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United States Senate

COMMITTEE ON NAVAL AFFAIRS

M. E. GALLAGHER, CLERK

February 9, 1946

Mr. Amon G. Carter, President
Fort Worth Star-Telegram
Fort Worth, Texas

Dear Mr. Carter:

Thanks very much for your letter of January 25 and for the copy of the telegram which you sent me. I was very glad to receive a copy of the wire.

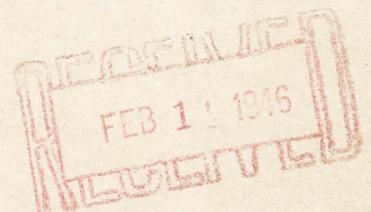
I am enclosing copies of a couple of speeches which I have given recently on the labor issue. I think you may be interested in reading them.

With kindest regards,

Sincerely yours,

Wayne Morse

WM/kd
enc.



the millers, are left without grain to keep their plants going.

Mr. President, the grain farmer and the grain trade supply not only the feed for practically all the livestock of this country, but they are the basis of the baking industry and the staff of life itself. I am sure every Senator appreciates as well as I do the extreme importance of preventing control of our bread supply from passing into the hands of black market racketeers. Since this problem seems to be getting beyond the control of the OPA, I am asking that the Senate take immediate action. I should like to emphasize that unless the investigation is begun immediately, it may be too late.

There being no objection, the resolution (S. 223), submitted by Mr. BUTLER, was received and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation with respect to black-market operations in connection with agricultural commodities. The committee shall report to the Senate at the earliest practicable date the results of its investigation, together with such recommendations as to necessary legislative or other action as it may deem desirable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, book, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate vouchers approved by the chairman of the committee.

JOURNAL OF THURSDAY, JANUARY 17,
1946

Mr. MORSE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. CHAVEZ. I yield.

Mr. MORSE. Am I correct in my assumption that the Senator is about ready to make a motion to recess until Monday at 12 o'clock?

Mr. CHAVEZ. Yes.

Mr. MORSE. If the Senator will permit me, unless there is objection, I should like to set forth one or two or three reasons why I think the Senate should not adopt such a motion at this time. As I have said recently at the close of many sessions of the Senate, I am perfectly well aware of the fact that for me to attempt to prevent the adoption of such a motion is hopeless, because I am well aware that I would be overwhelmingly outvoted if I should call for a quorum. I do not propose to indulge in parliamentary discourtesy by calling for a quorum in order to get a majority of the Senate to return to the floor in order to cast the

vote in favor of a recess, which I well know Senators would cast.

However, as a Member of this body I cannot leave the Chamber tonight without stating for the RECORD how serious I think it is, from the standpoint of the national interest, for the Senate of the United States to recess over the weekend while at the same time the people of the United States, in my judgment, are facing one of the greatest domestic crises in all the history of this Nation.

I do not think we can afford to ignore what is happening in America today. In my opinion the Congress of the United States has upon its shoulders the grave responsibility of devoting long and many hours to the affairs of state in the hope that we can avoid a possible economic catastrophe in this country.

I wish to mention just one or two of the problems confronting this country to which I think the representatives of the people should give long hours of service in an endeavor to help secure some equitable solution of them.

I happen to be one who believes that the Truman administration to date has completely failed to solve, in an effective way, any of the great labor-industrial relation problems facing the country. What is spreading over the country in effect, if not in fact, so far as the Nation's production problems are concerned? What exists today, in fact, is a creeping general strike throughout America by both labor and industry. I say that because major industry of America is becoming paralyzed.

The dangerous effects of the continuation of that economic paralysis are too awful, it seems to me, for us even to contemplate. We have reached the hour in the economic life of this country when we must have decisions and not further fumbling and muddling by this administration. The President must rise to the full responsibilities of leadership. In my judgment, we cannot afford to continue many more days in this country without some decisions being reached by all concerned so as to end the grave labor struggle that is taking place in America.

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

Mr. MORSE. I yield.

Mr. LUCAS. I am somewhat interested in the very sweeping statement my distinguished friend has made. I should like to know whether he advocates that the President of the United States take over the steel industry and all other organizations where strikes are now occurring. Would that be the decision he would make if he were President?

Mr. MORSE. If the Senator will bear with me, I think I shall cover exactly the points he has in mind, but I prefer to do it in my own way.

Mr. LUCAS. Very well.

Mr. MORSE. I say, Mr. President, that when steel is down, when General Motors is down, when the electric works of America are down, when the packing industry of this country is proceeding, as at the present time, under Government operation, when there are threatened deadlocks in the railroads, when there are rumors of great maritime strikes, when there is every reason to believe that a

pattern is being set on the part of both industry and labor for the gradual paralysis of all the major industries of this country, then it is time for a free government to recognize what the people of the country actually face; it is time for our Government to call upon labor and industry to settle these particular disputes by arbitration. Not compulsory arbitration, but by good-faith agreement between labor, industry, and Government, these three parties to these disputes should submit evidence to an impartial arbitrator to be appointed by the President, and agree that a decision on the evidence should be binding upon all concerned. These are not normal times. These are wartimes. From the standpoint of our economy we are still living in a wartime economy. It is not in the interest of the parties of the country to take advantage of these abnormal conditions for a slug-it-out battle between labor and industry.

Oh, industry and labor talk and prate about free collective bargaining and the voluntary processes for settling disputes. No man in the Senate more firmly believes in those processes than I do. They must be engaged in in good faith, and I know of no substitute for bad faith but good faith. There has been very little good faith collective bargaining in these disputes. The record shows it.

I think the leaders of labor involved in the disputes and the leaders of industry involved in them have made very clear, through many witnesses appearing before the Committee on Education and Labor in recent days, that so far as they are concerned they intend to settle these disputes by resort to economic war. The country cannot afford that, the parties cannot justify it. Neither is it in their own self-interest. Such an economic war under prevailing abnormal economic conditions will not be in the interest of either labor or industry. When witness after witness testified, as they have before the Committee on Education and Labor, that collective bargaining has broken down, that mediation has failed, that fact finding has not produced the results intended by the President, then I say it is the duty of government to act, not by way of compulsion unless we have to come to that under the law of national necessity but by way of urging voluntary arbitration. I want the Senator from Illinois to keep constantly in mind that the major premise from which I argue is that if in fact we are confronted with a creeping paralysis of our economy so that the economic results amount to a general strike on the part of both industry and labor, then a representative Government must exercise its ultimate powers under the law of national necessity. But first it seems to me that we ought to exhaust every possible voluntary procedure that we have for the settlement of these disputes, and I say those procedures have not been exhausted to date.

I want to repeat what I said in the Committee on Education and Labor as a matter of official record. I say that whether he willed it or not, the fact is that the President is deeply involved in

these cases. He did step into them, and I think properly so. He has made certain suggestions. He has been in conference with the parties. He has made certain recommendations. Now I say that the President should not walk out on this situation and adopt a hands-off policy. In my judgment he has got to take the next step, and that is to make it perfectly clear to the leaders of labor and the leaders of industry who are engaging in this economic civil war that not only their welfare, but, the more important thing, the welfare of this country cannot permit a prolonged continuation of this economic civil war between labor and management in the country's major industries.

Mr. President, in the last analysis these disputes must be settled by somebody's judgment. Maybe it will be Charlie Wilson's judgment in the General Motors case, if he can succeed in beating down labor in that case, or maybe it will be the union's Thomas' judgment if it succeeds in prevailing over General Motors. But, oh, at what a cost to all concerned, including the general welfare of the country. I say the parties have demonstrated, as I have told them in the hearing room, that we cannot count on them for a fair exercise of judgment in the solution of these critical strikes, because they are men who now have now locked themselves together in a deadlock. It is an emotional deadlock. Anger, not reason, prevails to a too great degree. Their attitude is, as far as industry is concerned, "You either take the wages we offer or else," and labor says, "You give us the wages we demand or else." It is a production strike by both industry and labor.

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

Mr. MORSE. I yield.

Mr. HICKENLOOPER. I have been extremely interested in the Senator's discussion because of his intimate and very profound knowledge of the broad subject about which he is talking. I should like to ask him whether there are not two phases to this whole industrial and economic problem. One is the problem of reasonable and equitable wages and working conditions for labor. The other is the problem of latitude of management to operate within the sphere of economic conditions in our whole national economy. In other words can we put controls upon the exercise of management in its sphere and meanwhile dictate to management what it must do in the question of the economics of labor? Can we hold prices at an arbitrary level but give a free hand and free rein or a free field in the cost field of that business?

Mr. MORSE. I think that is a very pertinent and vital question, and, may I say to the Senator from Iowa, those factors are involved in the picture, and many more, and I want to address myself to those factors as I proceed. I quite agree with the implications of the Senator's question, namely, that we are not dealing here with a labor struggle under normal economic conditions. We are dealing here with war conditions. The war is not over as far as the economic life of this country is concerned. It will

not be until two great threats are removed: The threat of inflation, and this great threat of scarcity of goods which makes it impossible for competitive factors to function in their normal way.

Mr. HICKENLOOPER. Mr. President, will the Senator again yield?

Mr. MORSE. I yield.

Mr. HICKENLOOPER. That is the point I hope the Senator would bring out; that we are not permitting genuine collective bargaining between labor and management to operate, because our economy is today compelled to operate with restrictions thrown about it arbitrarily under the conditions and situation of war and the stringencies incident to recovery.

Mr. MORSE. That is why I have emphasized, and shall continue to emphasize as I discuss from time to time this problem in the Senate, that we are not dealing in this period of our national life with normal economic conditions under which these forces of collective bargaining, mediation and conciliation can function effectively. They cannot do it as long as we find it necessary to maintain needed controls over prices and distribution of scarce and vitally needed goods.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for one more question?

Mr. MORSE. I yield.

Mr. HICKENLOOPER. In other words, in a normal peacetime competitive economy the question of wages or working conditions comes up for settlement and decision. In considering the question in a normal peacetime competitive economy management can calculate what prices it must get, what enlarged outlets perhaps increased production will give it, and all similar factors, and thereby have freedom on the one side to deal, and labor can have freedom on the other side to deal in a free open competitive collective-bargaining system. Today those general economic conditions do not exist to permit that latitude.

Mr. MORSE. The Senator is right. Those are all factors which must be taken into account.

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

Mr. MORSE. I yield.

Mr. WHERRY. Would the Senator advise terminating the emergency period, and eliminating controls so that we could have free collective bargaining, let us say, at some date in the future, 60 or 90 days, or does the Senator feel that we should continue to operate under the controls which exist because of the wartime emergency?

Mr. MORSE. For the time being it is the opinion of the Senator from Oregon that we should continue the emergency controls. They are necessary to check inflation. They, however, should be adjusted quickly as production reduces the scarcity of goods.

Mr. WHERRY. Then does the Senator think we should have control of prices and control of production under the one hand?

Mr. MORSE. Yes; and that is why I make the plea that we should lay aside for the time being the use of economic weapons which are being used by labor

and management in trying to win positions of advantage in these disputes. The Government owes it to the parties to agree upon a definite price policy for the next 12 months, and then the disputes should be arbitrated under that policy. If, in a given case, a price increase is necessary in order to allow a fair wage, it should be granted.

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

Mr. MORSE. I yield.

Mr. LUCAS. The distinguished Senator from Nebraska propounded practically the question I wanted to ask the able Senator from Oregon. As I gathered from the colloquy engaged in between the Senator from Iowa and the Senator from Oregon, the Senator from Oregon was not in favor of the elimination of all controls. I understand that that is not the position taken by the Senator from Oregon.

Mr. MORSE. Quite the opposite is the position of the Senator from Oregon. What the Senator from Oregon is trying to make clear, as far as his personal view is concerned, is that we must decide these disputes without resort to economic force. There are three parties to these disputes, industry, labor, and the Government. The Government cannot take the attitude which I think too many of our officials have been taking, that they do not have an interest in the actual settlement of the disputes themselves. I think the Government has a vital interest in the settlement of these disputes. If we can only get steel settled that would break the log jam, and I think maximum production would be on its way. But I want to see steel settled by way of a full disclosure of all the evidence involved in the dispute—a full disclosure by labor, management, and Government.

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

Mr. MORSE. I yield.

Mr. LUCAS. I regret that I must leave the Senate Chamber shortly, and will not be able to listen to the further remarks of the able Senator.

I should like to make this one observation, however, before I leave. I disagree with the Senator in his condemnation of the President of the United States for his failure to bring order out of the economic chaos that now exists. I doubt if any man could have done more than President Truman has in an honest, sincere effort to bring labor and management together. There is still time. I am not a pessimist at all respecting the situation at the present time. I never have been a pessimist in my whole life. I am a confirmed optimist about America and her future. I know that the conditions at this particular time are strained and that the economic chaos which exists is not for the best interest of the greatest number, but I am certain, Mr. President, that within a reasonably short time the underbrush will be removed and that this country will be on its way to a financial boom the like of which has never been known in any period of peace in the past.

I wish these strikes might be settled now, and I agree with the able Senator from Oregon that labor and management are both to blame, so far as I can

see by reading the actual lines and reading between the lines.

I do not know what more the President could have done. I should like to have the Senator tell the country what he thinks the President of the United States ought to do, more than he has done, and whether or not he believes that the President should take over steel plants and every other industry throughout the country in which strikes are now occurring. If he does that, I know that the same group that has cried "dictatorship" ever since I have been in Congress will again raise the same cry. They have talked about the totalitarian powers which the administration wanted, and expected some day to seize. The same hue and cry will come from the lips of those who now condemn the President of the United States for not doing something. They will say, "The time has come when the New Deal administration"—which is still condemned on the floor of the Senate—"has seized the opportunity to take over and become the real dictator of this country."

Mr. President, there is no more dictatorship in the mind of the President of the United States than there is in the mind of any Member of the Senate. Everyone knows that to be true; but what I have suggested is exactly what would happen.

The President may be compelled, in the best interests of the greatest number, to take over the steel industry, because, as steel goes, so goes the Nation. So far as consumer goods are concerned, we cannot get along unless we have steel.

Today the President of the United States is laboring under the most difficult conditions which ever confronted any man who sat in the White House. He was catapulted into that position overnight through the death of the late great President Roosevelt, bringing upon his shoulders the most tremendous burdens ever assumed by any man who ever went into that high office. Knowing him as I do, I am not going to condemn him. I think he has done everything that any reasonable man could do in the way of settlement of strikes. Some say that he should never have intervened in the beginning. There are those who say that he should not have called the labor-management conference last December. Some say that he should never have intervened, but should have permitted collective bargaining to run its course. I do not know. I confess that I do not know exactly what should be done; but I have faith in my country, in the leaders in Congress, and in the President of the United States and his advisers. I believe that ultimately they will solve these problems.

I know that there are some who condemn the advisers of the President. That is always done in the case of every President, and it will continue to be done in the future, regardless of who is President. But I take off my hat to a real American, a man who comes from the section of the country where I live, a man who every Member of the Senate knows to be a real, true, hard-hitting, honest-to-God American. He is sitting there hour after hour, day after day, and night after night, working overtime in

an attempt to solve these problems and do the best he can with the best available advice. America has never failed, either in peace or war, and she will not fail this time. Some of these days we shall be out of this mess, and happiness and prosperity will be here again, notwithstanding what critics say to the contrary.

I thank the Senator from Oregon.

Mr. MORSE. I am very glad to have the Senator's remarks. I always find the Senator from Illinois very persuasive. I marvel at the fine job he does when he finds it necessary to rise on the floor of the Senate and defend the administration. I think the administration is very fortunate to have a Member of the Senate who is so ready to defend it. But in this instance I find the Senator most unconvincing.

Nothing the Senator from Illinois has said can change the record of this administration in the field of labor relations. It is a record of vacillation, confusion, and failure. The labor situation in America today is all the proof I need to cite as to the failure of this administration to develop a reconversion program. The tremendous shut-down of industry from which the country is suffering is so unnecessary, and would not have occurred if the administration had developed a coordinated reconversion policy and not a program of vacillation and departmental conflicts.

Just look at the jurisdictional disputes within the Government in the field of labor relations. We need go no further to find part of the cause of the great difficulty confronting us in the field of labor. When we talk with leaders of labor and of industry what do they say, almost unanimously? "We do not know from day to day what this administration's policies are. We think they are one thing today, and tomorrow we find that they are completely reversed." There is no leadership in the administration so far as labor disputes are concerned upon which we can count for a consistency of policy.

I return to my major thesis. These disputes must be decided. The Senator from Illinois [Mr. Lucas] refers to the labor-management conference. Certainly I think there should have been a labor-management conference. It should have been held much sooner than it was held. When I was a member of the War Labor Board we used to talk at great length about the manifold problems which would face us when reconversion was upon us. I say that this administration should have planned for that reconversion period long before VJ-day. The labor-management conference should have been held at a much earlier date, and when it was called the Government should not have walked out on it. That is what happened. The Government walked out on the conference.

The Government is a very important party to the labor-relations program which is to prevail during the reconversion. The advice and the negotiating help of Government officials in the determination of policy by that conference were needed throughout the conference. I have talked with members of the conference. Many of them say that one

reason the conference failed, among many other reasons, was that the members of the conference did not know what the governmental policy was going to be. The Government ran away from the wage and the price issues. The conference was really called upon to set a labor pattern for a reconversion period which was still a war period, and will continue to be a war period until the danger of inflation is past and the problems of maximum production are solved.

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

Mr. MORSE. I am glad to yield to the Senator from Connecticut.

Mr. McMAHON. I presume the Senator is speaking about the ill-fated labor-management conference?

Mr. MORSE. That was my last reference.

Mr. McMAHON. I think the Senator will agree that that conference was called for the purpose of seeing if industry and labor could not meet on common ground and recommend a policy. I was not aware that it had been called together to be dictated to by the Government of the United States. It was my conception of it that the Government called a conference of the two parties for the purpose of seeing whether or not they could come forward with a joint declaration of policy which would have been satisfactory to all the people of the country.

Mr. MORSE. I am very much interested in hearing the Senator from Connecticut, as well as the Senator from Illinois [Mr. Lucas], express great fear of governmental dictation in the field of labor relations, especially when we pause and recognize the part that Government has had to play in the field of industrial relations under the law of national necessity during the entire war. The time for such governmental functioning has not passed, and it cannot pass, as I stated earlier in my remarks, until economic laws can work under normal conditions. The Government has a very vital part to play in the reconversion labor policies of this country. What I wish to avoid, if I can help to avoid it, is governmental control of industry. Government seizure and operation of industry must be avoided, but Government cannot permit a general stoppage of production in America because of Government's failure to adopt reconversion policies that permit of production at a fair wage and a fair profit.

But we cannot have a settlement of these disputes, as the Senator from Iowa [Mr. HICKENLOOPER] pointed out a few moments ago, until both labor and industry know what the economic policy of this Government is to be for the next 12 months, or until we reach the point where we can say, "We have whipped the danger of inflation, and we have production so operating that normal competitive factors which are the most desirable means of controlling prices under normal conditions are again at work in our economy."

As I have stated, I believe that labor leaders should be concerned today primarily with real wages, not money wages. Real wages will determine the standard of living of labor. If we continue, to try to tie wages to changes in cost of

living, that formula will only feed an inflationary spiral. It will not produce increases in real wages.

So I think it is of the utmost importance that industry, labor, and the President, or representatives of the President, sit down and try to reach either an understanding as to what the reconversion wage-price policy shall be or an agreement to submit individual disputes to voluntary arbitration, with the understanding that the decision of the arbitrator will be based upon the evidence submitted to him by labor, by industry, and by Government officials who administer the economic policies of the Government. On the basis of such evidence the arbitrator should render a fair and impartial decision, with the definite understanding in advance that the decision will be accepted by industry, by labor, and by the Government.

I repeat that I think it is necessary that we have decisions today. In the interest of national security and in the interest of the perpetuation of the private property economy, we cannot justify a further continuance of economic civil war. We see about us on the Hill these days the results of the hysteria which will be intensified if this civil war continues. Ill-considered legislation will be proposed day by day, when what we need to solve these particular disputes is not legislation at all but impartial arbitration decisions.

We need fair-minded decisions, rendered by impartial men. I do not agree with Mr. Robertson, chairman of the board of directors of the Westinghouse Co., who testified this morning; nor do I agree with Mr. Charles Wilson, of General Motors. Those men say, in effect, that they do not believe they can get impartial decisions. I say that that is a sad commentary on America. It is an undeserved reflection upon our Government. I do not care who occupies the position of President of the United States. I happen to believe that whoever occupies the position of President of the United States can and will, if called upon, appoint fair-minded men who will render fair judgments in these disputes on the basis of the evidence. I wish the President would urge the parties to adopt such a procedure of their own free will. I do not think we can delay longer. I think notice must be served on industry and labor that they must submit these disputes to judgment. I think the President of the United States should ask them to come forward on a voluntary basis and submit such disputes to judgment.

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

Mr. MORSE. I yield.

Mr. McMAHON. Assuming that such a condition comes to pass and that the parties refuse to abide by the judgment or the arbitration award, does the Senator suggest that acceptance be compulsory?

Mr. MORSE. I wish to discuss that point in detail because that question raises the seriousness of the problem. I say to the Senator from Connecticut that this country cannot permit a general strike pattern throughout its economy to develop. I happen to be one of those who

believes, that a general strike or the effects of a general strike never can be countenanced by our Government. I happen to believe that when we are confronted by a general strike, either on the part of labor or on the part of industry, Government must use whatever force it is necessary to use in order to see to it that the economy of the country proceeds with production. If the leaders of labor or the leaders of industry in this country, either one or both, take the position that they will have an out-and-out civil war in an abnormal reconversion economic period in our history, then I think a serious challenge to the public interest is drawn. In the face of such a challenge I say directly to the Senator "Yes; then the Government should proceed with whatever force of Government it is necessary to use in order to see to it that innocent millions of American citizens do not have their livelihood jeopardized by such a flouting of the public interest."

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

Mr. MORSE. I yield.

Mr. HATCH. Just before the Senator from Oregon was interrupted by the Senator from Connecticut, he said that notice should be served now on the warring factions that the course of action he proposes will be taken. How would that notice be served? What authority would be behind it?

Mr. MORSE. The Senator from New Mexico was not here when I began my remarks. At the beginning of my remarks I indicated that I felt that the President of the United States should exercise that leadership and should exercise it right now. I think the President should go on the radio and tell the American people that the day of judgment has come as far as the economic life of this country is concerned, and that we have to determine now whether we are going to have these disputes settled on a fair and impartial basis or whether we are going to let the forces of labor and the forces of industry paralyze the production of desperately needed goods. Please note that I am pointing out that this is not a struggle between union A and employer B, but this production stoppage situation is fast becoming a pattern of production stoppage in America that will have the effects of a general strike if it goes on much longer.

Mr. HATCH. Mr. President, I was not critical of what the Senator was saying, but I wish to call his attention to the fact that in my opinion, instead of asking the President of the United States to take such a step, the Congress of the United States has the duty and obligation first to enact laws sufficient to give the President or some tribunal the necessary legal authority to serve the notice to which the Senator has so eloquently and ably referred.

Mr. MORSE. I have already stated that in my judgment no laws are necessary in order to settle these disputes. I believe that if labor statesmen and industrial statesmen would be told by their Government that it would sit down with them and present evidence on the basis of which impartial minds could settle the disputes from the standpoint of labor, industry, and government, there

would be no difficulty in obtaining the arbitration agreement which I propose.

I say that frankly, recognizing that Mr. Wilson, Mr. Robertson, and others who have testified before the committee have said they do not favor arbitration because they do not think impartial men would be obtained. I do not think they represent the views of industrial statesmen in America.

Mr. HATCH. Mr. President, I regret that I was otherwise detained, and thus was unable to hear all the Senator's remarks. Consequently I did not hear what he said about Mr. Robertson. But I have heard the same statement made by others. The representatives of industry do not seem to have any confidence that such a result would be obtained. I say that the Congress itself must first provide the necessary machinery.

Mr. MORSE. I do not share the Senator's views, because it seems to me that at this time we must approach the problem of labor legislation from a long-term standpoint, and if we are going to have labor legislation it should be legislation which is not devised to meet the present situation, because I do not think any labor legislation can meet this situation. But I think the President of the United States can meet it by using the prestige of his office to lead these great forces of labor and industry to a common sense arbitration approach to this problem.

Mr. HATCH. Mr. President, I would not ask the Senator to yield to me again, except for the fact—

Mr. MORSE. I am glad to have the Senator make a statement.

Mr. HATCH. That the Senator made a statement with which I am in such complete accord that I wish to state that more than 2 years ago, I favored working out long-term legislation, not with a view to meeting a particular labor situation, because I have always insisted that such legislation is nearly always bad, but because I still insist that such long-term legislation properly includes measures for a complete long-range pattern, provided for necessary machinery with which to settle these difficulties, as the Senator has indicated.

I do not wish to place all the blame on the President of the United States. He appointed a fact-finding commission, but its findings were rejected; and when the President sought to arrive at a compromise offer, that was rejected. Under existing laws the President does not have the power to do more. All he can do is attempt to proceed with arbitration, but he is powerless if his suggestions are flouted.

When Government speaks, either through the President or through an agency, it should be backed with sufficient power to make its voice effective.

Mr. MORSE. Mr. President, I have two comments to make in reply to what the Senator from New Mexico has said. The first is that at a later time I shall be very glad to discuss with the Senator, in debate on the floor of the Senate, the legislation he proposes. I think he knows that I do not find myself in agreement with him as to the soundness of such legislation.

The second point I wish to make in reply to the comments made by the Senator from New Mexico is that I feel that the President should continue to try to bring these parties to an agreement, at least to an agreement which will accept the judgment of someone whom he will appoint to render a decision on the basis of the evidence submitted by the three parties I have mentioned, namely, labor, industry, and the Government.

It is true that the President has proposed fact-finding procedures, and it is true that fact-finding proposals have not been accepted. I think the Senator from New Mexico knows it is my view that General Motors, regardless of whether it could agree with the rationale of the fact-finding report, should have accepted the monetary results of that report, and I think that steel should have done the same thing. But their reply is—and that is the matter on which I wish them to have their day in court, so to speak—that the amounts allowed by the fact-finding boards or suggested by the President in the steel case cannot be paid, because of certain governmental controls imposed upon them in regard to prices.

I think they are entitled to have that evidence presented to someone who will sit as a judicial officer, so to speak, and I am making a plea for a judicial process, as contrasted with a fact-finding process. The distinction is vital and most important, because in the fact-finding process no one knows just what will be the facts upon which the fact-finding board ultimately will base its recommendations. I think the parties are entitled to know what the arguments of Government officials are, and what evidence Government officials wish to present in regard to a given dispute.

Let me digress further in regard to fact-finding procedures. I wish to point out that sterile facts do not solve labor disputes. Facts in relation to judgments—that is, so-called value judgments—are what decide labor disputes.

Mr. President, allow me to give one or two examples. Suppose a fact-finding board finds that an employer in a given case is paying wages as low as are being paid by any other employer in the community. The typical conclusion of the ordinary person would be that he should not be required to pay any higher wage. That does not follow at all. It may follow. That may be the judgment of a judicial mind on the record taken as a whole. But that is not conclusive. We know that the struggle, the essence of the American labor movement—and why not be perfectly frank about it? The essence of the free labor movement lies in that great struggle of free men ever to improve their standard of living in an economy of private property, whereby they may enjoy a greater and greater share of the products of their labor. That, in my judgment, is the essence of the labor movement. That is a great challenge to private industry to ever improve its powers of production. To improve its efficiency, its technology, and its production methods, so that it can give free men a steadily improved standard of living and at the same time make a decent profit. As I see it, that is the

sum and substance of the so-called free enterprise system. It is a great system.

Mr. President, I try to be honest in these matters. I happen to be one who says to employers, "Quit kidding yourselves." If our American free-education system continues to spread enlightenment among all our people, it automatically follows that over the decades private industry will receive less of a profit than it receives when men are not well organized and well informed and when the wishes of consumers are not as fully developed as they will be developed as we move along in our economy to a better and better standard of living. In my labor philosophy, that theory happens to be very basic. I assert that the private-property economy will never survive in the future unless it is able to adjust itself to that constant challenge of raising, through improved efficiency of the private-property economy, the standard of living of all our people.

Mr. President, what greater purpose can a private-property economy perform for man? I think that is the challenge which industrial statesmen in this country are trying to meet and they welcome it.

But, to return to the main thesis of my statement, I assert that these disputes cannot be decided by fact-finding boards.

They must be decided by the exercise of judgment rendered by fair-minded men. This country wants a decision on the subject of steel, and on the subject of General Motors and all of the rest of the disputes. I assert that the parties involved should recognize that they must submit voluntarily to impartial judgments on the merits of these disputes. They should see that no ultimate good can be gained by continuing this knock-down, drag-out fight which is now taking place between labor and industry.

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

Mr. MORSE. I yield.

Mr. CAPEHART. I think the able Senator from Oregon has stated the case for the American private enterprise system quite clearly. I was well pleased with his statement.

My observation is that he has stated exactly what has happened in America for 150 years. Private industry has been increasing the standard of living of all its people, including labor. I well remember when, years ago, labor was receiving half what it is receiving today. My observation is that wages have steadily increased. I think that the private enterprise system has been a success. I believe that it will continue to be a success.

I do not agree with the able Senator from Oregon that the President of the United States should settle labor disputes. I do not think that it is within his province to settle them. I question very much if he has the law behind him, other than the war power authority which was given him, to settle such disputes. In my opinion, Mr. President, if anyone has failed, we in Congress have failed in that we have failed to demand the enactment of labor laws which would have prevented some of the strikes which are now taking place.

As I have already stated, I do not believe it is the duty or responsibility of the President of the United States to settle strikes, or any other problems existing between private enterprise and labor. I do not know why the President of the United States should be called upon to settle a strike or a dispute between a labor organization and a private enterprise, any more than he should be called upon to decide or to settle a lawsuit between two persons. I repeat that, in my opinion, if anyone has failed in this crisis it has been the Congress, and not the President of the United States. I believe that as soon as the Congress passes a few proper laws the entire matter will be cleared up. I have reference to the OPA and its attitude toward prices. I refer also to a couple of things which I think should be done in respect to labor. In my opinion the union should be held responsible for its contracts, just as all individual and corporations should be held responsible for the contracts entered into by them. I cannot see how any fair or honest man could object. Frankly, that is about as far as I am willing to go in connection with labor legislation. I cannot agree that the President of the United States should spend his time trying to settle labor disputes. We in the Congress should enact laws by which that can be done, and the labor organizations and private industry should live up to those laws, and do so without requiring any interference on the part of the President of the United States.

Mr. MORSE. Mr. President, I thank the Senator from Indiana for the remarks which he has made. I have two points which I wish to make in regard to what he has said, and then I shall yield to the Senator from Michigan [Mr. FERGUSON], and then to the Senator from New Mexico [Mr. HATCH].

As I have said, Mr. President, I find myself in complete agreement with the observation of the Senator from Indiana with regard to the private-property economy. I say to labor and to industry that I know of no economy which could be possible in a democracy except a private-property economy without losing our political democracy. I think that they are so connected that they cannot be separated. If we were to do away with our private-property economy we would have to substitute some form of stateism, or some form of State economy. Then our political democracy would be at an end. That is another reason why I say to labor and industry that in my judgment they should not risk the continuance of the present break-down in production. They should not risk the future of their own economic interests by resorting to economic civil war at a time when the country is faced with inflation and a great scarcity of goods.

As to the second point which was made by the Senator from Indiana, it is not my suggestion that the President of the United States should settle disputes but, instead, that he should use the prestige of his great office and say to the leaders of industry and labor, "It is time for you to submit your differences to a judgment. I am willing to offer my good offices in order to make available to you

the judicial process of impartial minds being brought to bear upon evidence which Government, industry, and labor will submit as to the merits of these disputes. It shall be understood that all parties will proceed with production upon the basis of such decisions."

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

Mr. MORSE. I yield.

Mr. FERGUSON. Mr. President, the citizens of my State are greatly interested in and concerned with this great question involving labor and management, because my State is an important one from the standpoint of industrial production. I am a great believer in the judicial process, for by it disputes can be settled by men who are not prejudiced or biased. I am greatly concerned with the question, for example, of the United States Steel Corp. The question concerning that organization is entirely different from the one concerning the General Motors Corp. In the case of the General Motors Corp., only one company is involved, whereas in the case of the United States Steel Corp., and in the steel industry generally, there are involved many separate companies. There is also involved in that situation the question of monopoly, as to whether or not arbitration or the judicial process can be applied to one company with one man at its head such as, for example, Mr. Fairless, or whether judicial process must be exercised in the interest of the future of America with relation to monopoly. I should like to have the Senator's opinion on that point.

Mr. MORSE. Mr. President, it is a very good point. Let us assume that the distinguished Senator from Michigan, able judge that he is, were assigned the task of arbitrating, on the basis of the evidence to be presented, the dispute concerning steel. I take it for granted that the arbitrator would want to have made available to him for his judgment the evidence which would be presented by labor, the Government, and by all the steel companies concerned. Of course, steel is the real crux of this whole problem. Once we can agree on price policies, it will not be difficult for a fair judgment to be rendered on the basis of the evidence that would be submitted in steel.

Mr. President, I am about to close.

Mr. HATCH. I apologize to the Senator. I wish to say that I am very glad the Senator has brought this subject up. I am sorry it is so late in the afternoon. I should like to see the discussion continue. I should like to see a full membership of the Senate present, and Senators express their views upon this most critical situation.

Again referring to the measure pending before the Senate Committee on Education and Labor, which the Senator introduced, what I wanted to say was that I think the Senator has made as able an argument for the legislation as I have heard. In fact, everything he has expressed here today is included within the bill.

Certainly, the distinction he makes between fact-finding commissions and voluntary arbitration is recognized in the main. I agree with the Senator as to

fact-finding commissions in their field being altogether different from arbitration. Certainly, I should like very much to see the differences now existing submitted, as he has suggested, to voluntary arbitration, with each party agreeing to accept the award of the arbitrators. Frankly, I do not know how that can be done at this stage of the proceedings without legislation, and I am not urging that a bill be passed now or that one be passed exactly as the Senator's bill was written. I want it improved and perfected, made good. I want good legislation, and I think it is needed.

The Senator will recall that in the hearings before the committee, when Mr. Reuther was testifying on the GM strike, he mentioned the fact that the workers had submitted an agreement for voluntary arbitration to management, and management had rejected it. He did not go into the details, and I do not intend to do so this afternoon, but this significant question was asked him by the Senator from Pennsylvania [Mr. GUFFEY]: "Would you now be willing to arbitrate?" His flat reply was, "No. They had their chance and they refused it."

I do not know how to meet such a situation as that. That is why I join with the Senator now as he is making public the invitation to these parties to arbitrate. I hope the statement of the Senator will be effective. I am sure the President would be only too glad to appoint a fair and impartial board, if the parties would agree in advance to submit all their facts to arbitration, and not only be bound by the decision of the board, but that the decision would be made upon the evidence submitted. I think that is a good point. Again, I thank the Senator for bringing this matter up.

Mr. MORSE. I thank the Senator for his remarks. I have no illusions about any invitation I might extend to the parties, because I have already extended such an invitation, as the Senator knows, in the committee hearings. However, I have great confidence that if the President of the United States should make clear to these parties—and I think it should be made clear to them—that they are under the same patriotic compulsions and obligations that existed in the midst of the war, and that they should proceed with this process of settlement for patriotic reasons, if for none other—I say I think that if the President would make that plea, we would know for a certainty whether the parties want to act in good faith or bad faith, so far as the public interest is concerned. They just cannot answer the fact that a continuation of this paralyzing national strike pattern by both industry and labor is likely to endanger the very stability of our economic system. Hence it is not flag waving to call upon them in the national interest to submit their differences to decision as I suggest.

Mr. HATCH. I thought that when the Senator submitted his offer of compromise, they had refused. Now shall the President of the United States again, representing the dignity of this Government, because the President speaks for the people of America in a matter of this kind, submit again this country to the whims and will of warring parties, and

let them reject once more a plea from the President? Suppose it were rejected, then what would happen?

Mr. MORSE. I shall come to that in a moment; but let us take the first part of the question.

I think it makes quite a difference whether the parties are asked to do something without having had an opportunity to present their full evidence on the basis of agreed-upon judicial procedures for determination of the question. My proposal for arbitration under the leadership of the President is for different from the procedures the President has followed to date. I would like to see it tried. I think the country would, too.

Do not misunderstand me. I think the President has tried to be exceedingly fair with these parties, and I assert that I think the President is trying to avoid—and I think up until now he has been right in trying to avoid—imposing compulsion upon the parties. But I think he is almost at the point of having to say to these parties, "Unless you will voluntarily agree to a judicial process for the settlement of these disputes, then the Government cannot longer permit paralysis of our economy to continue."

Mr. HATCH. What is he going to do if it reaches that point?

Mr. MORSE. That is the second part of the Senator's question, and I am coming to that. Let us put it right on top of the table.

Let us assume that for the next 90-day period—in fact, the testimony of one witness was that they could continue for 9 weeks or longer to fight this matter out—

Mr. HATCH. There was not any question on the part of the witnesses. They were very positive.

Mr. MORSE. That it could go on for 9 weeks?

Mr. HATCH. Yes.

Mr. MORSE. That is right. I say that not only the economic welfare of this country cannot permit any such long civil war between industry and labor, but I say that our very national security itself cannot permit it. I think both labor and industry will stage a Samson act within the temple of our private property economy if they take the attitude that for a long period of time they should be allowed to continue to avoid judgment by impartial men in the settlement of these disputes.

Mr. HATCH. That is the question. Suppose they do.

Mr. MORSE. If they take that position, and insist upon staging what amounts to a general strike in this country, then the Government will have to do everything it can to keep the wheels of production going.

Mr. HATCH. Again, what is that? What can the Government do?

Mr. MORSE. There are many things the Government can do. Let us take the case of steel. Under those circumstances, it will have to take over the steel industry, with all the inefficiencies and the dangers that will involve. We must have steel to maintain our American economy. It is basic to our great manufacturing system.

Mr. HATCH. That would mean seizing the plants.

Mr. MORSE. Of course.

Mr. HATCH. And operation of private property.

Mr. MORSE. Of course it will mean that.

Mr. HATCH. Would it not be far better to have a law, under the circumstances, requiring compulsory arbitration?

Mr. MORSE. But then you have the same question to answer. Suppose there were such a law, and 300,000 steelworkers said, "So what?" Or suppose 90,000 packing-house workers said, "So what?" It cannot be done by compulsion, and I am not pleading for compulsion. I am pleading for the President of the United States to try to make clear to these parties what a critical period it is we are living in, and how wrong it is for them to indulge in this economic civil war. Legislation will not solve it but good faith conduct of the parties will.

Mr. HATCH. I fail to follow the Senator, because in one breath he asks for compulsion and says that in the final analysis compulsion is the only remedy, but on the other hand he says we cannot have a law to enforce compulsion.

Mr. MORSE. But we do not need a law to apply the law of national necessity in case of a general strike. We do not need a law for that. If we reach the point where they would not agree to the President's invitation to indulge in voluntary arbitration, and we found ourselves confronted with a condition of a general strike throughout this country, we could apply the law of national necessity. It exists. It is there. No additional law is needed to apply it. I do not think it will ever have to be applied if the administration makes clear that it will cooperate in such a program as I have outlined.

Mr. HATCH. Mr. President, I wish we had time to continue this discussion. I should like to discuss the law of national necessity, a law with which I am not familiar. Power can be exercised only under the Constitution and the laws of the land. There is no law of national necessity under which power can be exercised. Rather than leave such grave problems in the hands of the Executive, no matter who the Executive may be, to be dealt with under some over-all law, which has never been known to exist, my thought is that the Congress itself must write the law according to the Constitution.

Mr. MORSE. I shall be very glad to discuss that.

Mr. CHAVEZ. Mr. President—

Mr. MORSE. I will say to the Senator from New Mexico that I am almost through. I shall be very glad to discuss the matter of voluntary action versus Government compulsion at a later date. I fear Government compulsion and I plead for common-sense voluntary action.

Mr. CHAVEZ. I am glad to know that the Senator from Oregon is almost through because some of the opponents of the bill are becoming impatient and they are about to sign a petition for cloture.

Mr. MORSE. I wish they would. It would be a good precedent. Mr. Presi-

dent, I wish to summarize by saying that I think it is very unfortunate for the Senate of the United States to take a recess until Monday noon because there are so many very vital subjects which I think ought to be fully discussed by the Senate in an attempt to determine what our national policy on these issues should be.

I think I should like to close by pointing out that after listening to the witnesses before the Senate Committee on Education and Labor I take note of the fact that back in the defense days, Mr. President, we talked about taking the profit out of war, and yet when you get into these labor cases, when you start analyzing some of the motivations behind them, you come right up against the stark fact that we did not take the profit out of war. This country today is bulging with blood money. We took the profit out of war for some. Most of those are under white crosses. Some are trying to rehabilitate themselves to a peacetime economy in a disabled condition. We did not take the profit out of war when we followed certain tax policies in this country.

So I close, Mr. President, by saying that I think there is an obligation of this Congress to proceed to consider some of these economic problems, which must be resolved if we are to have a sound reconversion program. We should not hesitate to spend long hours here on the floor of the Senate in an endeavor to work out solutions to some of these problems.

For example, a resolution about to be introduced deserves, in my judgment, the very careful consideration of Congress. Congress should carefully consider whether or not we are faced today with a strike, by labor and by industry, which amounts to a general strike. We should find out if our Government policy is so vacillating that men in labor and men in industry who wish to act in good faith are at a loss to know what policy they can follow in negotiating wage adjustments.

Mr. WHERRY. Mr. President, in view of the remarks which have just been made by the distinguished Senator from Oregon, and by other Senators who took part in the debate, I think it should be said that there are those of us who are just as highly interested in interrelated factors which enter into maximum production as we are in the question of labor. I had hoped that the Senator would discuss some of those factors in connection with his address made today. Hearings which have been had almost daily in the Small Business Committee convince me that many of our labor problems would be settled if we had a realistic, flexible price program. That is something which is confronting not only the administration but the Congress.

Yesterday I brought an illustration of what I am now speaking of before the Senate. That was the case of the Ford Motor Co. It is one thing to grant an increase in wages in order to solve labor situations, but it is another thing to provide that one who is responsible for production also be made responsible for prices. So I hope that in the further consideration of this subject, when it is

discussed on the floor of the Senate next Monday, if there shall be such discussion, there shall also be considered the question whether the one who is responsible for production shall also be responsible for the fixing of prices. If that is done we will have a realistic price program which will provide a profit in industry sufficient in many cases to permit an increase in wages. I think such a policy would result in settling many of the labor troubles which now confront us; but we do not need labor legislation to settle many of these troubles.

AID TO GERMAN NATIONALS IN THE AMERICAN-OCCUPIED ZONE—CORRECTION

Mr. CHAVEZ. Mr. President—

Mr. WHERRY. Mr. President, if the Senator from New Mexico will bear with me, I wish to correct a statement I made in the RECORD. During a speech I made in the Senate on January 29, I made the following statement which is to be found on page 532 of the CONGRESSIONAL RECORD:

The only concession that this administration has made to the American people on this issue—

That is the question of giving aid to German nationals in the zone in Germany occupied by us—

was announced in an Associated Press dispatch January 27 in the New York Herald Tribune. According to this dispatch, the administration has given permission to the American council of voluntary agencies to send relief to "special categories" of German civilians. According to the dispatch, Lt. Gen. Lucius D. Clay, commanding the American military government, authorized the American council to ship medical and sanitary supplies, soap, cod liver oil, and infants' food. The shipment of clothing is now permitted for the aged, the young children, pregnant women, nursing mothers, and the ill.

Mr. President, I called the secretary of the President's War Relief Control Board in Washington to check on whether or not that order had been placed in effect, and he told me it had not been; that it was merely a suggested plan. So the correction I want to make is that there is no relief of any kind, medical or otherwise, being given to any of the German nationals in the American-occupied zone in Germany at this time.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Rear Adm. Earle W. Mills, United States Navy, to be a vice admiral in the Navy, for temporary service, effective from the 31st day of December 1945;

Vice Adm. Patrick N. L. Bellinger, United States Navy, to be a vice admiral in the Navy,

for temporary service, to rank from the 5th day of October 1943;

Maj. Gen. (temporary) Raymond R. Wright, the Paymaster General of the Marine Corps, to be the Paymaster General of the Marine Corps for a period of 4 years from the 1st day of February 1946;

Lt. Frank L. Lawlor, A (3), United States Naval Reserve, to be a lieutenant in the Navy;

Ensign Ralph G. Leedy, United States Navy, to be an assistant paymaster in the Navy with the rank of ensign; and

Sundry officers to be assistant surgeons in

the Navy with the rank of lieutenant (junior grade).

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

RECESS TO MONDAY

Mr. CHAVEZ. I move that the Senate now take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 18 minutes p. m.) the Senate took a recess until Monday, February 4, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 1 (legislative day of January 18), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Raphael O'Hara Lanier, of Texas, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Liberia.

COLLECTOR OF CUSTOMS

John O'Keefe, of Pembina, N. Dak., to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak. (Reappointment.)

poses at home. We are thankful that our Nation is thinking of commercial interests rather than the interests of a few million veterans who have the unreasonable wish to get home in the immediate future. After all, what does a few more months or years mean in our young lives.

We are thankful that the Atlantic Charter is not entirely forgotten now that the war is over. Naturally, it is up to us to decide who will control the government the people of the oppressed countries choose. We are thankful that our naval power is being used to transport men and matériel for the Chinese Nationalist Armies under Chiang Kai-shek. He needs help. After all, while we were fighting the Japanese invaders of China, Chiang could not control them with the troops diverted from his war with the Japs. General Stilwell had the unreasonable idea that first consideration should be the Japs rather than fratricidal strife. He was replaced. The Japs could not put down the Chinese Communist Party with their armed might while in power in northern China. Naturally we must now throw in our aid in this "worthy" cause.

We are thankful that the war-weary ships of the line, as well as the cargo ships which have performed valiantly during our time of need, are being retired from active service. One-fifth of the ships of the line, and several hundred of the cargo ships are to be retired, we are told.

We are thankful that other interests are not allowed to be interfered with in order to get our overseas veterans home a little sooner. For many of us it has been three Christmas seasons away from our families, and another one more or less matters little. If a ship is needed to transport arms and munitions to the Dutch for use against the Indonesians, the mere fact that this self-same ship is loaded with troops bound for the United States need not interfere with that. The troops can be unloaded to make the ship available, as the Liberty ship loaded with 350 home-bound GI's was unloaded at Hollandia, New Guinea, in order that it could proceed to Finchhaven to pick up arms and munitions for the Dutch.

We are thankful that the poor members of the K-Nine Corps are not forgotten. These poor pups have been overseas for a long time, too. Why should they be slighted in favor of the GI?

We have many things to be thankful for this Thanksgiving season. But will someone please tell me precisely what? Americans, give us something to be thankful for next Thanksgiving. Public opinion and pressure can force a general speed-up of the demobilization from the Pacific, and end the immense differentiation between the difference areas of the Pacific theater. Many areas have shipped home men with 60 points while in the southern Philippines we have men with 70, 80, 90, and even 100 points still sweating out transportation. Just because we happen to be the ones who are the greatest distance from home is no reason we should be passed by. We want a general speed-up of demobilization from the Pacific, and on a more equitable basis. Then and only then will we have something to be thankful for this Thanksgiving season.

Housing Situation

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 1945

Mr. PATMAN. Mr. Speaker, I am inserting herewith two articles relative to

the housing situation. They are self-explanatory:

SERVICEMEN'S WIVES DISGUSTED WITH HOUSING SITUATION

Salt Lake City Tribune published feature story on interviews with servicemen's wives who are disgusted with housing situation there. Says one wife, "If I don't have a nice house or apartment with a wreath on the door for Ernie when he gets in at Christmas, somebody's going to hear from me. I'd like to know who fought this war for landlords, anyway." Other wife reports that "if you find a place to live, as you probably won't, they won't give you a lease, and you know what that means—as soon as OPA melts away rent will be doubled. We can't pay it, and it's awful cold in wintertime out on the curb." Another woman reported that a landlord told her as soon as OPA moved out, he'd up rent from \$67.50 to \$87.50.

FOUR MILLION FAMILIES WANT TO BUILD OR BUY

Chester Bowles, in an article in the New York Times magazine, says that it is expected that not more than 475,000 homes will be built within the next year—only an eighth as many as people would like to build or buy. The OPA, in trying to keep the prices of homes down, has established tight controls on building materials and is maintaining rent controls on rented homes and apartments. Now the OPA is proposing that the prices for completed homes be controlled through the National Housing Administration. Although there are some who oppose this plan, builders stand to benefit from these price-control measures.

Bill H. R. 5012 Proposes To Eliminate Pauper's Oath for Veterans Hospitalization and Domiciliary Care in Veterans' Administration—Follows Resolution Content of National American Legion Convention, 1945

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 1945

Mr. DOYLE. Mr. Speaker, many months ago I spoke out against the pauper's oath now used in veterans' matters. I then declared that it was not only unnecessary and undignified, but that it was injurious to morale and unworthy of us as a Nation to demand an oath of these lads as to their financial ability before we would allow them to enter and receive care in Veterans' Administration facilities.

My conception of our duty as a Nation to these veterans is to try, in every way, to promptly and cordially continue to extend to the needy and worthy their every reasonable medical care—and do it without running them through a lot of unnecessary red tape and embarrassing questions. I would favor the great mass of those who will not impose upon their Nation. These boys fought a good fight for us. They went the limit for us. Now let us go the limit for them.

While there are several worthy bills on file by distinguished Members of this House, I know of none of them which provides for the deletion, fully and entirely, the way H. R. 5012 does, in accordance with the resolutions of the

American Legion study and conclusions. This group of distinguished veterans is close enough to the heart and mind and needs of the veterans, to speak to us sincerely and soundly. Unless it can be shown that their reasoning is unsound, I believe it should be translated into action—and promptly—for the veterans.

For your information I set forth with my remarks the full text of the Doyle bill, H. R. 5012, filed December 17, 1945, and referred to the World War Veterans' Committee of this House:

A bill to dispense with the requirement that a veteran be unable to pay hospital expenses, in non-service-connected cases, as a condition to hospitalization and domiciliary care in Veterans' Administration facilities, and for other purposes

Be it enacted, etc., That section 6, as amended, of title I of the act of March 30, 1933, entitled "An act to maintain the credit of the United States Government" (U. S. C., 1940 ed., title 38, sec. 706) is amended—

(1) by striking out "and is unable to defray the necessary expenses therefor (including transportation to and from the Veterans' Administration facility)", and by inserting after "shall be furnished necessary hospitalization or domiciliary care (including transportation)" the following: "to and from the Veterans' Administration facility in case payment of such transportation by the veteran would cause undue hardship"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "The statement under oath of the applicant on such form as may be prescribed by the Administrator of Veterans' Affairs shall be accepted as sufficient evidence that payment of transportation by the applicant would cause undue hardship."

Voluntarism Versus Compulsion in Labor Relations

EXTENSION OF REMARKS

OF

HON. WAYNE L. MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, December 17 (legislative day of Monday, October 29), 1945

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record an address on the subject Voluntarism Versus Compulsion in Labor Relations, delivered by me before the American Trade Executive Association in Chicago on November 17, 1945.

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

It is a pleasure for me to participate in this open forum discussion meeting with you on the general subject of labor relations. If I were to give my speech a title I think I would call it Voluntarism against Compulsion in Labor Relations. However, I do not intend to confine myself too closely to the limitations of any subject because there are several important issues confronting our country today upon which I wish to comment in spite of the fact that not all of them are directly related to the general topic of the type of procedure which should be adopted in settling labor disputes.

I would like to talk quite informally with you about the general problem of the right and responsibilities of industry in the field of labor relations today, and then you may

subject me to cross-examination when I close. I don't expect you to agree with all of my viewpoints any more than labor organizations with whom I discuss these problems agree with me, because we are dealing here with a subject so controversial that reasonable men, if they are intellectually honest, are bound to disagree. I don't think anyone, however, should discuss any domestic issue these days without relating to it the all important international issues.

I think that I would fail in my obligations to any audience if, as a Member of the United States Senate, I did not point out that the success or failure of the program and objectives encompassed by the San Francisco Charter will determine our domestic well-being. The international crisis which will confront us for the next few years, and an intelligent handling of that crisis by this country will determine in the last analysis the economy of America.

By nature I am inclined to be optimistic, but I am certainly pessimistic about the trends of America's foreign policies today. When you think that in July 1945 we rose to great heights in America, insofar as reorganizing our international obligations are concerned when we became a subscribing party to the San Francisco Charter, and then when you think of the toboggan ride down the slide of nationalism that we have taken since July 1945, I think I am justified in asking you to ponder the ultimate consequences of reversion to nationalism. I think we need to keep in mind the fact that if we give the world the impression that there is an alignment between the British Commonwealth of Nations and the United States on all international issues, and that decisions are reached by that alignment before an opportunity is given to all nations of the world, through the United Nations Organization, to reach decisions, it ultimately will be to the disadvantage of this country.

I think good progress has been made as the result of the conference between Prime Minister Attlee of Britain and the President of the United States on the atomic-bomb issue. However, we must not ignore this issue. Can you think of an issue which, over the long range of years, is more important to our economic interests? This is an issue which is going to have to be settled on a world-wide basis, and not upon a basis of an alignment between Great Britain and the United States. I hope—although there has been a considerable modification of the attitude of the President of the United States in regard to the atomic-bomb issue from what he held prior to the conference with Prime Minister Attlee, nevertheless, I hope that those two world statesmen will take the next step, and that is to see to it that the atomic-bomb issue is put on the conference table of the United Nations Organization for final policy formulation.

We must realize that it is only a matter of time before the atomic-bomb secrets will be the possession of the world. We can't stop that development. As I said on the floor of the United States Senate recently, the so-called secrets of atomic energy do not belong to the people of the United States. I say now that the bomb does not belong to the people of the United States and to the people of the British Commonwealth of Nations. It belongs to mankind. We cannot nationalize it because we cannot nationalize science. We cannot close the minds of scientists or block the researches of scientists in countries which were not parties to the Attlee, King, Truman communique. The time has come, I think, to heed the teachings of the scientists of America in regard to the policies which must ultimately be followed in connection with atomic energy. Unless they are heeded, then your immediate economic interests will be of only temporary value. Don't delude yourself about it.

There is no room in America for a super-nation complex. Read the pages of history and recognize, ladies and gentlemen, that we are dealing today with international problems that call upon us to act as statesmen with vision, with recognition of the fact that in the immediate future—and by the immediate future, I mean the next 2 or 3 years—we are going to have to decide issues through a world organization that will determine the destiny of this Nation for the next century. That destiny will never be determined in the interests of peace, if we adopt a nationalistic attitude toward world problems. An alignment based upon atomic diplomacy will not be conducive to peace unless all nations are included within the alignment.

With that preface, I come to this domestic issue of labor relations. I am confused about it. You are confused about it. I know of no intellectually honest people who aren't confused about it because here, too, we are facing a crisis. I had hoped—I want to continue to hope—that the management-labor conference will bring forth some statesmanlike solutions to labor problems that are impinging upon the economy of this country. On the basis of such releases from the conference as I have read to date, I am discouraged, because I think the conference has given little indication to the American people that it really has come to grips with the basic problems that confront industry and labor in this reconversion period.

I think there are three or four premises which, for purposes of this discussion, we ought to consider basic. One is that a revolution is taking place in the minds of men the world around. Why ignore it? You aren't going to be able to get away from it. We are entering into an era now of the greatest enlightenment in the history of man. We have developed in America the most enlightened workers of any peoples of the world. It is a direct result of 150 years of free education. This enlightenment which is a direct product of the great publicity forces, educational forces, and advertising forces, has been wrought over the years upon the consumers of America. Free education and trade advertising have produced a great deal of wishing and desiring on the part of workers and consumers for a better standard of living. Unless you want to stamp out the forces of education, unless you want to try to stop the common men and women of America from thinking, you are going to find it impossible to prevent their ever pressing demand for an increasing share of the products of their labor. That is basic economic-labor fact and industrial statesmen who do not recognize it, I think, will pull a Sampson act in the house of private industry.

Now, I happen to be one who intends to fight for the preservation of a capitalistic system of economy in America if for no other reason than for the reason that I am satisfied, as a student of history, that common men and women will enjoy a better standard of living under such a system than under any state economy that can possibly be devised by politicians. But that does not make me blind to some of the mistakes of employers in the field of labor relations. As I have appeared before labor groups—sometimes in the midst of their "boos"—and pointed out to them that they have a great interest in the profit system, I now point out also to you that there is no other economy that really develops and protects to the same degree as our American system the dignity of the individual.

We should do what we can to get the people of this country to become fully conscious of the fact that political democracy and a profit system economy are inseparable. Destroy the profit system economy and you destroy political democracy for the very simple rea-

son that you have to substitute then for a private enterprise economy a state economy. That means Government dictation not only over business but over workers and employers alike. We have national socialists in America who want to see our private enterprise system destroyed, and they are not looking with disfavor upon the widespread labor struggles of today. I say to labor groups, "Whether you know it or not, unless you work out more peaceful procedures for the settlement of your disputes, you are playing right into the hands of those who seek to destroy the private enterprise system, which you allege you want to maintain, and you are helping along the cause of the regimenters who want to impose upon us a state economy." There is no freedom for labor under such a system. The state becomes the workers' master, not its servant, under any breed of fascism, communism, or national socialism.

But, ladies and gentlemen, if you are going to make the private-enterprise system work, then I tell you, employers as well as labor are going to have to make the voluntary system of collective bargaining work. They are going to have to make some concessions and sacrifice some prejudices if they are going to make it work.

I want to talk now in terms of some specific suggestions that I think American industry is going to have to accept if it is going to make the principles of voluntarism work in the field of labor relations. Needless to say, I am very much opposed to that segment of industry today that is arguing for and trying to have adopted various forms of compulsory arbitration. They will lose their shirts, so to speak, under compulsory arbitration because they seek to substitute for independent action on the part of industry and labor, governmental decrees as to how industry shall function. Although a plausible case can be made for compulsory arbitration on paper, the major objection to it is that it won't work. It won't work because, as long as employers insist upon being free men, and as long as workers insist upon being free labor, they are not going to accept a compulsory arbitration decree, once they are convinced that it is rooted in injustice.

The labor movement is basically a social movement. Let me make clear that I do not mean a socialistic movement, but rather a social movement. Or to put it another way, it is a great human movement with so many factors that it cannot be put in a legislative strait-jacket. It is one thing to legislate against specific abuses of the labor movement. Such legislation is not only necessary from time to time in order to protect the public's interest, but such legislation will receive the support of labor, businessmen, farmers, and consumers generally.

However, on the other hand, such legislation as compulsory arbitration legislation, which has the effect in the last analysis of substituting governmental decree for free collective bargaining, voluntary arbitration, and economic action on the part of industry and labor, is bound to have the opposition, in the long run, of all economic groups, particularly industry and labor. Thus, you will find most industrial leaders and most labor leaders opposed to compulsory arbitration because they see in it an attempt on the part of government to regiment the economic life of the country, and, further, they are realistic enough to know that the spirit of independence, the love of liberty, and freedom of economic action are so basic in our American way of life that any legislation which seeks to stifle them is bound to break down. Volumes of legislation and hundreds of prisons will not prevent free labor and free employers from striking and locking out because in the field of labor relations we are dealing in a very real sense with freedom itself. Both labor and industry fear—and I think rightly so—governmental dictation of

labor relations. Such governmental controls as compulsory arbitration are characteristic of totalitarian states, be they communistic or Fascist, and there are forces within our Government today in this country which are unwilling to pay some of the prices of freedom, and hence would like to see a governmentally regimented economy.

Labor and industry oppose compulsory arbitration because they well know that the social and human facets and implications of the labor movement cannot be directed or controlled successfully by the adoption of legal analogies. I doubt if anyone has pleaded more than I have for a judicial approach to the final settlement of labor disputes, but I have always been careful to make the reservation that the judicial approach must be upon a voluntary basis and not a compulsory one. Under a compulsory arbitration approach the arbitration tribunal inevitably becomes the dictator of economic policy, with the result that if its decisions are enforced inherent managerial rights of industry and free collective-bargaining rights of labor are destroyed. Under such a system we would find a constant challenge to government in a field in which, in my opinion, government is least qualified to judge with finality.

I do not think we should ever lose sight of the fact that freedom of economic action on the part of both employers and labor is a very precious right, high on the list of American liberties. In my judgment it is so basic in the psychology of our people that any attempt to destroy it by legislative compulsion will result in so many various types of resistance that any such legislation is doomed before it is even written on the statute books. Free labor and free industry will see in it the danger of loss of economic liberties which, over the long years, have been more beneficial to the development of the American standard of living than could possibly have been the case if such freedom had not existed. After all, the right of free men to organize and bargain collectively and to strike or lock-out, if necessary, has been a great check against exploitation. Don't forget that Government can be an exploiter, too, but usually it takes a very long time to remedy the exploitations of Government.

It is very fallacious to argue that compulsory arbitration promotes Government by law. We should not assume that every proposal which seeks to control human and economic activity by way of legislation is consistent with the ideal of Government by law. It is frequently too difficult to get the layman to see the limits and confines of proper governmental regulations of the affairs of free men. Usually the point can be made clear only when the Government sees to transgress our liberties to such a degree that we can see in bold relief the danger of governmental tyranny. However, when Government seeks to control the economic lives of industry and labor in the field of labor relations by way of compulsory arbitration, we can be sure that a spirit of noncompliance will manifest itself time and time again, and to such a degree that such legislation will weaken rather than strengthen government by law. In my judgment, a movement for compulsory arbitration in this country would result in a serious set-back to the very dramatic advancement of procedures for the peaceful settlement of labor disputes which is going on throughout the country today. For instance, there is a great increase in the use of voluntary arbitration mediation and conciliation. Good-faith collective bargaining and the settlement of labor disputes in direct negotiations between employers and labor are advancing with such strides that all students of the labor movement are thrilled with the advance. For the Government to step in, however, and substitute

itself as a compulsory arbitrator of labor disputes would change the very nature of the type of peaceful procedures which the parties are now using to an ever-increasing extent in the voluntary settlement of labor disputes.

One of the many objections to the Burton-Ball-Hatch bill is that it is designed to develop compulsory arbitration. If I were an employer, and I wanted to buy for myself the maximum amount of labor trouble, I would invest my money in lobbying for some compulsory arbitration proposal or support some such proposed legislation as the Burton-Ball-Hatch bill. I think that bill would give me the best assurance that I would have constant labor turmoil in my plant. My plea to you is that, if you want to keep the private enterprise system—and we must keep it if we are going to keep our form of government—then veer away from these proposals that are being made in the present crisis which would seek to put labor relations of this country in a legislative strait-jacket.

If we are not going to use compulsory measures then what hope is there through voluntary methods? May I say next that in my thinking on these problems I insist on drawing a line between two types of labor controversy: A controversy which involves the social and economic implications of the labor movement, as those implications relate to hours, wages, and conditions of employment; and issues which involve the legal rights of innocent parties and third parties. As to that latter great group, as I said in my foreword to Teller's new book about to come off the press, in the field of legal rights—and I will give you some specific examples of what I mean in a moment—I think it is the obligation of government to maintain government by law, and pass such legislation as is necessary to protect those legal rights. But over in the field of wages, hours, and conditions of employment I want to see a Government hands-off policy to the maximum extent possible. I want to see labor statesmen and industrial statesmen sit down around a truly free, collective bargaining table and, on a basis of voluntarism, come to agreement as to what conditions will prevail between them.

Labor and employers must keep in mind the fact that there are significant differences between the legal rights of parties to labor disputes and the legitimate social and economic objectives of such disputants. As to the former, such as the right to protection of property and person from unfair labor practices engaged in either by employer or union the public's interest is paramount. The protecting of such recognized and publicly accepted legal rights in the field of labor relations as in other spheres of human relations fits into a pattern of legislative and legal sanctions. It is in this phase of labor relations that judicial processes enforced by government are most effective. This is true because once there is universal public acceptance of and demand for certain patterns of conduct between disputants in relation to their property and persons, legal sanctions through legislation for the protection of such obligations of conduct become feasible and usually necessary.

However, most of the operative facts of labor controversies do not relate to legal rights but rather to social and economic objectives in regard to which the parties should be allowed the maximum of voluntary action and freedom of choice compatible with the public's interests. Legislative bodies usually create more serious labor trouble than they seek to solve whenever they attempt to place legislative restrictions upon social and economic objectives of a labor program which are consonant with our system of government and the legal rights of persons affected by those objectives even though they may be affected to their economic detriment.

It is in connection with the economic and social objectives of the labor movement, as they manifest themselves in specific industrial disputes, that the area of conflict between the principles of voluntarism and freedom of individual and group choice as contrasted with governmental compulsion and legislative restrictions, exists. Both labor and industry are constantly confronted with legislative attempts to destroy their freedom of action within the area of legitimate economic and social aims. The public's concern is to be found in its Government maintaining a proper balance between freedom of action on the part of labor and employers to settle their differences and advance their interests by means of free collective bargaining and all it implies in respect to voluntarism, and attempts on the part of labor and employers to abuse their freedom of action by infringing upon well-recognized legal rights of each other and of third parties. In addition the public rightly looks to its legislators to provide for fair and decent labor standards and for administrative and judicial machinery which will protect those standards. During the war great strides were made by industry and labor in developing procedures of quasi-judicial wartime tribunals set up for the peaceful settlement of disputes. Many procedural, as well as substantive labor law precedents, were established by wartime labor tribunals, notably the National War Labor Board. It is to be expected that out of this experience industry and labor will look to Government to make available to them on a voluntary basis administrative machinery and quasi-judicial tribunals as aids to them in collective bargaining and in the peaceful settlement of their disputes.

When I speak about the obligation of government to protect the legal and property rights of innocent parties and of third parties in labor controversies, I think of such examples as these: The jurisdictional dispute. I say to this audience, as I have for year to other audiences, that I, for one, believe that the jurisdictional strike is absolutely unjustified in our country, and I have yet to hear a labor leader who has been able to advance a single sound argument that justifies going out on strike because his union is in a jurisdictional dispute with another union. My record on this issue was made long before I went into politics. I have said in decision after decision, as an arbitrator under a contract, that I would not support a stoppage of work under the contract on the basis of a jurisdictional dispute. I have held that I would not support a union, as far as a picket line is concerned, whenever the picket line is a collusive one resulting from a jurisdictional dispute. A third party—the employer as well as an innocent public—is damaged in his legal rights by jurisdictional strikes. The Government has an obligation in such cases to see to it that property rights of innocent parties are protected by whatever force of law is necessary to protect them in such cases. I consider such strikes a challenge to government by law, and I have said so many, many times. Thus on the floor of the Senate the other day I said:

"I particularly wish to commend the statement the President made with respect to jurisdictional disputes, because I happen to share the view that unless labor, by voluntary agreement, comes forward with a procedure whereby jurisdictional disputes can be settled without strikes, it is the public duty and obligation of the Congress of the United States to establish whatever court procedures may be necessary to settle jurisdictional disputes by legal sanctions and determinations. I say that because jurisdictional disputes impinge upon the legal rights of people not parties to an economic struggle. I hope that this conference will keep constantly in mind the very important line of demarcation between the legal rights

of parties to labor disputes and the social and economic rights of such parties. In the latter category I do not believe that strait-jacket legislation can provide us with any permanent solution to the problem. However, government does have the responsibility to see to it that parties in an economic struggle which impinges upon the legal rights of groups or individuals, be they labor or employers, must be prevented from the transgressions against the legal rights of others. I believe that the President made that very clear by implication, if not by exact language yesterday, when he told the conference in effect that some procedure must be found for settling jurisdictional disputes."

It has been my hope that labor and industry leaders, as to this particular issue, would work out a peaceful procedure without governmental action. I have hoped that something would come out of the present industry-labor conference on the point. Maybe it will. I have seen no public indication of it.

I remember the first week that I served on the War Labor Board. We had a jurisdictional strike in a midwestern plant. One union was objecting because another union was maintaining machinery that the striking union had installed. The striking union insisted on the right to also maintain the machinery. The dispute came to us about 5 o'clock in the afternoon and it involved a vital war plant. I made what in my judgment was just a formal routine motion. I said, "I move that the men be ordered to return to work at the next shift, and that Mr. Green and Mr. Murray be requested to settle the dispute without further stoppage."

I was figuratively lifted out of my seat, because one gentleman on the labor side of the table, hit his fist on the table and shouted, "We dare you to call for a vote on that motion. We serve notice that this Board is not going to tell us when our men have to work."

There I was, under the law of national necessity, sitting as a member of a compulsory arbitration tribunal for the war period. That is what the War Labor Board was during the war, and I am perfectly willing to justify it as such in a war crisis but I want none of its compulsory powers in peacetime. I think we had to have a supreme court of labor during the war and those of us on the War Labor Board tried to so function. Hence the challenge thrown down in this case challenged our jurisdiction over such disputes.

Don't forget that the Defense Mediation Board had just recently been broken up because one segment of labor didn't like one of its decisions, and I recognized at once that if we were going to be confronted with that challenge constantly, with one side or the other walking out because they didn't like some decision, we had better get that issue behind us, so I said, "Mr. Chairman, I move the previous question." And then that great public servant, Frank Graham, seconded my motion. Then I said, "I want to get this issue behind us. I want to know whether or not war production is going to be stopped in this country by jurisdictional strikes. If you labor members are going to take the position you are suggesting the sooner this board folds up the better. I am willing to take the issue to the country."

The labor side—and I am speaking of all factions because they were as one on this jurisdictional matter—ask for a 10-minute recess. They came back after 10 minutes and said, "You won't have to put that motion, because we have ordered the men back to work."

I said, "Ah, that is not good enough. That doesn't settle the issue. Now, Mr. Chairman, I move that the following resolution be the policy of this board," and I then introduced the resolution which provided that in the case of jurisdictional disputes, Mr. Green and Mr. Murray, or whatever labor

leaders were involved, would be notified of the dispute by the board, and unless they had it settled within 24 hours, we would appoint an arbitrator whose decision would be final and binding." The vote was 8 to 4, with labor dissenting, but it became the policy of the War Labor Board for the period of the war.

Privately some of those labor leaders said, "You gave us an awful beating, but we asked for it. We recognize that certainly during wartime we shouldn't have jurisdictional strikes." I say we cannot justify them in peacetime, either.

Because of the limits of time, I will mention just one other point on labor's side of the line. I am a firm believer that when a labor organization signs a contract, its signature should be cherished as its bond. Hence, in all my arbitration work I have taken the position that the contract must speak for itself. I didn't write it. I didn't sign it, but the parties did. If they signed a poor one, that is too bad, but they cannot have orderly peaceful procedure in labor relations unless both parties live up to their contracts. Hence, when either an employer or a union violates a contract provision I think they should be held responsible. I think they should settle disputes arising under a contract by voluntary arbitration. If they don't I think the contract obligations must be enforced by government. If labor and management don't want to come forward with such procedure as will permit of contract enforcement voluntarily, then I happen to share the view that it is an obligation of government to insist upon it.

Now let me say a word or two about your obligations as employers in labor disputes. I think you need to do some rethinking. I think you need to throw away some of your escape mechanisms which you use to avoid giving up to the full obligations of voluntary arbitration. Personally, I do not think any American employer can justify taking a position before the people of the United States of refusing to be willing to submit to voluntary arbitration all issues that have created an impasse between himself and his workers. If you can't settle the dispute in collective bargaining, if you can't work it out in conciliation and mediation, then I do not think you have a right, or should be permitted by the public, to exercise the right of saying, "I will not put the merits of my case on top of an arbitration table for the full consideration of the public, and let the decision rest upon the merits."

I know there are a lot of employers who are dragging their feet on this issue. Predictions are dangerous, but I think you are going to be forced in the next decade to stop hiding behind the worn-out alibi, "inherent rights of management." Not immediately, because right now the employers of America—because of some mistakes that labor leaders have made—are in a very favorable position with public opinion. But don't forget the pendulum of public opinion swings. Hence, I would like to see American employers grasp the great opportunity they have now, and come forward with a program which shows that they really mean to practice these principles of voluntarism for which I have been pleading. I say to American labor and employers, as I said to a group of employers in my office yesterday morning about a strike of great importance to a large section of this country, "Why don't you offer to arbitrate all the issues which have been raised between you?" They said, "Oh, first, we don't know what kind of an arbitrator we would get, and second, we feel that the issues impinge upon some of our inherent rights of management."

Now, you won't like this one, but I want to tell you what I said to them: "You should stop talking about determining the jurisdiction of arbitration for yourselves by taking the position that every time you think you may be weak on some certain issue, you won't arbitrate it because it interferes with some

inherent rights of management." Employers generally hide behind that fiction when the fact is that many of the labor disputes in this country arise over the question of whether or not the demand of labor does interfere with the inherent rights of management. Now, if you had a compulsory arbitration system, that would go to arbitration whether you wanted it or not, and if you have got confidence in the merits of your case, you ought to be willing, if that is what is causing the major trouble in the case, to submit that issue to voluntary arbitration and let the facts speak for themselves. So I say, ladies and gentlemen, that I am not at all impressed with the contention of industry in some great cases that they can't submit the issues to arbitration because they involve the inherent rights of management.

If you are going to use voluntary arbitration in good faith, let me very quickly suggest a few procedural safeguards that I think are vital: Keep the affidavit of prejudice to be used against an unqualified arbitrator. When you accept an arbitrator, do not bind yourselves to accepting him beyond that particular case. I say that for two main reasons: First, I don't like the system of so-called industry impartial umpires appointed as standing arbitrators. An industry impartial umpire sooner or later becomes a substitute for collective bargaining. The parties pass the buck to him, and he is soon doing the things in your labor-relations work that you should be doing for yourselves in negotiations with the labor group. Further, I don't like the impartial umpire set-up, because I have noticed that those umpires don't remain impartial very long. At least, they are suspected of not being impartial after they have rendered a few decisions. I am at a loss to understand why some of them seem to want to keep their jobs after they have lost the confidence of one or both sides of the parties to the contract.

Further, I suggest keep the affidavit of prejudice, because it not only is a good check upon the arbitrator but, psychologically, it is a great reassurance to yourself. I have always taken the position in my arbitration work that at the beginning of a case either side should be allowed to stand up and say, "Mr. Arbitrator, we prefer not to have you handle this case." I don't want to hear a reason. Maybe a party doesn't like the color of my necktie, or my last decision, but he should be privileged, in my judgment, to object to my further services. Interestingly enough, as far as my own experience is concerned, guaranteeing the affidavit to the parties has resulted in its not being exercised in a single case. I think the very fact that the parties were guaranteed the right to use it built up their confidence in the arbitrator.

Second, if you are going to use voluntary arbitration, do not forget to include in your contract procedures that guarantee a full consideration of the case by the arbitrator. I happen to be one who believes firmly in reasonable judicial procedures for arbitration. Let me take the wage issue. Incidentally, let me say that if you want an example of the abuse of proper arbitration procedure, you only need to look to the conditions of reference which the Secretary of Labor attempted to impose upon the oil industry in this country when he said, in his proposal, "Give them 15 percent and then arbitrate whether they should have any more." In my judgment, that did violence to a fair judicial process for voluntary arbitration.

If you are going to use voluntary arbitration as a judicial process, then on the wage issue let the arbitrator have access to all the facts. A judicially minded arbitrator will say in reply to your argument, "We cannot pay higher wages." "I want to go into your books." Every time that issue has come before me, as a private arbitrator, it

has been interesting to note how frequently the employer withdrew his objection on ability to pay and permitted me to go ahead with the wage issue without a consideration of his books. On the other hand, I have had many instances in which the books have been submitted, and I think you would be surprised to discover how easy it is to develop confidence in honest arbitrators by letting them go into your books and render a decision on the wage issue in accordance with what the facts of the business show. Too many employers use the claim that they can't pay higher wages as a red herring argument, and they should be required to submit proof and not mere allegation on that point.

The constant drive of labor for a greater share of the product of its labor is a natural drive. It is going to continue, because free men and women in this country are going to constantly try to improve their standards of living. It is well that they should. However, reason and facts under this voluntary system should prevail. Hence we must try to inject into the picture an honest exchange of facts between the employer, the arbitrator, and labor so that the arbitrator's decision can rest on facts and not on suppositions or economic threats.

I have talked already longer than the program committee suggested. Therefore, I shall close with one last point, but still a vital one. I think that temporarily American industry in the present labor chaos is going to be in a stronger position with the public than will be labor. But you are going to make a mistake if you do not recognize, as industrialists, the importance of maintaining the high purchasing power of American workers. Unless you maintain that power, you are going to deflate the value of the American dollar. After the immediate splurge of buying that is ahead for the next 4 or 5 years based largely on spending present savings, a low-wage structure will throw us into a depression which will prove to be very costly to American industry.

So I say to that segment of American industry that still thinks labor is a commodity, that still believes it is essential, under a private enterprise system, to maintain a large pool of unemployed out of which they can pull their labor to meet their labor needs as labor conditions change—you are selling industry short if you fight for low wages now. You cannot treat labor as a commodity any longer and get by with it in this country. Labor will not tolerate and should not tolerate low wages and a low standard of living. We must make these voluntary procedures of free collective bargaining work if we are going to keep labor free, if we are going to keep employers free if we are going to keep America free from some form of state socialism.

Feed

EXTENSION OF REMARKS

OF

HON. HENRY O. TALLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 17, 1945

Mr. TALLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include: First, a letter; second, some recommendations; and, third, an analysis which the Department of Agriculture furnished me in reply to certain questions with reference to the feed situation which I directed to that agency of the Federal Government, as follows:

PRODUCTION AND MARKETING, ADMINISTRATION, GRAIN BRANCH, December 14, 1945.

HON. HENRY O. TALLE,
House of Representatives.

DEAR MR. TALLE: This will acknowledge your letter of November 27, addressed to Mr. Walter C. Berger, Chief, Feeds Division, concerning a possible order to limit the amount of protein ingredients being used in mixed feeds for livestock and poultry. We have also noted your request for a general summary of the feed situation at present and the outlook for next year.

The protein meal situation had become so critical that the Department proposed the issuance of an order designed to limit the amount of protein used in mixed feeds for livestock and poultry at the present time to the amount which was used during the same months of last year. When this proposal was presented to the feed industry, representatives of the industry took the view that the inequities in the distribution of protein feed ingredients could be corrected on a voluntary basis. The Department is giving the feed industry this opportunity.

In order that the necessary adjustments be brought about by the industry itself, we have asked the feed manufacturers to adopt a program designed to adjust their production schedules to last year's operations and eliminate a number of undesirable trade practices which have developed because of the critical supply situation. We are enclosing a copy of the recommendations which have been submitted to the feed industry.

These recommendations are to effect a reduction in the amount of protein ingredients currently being used in mixed feed for both livestock and poultry. Our records on the quantities of proteins being produced at the present time indicate that we have only enough protein ingredients to produce the same amount of mixed feed for all classes of livestock and poultry that was being produced at this time last year.

In compliance with your request for a statement on the general feed situation, we are enclosing a summary which, we believe, should meet your needs.

Very truly yours,

JAMES W. BROWNING,
Assistant Chief, Feeds Division.

RECOMMENDATIONS FOR EFFECTING A MORE EQUITABLE DISTRIBUTION OF PROTEIN FEED INGREDIENTS

(By Walter C. Berger, Chief, Feeds Division)

Numerous and increasingly insistent complaints on the part of the feed industry about its inability to obtain enough oilseed meals for current requirements have given rise to the consideration of an order restricting the use of protein meal for feed. An order limiting the quantity of protein meal used in mixed feeds during the period December 1945-February 1946 to the amounts used during the same months of the preceding year was discussed with representatives of the industry. The order also proposed to limit the production of poultry feeds during this period to the same amounts produced in the corresponding months of the preceding year in order to effect an equitable distribution of protein meal among the various classes of users.

Although the institution of such an order would bring about a more normal distribution and use of protein meals, we are very hesitant to recommend issuance of an order at a time when our efforts are directed toward the lifting of wartime governmental controls. We want to give the industry every opportunity to solve their problem on a voluntary basis.

In order to correct the protein-meal distribution difficulties on the basis of voluntary action, the industry itself must make adjustments such as the following:

1. Any feed manufacturer having materials on hand or bought, that will enable him to produce more mixed feed than he produced in the corresponding month a year ago should reduce his production schedule accordingly. The manufacturer should then release to the market at least part of the materials, which, if the order were in force, he would not be allowed to use in making mixed feeds.

2. The industry as a whole should take particular note of its production of poultry feeds and adjust its output for the month of December to the same level as a year ago.

3. Commission merchants and terminal elevators who formerly were not in the feed distribution business should immediately discontinue the practice of demanding oilseed meals for oilseeds. Such a practice is not part of their normal business and only aggravates the distribution difficulties.

4. Country elevators should discontinue requiring that processors supply them with oil meals for the oilseeds that they are selling to the processors in excess of their immediate needs.

The small amount of meal that is being demanded by the seed growers who supply the country elevators is justifiable. The country elevators should refrain from taking more meal than they need for their retail sales to their former customers in their own territory. The practice of accepting meal for the purpose of reselling to other feed dealers and feed manufacturers should be discontinued.

The total supply of protein feeds available in 1945-46 is sufficient to maintain production of meat, dairy, and poultry products to meet all peacetime requirements. The difficulties some users are having in securing their equitable share of protein feed ingredients can be attributed only to maldistribution. It is hoped that cooperation of the industry will make it unnecessary to issue the proposed order.

THE FEED SITUATION

A total supply of 160,000,000 tons of feed concentrates is available in the 1945-46 feeding year, including carryover, production, and imports. This total includes feed grains, byproduct feeds, and wheat and rye for feeding. It compares with a total supply of 161,500,000 tons a year ago and a 1937-41 average of 137,000,000 tons. In terms of units of grain-consuming animals, the supply of concentrates per unit of livestock estimated to be on farms on January 1, 1946, will be 1.09 tons compared with 1.10 tons a year previous and an average of 1.06 tons in 1937-41. In addition to this supply of concentrates, there is a near-record supply of hay in relation to cattle numbers, with the geographical distribution unusually favorable.

The total supply of concentrate feeds fed to livestock has included in recent years from eighteen to twenty million tons of byproduct feeds which constitute roughly 15 percent of the total feed concentrates fed. Mill byproducts contribute nearly one-half, oilseed cake and meal about one-third, and animal proteins the remainder. The total amount of byproduct feeds available in 1945-46 will be smaller than the record supply of 19,500,000 tons in 1944-45. Mill feeds will be about the same, with the indicated sharp decrease in brewers' and distillers' dried grains offset by increases in wheat mill feeds and beet pulp. The supply of oilseed cake and meal will be significantly smaller, with the estimated 25 percent decrease in cottonseed cake and meal only partly offset by increases in the production of linseed and peanut cake and meal. Estimates of the supply of cottonseed meal available in 1945-46 had to be repeatedly scaled down, reflecting continued deterioration of the cotton crop. Cottonseed production from the 1945 crop, as indicated on December 1, is estimated to be 24 percent less than produced in 1944 and 23