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STATEMENT

of

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Attorney General of the United States

Before the

SENATE COMMITTEE ON

BANKING AND CURRENCY ON S. 380,

THE FULL EMPLOYMENT BILL OF 1945

WASHINGTON, D. C.

August 24, 1945

THE FULL EMPLOYMENT BILL OF 1945

It gives me real pleasure to have an opportunity to appear before your Committee to express my views regarding S. 380.

Perhaps at the outset I should say that I do not believe it appropriate for me to comment in detail on the various provisions of the bill. Instead, with the permission of the Committee, I should like to confine my views to the broad aspects of the proposed legislation considered in the light of the law enforcement responsibilities of the Department of Justice.

The purpose of the bill, as its preamble indicates, is "to establish a national policy and program for assuring continuing full employment in a free competitive economy, through the concerted efforts of industry, agriculture, labor, State and local governments and the Federal Government."

With these objectives I am in full accord. Not only does the stated purpose fully recognize what must be apparent to all, that continuing full employment is our most important peacetime economic goal, but in leaving primary responsibility with private enterprise it also recognizes that the real bulwark of our society is, and must continue to be, a free and vital competitive economy. Further, the provision of a proper place in the program for State and local governments is in the highest traditions of our system of Federal government.

While primary responsibility is left to private enterprise and while a proper place is provided for State and local governments, it is not sought either to regulate the former or to encroach upon the latter. The bill instead seeks to facilitate individual endeavor by such measures as the collection and dissemination of basic economic facts, thus providing the necessary materials for the formulation of intelligent decisions as to

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future courses of action by business, agriculture and labor. It also seeks to create a governmental climate in which existing business may grow and prosper and new business may rise and flourish. It further seeks to formulate over-all policies, thus making possible a degree of coordination of unfettered individual activities indispensable to the continued stability of our institutions and the orderly progress of our economy. In addition, it contemplates public action only in the event that private action falls short of achieving a satisfactory level of employment.

Senator Wagner's letter inviting me to appear before the Committee asked that I comment particularly on the significance of sustained full employment in relation to the antitrust work of the Department. The Department's responsibilities in enforcing the antitrust laws are closely related to the program envisaged by this bill. Thus section 2(a) of the bill declares that it is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce. Section 3(e) of the bill provides that the programs developed under it "shall include such measures as may be necessary to assure that monopolistic practices with respect to prices, production or distribution or other monopolistic practices, shall not interfere with the achievement and purposes of this act."

Our experience has shown that monopolistic practices which stifle competition have a pronounced effect upon employment. Production restrictions by producers already established, together with practices designed to prevent new producers from becoming established, have unquestionably restricted employment. In addition, where monopoly conditions exist the extension of either private or governmental credit may not be sufficient to stimulate new enterprise or to achieve that volume of production and purchasing power necessary for an adequate level of employment.

One of the reasons why illegal combinations are formed is to protect the members from the economic consequences of depression and unemployment. If the broad objective of this bill is achieved that cause for violation of the antitrust laws should tend to be much less important.

However, the necessity for the enforcement of the antitrust laws will continue to be of paramount importance if the bill is fully to achieve its objectives. By removing illegal restrictions on a free market, both large and small business, veterans, farmers and others will have a free and fair opportunity to establish their own enterprises and thereby increase the number of available jobs.

Vigorous enforcement of the antitrust laws is of course a settled policy of the Department of Justice based upon existing acts of Congress. In this connection I should like to bring to the attention of the Committee the fact that the War and Navy Departments on last Monday, August 20, 1945, withdrew all requests for the postponement of antitrust suits heretofore made on the ground that the firms involved were deeply engaged in a furtherance of the war effort. These cases, as well as others now pending, will be disposed of as promptly as circumstances permit.

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War has also made necessary the establishment of multiplicity of temporary controls affecting all aspects of our national life. Some of these controls have already been removed and we may expect that the remainder will rapidly diminish both in number and scope. The Congress has declared in the antitrust laws a national policy of competition rather than one of government control. These laws do not seek to regulate private business; they seek instead to free the channels of interstate commerce from obstructions by private combinations. The purpose of these laws is to protect the American free enterprise system. As I understand this bill, it, too, recognizes the basic principle of competition and is in harmony with it.

My comments thus far have been directed particularly to the Department's anti-monopoly program. Other statutes enforced by the Department are important also in connection with the objective of full employment. These statutes prohibit coercive practices by private individuals; practices which result in a fraud on the government or which deny industry, labor or agriculture the opportunity to produce and sell goods and services and in that way to increase the number of jobs. Enforcement of these statutes is important to successful reconversion as well as to the orderly peace-time operations of the government and of private business.

For example, the Department is responsible for the enforcement of statutes which prohibit collusive action by contractors against the Government and the statutes which prohibit practices now being prosecuted under the Department's war fraud program. Our drive on black markets -- announced several weeks ago by the Department of Justice, the Secretary of the Treasury, the Secretary of Agriculture and the Administrator of the Office of Price Administration -- will, of course, continue. Continued enforcement of these

and other statutes which preserve and protect the rights and liberties of Americans will facilitate the operation of legitimate business and greatly increase job opportunities.

Industry, labor and agriculture provided the goods and services which enabled our armed forces to win the war -- I am convinced that they can provide goods and services to make and maintain a prosperous post-war America. If we can prevent illegal monopolistic practices and vigorously enforce the other statutes I mentioned above, then I think we will increase the number of jobs and in that way help in realizing the objective of full employment.

In conclusion may I say that should this or any other bill be enacted placing additional law enforcement responsibilities upon the Department of Justice, you may be sure that the Department will discharge those responsibilities with the same even-handed vigor characteristic of our law enforcement activities.