideration of the joint resolution would mean an annual debate, in both Houses, on national economic policy. The resolution could then be amended in any manner that the majority of Congress might determine to be appropriate. As finally agreed to, it would serve as a general policy framework within which the individual committees of Congress could work on individual appropriation acts, revenue acts, and related measures.

These provisions go a long way toward restoring Congress to its rightful place as the policy-determining branch of the Government. And this is done in a way which provides for active interplay between the Congress and the Executive, a way which makes the two branches of the Government really coordinate. The bill avoids both the danger of delegating excessive power to the Executive, and the danger of involving Congress in administrative determinations.

I should like to point out that the bill aims at eliminating business uncertainty over the Government's fiscal policies. Business cannot plan effectively for full employment without knowing the Government's plans. This requires advance knowledge and open discussion of the Government's plans, and reasonable con-

sistency and stability in the administration of the Government's program.

For example, revenue measures are often enacted only a few weeks before they are to become effective. This, I submit, does not give the businessman sufficient time to consider the Government's tax policy in relation to his own plans for future investment. Under this bill it would be easier for Congress to develop its fiscal policies in a unified manner, and to enact both revenue and appropriation measures before the beginning of each fiscal year.

TYPES OF NATIONAL BUDGET

The full employment bill recognizes that we live in a world of changing conditions and changing requirements in national economic policy. For that reason, it provides no fixed proportions of the National Budget to be supplied by consumers, business, or Government. In certain circumstances, Congress may find it desirable or necessary to provide:

First. A National Budget that emphasizes increases in consumers' expenditures; or

Second. A National Budget that emphasizes increases in the capital outlays of business; or

Third. A National Budget that emphasizes increases in Government expenditures.

Naturally there could be all degrees of difference between these three general types, as well as combinations of any types.

In other words, the Government's program could aim at balancing the national economy through measures to increase consumers' expenditures, through measures to increase capital outlays of business, through increased Government expenditures, or through a combination of those methods.

There are some who think that the major emphasis in our post-war economy must be upon Government expenditures. There are others who say that this means deficit financing, and that deficit financing would lead to a planned economy or to national bankruptcy. They, in turn, propose that the Government do everything in its power to give a green light to business and heighten the confidence of private investors so that the major emphasis in the post-war period would be upon increased capital outlays of private enterprise.

It is my own personal opinion—and I have stated this before on the floor of the Senate—that the royal road to prosperity is high wages, low prices, and a tax system that is unequivocally based upon the ability to pay and the encouragement to produce. It is my belief that in this way, with only moderate Government expenditures for desirable Government services, we could achieve a more equitable distribution of the national income. It is my conviction that this improved distribution of the national income would give us an unprecedented expansion in consumers' expenditures and a vigorous, though not excessive, expansion in the capital outlays of business.

But my personal opinion on how the national economy might best be balanced is not relevant to the question of how it would be balanced under this bill. The

specific National Budget that would result in any given period would be determined, not by the operations of any one individual or any one group, but on the basis of that active interplay between all groups and all our political leaders which is the very essence of the democratic process in our democratic America.

NEED FOR ACTION

A few weeks ago, Dr. Gallup's interviewers went around the country asking people whether they thought that there would be enough jobs after the war. Sixty-eight percent thought that there would not be enough jobs. The younger people of the country were even more pessimistic than their elders; 73 percent of those between 20 and 30 years of age thought that the outlook was black.

What Senator would stand up and say that the people of this country are mistaken in their beliefs? Who is there who, on the basis of what has thus far been done in the field of post-war planning, would be willing to predict that there will be jobs for all after this war?

We all know that during the war we have transformed our economy into an economic skyscraper of breath-taking magnitude.

We all know that when war-production contracts are withdrawn, the danger will be that the entire edifice will topple over.

We all know that while the end of the war may bring with it 6 to 18 months of an inflationary boom, the long-term threat is a deflationary collapse.

Unless an economic substitute is found for war contracts, we face mass unemployment in this country of a magnitude which could easily surpass anything that was dreamed of during the last depression. Thus far, we have not found that substitute.

This country cannot afford again to go into a depression such as we experienced in the 1930's. It would be extremely dangerous to do so. Mass unemployment would mean discontent, disunity, and an irreparable loss to our Nation in terms of both physical wealth and moral well-being.

Still more appalling, an unemployment crisis in America would spread like wildfire throughout the world. It would give us dumping, higher tariffs, export subsidies, blocked currencies, and every other new and old type of economic warfare. And this, I submit, would inevitably wreck our plans for an effective international security organization, turn back the clock of progress, and plunge us into another holocaust of blood, suffering, and chaos.

We here in Congress have it in our power to take effective action now to reassure the people of America that mass unemployment shall not happen again.

We have it in our power to make full employment the cardinal principle in our domestic economic policy.

We have it in our power to make full employment in America the keystone of our economic relations with the other countries of the world.

BOTH POLITICAL PARTIES FOR FULL EMPLOYMENT

In principle, both of our major political parties are agreed that this must be provided.

In Chicago, on October 28, 1944, President Roosevelt stated that "every American, able to work and willing to work, has the right to a useful and remunerative job." To make this right effective he promised America 60,000,000 post-war jobs.

In Seattle, on September 18, 1944, Governor Dewey, the Republican nominee for President, made the following statement:

We must have full employment. * * * Those who come home from the war and those who have produced for war—all our people—have earned a future with jobs for all.

The full-employment bill, I submit, provides the instrument whereby the political parties can make good on their common aspirations for post-war full employment.

NEED FOR CONSTRUCTIVE DEBATE

Of course, some Members of Congress may disagree with the sponsors of this bill. That is how it should be in a democracy. Sound legislation can be developed only by clarifying the differences between conflicting schools of thought. The sponsors of this bill, therefore, welcome criticism. We welcome debate on alternative methods of assuring post-war full employment.

But let it be constructive debate. Let it not be like the writings of some editorialists and columnists who, in their pontifical infallibility, have thrown up their hands in horror at the full-employment bill—and have then offered no constructive proposals of their own.

The United States Senate has been called the greatest deliberative body in the world. On this issue of full employment, at a time when democratic institutions are under attack in one country after another, the opportunity exists for the Members of the Senate during the Seventy-ninth Congress to demonstrate that we really are the greatest deliberative body in the world, and that we have the capacity to bring forth constructive legislation fully commensurate with the needs of our country.

I have faith in the Members of this body. I know that they will take advantage of this opportunity. I know that if any Senators arise to take issue with the principles set forth in the full-employment bill, they will realize that, as Members of this great deliberative body, and as influential leaders of public opinion, they are under obligation to offer alternative proposals of their own. If such proposals indicate the need for changes which are practical and realistic, they will undoubtedly win the support of this body.

Every two decades, for the past 100 years, we have been plagued by a boom and a major depression; and every decade has brought forth new explanations as to the causes of the business cycle and new remedies. But there is one fact upon which all are agreed, namely, that fear of a depression tends to lead us inevitably into a depression. When business, agriculture and labor fear unemployment, they make plans to adjust themselves to unemployment. When their daily actions are based upon such

plans, then we are doomed to have unemployment.

Whatever program we adopt, therefore, let us act without delay.

Let us have courage and be decisive in our efforts. Let us not be swayed by fear of our inability to determine our own destiny.

Let us not wait until millions of men are walking the streets looking for work before we do something about post-war employment.

Let us act now, through the regular legislative processes as set forth in our Constitution, to provide our businessmen, our farmers, and workers, and, above all, our 11,000,000 soldiers and sailors, with confidence in the future of American enterprise and American democracy.

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

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Ohio?

Mr. MURRAY. I yield.

Mr. TAFT. Is the bill which the Senator introduces substantially the same as that which was printed in the New York Times 2 or 3 weeks ago?

Mr. MURRAY. No; it has been greatly improved as the result of constant study and contact with the experts of the Treasury Department and experts of the Federal Reserve Board and of various other Federal agencies.

Mr. TAFT. Does the Senator intend that the bill shall be referred to the Committee on Education and Labor?

Mr. MURRAY. No; I shall ask that it go to the Committee on Banking and Currency.

Mr. TAFT. Mr. President, I might say that if the bill is as I have understood it to be described its philosophy is so completely at variance with my whole idea of the American system that I made a brief address analyzing the bill on Thursday night, which was inserted by me in the RECORD today, and I hope that those who read the speech made by the Senator from Montana today will do me the favor of reading the speech which I made on the bill. I think we have here a fundamental difference. I agree fully with the Senator from Montana on the importance of the subject, but I believe very strongly that the remedy which he has suggested is absolutely dangerous and incorrect.

Mr. MURRAY. Mr. President, I appreciate the attitude of the distinguished Senator from Ohio.

Mr. O'MAHONEY. Mr. President—

Mr. MURRAY. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire to ask the Senator from Montana if he has suggested that the bill which he has just introduced be referred also to the Committee on Post-war Economic Policy and Planning?

Mr. MURRAY. It is my intention, and I am now in the process of preparing a copy of the bill, with an explanation of it, and will ask consent to have it sent to the Committee on Post-war Economic Policy and Planning.

The PRESIDENT pro tempore. The Chair will state that that committee has

no power to report the bill. It could be referred to that committee for the information of the committee, of course, but not for the purpose of having a report submitted.

Mr. MURRAY. That is exactly what I had in mind.

Mr. O'MAHONEY. Mr. President, I was about to say that I am very happy the Senator has done that. As I understood him, he asked that the bill be referred to the legislative Committee on Banking and Currency. In view of the fact, however, that this measure deals with a fundamental policy of greatest importance, and in view of the further fact that the committee of which the distinguished Senator from Georgia [Mr. GEORGE] is the head has been set up by the Senate to study post-war economic policy and planning, it is of the utmost importance, I think, that that committee should participate in the study. The cooperative action of the Post-war Economic Policy and Planning Committee with the legislative committee on matters of such far-reaching importance could not fail to be beneficial to all concerned. The Senator from Montana has, on numerous occasions, consulted me—and I feel grateful to him for so doing—with respect to the underlying plan of this bill. I feel that the study which can be given to it by these two committees cannot fail to be helpful.

UTILIZATION OF MANPOWER IN GOVERNMENT PLANTS—REPORT OF SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. MEAD. Mr. President, from time to time the Special Committee to Investigate the National Defense Program and later the war program has made reports to the Senate, and particularly on occasions when it was apparent that some major problem was holding up the war effort. It will be recalled that the committee reported to this body on the necessity for complete conversion to the war program. We reported on the matter of the recruitment and training of personnel for the war effort. We reported to the Senate on the question of eliminating bottlenecks and material shortages. Now I wish to discuss with my colleagues of the Senate the apparent need today of the proper utilization of manpower in Government plants, the navy yards, and arsenals.

Our committee is making an investigation, as quickly and as widely as our personnel will permit, and today I wish to discuss particularly what the committee saw at a nearby navy yard.

It is my duty, Mr. President, to reveal to the Senate what I believe to be an alarming condition. A subcommittee of the war investigating committee last week visited the Norfolk Navy Yard. I might say we visited several other navy yards as well, and reports on them will be forthcoming shortly. What we learned in Norfolk is, I believe, disturbing and, I think, most significant.

The armed forces have long painted a gloomy picture of their civilian labor needs. Program after program on the "must" list is described as short of labor.