

THE TRUMAN COMMITTEE IN VIEW OF THE HISTORY OF CONGRESSIONAL
INVESTIGATION BY COMMITTEES

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THE CONGRESSIONAL INVESTIGATIONS BY COMMITTEES

By .

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1942

Submitted to the Department of Political Science

Oklahoma Agricultural and Mechanical College

In Partial Fulfillment of the Requirements

For the Degree of

MASTER OF ARTS

1947

OKLAHOMA
AGRICULTURAL & MECHANICAL COLLEGE
J. I. T. B.
DEC 8 1947

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PREFACE

In preparing this thesis an effort has been made to present the Truman committee against a background composed of the history of Congressional investigations. An attempt has been made to give the reader some idea of the functions performed by investigating committees and their value to the public. Their performance in the past would seem to presage a continued demand for them in the future.

Evidence is presented in this study to show that investigating committees came into being in the United States almost simultaneously with our Federal Government, and have been with us ever since. Thus the power of Congress to investigate malfunctions of the Government has become well-established.

The writer wishes to express his appreciation to professor Glen H. Haskins, Head of the Political Science Department, Oklahoma Agricultural and Mechanical College, and to Professors Robert W. McCulloch, and E. Foster Dowell for their helpful suggestions and criticisms in preparation of this work.

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CHAPTER I

INTRODUCTION

Legislative investigating committees have played some part in practically all of the principle constitutional governments of the world. In England and America they have a customary basis, in France a statutory basis while in Germany, Austria, Belgium and Poland they had a constitutional foundation (that is prior to the European holocaust of the second World War). Only in the United States, however, has the legislative investigating committee grown to be of such primary importance that it is almost indispensable.

The practice of legislative investigation in England dates back to the middle of the 16th Century.¹ Yet in England at the present time investigatory committees of Parliament are virtually without authority. Under the Parliamentary system the Cabinet is a committee to end all committees; it will brook no rivals. It is true that it will permit other committees to make certain investigations, conduct certain hearings make suggestions for certain minor amendments, but when a question comes up which a minister wishes to consider one of policy the House must fall into line. This lets the Cabinet define absolutely what shall be deemed "policy." Under such circumstances it is not likely to leave any controversial issue outside its definition.

This difficulty was clearly demonstrated in 1931 in the testimony before a select committee of the House of Commons on procedure on public

¹ Marshal E. Dimock, Congressional Investigating Committees (Baltimore: The John Hopkins Press, XLVII, No. 1, 1929) p. 9.

business. At that time it was proposed by several members that the house set up specialized committees to consider certain specific questions and that the Cabinet refrain from considering every question a question of policy. While the suggestion was most discreet the select committee was apparently not convinced that a specialized committee was capable of doing anything of importance without supplanting the minister concerned. One of the members asked Mr. Lloyd George,

Do you not think you would get back to exactly the same position we are in now, that if the Minister and Cabinet supported the Minister in one line and the committee took another you might have a more interesting debate, but ultimately the decision would rest with the Cabinet, and you would not really control your executive?

Even Mr. Lloyd George could think of no formula (within the bounds of the cabinet system) whereby a committee could successfully oppose the Cabinet on policy. Everyone assumed that ultimately the decision would rest with the Cabinet for it was well known that in actual practice a legislature could not exercise control or act along independent lines unless it could set up committees to make investigations and recommendations which could be enforced.²

The French in 1876, when they drew up their réglements (legislative procedural regulations), adroitly provide for such a contingency along broad lines which "regulated with considerable thoroughness the details of the legislative procedure of the Parliament of the Third Republic." These reglements recognized that a legislative body, in order to accomplish the maximum amount of work of which it is capable, must have within it certain smaller bodies or committees to take care of the details.³

² Don K. Price, "The Parliamentary and Presidential Systems," Public Administration Review, III (Autumn, 1943) pp. 521-22.

³ R. K. Gooch, The French Parliamentary Committee System (New York, London: D. Appleton-Century Company Incorporated) p. 32.

When our own government under the present Constitution was born over a century and a half ago, Congress adopted the practice of referring all legislation introduced by its members to appropriate committees for consideration and report.⁴ This practice of investigative procedure was adopted just three years after the founding of the Federal Government. From this action it might be safely assumed that the three year lapse between the founding of the government and the institution of legislative investigation was occasioned by the fact that no provision was made in our Constitution for investigating committees as such.⁵ There is even no express constitutional provision made whereby Congress can punish individuals for contempt toward either House.⁶ Although such a proposal was submitted to the select committee appointed to draft the Constitution, the committee for certain implied reasons never reported it out.⁷ Despite this void and the additional fact that our Federal government is a government of limited powers it is supposed not to possess any powers not delegated to it by the Constitution, nevertheless it has certain powers implied from its delegated powers.⁸ Alexander Hamilton observed,

that every power vested in a government is in its nature sovereign, and includes, by force of the term, a right to employ all the

⁴ 79th Cong., 1st sess., Joint Committee on the Organization of Congress. The Organization of Congress; Symposium on Congress by members of Congress and Others. Joint Committee Print (Washington: Government Printing Office, 1945) C. H. Woodring, "Modernization of Congress," Editorial Research Reports I, No. 19 (May 24, 1945) p. 309.

⁵ Dimock, op. cit., p. 9.

⁶ Ernest J. Eberling, Congressional Investigations (New York, 1929) p. 31.

⁷ Max Farrand, "The Records of the Federal Convention of 1787," II (New Haven : Yale University Press, Fourth Printing, 1934) pp. 334-31.

⁸ Eberling, op. cit., p. 31.

means requisite and fairly applicable to the attainment of the ends of such power, and which are not precluded by restrictions and exceptions specified in the Constitution, or not immoral, or not contrary to the essential ends of political society.⁹

It is considered absolutely necessary, if we are to have a sound government, that all the legislative acts of our government be carefully considered and weighed before they become law. Sometimes legislatures and governments are so swayed by public sentiment and emotion that they pass laws indiscriminately and without thorough examination. For example, in 1906-07-08 what is remembered as the two-cent fare craze swept the country, and legislatures enacted laws restricting fares to the two-cent limit without investigation or even consideration of whether such a fare was equitable. A few of the state governments finally began to see the light and refused to enact such legislation without due investigation. The most notable case of this type was in New York where Governor Hughes vetoed, in 1907 and 1908, two fare bills because they had not been investigated.¹⁰ All members of a legislature cannot be expected to be well informed on every problem with which they are confronted without some preparation and research.

It therefore becomes necessary to refer some of them to committees for special examination and consideration in order to have the time required to cover all of the necessary legislation and still give appropriate bills suitable investigation.

Furthermore our Constitution makes no provision for the punishment of individuals by Congress for contempt of either House. The framers of the Constitution apparently were determined to protect the citizens

⁹ Andrew C. McLaughlin, A Constitutional History of the United States. (New York, London: D. Appleton-Century Company Incorporated, 1935) p.232

¹⁰ J. A. Lapp, "Legislative Investigations." American Political Science Review, IV (1910) pp. 69-70.

of the United States fully from an excessive use of inquisitorial power by Congress.¹¹ For instance the people are guaranteed security in their persons, houses, papers and effects against unreasonable searches and seizures.¹² Certain provisions in the Fourth Fifth, Sixth, Ninth and Tenth Amendments to the Constitution also may be construed as placed there to protect the people from the indiscriminate use of power by Congress.¹³ In addition to these safe-guards, certain limitations of Congress very specifically stated that:

1. The House shall have the sole power of impeachment, the Senate the sole power to try all impeachments,

2. each House shall be the judge of the elections, returns and qualifications of its own members, and a majority of each shall constitute a quorum to do business, but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent members in such manner, and under such penalties, as each House may provide,

3. each House may determine the rules of its proceedings, punish its members for disorderly behavior, and with the concurrence of two-thirds expel a member.

Both Houses of Congress, moreover, easily acquired without opposition the implied privilege of acting where their existence was threatened, that is "in cases of bribery, assault or libel of members." In these cases they could not only punish the act itself as a contempt but also the contumacy of witnesses called in connection with the investigation of such an act.¹⁴

The question often arises-just what are the legal functions of

¹¹ Eberling, op. cit., p. 32.

¹² United States Constitution, Fourth Amendment.

¹³ Eberling, op. cit., p. 32.

¹⁴ Eberling, op. cit., pp. 32-33.

Congress? It has been answered in many and varied ways. There are those who find in the words of the framers and the intent of the Constitution a strictly defined unequivocal separation of powers. According to which they contend that Congress is authorized to function only in the field of legislation, that is in the making of "genuine laws." Those in the opposite camp follow the statement of Lindsay Rogers who contends that "legislatures in modern constitutional governments.....have a three-fold purpose; they legislate, they control expenditures, and they supervise the administration."¹⁵ Mr. Luce in his review of Mr. Rogers' book challenges this assertion and asks:

Where is there any proof that, at any rate in the United States a legislature has any business to interfere with the spending of money that has been appropriated, or to supervise the administration of laws?¹⁶

He conceives that these might be natural functions under ministerial responsibility, but asserts that specific authorization prevails in American constitutions, either state or federal.

Apparently Mr. Luce believes that our Constitution is one of strictly divided powers under which our Congress makes laws one after another without once giving a thought as to whether any of the laws are ever put into force, or whether funds, after being appropriated, are spent for their prescribed purpose or diverted into the pockets of officials. Moreover, Mr. Luce seems to have ignored entirely the fact that all of the powers which Mr. Rogers attributes to Congress are actually being applied by Congress and have been for some time.

¹⁵ Dinock, op. cit., pp. 19-20.
¹⁶ Ibid.

Law-making is but one of Congress' functions the same as it is but one of Parliament's. Of equal importance is the controlling of the finances and the supervision of the administration by Congress. A long established practice of investigating the latter two functions would tend to establish their acceptability upon a plane of equality with the law-making function.

Congress has many formal as well as informal methods of obtaining information,¹⁸ but this work is limited to a study of investigating committees as a primary means of achieving this end. Congressional power of investigation has always been among the most vital of federal powers.¹⁹ Both Houses have standing committees, and a number of special and select committees to study and investigate particular problems. In June, 1947, the Senate had fifteen standing committees and three special or select committees.²⁰ The House had nineteen standing committees and three special or select committees.²¹

It is too obvious to require long explanation that the primary function of any national legislature should be the preparation of a national legislative program with all that program implies. Yet actually this is the one thing that Congress has not been doing.

It is true there are some indications that Congress is becoming aware of this fact. Both the Senate and the House have set up committees on post-war policy and planning. The House also has created a committee on future

¹⁷ Ibid.

¹⁸ Nelson M. McGeary, The Development of Congressional Investigative Power (New York: Columbia University Press, 1940) p. 8.

¹⁹ Paul W. Ward, "Hamstringing Federal Investigations," Nation, CXLV (December 12, 1936) pp. 695-96.

²⁰ Congressional Directory, 80th Cong., 1st sess. (2nd ed.; Washington: Government Printing Office, June, 1947) pp. 189-93.

²¹ Ibid., pp. 201-209.

military policy. The function of these special committees is to study extensive areas of our national life and recommend to Congress a coordinated pattern of legislation which can, it is hoped, lead to a reasonable solution of the problems that lie ahead. Even though these committees were terribly slow in getting started, at the very least, their existence indicates a Congressional recognition that it is high time Congress began to exercise its own basic function.²²

A well organized Congress will have a well balanced system of committees. It would be improper and dangerous to our institutions for the Executive to have a working plan and for the private interests in Washington to have a working plan while the Congress had none. In order for Congress to function to its best advantage and to hold its own in the government it must equip its committees with researchers, and thinkers able to compete in initiative with the ingenious and industrious specialists of the executive agencies and of the lobbies.²³ In the past large sums of money have been saved through committee investigations both by standing and special committees.²⁴ Chairman Vinson of the House Naval Affairs Committee claimed that his group had saved, by investigation, in one year \$675,000,000 through the promotion of renegotiation of war contracts. During the course of the First World War Congressional investigation had a strong effect on administrative organization

²² 79th Cong., 1st sess., Joint Committee on the Organization of Congress. The Organization of Congress; Symposium on Congress by Members of Congress and Others. Joint committee Print (Washington: Government Printing Office, 1945) Jerry Voorhis, "Congress and the Future," Review of Politics (April, 1945) pp. 289-90.

²³ William Hard, "Congress' Biggest Job: A Better Congress," Readers Digest, XLI, No. 246 (October, 1942) p. 18.

²⁴ For present investigative powers of standing committees see Appendix B. pp. 93-94

and policy, and during the second World War the Truman Committee received credit for hurrying the institution of a single head of war production to supplant U.P.M.²⁵

The feeling had been growing for some time that Congress was badly in need of reorganization. Finally in December 1944, Congress, which had investigated almost everything in previous years, undertook to investigate itself. Through a special bipartisan joint committee of twelve Senators and Representatives it set out to consider its faults already alleged by members, seek others, and recommend reforms designed for self-improvement.²⁶

In the first session of the 78th Congress (1943), Congressman Everett M. Dirksen presented a suggestion that a select committee be created on Congressional reorganization to investigate and study the structure, functions, and procedures of the legislative branch to determine how they might be modified or revised, or even augmented. Specific provision for "study of the structure of and relationships between the various standing, special, and select committees on both sides of the Capitol" was made in identical resolutions introduced in the House and Senate to establish bipartisan study committees which would strengthen the legislative branch, simplify its operations, and promote improved relationships with the other branches of government.²⁷

²⁵ 79th Cong., 1st sess., Joint Committee on the Organization of Congress. The Organization of Congress; Symposium on Congress by Members of Congress and Others. Joint committee Print (Washington: Government Printing Office, 1945) John A. Perkins, "A Connecticut Yankee Looks at Congress," Michigan Alumnus Quarterly Review (May 6, 1944) p. 175.

²⁶ 79th Cong., 1st sess., Joint Committee on the Organization of Congress. The Organization of Congress; Symposium on Congress by Members of Congress and Others. Joint committee Print (Washington: Government Printing office, 1945) Charles P. Trussell, "Congress Checks Its Tool Kit," Nation's Business (February, 1945) p. 260.

²⁷ John A. Perkins, "Congressional Self-Improvement," The American Political Science Review, XXXVIII, No. 3 (June, 1944) p. 502.

This move to streamline Congress was continued and as time passed the drive grew stronger, more resolutions such as the Maloney-Monroney Resolution for the Reorganization of Congress and the LaFollette recommendations for revision and simplification of the committee system were introduced and acted on by both houses of Congress. Finally we have the fulfillment of the aim in the legislative reorganization bill (LaFollette-Monroney bill) passed as Public Law 601 on August 2, 1946. This bill was prepared and presented under the supervision of a Joint Committee on the Organization of Congress, of which Senator Robert M. LaFollette, Jr., of Wisconsin was Chairman, and Representative A. S. (Mike) Monroney, of Oklahoma, was Vice-Chairman. In addition to other things this bill as passed limits the number of standing committees in Congress to fifteen in the Senate and nineteen in the House. Sec. 134 of Public Law 601 delegated to standing committees all the investigative authority usually assigned to investigating committees.²⁸ This was done in an attempt to eliminate the necessity for investigating committees. The Law also provides that standing committees of Congress will keep a continuous watch over the administrative agencies within their respective jurisdictions, developing such amendments or legislation as they may deem necessary for the efficient operation of such agencies.²⁹

Before we proceed it might be well if we give a passing glance to the other formal methods which Congress has of obtaining information. Although these methods are listed separately here, in fact, Congress can and does make use of various combinations and hybrids of them.³⁰

²⁸ See Appendix B. pp. 93-94.

²⁹ 79th Cong., 2nd sess., Public Law 601, "Legislative Reorganization Act of 1946," Approved, August 2, 1946.

³⁰ McGeary, op. cit., pp. 12-13.

First, "interrogation may be conducted before the bar of either House."³¹ This is a device generally made use of only as a last resort to combat recalcitrance before Congressional committees. Committees have only indirect power to punish.³²

"More common are investigations by standing committees conducted on their own initiative without an authorizing resolution."³³ This type of investigation goes on all through a session. It is generally applied to questions in connection with the passage of a bill, but they are not limited to this purpose. For instance, in June, 1935, an investigation of charges of corruption in the Department of Commerce was instituted solely on the vote of the Senate Commerce Committee. Standing committees who wish to compel testimony must first get permission from the House or Senate as the case may be.

Congress may also delegate the task of investigation to other agencies. By means of resolutions or acts it may request administrative agencies to conduct special inquiries. For example, the Federal Trade Commission has continually been asked to investigate. This agency began an investigation of the electric and gas public utilities in 1928 and did not conclude it until 1936. During this time the Commission submitted to the Senate from month to month a total of seven exhibit volumes and eighty-four interim reports which illustrated the propaganda technique of the utilities and pointed out a long list of questionable practices. These reports were instrumental in forcing the enactment of the public utility act of 1935. Departmental commissions are not employed as often, however, as are independent commissions.

³¹ Ibid., p. 8.

³² United States Revised Statutes, Secs. 101-104, and par. 859, quoted in Appendix A. pp. 91-92.

³³ McGeary, op. cit., p.9.

"Congressional delegation of the power to inquire also may be made to a commission composed of individuals who are in no way connected with the government."³⁴ One of the more outstanding commissions of this type was the National Commission on Law Observance and Enforcement composed of eleven laymen and set up during the administration of President Hoover. This commission was created by President Hoover after Congress had appropriated \$250,000 for a study of law enforcement. In this special case Congress did not specify how the investigation should be made but left that to the discretion of the President. The Executive has, as a matter of fact, made rather wide use of this "Royal Commission" device, but Congress has been rather slow to place its stamp of approval on it.

Another source of information lies in the Court of Claims. In the past Congress has authorized the Court of Claims to perform the investigative and judicial functions necessary to deciding certain claims against the Government of the United States. The recommendations of the Court are given a great deal of weight by Congress in its final decisions.³⁵

We now come to a consideration of just what Congressional investigating committees are. They are select or standing committees of the Congress. They are called into being by a resolution of the Congress, and the purpose and power of the proposed legislation are thoroughly described in an authorizing resolution or resolutions. The committees powers and duties are thus outlined. The principle aim is simply to investigate and report. It is not intended that such a committee should frame legislation. The Congress itself does not often act upon the report of the investigating committee. The report is simply adopted and referred to a standing committee, which may or

³⁴ Ibid., pp. 10-11.

³⁵ Ibid., pp. 11-12.

may not report out recommendations for appropriate legislation. The investigating committee cannot summon witnesses or demand papers unless specific provision to that effect is made in the resolution, or later provided for. In other words, the investigating committee is nothing more nor less than a fact-finding auxiliary of the Congress which calls it into being, invests it with power, circumscribes its activities, and finally terminates its existence. An investigating committee usually ceases to exist at the end of the Congress which created it.³⁶

Because the amount of work to be accomplished in Congress often becomes too extensive for its regular standing committees, select or special committees to investigate certain problems are created. Congress has, many times in the past, had recourse to such procedure. Special or select committees have been set up to inquire into executive misconduct, as in the Grant and Harding days, to make a study of economic and social conditions, as in Puerto Rico, to examine campaign expenditures, to aid in and investigate the conduct of a war and to investigate innumerable other topics of public and party interest. Between 1789 and 1926 something like 330 investigations into executive acts alone were made by select committees.³⁷

Under modern conditions, select committees are proving to be excellent devices for obtaining information, informing Congress and the country, scrutinizing the work of the executive department, and bringing public problems into the light. Select committees also furnish an excellent opportunity for ambitious young men to side-step the seniority custom; they furnish an opportunity to employ expert and zealous personnel rarely found on the staffs

³⁶ Dimock, op. cit., p. 18.

³⁷ Ibid., p. 57.

of standing committees, and to conduct vigorous and searching examinations into vital public problems. Senators and Congressmen like Truman, LaFollette, O'Mahoney, Murray, Cox, Tolan, and Dies in our time have won national fame or dubious notoriety from their championship of great national inquiries. During the 78th Congress (1943-1944) twenty special committees, ten in each house, were investigating such subjects as small businesses, air accidents, national defense, campaign expenditures, un-American activities, gasoline shortages, executive agencies, postwar policies, silver purchases, and the Federal Communications Commission. The combined appropriation for all of these was \$767,500.³⁸

The committee is the workshop of Congress and it is absolutely essential that it work smoothly.³⁹ Committees, like everything else, do have certain objectionable characteristics which must be watched closely if the system is to work as it should. This is particularly true of special and select committees. First among these objectionable characteristics is the fact that it is frequently difficult to end an investigation. A Senate Special Committee on the Conservation of Wildlife Resources was created April 17, 1930, for the purpose of obtaining facts upon which legislation might be based. It is still in existence. It has no authority to report a bill. In January 1934, a House committee was formed for the same purpose. It is still investigating. If there is need for a separate committee on this subject, it should be made a regular joint standing committee. If not it should make a final report, and cease to exist.

³⁸ George E. Galloway, Congress at the Crossroads (New York: Thomas Y. Crowell Company, 1946) pp. 55-56.

³⁹ Charles Aubrey Eaton, "A member of Congress Looks at Congress," New York Times Magazine (March 4, 1945) pp. 11, 44-45.

Another objection is that special committees have been given the power to call on executive departments for assisting personnel. Such employees when called upon to work on a committee to investigate some phase of government may be very partial, especially if it is an executive department which they are investigating. When the committee has completed its work such employees resume their regular work in the executive department from which they were "loaned." So, in all probability their allegiance would have been in that department all of the time.

Another objection is that some young lawyer may get himself appointed to a special committee solely for the purpose of promoting a pet scheme of his own. In his examination of witnesses he may be able to influence citizens and congressmen alike and so may exercise all of the power of a Senator or Representative without the responsibility. Only committee members should be allowed to interrogate witnesses. This would insure that the committee members would keep themselves posted on the scope of the investigation.⁴⁰

Very often we hear the legislature referred to as the law making body of the government. However, if one thinks of the legislature solely as a law making body then he will miss the true significance of the investigative function.

The modern legislature has three primary functions, to supervise the administration, to control the finances, and to make laws. Among its minor functions, are determining the qualifications of its members and the shaping of public opinion.

In the governments of England and France investigations do not play as important a role as they do in the United States. In England at one time

⁴⁰ James F. Byrnes, "Streamlining Congress," The American Magazine, CXCIX, No. 2 (February, 1945) pp. 20-21.

investigating committees played an extensive role, being employed in a manner similar to their use in the United States at the present time. The reason for the decline in their use is found in the fact that both England and France have set up agencies of a permanent character, namely the Cabinet, to perform the functions which would otherwise be taken care of by investigating committees. There are several factors working to decrease the number of investigations in both England and France. Principle among these factors are, "the judicial determination of electoral disputes, Royal Commissions, responsible cabinet government, 'grievance before supply,' systematic full reports by administrative officials, an efficient budget and accounting system, the parliamentary question, and interpellation." Legislative investigating committees are not absolutely essential in a government, but may be replaced as rapidly as some permanent machinery can be set up to meet the same need.⁴¹

⁴¹ Dimock, op. cit., pp. 44-45.

CHAPTER II
PROCEDURE AND PRACTICE

A Congressional investigation is not a trial based upon an indictment where the facts are already known and merely need presentation to a jury. It is rather the thorough examination or investigation of a subject which the government feels needs such inspection for the public good.¹ The aims and achievements of an investigating committee are determined by the desires of the members, and these in turn influence the procedure they adopt in carrying out the inquiry.

Since the course of the investigation is determined, for the most part, by the investigators, then reason would seem to dictate that great care be exercised in the choice of those who are to make up the committee. Most generally the sponsor of an inquiry is appointed to be chairman of the investigating group. If the investigation is to be made by a standing committee, then the chairman of the standing committee usually appoints a subcommittee headed and steered by the introducer of the resolution. The other members are usually chosen following a consultation between the Vice-President or Speaker and the majority and minority leaders. On occasion, however, the appointing officer may fail to confer with the leaders. An example of the Vice-President's refusal to be bound by consultation with the leaders is found in the selection of the members for the joint committee inquiring into the Tennessee Valley Authority (73th Cong., 1st sess., May 18, 1933).

¹ Hugo L. Black, "Inside a Senate Investigating Committee," Harpers Monthly, CLXXIII (February, 1936) p. 277.

Just before the enactment of the resolution, there was heated debate concerning the merits and demerits of the Authority and its work. Senator Bridges, who was sponsoring a resolution for the same purpose, was especially loud in his objection to the work of the authority. But Mr. Garner, who was apparently set on having as calm and impartial an inquiry as possible, irritated the New Hampshire Senator by passing over the members known to be either strongly opposed to or strongly in favor of the Authority and appointed members who would supposedly be more impartial in their approach. The authenticity of the reports that the Vice-President had not consulted the leaders before appointing the committee is suggested by three refusals to serve.

It seems probable that a disproportionate importance has, in the past, been attached to more colorful phase of the investigation, the hearings, and that too little importance has been accorded the less spectacular but equally weighty pre-hearing stage. In this period of gestation, after the House or Senate has passed a resolution calling the committee into life, extreme care must be taken to insure an effective investigation.² By the time an important investigation has reached the public hearing stage it will surely have been preceded by a long period of intensive research. Such research calls for examination of files, documents, records, and business proceedings. Witnesses must be examined. Frequently such examinations call for trips to distant points. Obviously Senators and Congressmen will not be free to perform all of these involved tasks and so they must have help.

An investigator is usually designated to take charge of the investigations.

² McGeary, op. cit., pp. 50-51.

He may have several assistants. All of these investigators are usually lawyers because they will be needed to examine the witnesses at the public hearing. In an attempt to cripple investigating committees there was a bill passed in the late twenties limiting such investigators fee to \$200 a month. Then during the depression years it was lowered still further to \$255 a month. It is difficult to hire experienced lawyers and accountants of the calibre required at that price.

Public investigating committees, formed from the people themselves or from their public representatives, exist always in countries where the people rule. They have always been opposed by groups that seek or have special privileges. The spokesmen of these greedy groups never rest in their opposition to exposure and publicity. That is because special privilege thrives in secrecy and darkness and is destroyed by the rays of pitiless publicity.³

There are several methods which may be employed to block or make impotent committee procedure. Among these are:

To persuade the investigating committee to suppress or soft peddle certain phases of the inquiry or to fail to call certain witnesses or to leave untouched or undeveloped certain themes or deals, to insert into the investigators credentials a trick clause which has no apparent significance to laymen, a clause which will limit the scope of the investigation to include only the desired angles, or to starve the investigating committee to death for lack of funds. That is to say, provide insufficient funds for it to carry out the investigation. All of these methods are effective.⁴

Now, assuming that the preliminary steps have been taken and the committee is formed. It is immediately confronted with three major problems:

1. determining the extent of the investigation,
2. choosing and organizing a staff,
3. determining the most effective means of obtaining the desired information.

The extent of the investigation is defined by the resolution. One of the commonest restrictions placed on investigating committees is the requirement that all of the hearings will be held in the District of

³ Black, op. cit., p. 281.

⁴ Paul W. Ward, "Hamstringing Federal Investigations," Nation, CXLIX (December 12, 1936) pp. 695-96.

Columbia. The feeling has grown that hearings held outside the District of Columbia serve more as Congressional pleasure jaunts than anything else.

However, in the majority of cases, the provisions of the resolution are broad enough to allow the committee to carry on its investigation as it sees fit. In as much as the person who drafts the resolution is very often later the chairman, most resolutions impose few restraints. Thus, during the debate on a resolution for an inquiry into lobbying, Senator Brookhart addressed Senator Caraway, "I desire to ask the Senator from Arkansas whether the resolution is broad enough to cover investigation of the social lobby." The future chairman's reply was significant, "Yes, sir; it is broad enough to cover anything in which one might feel interested."⁵ This practice prevails in many cases, however, it is not good policy to pass out these "blank checks" indiscriminately. The self-restraint of the investigators should not be completely relied upon to keep their actions within the bounds of propriety. Their investigations should be circumscribed to a certain extent.

However, one can easily understand the difficulties involved in establishing proper bounds of means of a resolution. The limits must not be drawn too narrowly. The subject of the investigation is almost certain to find the slightest loophole.

Resolutions authorizing committees of investigation which require funds must be considered and approved by two committees. House regulations call for one resolution reported by the committee on rules to authorize the investigation and another by the Committee on Accounts to grant the appropriation. The Senate usually passes only one resolution which must have been referred

⁵ McGeary, op. cit., pp. 52-53.

to two committees including the Committee to Audit and Control the Contingent Expenses of the Senate.⁶

Most resolutions come out of the Committee on Accounts providing considerably less funds than the investigation will require. However, few inquiries are left in mid-stream. The committees generally succeed, in such case, in unearthing enough material to convince the House or Senate of the necessity for an additional appropriation.

The second problem to be considered by an investigating committee is that of selecting a staff and organizing it for action. Frequently an investigation will grow out of the work of an individual. In such cases it will some time bear the name of the individual rather than the subject investigated. Thus, the inquiry into infringements of civil liberties was appropriately referred to as Senator LaFollette's investigation. He consolidated all of the findings of his committee members and interrogated the witnesses himself. He did a commendable job, but some others have fumbled such procedures. In the choosing of the staff of a committee it is necessary to keep in mind the type of inquiry and the subject to be investigated. Robert Wohlforth, the Secretary of the committee investigating the infringements of civil liberties (Education and Labor, Senate Committee on, investigation of civil liberties, Senate Resolution 266, 74th Congress, 2nd Session) supports the need for variations in the types of staffs, but suggests, however,

Roughly, a staff to get an inquiry under way would need (on the basis of ten) three attorneys, one research-economist, one accountant-statistician, one executive, four investigators plus clerical and stenographic personnel. It could be expanded upon that basis depending on the type and need of the inquiry.⁷

⁶ Ibid., pp. 55-56.

⁷ Ibid., p. 60n.

Finally we come to the task of determining the best method for the collection of the needed information. It is commonly thought that a great deal of information is obtained during the public hearing. This is not so. As a matter of fact, practically all their information is obtained prior to the public hearing thru examination of witnesses and long hours of poring over documents and files and correspondence. If the information is to be gotten from files and documents it necessitates the service of expert accountant, statisticians and lawyers and etc. In these investigations the committee very often meets with opposition. witnesses refuse to testify or produce papers.

One of the chief legal obstacles facing investigating committees today is contained in the law covering the contumacy of witnesses. Section 102 of the revised Statutes of the United States provides in part, that,

Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either house, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee of either house Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry shall be deemed guilty of a misdemeanor.

The objection to this is that it applies only to a house of Congress or to a committee of either one or both Houses of Congress. It does not apply to the staff of a committee making investigations in the field.⁸ Congressional Investigating Committees usually report the facts of the contumacy of a witness to the House concerned with a recommendation that the witness be punished in accordance with the provisions of the statutes.

The Houses of Congress have several possible courses of action when dealing with contumacious witnesses.

⁸ McGeary, op. cit., pp. 67-68.

- 1. no action may be taken against the witness, which of course leaves him under a cloud of suspicion;
- 2. the witness may be imprisoned by the House concerned until he does testify or until the end of the session;
- 3. the facts of the witness's contumacy may be reported to the courts for indictment as provided for in the statutes;
- 4. the House concerned may imprison the witness and at the same time recommend his punishment according to the statutes.

A witness thus finds himself in an awkward position if he refuses to answer a question on the ground that it is irrelevant. He has no way of knowing to what punishment he may be subject. In fact, he may not be punished at all. If the House concerned commits him to imprisonment under its common law power to commit for contempt, and later a court, in habeas corpus proceedings decides the witness must answer, he can go before the House and answer the question and go free. On the other hand, if the House concerned should certify his refusal to the courts for indictment and punishment as provided in the statutes and the courts decide the question is relevant, he cannot secure his freedom by agreeing to answer the question.⁹

After the data and information to check the case has been amassed then comes the public hearing stage. The public hearing stage is not for the purpose of eliciting additional information. It serves two principal purposes. On the one hand it acts as a check on the investigators. If no hearings are held, or if only private hearings are held then it is possible that the parties being investigated are not getting to present their case fully. Thus a public hearing might serve to show up these inequities and tend to bring about a more just inquiry. On the other hand, the committee sometimes makes use of public hearings to "throw the light of publicity" on their findings and to mould public opinion.¹⁰

⁹ Eberling, op. cit., pp. 291-96.

¹⁰ McGeary, op. cit., pp. 73-74.

Congressional investigations cover many and varied fields. During World War II Congress delegated, to administrative agencies, legislative powers of increasing scope and generosity. It then behooved Congress to watch carefully to see that these powers were not misused. We find many recommendations made to accomplish this end. A committee (House Special Committee to Investigate Executive Agencies) was set up on February 11, 1943, to check on administrative directives.¹¹ This committee was the so-called Smith committee.

Two further House resolutions were introduced to better enable Congress to see that the executive interpretations of the statutes agree with Congressional intent,¹² but they proposed to assign the task to the regular standing committees which sponsored the original bills. One advocate of this proposal condemned--

waiting until there is difficulty in connection with the administration of a law and then having a special committee with an ex parte hearing on the floor about all the things that are wrong with an agency.

He contended that it would be--

far better to strengthen the position of the standing committees of the House by giving them continuously this investigating function.... and a recognized constant duty to see.... that the laws they pass are carried out as was intended by this House.¹³

Shortly after the opening of the 1st session of the 78th Congress Senator Wiley (Republican, Wisconsin) proposed the creation of, "1. a Joint Committee on the Budget and 2. a Joint Committee on Social Security to study and investigate the need for 'modification and enlargement of the present social-security program.'" At the same time two resolutions were introduced

¹¹ House Res. 102, 78th Cong., 1st sess.

¹² House Res. 60, 78th Cong., 1st sess., introduced by Representative Jerry Voorhis, and House Res. 186, 78th Cong., 1st sess., introduced by Representative Karl R. Lewis.

¹³ John A. Perkins, "Congressional Self-Improvement," American Political Science Review (June, 1944) p. 505.

in the House to continue supervision of expenditures in the executive departments. Representative Lanham, (Democrat Texas) presented a proposal; January 6, recommending that the House set up an office of Fiscal Investigations, with a staff of experts, to carry on such work and to "conduct such special investigations as any standing committee may require."¹⁴

Each Congress has its investigating committees. The Seventy-Eighth followed faithfully in the steps of the Seventy-Seventh, and in the First Session of the Seventy-Eighth Congress investigating committees were very active throughout the year, including the summer vacation, investigating and checking on the activities of the administration and of wartime industry. There were twenty-one investigating committees in the House alone, seven of which were continued from the last session. There were ten in the Senate, of which nine were continued from other sessions. These investigating committees made many special reports, in which they made recommendations for the correction of malpractices or incompetencies and inefficiencies. They took many thousands of pages of testimony, and in many instances turned the spotlight on bad practices or inefficiencies in defense industry, and administration later improved because of public reaction to their reports.¹⁵

In the Second Session of the Seventy-Eighth investigating and select committees were busy everyday of the year, even through two long recesses. There was a total of 51 committees in both Houses of Congress. Of this number the House had 31, 21 of which were continued over from the first session. The Senate had the remaining 20, ten of which were continued over from the first session.

¹⁴ Woodring, op. cit., p. 302.

¹⁵ Floyd M. Riddick, "The First Session of the Seventy-Eighth Congress, January 6-December 21, 1943," American Political Science Review, XXXVIII, No. 3 (June, 1944) p. 311.

The following statement by Vice-President Truman, in his farewell address to the Senate as spokesman for the Senate's Special War Investigation Committee (Truman Committee) is of special interest. Here he was moralizing on the work of investigating committees:

The work of this committee has demonstrated what can be accomplished through investigation by committees of the Congress. Our industrial economy has become so complex and the necessary changes so numerous that it is impossible for the Congress in legislating to provide all the safe-guards which are necessary for proper administration. If an attempt were made to do so, great delays would ensue, and in many cases the detailed requirements of specific legislation would be harmful rather than beneficial. For these reasons, it is important that Congress not only continue but enlarge its work of investigation. In my opinion the power of investigation is one of the most important powers of the Congress. The manner in which that power is exercised will largely determine the position and prestige of the Congress in the future. An informed Congress is a wise Congress; an uninformed Congress surely will forfeit a large portion of the respect and confidence of the people.¹⁶

In practice Congress is becoming more and more conscious of the importance of a well-organized committee system, equipped with a good staff of experts. During the Second World War Executive Agencies of the government were given very extensive legislative powers, it became necessary that Congress confer certain of its functions on executive Agencies to expedite the war effort. This delegation of power led to the necessity for some system whereby Congress could keep a check on the use made of the conferred powers. Several committees were set up to investigate. Two of the more notable ones were the Senate Special War Investigation Committee (Truman Committee) and the House Special Committee to Investigate Executive Agencies (Smith Committee).

The outstanding success of the Truman committee in investigating the war effort demonstrates what an important part efficient staffing

¹⁶ Floyd M. Riddick, "The Second Session of the Seventy-Eighth Congress, January 10-December 19, 1944," American Political Science Review, XXXVIII, (April, 1945) pp. 352-35.

plays in making a committee really effective. When the senate had taken the necessary steps to activate the committee, everyone expected Senator Harry S. Truman to follow the course usually pursued in organizing a committee--appoint a political lawyer from his home State as counsel, borrow a few experts and investigators from the executive departments, and then finish out his payroll with clerks and stenographers from the patronage lists of other senators on the Committee. Senator Truman had other ideas however. He asked the Justice Department to recommend a chief counsel. The Department complied by recommending Hugh Fulton, who was working in a New York law firm. Truman had to pay him \$8,500 a year, but the man, not the money, was the primary factor. Next he hired three high-caliber men with no political connections as assistant attorneys, and six field investigators who understood fiscal affairs. All told, his pay roll amounted to \$10,000 a month. But with his skilled staff, he was enabled to actually save hundreds of millions of dollars for the government and to discourage other extravagances that could very well have run into billions.¹⁷

The House Special Committee to investigate Executive Agencies grew out of House Resolution 102.¹⁸ It was introduced by Representative Howard W. Smith (Democrat, Virginia) and adopted by the House on February 11, 1943. This resolution is a good example to consider because it gave the committee just about as broad a scope of authority for its investigation as the law would allow.

¹⁷ Lacey J. Reynolds, "Congress Must be Reorganized," The American Mercury, LVIII, (March 1944) p. 285.

¹⁸ House Res. 102, 78th Cong., 1st sess.

The resolution was as follows:

Resolved, that a committee of seven members of the House of Representatives be appointed by the speaker of the House, which said committee is authorized to conduct investigations of any action, rule, procedure, regulation, order, or directive taken or promulgated by any department or independent agency of the Federal Government where complaint is made to said committee that such action, rule, regulation, procedure, order, or directive: 1. is beyond the scope of the power or authority granted to such department or independent agency by Congress; 2. invades the constitutional rights, privileges, or immunities of the citizens of the United States; 3. inflicts penalties for failure to comply with such rules, regulations, or directives without affording those accused of violation an opportunity to present their defense before a fair and impartial tribunal.

The said committee should report to the Congress from time to time the results of such investigations and such recommendations as they see fit with respect to the personnel of those administering any such department or independent agency, or shall recommend such legislation or amendments to existing legislation as they deem desirable.

The committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act anywhere within or without the District of Columbia whether the House is in session or has adjourned or is in recess; to require by subpoena or otherwise the attendance of witnesses and the production of books, papers and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefore. Subpoenas shall be issued under the signature of the chairman of the committee and shall be served by any person designated by him. The provisions of Sections 102 to 104, inclusive, of the Revised Statutes¹⁹ shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this resolution.²⁰

In the debates preceding the adoption of House Resolution 102, question arose as to the propriety of a legislative committee reviewing such actions as this Resolution proposed, and opponents implied that the committee would be invading the constitutional rights of the judiciary and violating separation of powers. The prevailing opinion, however, favored "riding herd" on some of the administrative agencies.²¹

¹⁹ See Appendix A. pp. 91-92.

²⁰ House Report 699, 78th Congress, 1st session, July 27, 1943.

²¹ John A. Perkins, "Congressional Self-Improvement," American Political Science Review (June, 1944) p. 504.

The committee made its first report to the House on July 27, 1943. The committee had received many complaints concerning O.P.A., consequently it made an investigation.

First a subcommittee of the committee was set up to investigate the situation, and it was followed by committee of the whole after enough evidence had been compiled to merit a hearing. The hearing lasted from May 18 to June 22, 1943. Both sides had ample time to fully present their case.

The committee observed that the O.P.A. was necessary and the committee was in favor of O.P.A. but, the committee also found that there had been a great deal of corruption and inefficiency in the administration of the O.P.A.²²

In its second intermediate report, of Nov. 15, 1943 the committee found that the Office of Price Administration had assumed unauthorized powers to legislate by regulation and had, by interpretation of acts of Congress, set up a nation-wide system of judicial tribunals through which this executive agency judged the actions of American citizens relative to its own regulations and orders and imposed drastic and unconstitutional penalties upon those citizens, depriving them, in certain instances of vital rights and liberties without due process of law. It is alleged that the committee recommended that the seizure of judicial and legislative functions of government by the Office of Price Administration be remedied before such practices caused the downfall of the agency.²³

In its third intermediate report of November 29, 1943, the committee found that the Office of Price Administration had exceeded its powers and violated express provisions of the Price Control Act by setting maximum

²² 78th Cong., 1st sess., House Report 699, July 27, 1943.

²³ 78th Cong., 1st sess., House Report 862, November 15, 1943.

prices that were not generally fair and equitable upon all meats on all levels between slaughterer and retailer, and in recommending to the Director of Economic Stabilization that indirect ceilings be fixed on live cattle.²⁴ As a result of its investigations of the Office of Price Administration, the Smith Committee caused revision of O.P.A. itself and its decisions in several instances.²⁵

The committee submitted its fourth intermediate report January 26, 1944, in which it reported on the National War Labor Board. It found in its examination that the N.W.L.B. was usurping constitutional authority and if allowed to continue might very well mark the beginning of a trend to change our government from one of laws to one of men.

Members of the committee, Jerry Voorhis and John Delaney did not agree with the decision of the rest of the committee as expressed in the report. They concluded that the War Labor Board had not exceeded the authority duly granted it by Congress.²⁶

The fifth intermediate report was submitted April 24, 1944. In it the committee recommended after thorough examination that the Emergency Price Control and Stabilization Acts be revised and amended so as to alleviate some of the harsh and unjust provisions while at the same time the necessary provisions would be retained to maintain a stable controlled economy. The committee submitted prepared recommendations for amendments. Members Jerry Voorhis and John Delaney once more dissented from the opinion of the committee.²⁷

²⁴ 78th Cong., 1st sess., House Report 898, November 29, 1943.

²⁵ John A. Perkins, "Congressional Self-Improvement," American Political Science Review (June, 1944) p. 504.

²⁶ 78th Cong., 2nd sess., House Report 1024, January 26, 1944.

²⁷ 78th Cong., 2nd sess., House Report 1366, April 24, 1944.

The committee submitted its sixth intermediate report August 25, 1944, in which it submitted recommendations in the form of a bill for the revision of administrative procedure which, the committee contended, was not cohesive enough, but tended to be entirely too piecemeal. Members of the committee, Jerry Voorhis and John Delaney, once more disagreed with the action of the committee. They contended that great care must be taken in any revision of administrative procedure, and that changes should be made according to the needs of each individual agency.²⁸

The seventh intermediate report of the committee came Nov. 20, 1944. In this report the committee observed that its study throughout its two years of life had led it to believe that,

Laws conferring legislative power upon the executive branch of the government as well as those delegating to the various agencies the right to make rules and regulations having the effect of law would contain clearer and more definitive legislative standards and that far better legislation generally would be passed if Congress were properly staffed with expert assistants.

With this in mind, the committee submitted with the report a bill designed to "create a Joint Legislative Staff Service for the Congress; a Joint Committee on Appropriations; a Joint Committee on Executive Agencies and Procedure; a Joint Committee on the organization of Congress; and for other purposes."²⁹ All members concurred.

The eighth intermediate report was submitted October 22, 1945. In it the committee portrayed the O.P.A. as an agency operating under rigid formulas, too inflexible to accommodate itself to the inevitable changes which must come about in reconversion from a war time economy to a peace

²⁸ 78th Cong., 2nd sess., House Report 1797, August 25, 1944.

²⁹ 78th Cong., 2nd sess., House Report 1912, November 20, 1944.

time economy. The committee charged that U.P.A. had, by this inflexibility, retarded reconversion, prevented production, especially in low priced commodities, restricted opportunities for full employment and at least in some cases actually caused prices of cost-of-living commodities to rise. The committee also charged that U.P.A. had forced manufacturers of low priced commodities out of business by permitting newcomers in the field to manufacture the same article at a much higher price while maintaining the original price ceiling on the original manufacturer even in the face of a big increase in the cost of production. For example, the largest volume low-priced awning manufacturer in the country produced prewar a window awning which retailed in tremendous quantity at \$1.59. Manufacturing costs went up, he required an increase which would have resulted in a retail price of \$1.79. Unable to get it, he abandoned that article. A vastly inferior awning of the same size, made by a newcomer in the field, sells at retail for \$3.26 with U.P.A. approval. The inefficiency of U.P.A. was further enlarged upon and recommendations submitted by the committee for remedy of the ills.³⁰ All members concurred.

The Ninth Intermediate Report was submitted November 16, 1945, in which the committee reported on their investigation of the attempted unionization of agricultural laborers. The committee recommended:

1. That the National Labor Relations Board vacate the certification of any and all labor unions as the bargaining representative of employees engaged in the field of agricultural labor in accordance with the provisions of subdivision 3, section 2, of the National Labor Relations Act.
2. That the National Labor Relations Board immediately cease and desist from asserting jurisdiction or taking action in any matter, affecting persons employed as agricultural laborers, in accordance with the will and intent of Congress and the provisions of the act.

³⁰ 79th Cong., 1st sess., House Report 1142, October 22, 1945.

3. That the National Labor Relations Act be amended by including therein and adding thereto a statutory definition of the term 'Agricultural labor' as that term is defined in section 1426, subdivision (h), of the Internal Revenue Code, and by defining the term 'agricultural laborer' as any person engaged in the performance of 'agricultural labor' as so defined.

4. That the National Labor Relations Board adopt the statutory definition of 'agricultural labor' and conform to its practices and policies accordingly until Congress is afforded adequate opportunity to act in the premises.

A member of the committee, John J. Delaney of New York, once more disagreed with the report of the committee, and reserved the right to later submit a supplemental report. Representative Jerry Voorhis was no longer a member of the committee.³¹

The committee submitted its tenth intermediate report July 25, 1946, in which it reported on the investigation of an illegal use of authority by the Federal Home Loan Bank Commissioner to abolish the Federal Home Loan Bank of Los Angeles to prevent a certain man, whom the commissioner disliked, being elected to its presidency. The committee made due recommendation for the rectifying of the unhealthy situation.³² The tenth intermediate report of the committee was the last recorded.

After the committee had finished its charges against U.P.A. and called upon Congress to rewrite the price control law, counter-charges were submitted by an unofficial group of House members averring that the committee report was "based upon questionable, and in many instances, seriously biased interpretations" of the powers of the U.P.A.³³

³¹ 79th Congress, 1st sess., House Report 1210, November 16, 1945.

³² 79th Congress, 2nd sess., House Report 2659, July 25, 1946.

³³ John A. Perkins, "Congressional Self-Improvement," American Political Science Review (June, 1944) p. 504.

It would seem, however, that this might not have been too serious a charge in as much as it was submitted by only a small group. It merely serves to point up the fact that there are always two sides to a question. After due consideration, it would seem that the basic and proper aim of Congressional investigation is the unbiased uncovering of all of the facts on a given subject. Actually, however the information which is uncovered is always colored by the personalities and thoughts of the men who uncover it.³⁴

³⁴ McGeary, op. cit., p. 160.

Chapter III

The Truman Committee

On Monday, February 10, 1941, Senator Truman (Dem. Mo.) first announced to the Senate his intention to submit a resolution asking for an investigation of the national defense program and handling of contracts. In his introductory speech he brought out the point that most of the defense contracts and manufacturing were being concentrated in a small area, thus discriminating against a large number of industrial concerns in other areas. Moreover, the small area so covered was entirely outside the area designated by the Army survey as safe for such operations. He pointed that under this discriminatory and partial administration of this important operation, the small manufacturer and machinist was being completely squeezed out. He suggested that this was absolutely unnecessary and that a plan had been recommended by the Mid-Central War Resources Board whereby these evils could be eliminated. The board mentioned had made a survey of all machine shops and manufacturing plants located within 100 miles of Kansas City. There were found to be 160 such establishments. It was proposed that the facilities of these small machine shops might be considered as a unit and certain contracts allotted to them which, working as such a unit, they could carry to completion. Under this system there would be no necessity for the congregation of huge working masses in certain centers to operate large machine shops and manufacturing plants. The plants would already be set up, the workmen were already on the spot, and no housing shortage or surplus was created.

A similar survey was made in the St. Louis area and the same conditions were found to exist. It could, therefore, be safely assumed that the same conditions existed in Iowa, Indiana, Illinois, and other areas, and should be properly administered. Moreover, if they were not properly administered

then Mr. Truman felt, and he had the assurance of others to the same effect, that an investigation should be made by a properly constituted committee to see why proper remedies were not applied.

Machinery was being bought up all over the country and shipped to the large machine shops and manufacturing companies on the east coast and the west coast, thus centering production in a few selected spots. Moreover, the same companies were drawing manpower from the interior to the concentration points, thus causing the interior areas to have excessive vacancies in rent property with a resultant drop in the value of such property while the coastal states were being overloaded with a severe housing shortage as a result. This procedure was doing nothing more or less than creating another major problem which must eventually be dumped into the lap of the Federal Government to iron out. It would seem, Mr. Truman continued, that the policy was to make the big man bigger while the little one was being squeezed completely out of business.

He read some excerpts from a letter which he had received from "a man who knows what he is talking about". These excerpts showed that under the government contract system then in operation, the trend was toward bigger and bigger business concerns with fewer and fewer small businesses.

He pointed out, with the assistance of Senator Clark (Dem., Mo.) thru questions and answers that nothing of concrete value had as yet been accomplished toward the rectification of these abuses. Mr. Clark pointed, with Mr. Truman's confirmation, that in the War Department, the Blossom Committee, had been set up for the purpose of making and letting contracts. That this committee was actually run by one man, a Dr. Dresser, who, in letting the contracts, merely called in his particular friends while he discouraged and "horned out" everybody else. He also pointed out that in the purchase of land for government emplacements, the War Department was appointing

one man, a private citizen, as agent to option all such land. No man could sell his land to the Government without first paying this individual a 5% commission. Moreover, each title must be cleared by a title Company designated by the option agent, and a $1\frac{1}{2}$ percent commission paid to the title company. This $1\frac{1}{2}$ percent commission was added onto the purchase price paid by the Government. That such procedure must inevitably lead to waste can readily be seen.¹

Documents and contract forms were exhibited by Mr. Truman which showed that certain big contractors were working to line up all of the subcontractors (small concerns holding contracts for parts) and force them to pay a fee of 9% of their total contract in return for the big contractor landing contracts for them. The specific big contractor mentioned was Barry and Wood, Inc. of New York. When they would attempt to bring a subcontractor into the fold, they would use a letter written to them by Secretary of Navy, Knox, as evidence of their close connection with the Navy. In reality the letter merely discussed a conference which had taken place between Secretary Knox and a representative of Barry and Wood, Inc. Mr. Truman said that such practices deserved investigation by Congress.

He observed that it was a sin for a United States Senator to recommend a contractor from his state even though said Senator might be more familiar with the abilities and characteristics of the contractors at home than any man in the War Department. These abuses in connection with contract letting were just as serious as the abuses in connection with the location of defense industries only on the coast, and were just as badly in need of investigation and revision.

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Congressional Record, 77th Cong., 1st sess., LXXXVII, pt 1 pp. 830-31.

Another phase of national defense ills which Mr. Truman mentioned was the opportunity for graft and waste inherent in the cost-plus-a-fixed-fee form of contract most often employed in the Government's defense contracts. He pointed out that there were three types of contracts used by the War Department: 1. the lump sum contract; 2. the purchase and hire contract; and 3. the fixed fee contract. Under the first, the contractor is given the contract, either on a low-bid basis, or on a lump-sum negotiated basis. Under the second form, the contractor is paid on a straight cost-plus basis. Under the third, the contractor receives a fee of approximately 3.2 percent. All costs allied with the construction work, including all overhead, blue-prints, telephone calls, stenographers, clerks, field inspectors, labor, and materials are paid for by the Government. This last contract form is the one most often used, and the one under which the contractor can most easily make extra profit.²

Mr. Truman concluded his address with the reading of two editorials from two of his home town newspapers, the Kansas City Star and the Independence Examiner. These two editorials pointed out that under the sub-contract system employed by the Government, the big contractors were balk-
ing at letting sub-contracts and therefore the defense effort was beginning to lag far behind. The big contractors were attempting to keep all of the "gravy" for themselves and the country must, it seemed, suffer as a consequence. The editorials suggested the United States follow the course

² Congressional Record, 77th Congress., 1st sess., LXXXVII, pt. 1, pp. 833-34.

pursued by England and China and scatter its defense industry over the whole country, allotting each and every small machine shop and factory, capable of production, certain items to turn out.

Mr. Truman expressed the belief that the Senate ought to create a special committee with the authority to investigate every contract that had been let, to determine whether the rumor circulating in Washington concerning the National Defense Program had any foundation of fact. This would not only serve as a protection to the men who have the responsibility of letting the contracts but also as an assurance that the contracts would be most efficiently executed.³

On February 17, 1941, Mr. Truman introduced the resolution which had announced on the preceding Monday and asked that it be referred to the Committee on Military Affairs for consideration. The resolution (S. Res. 71) was duly submitted to the Committee on Military Affairs in the following form:⁴

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete study and investigation of the operation of the program for the procurement and construction of supplies, materials, munitions, vehicles, aircraft, vessels, plants, camps, and other articles and facilities in connection with the national defense, including: 1. the type and terms of contracts awarded on behalf of the United States, 2. the methods by which such contracts are awarded and contractors selected, 3. the utilization of the facilities of small business concerns, through sub-contracts or otherwise, 4. the geographic distribution of contracts and location of plants and facilities, 5. the effect of such program with respect to labor and the immigration of labor, 6. the performance of contracts and the

³ Ibid., pp. 836-38.

⁴ 77th Congress, 1st sess.

accounting required of contractors, 7. benefits accruing to contractors with respect to amortization for the purposes of taxation or otherwise, 8. practices of management or labor, and prices, fees, and charges, which interfere with such program or unduly increase its cost, and 9. such other matters as the committee deems appropriate. The committee shall report to the Senate, as soon as practicable, the results of its study and investigation, together with its recommendations.

For the purpose of this resolution the committee, or any duly authorized sub-committee 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-Seventh and succeeding Congresses, to employ such clerical and other assistance, to require by subpoena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths, to take such testimony, and to incur 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, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

After having presented his resolution, Mr. Truman asked for and received permission to read three editorials from three St. Louis newspapers, the St. Louis Star Times, the St. Louis Globe Democrat, and the St. Louis Post Dispatch.

The first of these editorials lauded Mr. Truman's recommendation for an investigating committee to investigate the national defense program and said that this program came not a day too soon. It quoted Mr. Truman as follows:

I have had considerable experience in letting public contracts, and I have never yet found a contractor who, if not watched, wouldn't leave the Government holding the bag. We are not doing him a favor if we don't watch him.

The editorial continued to say that it was the imperative duty of Congress to guard the public purse. It concluded with the statement that Mr. Truman had made an excellent record on the sub-committee investigating railroad financial practice, and that he, Mr. Truman, merited the gratitude

of the American people for his initiative in the matter of the national defense contracts.

The second editorial recalled the extravagant and inefficient practices brought to light after the World War (1918) and added that some excuse existed for waste in that case since the national preparation program was begun and executed while the nation was at war. It went on to say, however, that no such excuse existed in the present case for the United States was not at war, and the program could therefore be set up and administered with great care.

The third of these editorials pointed out that millions, possibly billions, would be spent on the National Defense Program, that it would all be underwritten by the Federal Government with tax moneys, every dollar of which should certainly be spent to the best possible advantage. It expressed the belief that a Senate committee to investigate these expenditures would help a great deal in seeing that the people's money was handled efficiently.⁵

On February 22, 1941, the resolution for the appointment of a special committee to investigate the National Defense Program, was reported (Rept. No. 64)⁶ out of the Committee on Military Affairs with one amendment. The resolution, in accordance with the rule, was then submitted to the Committee to Audit and Control the Contingent Expenses of the Senate.⁷

On March 1, 1941, Mr. Byrnes, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back an additional amendment

⁵ Ibid., pp. 947-48.

⁶ 77th Congress, 1st sess.

⁷ Congressional Record, 77th Cong., 1st sess., LXXXVII, pt. 2, p. 1265.

to the resolution. The Senate immediately proceeded to a consideration of the amendments and the resolution as amended.

The amendment of the Committee on Military Affairs was on page 1, line 1, before the word "Senators", to strike out "five" and insert "seven". The amendment of the Committee to Audit and Control the Contingent Expenses of the Senate was, on page 3, line 1, after the word "exceed⁸", to strike out "\$25,000" and insert "\$15,000". The amendments were both agreed to and the resolution as amended was accepted.⁸

March 8, 1941, the Vice-President appointed the following men to the special committee to investigate the National Defense Program and the handling of contracts, as authorized by Senate Resolution 71, agreed to March 1, 1941: Senator Truman (Dem., Mo.); Senator Hayden (Dem., Ariz.); Senator Connolly (Dem., Texas); Senator Mead (Dem., New York); Senator Wallgren (Dem., Wash.); Senator Ball (Rep., Minn.); and Senator Brewster (Rep. Mo.)⁹ All of these Senators voted for the Administration's British Aid Bill.

A few days later the New York Times made the observation that a new Senate committee composed of seven members and presided over by Senator Harry S. Truman was preparing to make an immediate investigation of the Government's dollar-a-year men to determine the significance of their connections with firms holding defense construction contracts.¹⁰

During the period of Mr. Truman's chairmanship of the committee, it underwent several physical changes. On April 15, 1941, the Vice-President

⁸ Ibid., p. 1615.

⁹ Ibid., p. 2033.

¹⁰ New York Times, Sunday, June 16, 1941, Section 1, p. 27.

appointed Senator Hatch (Dem., W. V.) to replace Senator Hayden (Dem., Ariz.) on the committee. Mr. Hayden resigned because of other obligations.¹¹

On July 14, 1941, Mr. Truman submitted a resolution (S. Res. 146)¹² to provide for an increase in the expenditures permitted the committee. It was referred to the Committee to Audit and Control the Contingent Expenses of the Senate in the following form:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-Seventh Congress, first session, relating to the investigation of the National Defense Program, agreed to on March 1, 1941, is hereby increased by \$50,000. In addition to the authority heretofore conferred upon such committee, the committee is authorized to request the use of the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government.¹³

On August 11, 1941, Mr. Lucas, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported the resolution (S. Res. 146) out of Committee favorably, with one amendment. The committee amended the resolution by striking out the amount \$50,000 and inserting instead \$25,000. The Senate immediately proceeded to consider the resolution (S. Res. 146) and the amendment. Both the amendment and the resolution as amended were agreed to.¹⁴

On October 2, 1941, Mr. Head, a member of the Special Committee to Investigate the National Defense Program, submitted the following resolution (S. Res. 175)¹⁵ which was referred to the Committee on Military Affairs:

¹¹ Congressional Record, 77th Cong., 1st sess., LXXXVII, pt. 3, p. 3097.

¹² 77th Cong., 1st sess.

¹³ Congressional Record, 77th Cong., 1st sess., LXXXVII, pt. 6, p. 5994.

¹⁴ Ibid., p. 6963.

¹⁵ 77th Cong., 1st sess.

Resolved, That the membership of the special committee authorized and directed to make an investigation of the National Defense Program, pursuant to the provisions of Senate Resolution 71, Seventy-Seventh Congress, first session, agreed to on March 1, 1941, is hereby increased by three additional Senators, not more than two of whom shall be from the same political party. Such additional Senators shall be appointed by the President of the Senate and shall have the same powers and functions as the Senators originally appointed under the authority of such resolution.¹⁶

On October 13, 1941, Mr. Truman reported the resolution (S. Res. 175) out of the Committee on Military Affairs without amendment. The resolution was not voted on at that time,¹⁷ nor until Mr. Truman re-introduced it three days later, October 16, at which time the Senate gave it full and due consideration.

Mr. Truman told the Senate that the increase in the size of the committee as provided for in the resolution (S. Res. 175) introduced by the Senator from New York, Mr. Mead, was necessary because of the fact that the members of the committee had been extremely busy with other matters and there were some very urgent matters to be considered by the committee in the following two or three weeks. He explained that since the committee had been formed, the Senator from Texas, Mr. Connelly, had been appointed chairman of the Committee on Foreign Affairs, the Senator from New Mexico, Mr. Hatch, had been appointed chairman of the committee on Privilege and Elections, and one or two other Senators who were members of the committee had been very busy with other affairs. He went on to say that in view of these facts, he believed that the resolution of the Senator from New York, Mr. Mead,

¹⁶ Congressional Record, 77th Cong., 1st sess., LXXXVII, pt. 7, p. 7590.

¹⁷ Ibid., p. 7846.

calling for an increase in the size of the committee was a wise step and should be adopted by the Senate.

Senator Bridges of New Hampshire and Senator Barkley of Kentucky questioned Mr. Truman on the different aspects of the resolution, and he explained to them that it was most difficult to accomplish much in a constructive way when only a very small number of the committee members could be present at the meetings. Finally, after discussion of many subjects, relevant and irrelevant, the resolution (S. Res. 175) was brought to a vote and agreed to by the Senate.¹⁸

Thus we find the membership of the committees authorized to be increased from 7 to 10 and on November 27, 1941, we find the Vice-President accordingly making the following appointments: the Senator from Iowa, Mr. Herring; the Senator from West Virginia, Mr. Kilgore; and the Senator from New Hampshire, Mr. Bridges; increasing the membership of the Special Committee to investigate the National Defense Program to the authorized ten members.¹⁹ Later Senator Bridges became ill and had to resign from the committee. He was replaced by senator Burton (Rep., Ohio).²⁰

On September 14, 1942, Mr. Truman submitted a resolution (S. Res. 288) to obtain additional funds for the committee. The resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

¹⁸ Ibid., pp. 7936-39.

¹⁹ Ibid., p. 9184.

²⁰ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 2, p. 2467.

It read as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-Seventh Congress, first session, relating to the investigation of the National Defense Program, agreed to on March 1, 1941, is hereby increased by \$100,000.

Mr. Truman then proceeded to give a resumé of some of the committee's accomplishments. He mentioned investigation of the waste prevalent in camp construction and the fact that his committee, in order to eliminate this waste as much as possible, had gotten camp construction transferred from the Quartermaster branch of the War Department to the Engineer Corps. The change caused substantial improvement in the construction work but waste was still excessive. He also mentioned their investigation of the inferior types of pursuit planes which were supposed to be in production and in use on the front lines.²¹

The resolution (S. Res. 288)²² was reported out of the Committee to Audit and Control the Contingent Expenses of the Senate by Mr. Lucas, on September 17, 1942, with no amendments. It was read, considered, and agreed to without change.²³

Since the Special Committee to investigate the National Defense Program was a special committee, it of course automatically ceased to exist when the 77th Congress finished its term of office. It was therefore necessary that a new resolution be submitted to the new Congress (78th) for

²¹ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 5, pp.7117-21.

²² 77th Cong., 2nd sess.

²³ Congressional Record, 77th cong., 2nd sess., LXXXVIII, pt. 6, p. 7160.

consideration. Consequently, we find Mr. Truman submitting a resolution (S. Res. 6)²⁴ to continue the special committee as set up by the 77th Congress for the investigation of the National Defense Program. He asked that it be referred to the Committee on Military Affairs.

The resolution was received and referred to the Committee on Military Affairs as follows:

Resolved, That the authority conferred by Senate Resolution 71, Seventy-Seventh Congress, agreed to March 1, 1941, Senate Resolution 146, Seventy-Seventh Congress, agreed to August 11, 1941, and Senate Resolution 288, Seventy-Seventh Congress, agreed to September 17, 1942 (relating to the investigation of the war program), is hereby continued during the sessions, recesses, and adjourned periods of the Seventy-Eighth and succeeding Congresses.²⁵

Mr. Truman then asked for and received unanimous consent to have printed at this point in the RECORD a statement made before the Special Committee investigating the National Defense Program by Under Secretary of War Robert P. Patterson; also a letter from Under Secretary of the Navy James V. Forrestal, and a letter by Donald M. Nelson, Chairman of the War Production Board, all of which directly concerned the work of the special committee. They were all very similar in content, and inasmuch as they are rather lengthy, only one of them is reproduced here, that of Robert P. Patterson.

Under Secretary Robert Patterson wrote:

Before I give my prepared statement, Senators, I would like to express the appreciation of the War Department for the very constructive assistance that this committee has rendered. I have personally not been before the committee in quite some months, although I have kept in close contact with the work of the committee, but the work of the

²⁴ 78th Congress, 1st sess.

²⁵ Congressional Record, 78th Cong., 1st sess., LXXKIX, pt. 1, p. 39.

committee has been of the utmost aid in the prosecution of the war program. A great many of the measures that the committee has recommended have been put into operation. You know how it is when you first are told that something you have been doing has some defects in it; at first your feeling is one of, well, perhaps, slight irritation but on consideration your feeling changes and you are appreciative of the criticism, outside criticism of a constructive character, and that is the point of view of the War Department on the efforts made by this committee. We are quite appreciative of the work done by the committee. It has been a very substantial contribution to the work done by the War Department. The suggestions have been helpful. I believe most of them have been adopted. Some of the very best features of our war program have their origin from the investigations made by this committee.²⁶

Senate Resolution 6 providing for the continuation of the Special Committee investigating the National Defense Program was reported out of the Committee on Military Affairs on January 18, 1943, without amendment and, under the rule, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.²⁷

The resolution (S. Res. 6) was reported out of the committee to Audit and Control the Contingent Expenses of the Senate, on January 27, 1943, with one amendment. The amendment was to strike out the words "and succeeding Congresses" and to insert the word "Congress", so as to make the resolution read:

Resolved, That the authority conferred by Senate Resolution 71, Seventy-Seventh Congress, agreed to March 1, 1941, Senate Resolution 146, Seventy-Seventh Congress, agreed to August 11, 1941, and Senate Resolution 288, Seventy-Seventh Congress, agreed to September 17, 1942 (relating to investigation of the war program) is hereby continued during the sessions, recesses, and adjourned periods of the Seventy-Eighth Congress.

The amendment was agreed to and the resolution as amended was agreed to.²⁸

²⁶ Ibid.

²⁷ Ibid., p. 196.

²⁸ Ibid., p. 331.

Senators Joseph H. Ball (Rep., Minn.) and Clyde L. Herring (Dem., Ariz.) ceased to be members of the committee at the close of the second session of the Seventy-Seventh Congress.²⁹ Both of these Senators' terms expired at that time.³⁰ Mr. Herring was not returned to the Senate by his constituency, but Mr. Ball was,³¹ and on January 28, 1943 Senator Ball was reappointed, and Senator Homer Ferguson (Rep., Mich.) was appointed, by the Vice-President to membership on the committee. These two appointments brought the membership of the committee back up to its authorized strength.³²

The committee at this time consisted of: Senator Harry S. Truman (Dem., Mo.) Chairman; Senator Carl A. Hatch (Dem., N. Mex.); Senator Tom Connally (Dem., Texas); Senator James M. Heed (Dem., N. Y.); Senator Mon C. Wallgren (Dem., Wash.); Senator Harley M. Kilgore (Dem., W. Va.); Senator Ralph O. Brewster (Rep., Maine); Senator Harold H. Burton (Rep., Ohio); Senator Joseph H. Ball (Rep., Minn.); Senator Homer Ferguson (Rep., Mich.).

These members continued to function on the Special Committee to Investigate the National Defense Program until Mr. Truman tendered his letter of resignation to the President of the Senate, on August 3, 1944. In that letter Mr. Truman expressed his regret that it had become necessary for him to resign his position as chairman of the Special Committee Investigating

²⁹ 78th Congress, 1st sess., Senate Report No. 10, pt. 1.

³⁰ Congressional Directory, 77th Cong., 2nd sess., (1st ed., Jan. 1942) p. 157.

³¹ Congressional Directory, 78th Cong., 1st sess., (2nd ed., May, 1943) p. 145.

³² Congressional Record, 78th Cong., 1st sess., LXXIX, pt. 1, p. 413.

the National Defense Program. "It is one of the regrets of my lifetime that this had to be done", said Mr. Truman, but, he said that he feared that any report on hearing for which he might now be responsible would be thought to have been too much influenced by political motive. He stated that the success with which the committee had operated in the past was due primarily to the fact that all of its members, Republicans and Democrats alike, had been able to work together in "harmony without partisanship". He mentioned his appreciation for the compliment which the Republican members had paid him by requesting his continuance as chairman and promising their wholehearted support.³³ However, he said, he had been nominated for office of Vice-President of the United States and he felt that the chairmanship of a committee was not appropriate for the Vice-President of the United States whose duty it was to present to the people the accomplishments of the Democratic party and the reasons why it should continue to be entrusted with the administration of the Government during the great national emergency. He said that he did not want even the shadow of suspicion that the policies or actions of the committee are influenced by political considerations.³⁴

Mr. Mead, who succeeded Mr. Truman as chairman of the Special Committee to Investigate the National Defense Program, submitted the following resolution:

Resolved, That the committee insert into its permanent record its permanent unanimous expression of its sentiments.

³³ Congressional Directory, 73rd Cong., 1st sess., LXXXIX, pt. 1, pp. 158-59, p. 184.

³⁴ Congressional Record, 73rd Cong., 2nd sess., LXXXIX, pt. 5, pp. 6720-21.

Under the leadership of Honorable Harry S. Truman, the United States Senate Special Committee Investigating the National Defense Program, which appropriately became known as the Truman Committee, has established a record which speaks for itself.

The Senator from Missouri conceived this committee. He submitted the resolution under which it was first authorized. His work has been characterized by modesty, tact, and diplomacy, and by his infinite capacity for preserving harmony within the committee. He has led but never driven. He has been wise, kindly, firm, and courageous. His devotion to duty, his tireless efforts to find all the facts and let the facts speak for themselves, his good judgment, his patriotic love of his country, all are reflected in the nation's confidence in this committee as guardian over the vast sums of public funds appropriated by the Congress for the winning of this war.

The accomplishments of the committee reflect these characteristics of its great chairman, and its members say to their colleague from Missouri, Col. Harry S. Truman, Field Artillery, Officer's Reserve Corps, "Well done, soldier".³⁵

By June, 1943, the reputation of the Truman Committee was such that oftentimes just the threat to "take everything to the Truman Committee" was enough to cause the cure of abuses. Very often abuses were cleared up before the committee's report had come from the printing office.

In addition to this, we find that the Truman Committee adopted the practice of checking back to see that suggested remedies were actually put into practice. It did not merely make the investigation, submit a report and forget the subject, it followed through to see that progress continued.

The outstanding success of the Truman Committee stems from the talent of its chairman and the Senators making up the group. Prior to the formation of this outstanding committee, Mr. Truman had a rather "questionable rating in Washington, as well as in the country at large". The resolution calling

³⁵ Ibid., p. 6830.

the committee into being would probably have received more attention in the Senate if it had been introduced by a more seasoned Senator.

The Senate's lack of enthusiasm for Truman was reflected in the number of freshmen Senators dumped into his committee. Tom Connally (Dem., Tex.), wheelhorse of the administration, was placed on the committee to add "ballast" and to keep the "youngsters" on the track. This preponderance of "freshmen" Senators on the committee was probably one of the basic factors underlying the unusual lack of friction apparent in this committee. They had not been Senators long enough to become subject to pressure groups from above. Another reason back of its beautiful coordination and cooperation was its chief council, Hugh Fulton.

When Mr. Truman organized his committee he realized that the execution of his program would call for a prosecutor of outstanding talent and ability. Mr. Truman consulted with Attorney General Robert H. Jackson, who strongly recommended Mr. Fulton, then as Assistant United States Attorney in New York. Fulton was Ohio born, a graduate of Michigan, and had been with one of the leading law firms in New York prior to his entry into government service. He had handled successfully some very outstanding cases. As a member of the Truman Committee he received \$9,000 per year.³⁶

So we come to the end of the Truman Committee as such. It has continued to function, however, under its official name and has been provided for in the present Congress by Senate Resolution 46, Eightieth Congress, first session.³⁷

³⁶ Business Week, June 7, 1943, pp. 19-20.

³⁷ Congressional Record, 80th Cong., 1st sess., XGIII, pt. 1, pp. 526-39.

Chapter IV The Truman Committee in Action

The Committee started its day with a conference in the "dog house," a small office just off Mr. Truman's main sanctum, furnished with comfortable leather chairs. Here the members and their counsel talk over current investigations and the addition of new cases. The committee initiated some investigations on its own initiative, but more often as a result of tips. When the committee had become nationally known, it received from 200 to 300 tips daily. These tips came from almost any source. Very often they came from workers in war plants.

It was a worker at Carnegie Illinois Steel who caused the investigation which uncovered the practice of falsifying tests on plates and destroying records. Another workman in the Wright Aeronautical Corporation caused an investigation which revealed that plane engines supplied to the Army and Navy contained defective parts.

Often investigation of a tip in one project led to the uncovering of other subsidiary abuses. For instance in the Winfield Park (New Jersey) housing project the Committee unearthed evidence which led to the indictment of C. F. McEvoy and dug up interlocking corporation connections which brought to light some very puzzling questions as to the cost of concrete barges under construction by Mr. McEvoy.¹

The investigations and recommendations of the Committee did not always cause sweeping changes to be made. In its investigation of the dollar-a-year men and w o c (without compensation) men, it made recommendations for change in their status, that they either be fired or given a salary to wean them away from their former business ties. However, the report, when it was published

¹ Business Week (June 26, 1943), 19-20.

caused very little if any change in the status of the dollar-a-year men and the w o c men.² On the other hand, two days before the Committee submitted its report on the investigation of O P M, Mr. Truman had a conference with Mr. Roosevelt. The next day a new agency was set up with Donald M. Nelson at its head. This was the War Production Board and it replaced the O P M. This coincided perfectly with recommendation of the Truman Committee Report that one man be placed at the head of the war production and procurement effort.³

The committee itself had no power except to advise and recommend. However, when illegal practices were unearthed they were turned over to the United States attorney general to see that justice was done.

The committee's investigations were assigned to staff members who had specialized in the subject under study. Very often the committee was able to clear up an investigation without holding open hearings. But, when hearings were necessary, the Truman group tried to save government money and time by holding the hearings near the location of the project being investigated, rather than expending large sums to bring various witnesses into overcrowded Washington. It would also break up into subcommittees to speed up and extend its range of action.

In the committee hearings themselves, the committee members usually sat on one side of a long table and the witnesses sat on the other. Usually the witnesses were accompanied by a formidable array of legal counsel loaded with documents. Proceedings began with witnesses reading prepared statements of their positions. Questions followed, with Mr. Fulton, the committee counsel, pursuing his prepared strategy and the Senators asking questions when there

² Newsweek, XIX (June 29, 1942), 46.

³ Newsweek, XIX (May 4, 1942), 32.

was a point they wished clarified.

The Truman Committee became so popular that whenever or wherever it held an open hearing, the room was usually packed and all available seating was taken up.⁴

After the Committee had gathered all of the available information on a subject and hearings had been held, recommendations were prepared, and a report was drawn up to be presented to the Senate. During the period of Mr. Truman's chairmanship of the Special Committee Investigating the National-Defense Program, the committee held many hundreds of hearings. The records of the hearings covered 10,873 printed pages and are divided into 24 parts.⁵ Also the committee submitted 32 reports covering their investigations and recommendations.

The hearings and reports of this committee, one can readily see, are far too numerous to be covered in this work. This chapter will therefore be devoted primarily to a study of the first Annual Report of Committee Investigations. This report was submitted by Mr. Truman January 15, 1942. It was an over-all report (Rept. No. 480, pt 5)⁶ covering the matters which the investigating committee had considered during the year 1941.

The committee held its first public hearing April 15, 1941. From that date to January 15, 1942, 252 witnesses testified, some of them on several occasions.⁷ The printed record of such testimony comprises 4,024 pages.⁸

⁴ Business Week (June 26, 1943), 19-20.

⁵ 78th Cong. 2nd sess., Hearings, Senate Res. 6, Senate Special Committee Investigating the National Defense, pt. 24.

⁶ 78th Cong., 2nd sess.

⁷ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 380.

⁸ 77th Cong., 1st sess., Hearings, Senate Res. 71, Senate Special Committee Investigating the National Defense Program, pt. 10.

By January 15, 1942, the committee had already uncovered, in its investigations, many instances of gross inefficiency and serving of self-interest by those who were employed by the government. Due to these practices, a great deal of material which we needed and should have had at that time had not been produced.

Up to the date of the report the committee had caused a great number of these abuses to be remedied, but all too many of them still continued. The committee felt that the investigations of these evils should be continued throughout the war in order that waste inefficiency and graft would be kept to a minimum and the war effort permitted to progress at maximum speed.⁹

The committee was available at all times to those agencies of Government who had encountered problems which impeded the efficient and economical conduct of the Government's business or to any responsible industrial or labor group which had a just grievance. Thus it served as a public forum before which both sides could present facts to be weighed impartially. The committee's powers of investigation enable it to determine whether a problem is given due consideration or just pigeonholed, and if considered the committee could ascertain whether there was a sound basis for the decision rendered. The committee did not profess to be more intelligent than the departments or agencies rendering the decisions, nor better able to make the decisions itself. It could, however, determine whether decisions were based on facts, and it could insist that the agencies consider each problem on its merits and have reasonable explanations for decisions made.

Such a forum during wartime is indispensable. For when a nation is at war, the rights and privileges of the individual must give way to consideration of the public welfare. It is only, therefore, that the citizen should

⁹ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 381.

be provided a means whereby he can get justice done if he is being unduly mistreated. Moreover, the public as a whole is entitled to know "that its money is not being wasted and that everyone receives fair and equal treatment."¹⁰

Similar functions were performed in England through the war effort by the Select Committee on National Expenditure of the House of Commons, created in January 1940. It made numerous investigations of wastes and abuses incident to the British war program. A summary of its organization and functions is included as Appendix C.¹¹

The Truman Committee felt that the matters already developed during the last few months of its existence amply demonstrate the wisdom of the British policy of investigating the war effort while it is current instead of the French policy of assigning the guilt after the event.¹²

OFFICE OF PRICE ADMINISTRATION

Fundamentally, the disappointing record of the Office of Production Management was due more to its failure to perform the functions for which it was created than to its lack of power. When it was organized it would have been impossible to tell exactly what the organization of each of its departments should do or to tell just how much authority each should possess. We had no precedent to follow except a few problems which had been encountered in the first World War, and they bore little if any resemblance to the problems of World War II.

When O P M was set up it was given power to determine its own organization. It was the responsibility of each of the organization's department heads to see that an efficient, workable organization was created. It was their duty, if the powers delegated were not sufficient to accomplish the

¹⁰ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, p. 3.

¹¹ See Appendix C. pp. 95-99.

¹² 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, p. 4.

purpose, to ask for more power through properly presented requests to the Executive or to Congress.

However, in practically all cases the public has cooperated wholeheartedly with the decisions of the Office of Production Management. The organization has had behind it, since its inception, one of the most powerful of forces, public opinion.

In those instances where it has failed, the failure can generally be traced to the ineptness of the officials rather than to a lack of power. When the organization was faced with a problem, it should have gathered all of the facts and made a thorough study of the question. Then it should have submitted recommendations to remedy the abuse. If the recommendations were right and just, then the public would have had to abide by them. Those who did not could be called before the committee to explain their recalcitrance. If and when this procedure failed, Congress could have been asked to pass necessary legislation. Instead of following this course, the usual procedure was to evade the issue and claim lack of authority to settle the question, and when possible, to refer the question to some other agency of the Government.¹³

From the very first, the principle positions of the Office of Production Management were given to dollar-a-year men and w o c (without compensation) men. These men were generally from the ranks of big business concerns. They did not sever their business connections when they took a position with the Office of Production Management, but usually remained a part of their companies and were carried as being on leave. Their companies continued to pay their salaries and in many cases their salaries were even increased.

¹³ Ibid., pp. 6-7.

These dollar-a-year men and w o c men spent much of their time familiarizing themselves with the defense programs and all its ramifications. Thus they were enabled to know what kind of contracts the Government was getting ready to let, and they could inform their company. It was only natural that a man should think that the company for whom he is working is just the size and type needed to fulfill a contract which is coming up. Moreover, these men were in a position to know of approaching shortages or surpluses in materials and could keep their respective companies posted on whether to buy up certain materials or to slack off. The Truman Committee went on record as opposed to the policy of taking free services from persons with an axe to grind.¹⁴

It has been the practice of the Office of Production Management to hold hearings attended by scores and even hundreds of persons. Usually the most important of these conferences were held in secret, even the Office of Production Management being sworn to secrecy.

Later the Office of Production Management would announce to the press that such conferences had been held and would even disclose the nature of the subject matter discussed. Under such a procedure, the conferences were secret only to the extent that the public could not determine the effectiveness or ineffectiveness with which the problems were discussed. In most cases no record was kept of the bulk of the conferences, the men involved having to rely on their memories which, judging from answers to committee inquiries, are very faulty. Due to this lack of official records it is difficult to determine exactly why a practical solution to the problems discussed was not reached.

There was also a tendency for the Office of Production Management to spend too much time in discussion and not enough in execution. In conference, it did not present the problems in a good, well organized manner, but in a

¹⁴ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, pp. 381-82.

rather haphazard manner. One department would claim that another was responsible to see that certain things were done. In this way days and months could pass with nothing of concrete nature accomplished.¹⁵

Instead of presenting clear cut programs to the businessmen of the nation, the Office of Production Management, in almost every important instance (as for example automobiles, aluminum, steel, copper, lead, zinc and numerous others) either failed to see the type and scope of problems or tended to minimize their importance and took only half-hearted steps in the vain hope that the problem would solve itself.¹⁶

The committee recommended that the Supply Priorities and Allocations Board (SPAB) should act with more initiative and force, and if it didn't take steps in that direction in the very near future, a new agency would have to be formed with one man at its head. This was in fact done immediately after the report of the committee was released. The President caused a new agency, the War Production Board, to be set up with Donald M. Nelson at its head.¹⁷

ALUMINUM

As a step toward determining whether this Office of Production Management was fulfilling its task of assuring adequate supplies of strategic materials, the committee in April asked for and received a report on the quantity of aluminum required by the United States and the supply available. The report disclosed that with maximum production, the United States would still be short more than 600,000,000 pounds of aluminum per annum.

The day following the release of the committee report, the Office of Production Management issued a press release to the effect that plans had

¹⁵ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 10-11.

¹⁶ Ibid., p. 13.

¹⁷ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 383.

already been submitted to the Under Secretary of War for eight new aluminum plants. Upon investigation, however, the committee learned that the report merely designated geographic areas, i.e., Washington, Oregon, Upper New York, Arkansas, California, Alabama, and North Carolina, which had sufficient kilowatt capacity of power available to support new aluminum plants. The estimated aluminum production of each of these plants was based solely on kilowatt-hours of current available. The Office of Production Management did not notify Mr. Wm. L. Knudson of the shortage until over a week later as a comparison, it took as long to get the memorandum to Mr. Knudson's desk as it takes to produce the amount of aluminum collected in the entire pots and pans program.

The Office of Production Management later designated the companies who would produce the aluminum. But it did not set up a plan of execution or form of contract to be used in the process. The contract as finally drawn up was much too partial to Alcoa, the principle aluminum company in the country. Alcoa was the first company to attempt to comply with the directive of the Office of Production Management. The committee found the contract, as negotiated, entirely unsatisfactory and so a supplemental one was drawn up between the Defense Plant Corporation and the Aluminum Co. of America (Alcoa) which proved to be much more satisfactory. The committee felt that it was instrumental in saving the Government a great deal of money and trouble by its investigation of the contract.¹⁸

The committee also felt that it made a big contribution when it demonstrated to future companies who might seek contracts of this kind with the

¹⁸ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 15-16.

government that their acts could be subjected to investigations, and that they might be required to explain why they drove such a hard bargain with the government when most people were making big sacrifices for the prosecution of the war.¹⁹

COPPER LEAD and ZINC

In 1940, after the fall of France, the United States production plus foreign imports of copper far exceeded the demand. That would have been a good time for the United States to build up a large stockpile of copper, while shipping was available and the foreign production was on our market. But some of the copper companies in the United States, in an effort to protect their own interests, brought pressure to bear, and the Advisory Commission to the Council of National Defense (the predecessor to the Office of Production Management) decided that such importation of copper was neither necessary nor desirable. Some of the producers, Kennecott Copper Corp., Phelps-Dodge Corporation, and Anaconda Copper Mining Company did increase their production long before any demand was made on them for increased production.

Lead and zinc followed somewhat the same path as copper. The threat of a shortage was not recognized until the shortage was upon us. By that time the Office of Production Management was so cramped for time that it could not give the small producers any attention. It had to concentrate on getting the big producers to increase their production.²⁰

The committee reported the Office of Production Management, even after it came to realize that a shortage was inevitable in copper, lead, and zinc, did very little to the alleviation of the shortage. Even up to the time of

¹⁹ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 383.

²⁰ 77th Cong., 2nd sess., Senate Report, No. 460, pt. 5, pp. 19-20.

the committee report of January 15, it had not taken adequate steps to increase the production so as to assure "1. sufficient quantities for military use, and 2. as great a quantity as possible for the civilian economy."

In the opinion of the committee, the Office of Production Management was negligent in this matter. They should have acted in a more expeditious manner to forestall the severe shortages which developed, causing small businesses dependent upon those metals to close down. It was the duty of that government agency to at least make an early and vigorous attempt to increase production in order to protect these small businesses and their employees from being forced out of business through lack of material. This duty was not fulfilled.²¹

STEEL

The committee determined through its investigations that a sharply divergent view existed within the Office of Production Management, both as to the need for increased production of steel and as to whether it would be wise to use some of the existing steel capacity to produce the facilities necessary to step up the production of steel.²² The Office of Production Management did finally embark upon a program whereby the existing capacity would be increased by 10,000,000 tons per year.²³

To January 15, 1942, Defense Plant Corporation had made 22 contracts with steel companies for increased production of steel and pig iron at a total expenditure of \$260,805,550.

The largest single contract and one which caused the Defense Plant Corporation the most trouble was with Bethlehem Steel. The committee felt

²¹ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 303.

²² 77th Cong., 2nd sess., Senate Report, No. 450, pt. 5, p. 27.

²³ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 303.

that, inasmuch as Bethlehem Steel had at that time July 16, 1941, contracts totaling \$1,368,000,000, it should itself have been able to provide out of its own funds at least a part of the facilities for which it desired Government financing. The contract as submitted was outrageous and the counsel for the Defense Plant Corporation advised that the proposed contract be rejected.

The committee also pointed out the necessity for steel facilities on the West Coast, and advised the Office of Production Management to make a more thorough over-all study of western ore and steel producing facilities.²⁴

AUTOMOBILES

Following the creation of the Office of Production Management, the statement was released that we possessed the greatest supply of machine tools in the world. The automobile industry alone had vast quantities of such tools, and could contribute enormously to the defense program. However, instead of immediately requiring the automobile plants to convert to building defense equipment, there was a statement issued to the effect that automobile plants could not produce tanks and airplanes, and that the best procedure would be to build new plants for that purpose. In consequence of this line of thinking the defense program did not receive the much needed help of the automobile industry. Instead, the automobile plants were permitted to continue the production of automobiles for private use and even to increase their total production. Throughout 1939-1940, and part of 1941 the total production of passenger cars and trucks steadily increased.

In thus increasing their output, the automobile plants were not only depriving the defense program of their production facilities, but they were also drawing heavily on a large number of strategic materials. According to Barron's National Financial Weekly, the industry in 1939 used the following

²⁴ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 27-29.

percentages of the total amount of material available in the United States: Rubber 50%, Tin 11%, Nickel 23%, Copper 14%, Steel 12%, Zinc 12%, Lead 34%, Aluminum 10%.

It is safe to assume that substantially greater percentages were consumed in 1940 and 1941 since the production of passenger cars and trucks was nearly a million greater for each of those two years. On the date of the delivery of the committee report to the Senate, the conversion of automobile plants to defense projects had hardly gotten started.

It was the intention of the committee to insist upon receiving an explanation from the parties concerned, of the reason why they should be given millions of dollars over months of time for the purpose of creating new plant facilities instead of being required to convert the facilities which they already have.²⁵

Prior to the actual declaration of war, the automobile plants claimed that only about 10 percent of the gross total of their tooling facilities could be successfully converted to the production of defense equipment. After the declaration of war had made the production of automobiles impossible, however, the automobile companies said that the plants could be converted in a relatively short time. The committee felt that this last statement had been correct all the time.²⁶

SMALL BUSINESSES

One of the problems which has given the committee greatest concern is the position and utilization of the small business in the defense program. The facilities of these small businesses had not been used. They had been forced to compete with large contractors with Government contracts and

²⁵ Ibid., pp. 31-35.

²⁶ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 333.

priorities. Consequently, they had a difficult time getting material to keep their plants in operation and were thus being squeezed out entirely and in many instances forced to shut down.

Mr. Floyd Oellum, director of the Division of Contract Distribution of the Office of Production Management, had testified before the committee shortly after assuming his office and asked for consideration until he had time to complete his staff. The time he asked for had almost elapsed at the time of the committee annual report to the Senate on January 15, 1942, and the committee expected to hold hearings in the very near future to determine the progress made by the contract services of the War and Navy Departments, and by the Division of Contract Distribution of the Office of Production Management.²⁷

TAX AMORTIZATION

Senate Resolution 71 directed the committee to inquire into the "benefits accruing to contractors with respect to amortization for the purpose of taxation or otherwise."

At the time of the Annual Report January 15, 1942, the committee had held no hearings on this subject, but they had been engaged in a study of the methods by which the Army and Navy had carried out the provisions of section 124 of the Internal Revenue Code:

(Public Law No. 801, 76th Congress) The purpose of section 124²⁸ is to induce corporations to construct, reconstruct, or acquire new facilities for the purpose of section 124 is to induce corporations to construct, reconstruct, or acquire new facilities for the purpose of defense production. Section 124 (a) furnished an inducement in the form of an allowance of a 60 month amortization period for such emergency plant facilities. The advantage to the taxpayer of such procedure lies in its ability to deduct greater amounts per year from incomes than would be otherwise possible under the income tax statutes. Section 124 applies only to corporations.

²⁷ Ibid.

²⁸ 76th Cong., Public Law 801.

When the committee began investigation of this subject in September 1941, the Advisory Commission to the Council of National Defense was required to pass on the allowance of tax certificates, providing instead, that the Army and the Navy should grant such certificates on their own motion.

On investigation, the committee found that prior to January 1, 1942, well over a billion dollars in amount of certificates granting the tax privilege have been issued by the War Department and the Navy Department.

The Tax Amortization program and the spreading of defense work to small manufacturers is closely bound up. It is one of the purposes of the committee to determine whether the tax amortization program has encouraged the uneconomic construction of new manufacturing facilities where sufficient facilities of the type desired already exist in small or large machine shops and manufacturing plants in the area.²⁹

The Defense Commission, prior to October 30, when the tax-amortization program was rearranged examined several issues made by both the War Department and the Navy Department. It was easily seen that the Defense Commission endeavored to see that tax certificate was issued when facilities for which tax certificate was intended already existed in the area and were not already in use. The Army and the Navy, however, tended to favor letting a large concern build the facilities even though they existed in sufficient quantity smaller plants.

The committee felt that the reviewing authority on tax "necessity" certificates should not only consider the necessity for expansion of production capacity within an industry, but should also examine the advisability of the construction of particular facilities in order to expand such

²⁹ 77th Cong., 2nd sess., Senate Report, No. 460, pt. 5, pp. 39-40.

capacity.³⁰

CONTRACT REVIEW

The committee recommended that section 124 (1) of the Internal Revenue Code should be repealed, and that some substantial form of contract review be substituted, so as to prevent defense contractors from taking advantage of the Government. Such a form of contract review, not being solely concerned with taxes, should not be included as a part of the Internal Revenue Code.

Such a contract review program should:

1. be geared to the contract clearance processes of the Division of Purchase, Office of Production Management,
2. contain a provision for the review of both the new and existing contracts,
3. cause all contracts to contain a provision authorizing the government to terminate contract at end of war,
4. cause all contracts to contain a provision whereby the holders of defense contracts should be entitled at close of war to the actual "out-of-pocket" losses sustained by reason thereof, and should not receive profits which they would have made had they been permitted to continue manufacturing.³¹

LABOR

The committee believed that when labor disputes affect the defense program, and the executive agencies were unable to settle such disputes, then the committee should render such assistance as it could by investigation of all facts relative to such disputes.³²

The resolution which created and empowered the committee charged it with the duty of investigating the "practices of management or labor, and prices,

³⁰ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 383.

³¹ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 43-44.

³² Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 383.

fees, and charges which interfere with such program or unduly increase its costs," and the "effect of such program with respect to labor and the migration of labor."³³

In its investigation of the War Department's camp and cantonment construction program the committee made a thorough examination of the labor situation as it affected the construction of camps and cantonments, especially in reference to the collection of permit fees. The committee was interested in exploring the incomes of the various locals as a result of work-permit fees, and the manner in which this affected the excessive turnover of labor found in camp construction. Large amounts were collected in many instances. The committee felt that union locals should be required to show what became of these large collections. No man should be required to pay a racketeer a fee for the privilege of working for the Government.³⁴

Among the labor disputes investigated by the committee were the soft-coal strike, camp construction, west coast ship-building strike, and the Currier case.³⁵

The committee was convinced that many of the strikes were inspired by the observation of the tremendous profits being reported by companies who had defense contracts. Labor's representatives feel that they owe a duty to labor which is just as real a duty as that which industrialists owe to stockholders. The trouble is that they both pay too little attention to the duty which they both owe to their country.³⁶

³³ 77th Cong., 2nd sess., Senate Report, No. 400, pt. 5, p. 45.

³⁴ Congressional Record, 77th Cong., 2nd sess., LXXVIII, pt. 1, p. 383.

³⁵ 77th Cong., 2nd sess., Senate Report, No. 460, pt. 5, pp. 45-52.

³⁶ Congressional Record, 77th Cong., 2nd sess., LXXVIII, pt. 1, p. 384.

AVIATION

The committee spent several months investigating the aviation program and its administration. They investigated every aircraft manufacturing company in the country. They found no planned and coordinated program for production. All of the manufacturers complained that they would no sooner get a plane in production than some man would rush in with revisions in the specifications, sometimes major but more often minor.

The Office of Production Management in whose hands the organization of the production of aircraft should normally rest had served only as a rubber stamp for the service agencies, allowing them to follow their own policies of procurement.³⁷

The committee recommended standardization of aircraft. During their investigation they found that only the bomber was standardized on two designs to be manufactured by several companies. Fighters on the other hand were not standardized. Sometimes the Army would receive four or five types of planes from one manufacturer which were often built side by side. Most production experience would seem to indicate that the most efficient type of production is that which is confined to the fewest types of construction.³⁸

Many manufacturers or experienced groups because of lack of priority or official indifference to their possibilities were totally idle, or serving as schools on instruction, parts manufacture, repair stations and so forth while their facilities for aircraft manufacturing sat idle.

Throughout the United States there were 20 or 25 small aircraft companies capable of producing at least 1 or 2 airplanes a week, but they were not being utilized at all. They, like the small machinist and small manufacturer, were

³⁷ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 384.

³⁸ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 59-60.

being ignored. The authorities were following a policy of making the big man bigger while the little man was forced out of business.³⁹

DEFENSE PLANT CORPORATION

The Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation, was set up as a means of financing new-plant construction for the defense program.

By December 31, 1941, the Defense Plant Corporation had issued commitments, less cancellations, for plant expansion and related matters necessary to the defense program, to the sum of \$2,456,600,000. The immensity of this figure can best be seen by comparing it with the entire debt of the United States before World War I. The public debt as of June 30, 1916, was \$1,225,145,568.

Options for the purchase by the company of improvements thus financed but the termination of the war had been included in contracts covering \$1,702,579,000 of the \$2,456,600,000. If inflation followed, then the companies were to be permitted to buy the improvements at a fraction of their true value. The committee is opposed to the granting of such options unless provision is made for revision in case of inflation.⁴⁰

LOBBYING

Whenever the government sets out to spend billions of dollars, it usually attracts persons who seek through "friendship" or "influence" to obtain contracts. Big business has had its lobbyists in dollar-a-year and w.o.c. men. The small business man and intermediate business man tried to obtain the same results by hiring those whom they think have influence. In many cases the person with influence was hired to render legitimate service,

³⁹ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 304.

⁴⁰ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, p. 71.

but was paid so high that it leads many to wonder if their employers didn't expect to receive some added benefit. In other cases the service rendered was not legitimate and the payments could therefore be treated only as compensation for influence. In many instances, those seeking contracts employed persons to apply pressure or influence in their behalf.

For obvious reasons, no contract was drawn between them. Their negotiations were completely verbal, and in many cases the money was paid but the "goods" were not delivered. Sometimes they got only that to which they would have been entitled without resorting to lobbying. Even in these cases, their actions should be severely condemned, for in attempting to purchase influence, they weakened the public confidence in the integrity of the Government.

One result of this evil is the widespread belief especially among small and intermediate businessmen, that Government officials can be "reached", which makes them credulous dupes of "peddlers of influence."

The committee recommended that when businessmen were approached by such "peddlers of influence" they should report it to the committee and the committee would see that appropriate action was taken. The committee felt that legislation for the control of lobbying should be carefully considered before it was enacted.⁴¹

During its study of the lobbying question, the committee investigated the Empire Ordnance Corporation and related corporations. In connection with this group, the committee investigated the past activities of a Mr. Charles West, a Mr. William J. Dempsey, a Mr. William C. Koplowitz, and a Mr. Thomas G. Concoran, all of whom, the press had from time to time alleged, were being retained on a fee basis, to assist the corporation in obtaining Government

⁴¹Congressional Record, 77th Cong., 2nd sess., LXXXVII, pt 1 p. 384-85.

contracts.⁴²

NAVAL and MARITIME SHIPBUILDING

Before the emergency, the naval shipbuilding program apportioned the construction of ships about 50-50 between the naval ship yards and private ship yards. However, when production was stepped up, naval facilities could not be as rapidly or as economically expanded as could the private facilities. Consequently, the bulk of the increased production was allotted to private ship yards. The navy arranged for a \$1,000,000,000 shipbuilding program on September 1, 1940 at a ratio of 70 percent in private yards and 30 percent in naval yards.

Admiral Robinson testified that there was no way that a comparison could be made between private and navy yard shipbuilding because of the navy's method of keeping books. The committee felt that the navy should devise a means of comparison to see how the cost of production in a private shipyard compared with the cost in a navy yard, and if there was a disparity shown on either side then steps should be taken to remedy such condition.⁴³

The Navy was exceedingly generous with private shipbuilders. For instance, the Cramp Shipbuilding Co. had not been in operation since 1927, yet the Navy allotted 12 million dollars for new facilities. The Cramp Shipbuilding Company itself estimated its net worth at \$1,442,937.79. In addition it was given cost-plus-fixed-fee contracts on which it would get a fee of \$6,378,430 and a possible bonus of \$1,064,500, or a total fee plus bonus of \$7,442,930.

⁴² 77th Cong., 2nd sess., Senate Report, No. 400, pt 5, pp. 74-86.

⁴³ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, p. 385.

Of the thirteen companies who had cost-plus-fixed-fee contracts, were entitled to receive fees plus possible bonuses which exceeded their net worth on December 31, 1941, as estimated by them.

The fee plus possible bonus was not computed in relation to the average net profits of the companies between 1936 and 1940. In other cases from 20 to 30, or 40 times.

The committee estimated that companies such as Bethlehem Steel Company and Federal Shipbuilding which took fixed price contracts, would probably make as much, or even more profit because the contract price was considered to be comparable and the companies, being so large, would be enabled to effect the savings incident to mass production. These companies, moreover, would have the profit from supplying the materials to build the ships.

Those companies in the repair ship conversion business, it was estimated, would receive even more staggering profits. The Navy permitted the companies to charge their regular hourly rate for repairs despite the fact that such rates were set up in peacetime when the entire overhead of the company had to be charged to a comparatively small volume of work, Mr. James S. Barnes, representative of the Todd Shipyards Corporation in Washington, stated that the Navy method, "gave us a profit of profit of \$1.00 a day on every man we had, and I think we had around 35,000. If it hadn't been for taxes, we couldn't have handled our profits with a steam shovel."

Following the committee's announcement that it intended to investigate ship conversion work, a number of companies "voluntarily" requested the Navy to reduce payments to be made to them. This ridiculous situation

⁴⁴ 77th Cong., 2nd sess., Senate Report, No. 480, pt 5, pp. 87-88.

should never have been permitted to develop. It has necessarily increased the cost of the shipbuilding program tremendously.⁴⁵

The Maritime Commission embarked upon a long-range program in 1937 which called for the construction of 500 vessels over a ten year period. The original program later became a series of programs which can be summarized as follows: 1. the long-range program of 500 ships in ten years; 2. the accelerated long-range program which increased production from 50 to 100 ships per year; 3. the emergency liberty fleet of 200 cargo ships; 4. the lend lease program of approximately 300 ships of both emergency and standard types, which included the Great Lakes ore vessel program of 16 ore carriers; 6. a miscellaneous type program for the construction tugs, 60 coastal cargo vessels, 16 coastal tankers, 25 large seagoing tugs, and 15 reinforced concrete barges.

Thus it may be seen that the accelerated program increased the expected production from 500 ships in 10 years to over 1600 units by 1943. This estimation did not take into consideration the increased production of shipping provided for under the victory program.

The committee was of the opinion, after considering all the factors involved, that the Maritime Committee had done a good job.⁴⁶

ARMY RECREATION PROGRAM

At the outset of the defense program the Army recreation program was placed in the hands of the Army itself. A civilian committee, known as the joint Army and Navy Committee on Recreation and Welfare, was set up to advise the Army leaders on recreational activities. General Frederick H. Osborne served as chairman of this committee. He called on Mr. Raymond Fosdick, an authority from the last war, to meet with the committee to discuss future activities. Mr. Fosdick found that the building facilities were far superior to those used in the previous war, but that the athletic program didn't seem

⁴⁵ Ibid., pp. 88-89.

⁴⁶ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 386.

to be moving rapidly enough.

There had been delay in the construction of buildings for athletics because of the fact that the Army had expanded so rapidly. Emphasis had been placed on the erection of barracks, mess halls, administration buildings etc. However, work was now being rushed on an athletic building. The committee made a thorough study of the Army recreation program from the small unit, right through to the War Department in Washington. The program of athletics in each camp is the responsibility of each separate commander. It is the duty of the Morale Branch only to coordinate, stimulate and develop these recreational activities.

An attempt to correct the vast differences that existed in individual camps was, at that time, being made by holding meetings of all division and corps area morale officers at which activities in various localities might be compared and suggestions made to obtain greater uniformity. The committee recommended, and General Osborne agreed, that it might be well to have directives issued from the Morale Branch to reinforce the authority of the morale and recreational officer and to order a minimum recreational and athletic program. At the same time, the final control and authority might be left in the hands of the camp commanders.

The committee also recommended that the Morale Branch use all of its authority to discourage the practice of some private business concerns of refusing to admit or serve privates in uniform.⁴⁷

After an exhaustive study the committee found "many mistakes, gross waste, extravagance, inefficiency, and petty jealousies on the part of administrative heads." It found that some of the ills could be remedied only by legislation. The committee had already submitted amendments to the Lanham Act, which was the

⁴⁷ Ibid.

basic defense housing statute, before a subcommittee of the Senate Committee on Education and Labor considering H. R. 6128, and before the United States Senate on December 19, 1941.

Some of the causes of mistakes could be corrected only by administrative action. The committee expressed the hope that its findings might help to prevent, in the future, a recurrence of these mistakes which had impeded the program in the past.⁴⁸

The committee found the following agencies participating in the defense housing program: The Division of Defense Housing Coordination, Federal Works Agency and Lanham Act Construction, Navy Department, Farm Security Administration War Department, Defense Homes Corporation, and Private Enterprise.

For the most effective operation of the program it was essential that the Coordinator of Defense Housing and the Federal Works Administrator work together harmoniously. Yet the committee found that a feud was in full progress between the two, and the reason underlying the feud seemed to be that the Coordinator of Defense Housing was encroaching upon the jurisdiction of the Federal Works Administrator. The committee recommended that the Executive order establishing the office of Defense Housing Coordination be amended so as to eliminate the possibility of such encroachment in the future.⁴⁹

Under the Lanham Act, the Public Buildings Administration had let 112 out of 147 projects assigned to it on a cost-plus-fixed-fee basis. The United States Housing Authority, on the other hand, had let only 1 out of 96 projects on a cost-plus basis. The Division of Defense Housing of the Federal Works Agency had let all of its contracts on a lump-sum basis. While the Mutual Ownership Defense

⁴⁸ Ibid.

⁴⁹ 77th. Congress, 2nd. Session, Senate Report, No. 480, pt. 5, pp. 100-107.

Housing Division of the same agency had let 7 out of 10 projects on a cost-plus basis.

On investigation the committee found that the United States Housing Authority in letting its contracts on a lump-sum competitive bid basis had proceeded more rapidly and efficiently, and with less graft and waste than the Public Buildings Administration, which had let 112 out of 117 projects on a cost-plus-fixed-fee basis.

The committee recommended that H. R. 6128 authorizing and additional 300,000,000 for Lanham Act construction be written in such a manner as to provide that all contracts for defense housing construction units be let on a competitive lump-sum basis.⁵⁰

WOLF CREEK ORDINANCE PLANT, Milan, Tenn.

The committee began a nationwide investigation of Army Ordinance plant construction. At the time of this report it had held hearings on the cost of construction of the Wolf Creek Ordinance Plant and the Milan Ordinance Depot. It found that the cost was considerably in excess of the value of the facilities turned over to the Government. When work was begun on the ordinance plant, there were no plans available. The plant had to be designed as it was built, and the best the War Department could supply was a cost estimate based on 1917 experience. Careless construction, a vast amount of roads at an exorbitant cost, improper procedure in purchasing and the handling of payrolls by placing relatives and friends in sinecure positions, and the improper establishment of accounting records were the principal causes of the excessive cost. The War Department neglected to keep an adequate check on the project simultaneously with its construction, and even after the committee had instituted its investigation, refrained from making a thorough check of the matters referred to.

⁵⁰ Ibid., pp. 113-19.

The committee was of the opinion that the General Accounting Office should make a complete and thorough audit of everyone of these ordnance-plant and camp construction jobs, and the Government should institute action to recover from contractors the funds wastefully and inefficiently spent. These fixed-fee contractors are in an entirely different position from their usual one with the Government. The committee feels that they are the agents of the Government, and are hired for what they know, and it is one of their duties to see that the Government gets an economical and efficient performance for its money.

The committee expressed the view that the contractors were in a fiduciary relationship to the Government where they operated on a fixed-fee basis, and that they were, as any agent would be, responsible for the expenditures made, and when they did not exercise due care, they should be held liable.⁵¹

CAMP and CAMPONMENT INVESTIGATIONS

In 1940 the War Department entered upon a program to expand the existing military posts to care for the increased size of the Army, which had been authorized by Congress. The Construction Division of the Quartermaster General's office supervised the planning of the construction of some 229 separate projects for housing the troops.

The War Department originally estimated that all of the 229 projects could be constructed at a total cost of \$515,755,478. At the time the estimates were submitted to Congress, the Chief of Staff of the Army testified that the funds requested might prove to be insufficient, in which case, a deficiency appropriation would be requested.

On May 31, 1941, when all of the projects were virtually completed, the

⁵¹ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 386.

total cost was estimated to be \$828,424,102. A deficiency appropriation of \$336,880,000 was requested by the War Department. It also requested and received \$236,000,000 for the erection of chapels, recreation halls, etc., on these projects. This brought the total cost up to approximately \$1,000,000,000.

The committee chose nine camps as examples of what should be avoided in future construction. These camps were all built under the cost-plus-fixed-fee contracts method. The cantonments which the War Department let upon lump-sum contracts were constructed much more cheaply and quickly.

The nine camps investigated cost the Government \$154,636,731, or approximately one-sixth of the total estimated cost of the whole program. They were as follows: Fort Leonard K. Wood, Mo; Fort George G. Meade, Md.; Indiantown Gap, Pa.; Camp Blanding, Fla.; Camp Stewart, Ga.; Camp Hulen, Tex.; Camp Wallace, Tex.; Camp Davis, N. C.; Camp San Luis Obispo, Calif. The following four of these camps were tent camps: Hulen, Blanding, Stewart, and San Luis Obispo.

The committee investigation disclosed that the Army had given no thought to the location of possible camp sites until after the bill providing for additional camps had been submitted. Then the War Department was so rushed for time that it failed to take advantage of the excellent engineering and topographical data which could have been had from the Corps of Engineers or obtained from some other governmental agencies.⁵²

The architect-engineers and contractors for cost-plus-fixed-fee contracts were selected by an advisory committee of the Construction Division of the Quartermaster Corps. Its selections were based upon information submitted by those firms desiring fixed-fee contracts.

A set of figures which had been prepared by the Advisory Committee to

⁵² 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 167-68.

the Army and Navy Munitions Board were used as a basis for the determination fees for contracts. This system automatically eliminated all competition between competitors for contracts. Thus the Army had no way of determining the minimum amounts for which responsible firms might have been induced to take the contracts.

In its original report on camp construction, the committee recommended that additional authority should be granted to the Secretary of War so that he might assign additional construction work to the Corps of Engineers.

The committee felt that the Quartermaster Corps should be relieved of this responsibility so that it could concentrate on procuring supplies for the Army, the purpose for which it was established. As a result of these recommendations by the committee, a bill was introduced in the Congress which authorized the Secretary of War to direct the Chief of Engineers of the Army to take over the direction of all construction. This was passed by Congress and approved on December 1, 1941.

All officers and civilians in the Quartermaster Corps Construction Division were transferred, in accordance with provisions of the above-mentioned legislation, to the jurisdiction of the Corps of Engineers. The committee was convinced that this transfer of construction responsibility would bring about a decided improvement in the construction program and would make its operation much more efficient.⁵³

The committee believed that the personnel of the Corps of Engineers was far better prepared to handle the problems involved in a construction program of this scope because of their more specialized training the fact that they were more experienced, as in engineers, in construction work. There doubtless

⁵³ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 1, p. 389.

were good men in the Construction Division of Quartermaster Corps, but there were a preponderant number who were placed in responsible positions who had never had any experience in construction work or engineering. Such persons were very often protected, when in the interests of efficiency, they should have been removed.

This concludes the First Annual Report of the Committee. It will continue to carry on its investigations, however, in the interests of the American people.⁵⁴ This committee has been continued by each Congress and is today in operation as a Senate Committee of the 80th Congress.⁵⁵

Following the submission of the Truman committee's Annual Report, on January 15, 1942, there were a number of editorials published throughout the country regarding the work of this committee. Of these, the author has chosen three which were entered in the Appendix of the Congressional Record by various Senators, two of which are in the form of a resume; the other in toto.

On January 15, 1942, Senator Josh Lee (Dem. Okla.) submitted the following "very fine editorial" with request that it be entered in the Appendix of the Congressional Record.⁵⁶ It was so entered.

President Roosevelt wants the Truman committee to continue its investigation of profiteering, waste, and racketeering in our war effort.

This was disclosed by Senator Truman after a half-hour conference with President Roosevelt. He discussed with the President the movement afoot in the Senate to turn thumbs down on the committee's application for \$100,000 with which to carry on.

⁵⁴ 77th Cong., 2nd sess., Senate Report, No. 480, pt. 5, pp. 173-79.

⁵⁵ Congressional Record, 80th Cong., 1st sess., LXXXVIII, pt. 1, pp. 526-39.

⁵⁶ Congressional Record, 77th Cong., 2nd sess., LXXXVIII, pt. 8, Appendix, p. A 128.

The Senator indicated that this attack originated in the Office of Production Management and if such were the case then that was the very best of reasons why the Truman committee should be continued. If the office of Production Management felt that the contractors or anybody else needed protecting, then Senator Truman ought to put the full facts before the nation.

Aside from that, the committee has already uncovered proof of \$1,000,000,000 wasted through planlessness and inefficiency in the construction of Army camps, and it has uncovered many other evidences of waste and profiteering.

Considering the billions of dollars to be spent in the next few years, it is imperative that we have some sort of agency or mechanism to keep a check on where it goes and how it is used.

As the President indicated current investigations can be of the greatest value, "digging up dead horses" after the war is over will make for little but needless disillusionment.

Mr. O'Mahoney, of Wyoming, called the Senate's attention to an editorial which had appeared in *PM* on January 16, 1942, concerning the Truman committee.⁵⁷ Mr. O'Mahoney said that the report which Mr. Truman submitted a few days before made a profound impression on the Senate, and judging from the editorial in *PM*, it made a profound impression on the country as a whole.

Mr. O'Mahoney asked that the editorial be printed in the Appendix of the Record, and it was. Here is a brief resume of the editorial as it was recorded:

Look well at the faces of the ten men pictured on page 19. They are American heroes. These are the men who constitute the Truman committee. The nation is indebted to them for finding the truth and revealing it in its true

⁵⁷ Ibid., p. A 152.

light.

These ten men have revived and refreshed faith in democratic processes. It shows that the people can and do elect honest, faithful Representatives who tell them the truth fearlessly.

There has been plenty of talk the past year about the price we are paying for sticking to democratic principles, in confusion, waste, and muddle. One thing we have not talked as much about is what we get for our principles-- "Truman reports and a free press to publish them."

In any dictatorship, the ten faces on page 19 would be the portraits of men in prison or executed for their temerity in criticizing the state. And the waste, graft, and inefficiency which they have uncovered would go undiscovered, a cancerous growth, eating away at the body of the state.

As the President and Donald Nelson clean up the mess, and the materials are produced with which the country will be saved, we will thank Mr. Truman and his committee. These ten men who put the truth and their country's interests ahead of the interests of any political party, corporation, or individual.....Ralph Ingersoll.

Mr. Gillette of Iowa submitted an article from PM to be included in the Appendix of the Record. It was titled "Truman Data Stand Up."⁵⁸

It was as follows:

"Truman Data Stand Up--Report withstands Propaganda to discredit it."

(By Nathan Robertson)

"Washington, February 6, ---Propagandists have been working overtime to discredit and drown out the Truman committee's criticism of blunders by Government and industry in war production.

Although none of the committee's major findings has been seriously challenged, an intensive campaign has been waged to undermine its

⁵⁸ Ibid., p. A 443.

influence by direct methods. Congressional committees and the press have been used.

Most newspapers were so obviously cool to the report when it was first published that their attitude drew comment in the Senate, which had been so impressed by the committee's work that it quickly voted another \$60,000 to continue the investigation. Then the newspapers began to criticize the report and to use every possible excuse for challenging it. Many papers boiled the Office of Facts and Figures report to the Nation as an answer, although it was unrelated.

When Donald Nelson told the committee he could not do away with dollar-a-year men as recommended, conservative newspapers boiled that as a repudiation of the report, although Nelson himself did not challenge it. He agreed that dollar-a-year men had been partially responsible for the mistakes in the Office of Production Management and said he would like to do away with them but couldn't.

ADVERTISING CAMPAIGN

Meanwhile newspapers were well sprinkled with full-page advertisements from the big corporations telling how much they were doing in war production, and the automobile companies which had drawn severe criticism from the Truman committee conducted a tour of their plants for carefully selected representatives of the press.

Some of the backfire to the Truman report has seemed to stem from the War and Navy Departments, which were hit. The more friendly House Military Affairs Committee last week published a report defending the quality of American Military planes, which seemed to answer the Truman committee's criticism but did not really challenge it.

An anonymous statement was circulated among Washington newspapermen charging the Truman committee with distorting the profits of the Todd Shipyard Corporation. A spokesman for the company was asked to appear before the Senate Naval Committee and correct the Truman charges, but before he got through he was verifying them. Veiled complaints have come from defense officials about the number of congressional investigating committees. The press has picked this up and demanded a merger of the committees. The effect would be to wipe out the Truman committee.

Undisturbed by the criticism, the Truman committee is continuing to watch the conduct of the war program. It has promised the new boss, Nelson, full cooperation and backing. But it also has promised to speak up if things don't go right.

Chapter V

Conclusions

Investigating committees are a valuable and necessary part of any legislative body, whether they be special committees, select committees, or sub-committees of standing committees. It is true that in the past many criticisms have been aimed at the use of investigating committees. People often contend that such committees are more expense than they are worth, that they are too often used as a political tool, that they work for a long period and expend huge sums of money to discredit some administrative agent or agency and to uncover dirty work, then nothing is done to punish the culprit, and the charge is sometimes made that these committees often serve no other purpose than to furnish a junket for the members. There must be something to be said for investigating committees, however, otherwise why have they existed in one form or another in all legislative governments throughout the world?

It is interesting to note that while investigating committees are necessary at all times, there is an increase in their importance during times of emergency or war. This was clearly indicated by the rapid increase in the number of investigating committees in our Congress following the outbreak of the last war. The primary reason for this is the fact that during such periods more and more powers are granted to administrative agencies to expedite the Government's efforts to maintain control of the situation. Moreover, at such times, we find that the Government must very often expend hundreds of billions of dollars.

When such circumstances prevail it is wise to have some committee to keep a check on the efficiency with which the people's money is spent.

It may be true that many investigating committees expend a considerable sum of money without accomplishing a great deal, but in the case of the Truman Committee, we find that the Washington veterans of many Congressional terms were astounded by the economy practices by this committee. Up to July, 1943, the committee had had appropriated for its use \$300,000 and had spent only \$150,000. With the first appropriation of \$15,000, with which the committee was blessed at its inception, it performed an operation upon the construction of army camps which Lt. General Brehon B. Sommerville said saved the nation \$250,000,000.¹ Of course, this is one case in many, but it does show what can be done.

The very existence of investigating committees grows out of party differences. Under a dictatorship there is no need for investigating committees. In fact, there is no possibility of their existing. The dictator appoints his officials, supervises expenditures, and administers the government without criticism. Thus you can see investigating committees are typical of democracies.

So far as a committee being used for political purposes is concerned, why shouldn't it be, if the end is beneficial and if the committees' work is all above-board? It is inevitable that a certain amount of politics will enter into investigations. However, it is surprising the small number of minority reports published by investigating committees. During the time Mr. Truman was chairman of the Special Committee

¹ Business Week (June 26, 1943), 19-20.

Investigating the National Defense Program, there were no minority reports submitted by that committee. If a person were to compare the reports of the principal investigations with the commonly accepted leading constitutional decisions, he would undoubtedly find that the minority dissents would compare favorably.

Those people who frown upon the fact that the committee may work long periods to uncover corruption and inefficiency in administrative agencies, with nothing done to punish the culprit when exposed, just do not understand, or at least do not consider, that the committee has no power to punish, only power to expose. The committee merely investigates a suspected abuse and gathers all of the information and facts concerning such abuse. If criminal practices are discovered, then the facts are turned over to the attorney general for prosecution.

So far as the junketing accusation goes, it would probably be true in many cases. However, in most instances, it is far less expensive and much more effective for the members of the committee to go to the location of the concern being investigated than it would be for the witnesses, documents, and other evidence to be moved to Washington. The Truman Committee estimated that it saved the Government a large sum of money by its practice of sub-dividing the committee into several parts. Each of these parts would go to a different location to conduct investigations, rather than all of them staying in Washington and having all of the witnesses and documents, etc., transported to Washington.

There will be those people who would like to abolish investigating committees on the excuse that they are unnecessary, too expensive, or

ineffective, or some other such complaints. But most of these people have something to cover up, some iron in the fire which they do not wish exposed. Waste, corruption and inefficiency thrive in darkness. The Truman Committee alone saved the Government millions and perhaps billions of dollars through its exposure of corrupt practices and inefficiency.

In the future there will doubtless be fewer special and select investigating committees in both Houses of Congress. Under the Reorganization Act of 1946, special and select committees will not be used as extensively as heretofore. The Act invests the standing committees of both Houses with full investigative power, and they will now perform the majority of investigations themselves. We find a direct reflection of this Act in the following comparison. In June, 1947, both Houses of the Eightieth Congress had a total of six special and select committees, three in each House. The second session of the Seventy-Eighth Congress (1944) had a total of fifty-one special and select committees, thirty-one in the House, and twenty in the Senate.

In spite of this, however, there probably always will be numerous investigations of the executive departments, regardless of the type of agency or committee settled upon to carry them out. That our government will ever be changed to the parliamentary type is hardly conceivable. The jealousy between the President and Congress increases daily. It is especially noticeable at this time with a Republican Congress and a Democratic President. Regardless of the efficiency of the machinery set up by Congress for regulating administrative matters, there will always be the desire of the minority in Congress to investigate alleged corrupt practices and

abuses by means of its own members serving upon the committees of investigation.²

² Dimock, M. E. Congressional Investigating Committees (Baltimore, - Johns Hopkins Press, 1929) p. 175.

The United States Revised Statutes
Sections 101, 102, 103, 859 and 104

APPENDIX A

Sec. 101. -- The President of the Senate, the Speaker of the House of Representatives or a Chairman of the Committee of the Whole, or of any committee of either House of Congress is empowered to administer oaths to witnesses in any case under their examination.

Sec. 102. -- Every person, who having been summoned as a witness by the authority of either House of Congress, to give testimony or to produce papers upon any matter under inquiry before either House, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than \$1,000 nor less than \$100 and imprisonment in a common jail for not less than one month nor more than twelve months.

Sec. 103. -- No witness is privileged to refuse to testify to any fact, or to produce any paper, respecting which he shall be examined by either House of Congress or by any committee of either House, upon the ground that his testimony to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.

Sec. 859. -- No testimony given before either House, or before any committee of either House of Congress, shall be used as evidence in any criminal proceeding against him in any court, except in a

prosecution for perjury committed in giving such testimony. But an official paper or record produced by him is not within the same privilege.

Sec. 104. -- Whenever a witness, summoned as mentioned in sec. 102, fails to testify, and the facts are reported to either House, the President of the Senate, or the Speaker of the House, as the case may be, shall certify that fact under the seal of the Senate or the House to the District Attorney for the District of Columbia, whose duty it shall be to bring the matter before the grand jury for their action.

79th Congress, 2nd session, Public Law 601, "Legislative Reform Act of 1946," August 2, 1946, section 134, pts. a, b, c.

APPENDIX B

Committee Powers

Sec. 134. (a) Each standing committee of the Senate, including any subcommittee of any such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to take such testimony and to make such expenditures (not in excess of \$10,000 for each committee during any Congress) as it deems advisable. Each such committee may make investigations into any matter within its jurisdiction, may report such hearings as may be had by it, and may employ stenographic assistance at a cost not exceeding 25 cents per hundred words. The expenses of the committee shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

(b) Every committee and subcommittee serving the Senate and House of Representatives shall report the name, profession and total salary of each staff member employed by it, and shall make an accounting of funds appropriated to it and expended by it to the Secretary of the Senate and Clerk of the House of Representatives, as the case may be, at least once every six months, and such information shall be published periodically in the Congressional Directory when and as the same is issued and as Senate and House documents, respectively, every three months.

(c) No standing committee of the Senate or the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

(Select Committee on National Expenditure (British), January 1940 to August 1941)

APPENDIX C

The Library of Congress, Legislative Reference Service, in response to the request of Chief Counsel, Hugh A. Fulton, to the United States Senate Special Committee Investigating the National Defense Program, furnished the following respecting the work of the Committee on War Expenditures of the British Parliament.

1. Statement of the history of the formation of the Committee on War Expenditure of the British Parliament.

.....
Appendix I. Digest of Each Report in the Series of Reports from the Select Committee on National Expenditure (British)

(Ordered by the House of Commons to be printed 16th January, 1940)

First Report: Contains Order of Reference, Tuesday, 12th December, 1939.

National Expenditure: Ordered, That a Select Committee be appointed to examine the current expenditure defrayed out of moneys provided by Parliament for the Defense Services, for Civil Defense, and for other services directly connected with the war, and to report what, if any, Economies consistent with the execution of the policy decided by the government may be effected therein.

Ordered, That the Committee do consist of twenty-eight members. (Committee named): Mr. Ammon, Sir Charles Barrie, Sir Ernest Beunett, Mr. Besson, Mr. Brooke, Lady Davidson, Mr. Ede, Mr. Alfred Edwards, Sir Geoffrey Ellis, Sir Ralph Glyn, Sir Percy Harris, Mr. Eely-Hutchinson, Mr. Higge, Sir William Jewitt, Sir Charles MacAndrew, Sir Adam Maitland, Sir Assheton Pownall, Mr. Fym, Sir George Schuster, Sir John Shute, Mr. Silkin, Sir John Wardlow-Milne, Sir Harold Weffe, Mr. Grahame White, Miss Wilkinson, Sir Herbert Williams, Mr. Woodburn, and Sir Robert Young.

Ordered, That seven be the quorum.

Ordered, That the Committee have power to send for persons, papers, and records; to set notwithstanding any adjournment of the House; and to adjourn from place to place.

Ordered, That the Committee have power to report from time to time.

Ordered, That the Committee have power to appoint subcommittees, and to refer to such subcommittees any of the matters referred to the Committee.

Ordered, That the quorum of any subcommittee so appointed shall be two.

Ordered, That any subcommittees so appointed shall have power to send for persons, papers, and records; to sit notwithstanding any adjournment of the House; and to adjourn from place to place.

Ordered, That any subcommittee so appointed shall report any evidence taken by them to the Committee--(Mr. James Stuart).

As well as First Report:

The Committee points out that it is narrowed in investigation to inquiry relating to expenditure "directly connected with the war," whereas the order appointing the Committees on National Expenditure of 1917 to 1920 did not contain these words. That it organized by appointing six subcommittees, and nominated the Chairman (Sir John Wardlaw-Milne) as an ex-officio member of the subcommittees, and have ordered that any two or more of such subcommittees may meet in joint session if they so desire, and for the purpose of coordinating the work of the various subcommittees, of securing a general review of such subjects as give rise to similar questions in several Departments and of dealing directly with the Treasury and certain other Departments such as the Department of Scientific and Industrial Research, a seventh subcommittee was appointed to be known as the Coordinating Subcommittee, composed of the Chairmen of the Subcommittees.

Subcommittees on--

Departments

1. Army Services. War Office.
2. Navy Services. Admiralty.
3. Air Services Air Ministry.
4. Supply Services. Ministry of Supply, Office of Works.
5. Home Defense Services. Home Office and Ministry of Home Security,
Scottish Home Department, Ministry of Labour
and National Service, Ministry of Informa-
tion, Ministry of Health, Department of
Health for Scotland, Board of Education,
Scottish Education Department.
6. Trade, Agriculture and Board of Trade, Ministry of Economic Warfare,
Economic Warfare. Department of Overseas Trade, Exports Cre-
dits Guarantee Department, Mines Department,
Ministry of Agriculture and Fisheries, De-
partment of Agriculture for Scotland,
Scottish Home Department (Fisheries Di-
vision), Customs and Excise, Forestry
Commission.
7. Transport Services Ministry of Transport, Ministry of Shipping,
Mines Department, Petroleum Department,
Electricity Commission and Central Elec-
tricity Board, Post Office.

The subcommittee shall report to the Committee what economies, if any, consistent with the execution of the policy decided by the Government may be effected on the expenditure of the Departments concerned.

The Coordinating Subcommittee has been further charged with the duty of coordinating the work of the various subcommittees; of securing a general

review of such subjects as give rise to similar questions in several Departments; and of exercising the power, granted by the House in cases where considerations of national security preclude the publishing of certain recommendations and of the arguments upon which they are based, to address a memorandum to the Prime Minister for the consideration of the War Cabinet.

Appendix II. Summary and Conclusions

(a) That there should be appointed an officer to act as the permanent Chairman of the Contracts Coordinating Committee, who should have sufficient authority to carry out the functions alluded to in paragraph 21: (The Committee suggests the appointment of a permanent chairman, Contracts Coordinating Committee, with sufficient assistance to handle all difficulties experienced by the Departmental Directors of Contracts, so as not to have left in the air either principles or practice of contract procedure without ample authority to solve the problem of the wartime setting.)

(b) That in each department concerned there should be one or more senior officers independent both of the indenting and of the contracts divisions who should be charged with the constant reviewing of specifications so as to secure the elimination of undue rigidity, multiplication of types, over-elaboration, and competition for materials in short supply, and that a close liaison should be maintained between designer and producer.

(c) That the lessons to be learned from the mistakes made during the pre-war expansion period in the construction of factories, camps, aerodromes, and other buildings, and the great excess of cost over estimate thereby likely to be involved, should receive the most serious attention of all Departments which shall have building programs.

(d) That immediate steps should be taken to secure stronger representation of financial consideration in the early stages of the selection of land sites.

(e) That the whole question of competitor bidding for engineering personnel should receive the most urgent attention of the Ministry of Labour.

(f) That a fact-finding survey might well be undertaken to consider the whole question of preventable waste and salvage throughout the country.

But the efficacy of your Committee's investigations will perhaps never be fully obvious, either to the House or to the public at large, from their published reports alone..... It has been found that the investigations themselves have led to immediate action by Departments which might normally not have been taken till a formal report of the Committee had been brought to their notice..... This is one of the most valuable results of their activities, since their discovery of waste, actual or potential, brings immediate action with a view to its removal. This prompt contribution to efficiency and economy is.....more vital to the national interest than the formulation of reports of a sensational or spectacular character,.....

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