Eighty-First Congress

Second Administration of Harry S. Truman

Historical Background

President Truman, on January 5, 1949, appeared before Congress to deliver his fourth State of the Union Message and to urge a sweeping new "Fair Deal" program of social reform. He spoke about the type of society that the American people wanted to create, saying that they had “rejected the discredited theory that the fortunes of the Nation should be in the hands of a privileged few” and that they had “abandoned the trickle-down concept of national prosperity.” The American people, he said, believed that poverty was just as wasteful and preventable as disease and that no unfair prejudice should bar any American from education, good health, or any job which the individual was capable of performing.

Subsequently, Truman signed the Housing Act of July 1949, providing for the development of a long-range expanded Federal housing, slum clearance, and farm improvement programs, "with deep satisfaction." The Administration also scored important victories with passage of the October 1949 minimum wage increase and the Social Security Expansion Act of August 1950.

Important steps toward streamlining the executive branch were made in the Reorganization Act of 1949, which was based largely on the recommendations submitted by the Hoover Commission, headed by former President Herbert Hoover. About half of the Commission’s proposals were put into effect by late 1950.

In 1949-50, the international situation began to stabilize somewhat. Reacting to Communist power moves, including the takeover of Czechoslovakia, the United States, Canada, and ten European nations in April 1949 signed the North Atlantic Treaty. Each agreed that "an armed attack against any one or more of them in Europe and North America [would] be considered an attack
against all.” It was clearly the hope of the signatories that NATO would contain Soviet expansionist ambitions while at the same time preserving a territorial status-quo on the European continent. The Senate ratified the NATO treaty in July, and in October approved the Mutual Defense Assistance Act, authorizing appropriations for military assistance under the NATO Pact. In June 1950, $2.7 billion of aid was earmarked for a variety of foreign commitments, including Truman’s Point IV technical assistance program, under the Foreign Economic Assistance Act.

In June 1950 the Korean War began. Power to organize the national economy for full-scale war was conferred upon President Truman by Congress with the enactment of the Defense Production Act following the outbreak of the Korean conflict in mid-1950. On May 10, 1950, Congress established the National Science Foundation to promote scientific research and education of future scientists. In August Congress approved legislation providing Federal aid to the States for an extensive fish restoration program and granted American citizenship to the inhabitants of Guam.

By September 1950, pressure for legislation to curb or outlaw the Communist party culminated in the enactment of the Internal Security Act over the President’s veto. This law sought to expose—through a complex registration process—Communist-action and Communist-front organizations.

Sources:


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**War or Peace?**

**NATO**

As the burgeoning rivalry between the United States and its western allies on the one hand, and the Soviet Union and its sphere of influence on the other, began to come to a head in places like Germany, the need for formal military alliances became apparent. In April 1949, in Washington D.C., representatives from 12 nations, including the United States, United Kingdom, France, and Belgium, signed the North Atlantic Treaty, which guaranteed the collective security of all signatory states. The treaty was implemented by the formation of the North Atlantic Treaty Organization (NATO), which remains the major security alliance of the western liberal democracies and allied states. The treaty was implemented in the United States by the Mutual Defense Assistance Act of 1949, which provided for U.S. participation in NATO, appropriating over $1 billion for U.S. participation in the alliance. The Act also extended the Marshall Plan, authorizing an additional $3.5 billion in aid funds for participant nations.

**Divided Germany**
By May 1949, it was clear that the allied Berlin Airlift was successful at countering Soviet attempts to squeeze the divided German capital in the Berlin Blockade, which officially came to an end May 11. Less than two weeks later, on May 23, the Bizone, comprising the U.S. and U.K. zones of occupation, merged with the French zone of occupation to form the Federal Republic of Germany (BRD), also known as West Germany, with its capital in Bonn. Not to be outdone, the Soviet Union, that September, declared that the Soviet zone of occupation was now the German Democratic Republic (DDR), also known as East Germany, with its capital in Berlin. The division of Germany, which would formally last until 1990, when the two states reunited in a greater BRD during the waning days of the Soviet Empire, would be the symbolic, and sometimes actual flashpoint of the Cold War, with divided Berlin often serving as a backdrop for moments of high political theatre.

**People's Republic of China**

By 1949, the majority of the fighting in the Chinese Civil War was over, with Mao Zedong's Communist Party of China (CPC) controlling most of mainland China, with Chiang Kai-Shek's nationalist Kuomintang (KMT) relegated to the island of Formosa, which was renamed Taiwan. On September 21, 1949, Mao declared the formation of the People's Republic of China (PRC), a single-party dominated socialist state controlled by the CPC. The establishment of the PRC became yet another flashpoint in the developing Cold War, with the Soviet Union signing a mutual defense pact with the communist state on February 12, 1950. But Mao and the Chinese Communist Party were not content to fill the role of younger sibling to its territorial larger erstwhile ally and the PRC would often strike out alone in matters of foreign policy and socialist theory. One such case came in early 1950 when, in January, China officially recognized Vietnam as an independent country, formerly part of French Indochina.

**Korean War**

On June 25, 1950 North Korean troops launched a full-scale invasion of South Korea which the United Nation's Temporary Commission on Korea determined was “initiated without warning and provocation, in execution of a carefully prepared plan.” In U.S.-sponsored resolutions in the United National Security Council and in presidential pronouncements, the Truman Administration stated that U.S. intervention under U.S. auspices was intended to thwart aggression, force North Korea to withdraw above the 38th parallel, and contain communist aggression. After UN troops landed successfully at Inchon in September 1950, the North Korean troops began to retreat from South Korea. President Truman then authorized U.S. forces to enter North Korea and advance towards North Korea’s northern borders, provided there was no threat of Soviet or Chinese military intervention. In Nov. 1950, Chinese Communist military forces intervened and the U.S./UN troops began to retreat from North Korea.

Sources:

Economic Trends and Conditions

At the beginning of 1949, the nation was prosperous, and the standard of living has risen beyond pre-war expectations. President Truman endorsed economic policies to combat the remaining dangers of postwar inflation and build strong bulwarks against deflation and depression. Employment and production declined during the first few months of 1949, but then began to move upward again. In the last 6 months of the year, industrial production increased by 9%. Prices during the first half of the year showed a general, but moderate decline, followed by relative stability in the second half. The sharpest declines were in farm and wholesale food prices.

Work stoppages in 1949 were about the same in number as in 1948, but two major stoppages in coal and steel involved such a large number of workers that the loss in man-days of work was about 50% greater than in 1948. Home building in 1949 reached a higher level than ever before. Automobile installment credit increased by more than 60% during the year.

Following the outbreak of war in Korea, the Administration shifted the emphasis of U.S. economic assistance programs towards supporting the defense programs of U.S. allies. The anticipated expansion of defense programs following the outbreak led to increases in employment and production, but also created strong inflationary pressures.

By the end of the 81st Congress, comparing 1950 with 1940, total output in actual units of goods and services was more than 50% higher. Farm production was up 25%. The total labor supply had increased by 9 million, and civilian employment by 13 million. Steel capacity was up by more than 20%, oil refining capacity was up 40%, and electric power capacity was up 70%.

Sources:


Landmark U.S. Supreme Court Decisions

*Wolf v. Colorado*, holding that the Fourth Amendment was applicable to the States through the Due Process Clause of the Fourteenth amendment, but that the exclusionary rules was not, 338 U.S. 25 (1949)

*Johnson v. Eisentrager*, holding that U.S. courts had no jurisdiction over German war criminals who had at no time been present in any territory over which the U.S. had sovereignty, but who were held in a U.S-administered-prison in Germany, 339 U.S. 763 (1950)

*Feres v. U.S.*, holding that members of the armed forces may not sue the Federal Government under the Federal Torts Claims Act for injuries connected to military service, 340 U.S. 135 (1950)

Major Treaties

**North Atlantic Treaty.** Guaranteed to the nations of the North Atlantic area a collective response to aggressive attacks upon signatory nations to the treaty, the response to be undertaken within the framework of the United Nations Charter subject to review at any time after 10 years. Established the North Atlantic Treaty Organization (NATO). Concluded April 4, 1949. Approved by the Senate July 21, 1949. (63 Stat. 2241)

Source:


1949 Events

- Jan. 1: U.S. recognizes the Republic of Korea
- Jan. 15: *Chinese Civil War* – Mao’s Red army conquers Ten-tsins
- Jan. 20: President Truman announces his Four Point program
- Jan. 28: Britain, France, Belgium, Netherlands and Luxembourg agree to organize a Council of Europe
- Feb. 24: *First Arab-Israeli War* - Israel and Egypt sign an armistice agreement
- Mar. 24: SS Police Chief in the Netherlands Hanns Albin Rauter’s request for a pardon is denied and he’s executed by firing squad
- Mar. 31: Newfoundland becomes Canada’s 10th province
- Apr. 4: *First Arab-Israeli War* - Israel and Jordan sign an armistice agreement
- Apr. 4: North Atlantic Treaty signed (NATO)
• Apr. 24: Chinese Civil War – Chinese Communist forces capture Nanking, the capital of Nationalist China
• May 1: First firing of a U.S. Viking rocket
• May 11: Siam renames itself Thailand
• May 12: Berlin Blockade - Soviet railroad-and-highway blockade of West Berlin terminates after 328 days, but Allied airlift continues
• May 14: President Truman signs bill establishing rocket test range at Cape Canaveral
• May 23: Federal Republic of Germany comes into existence in West Germany with capital at Bonn
• May 25: Chinese Civil War - Red Army occupies Shanghai
• May 31: Red Scare - Alger Hiss Trial - Following the release of the 'Pumpkin Papers', former US State Department official Alger Hiss is tried on allegations of spying for the Soviet Union
• June 8: George Orwell's dystopian novel Nineteen Eighty-Four is published
• June 29: South Africa begins implementing apartheid
• June 30: Red Scare - Judith Coplon, a former analyst in the Justice Department is found guilty of stealing government documents with intent to injure the U.S. and aid the Soviet Union
• July 8: Red Scare - Alger Hiss Trial - First Hiss perjury trial ends with a deadlocked jury
• Aug. 29: Soviet Union conducts its first test of a fission-type explosive device
• Sept. 30: Berlin Blockade - The blockade of Berlin and the Allied airlift officially ends
• Oct. 1: Chinese Civil War - Chinese communists establish the People’s Republic of China
• Oct. 7: German Democratic Republic is established in East Germany
• Oct. 7: Chinese Civil War – Red Army occupies Canton
• Dec. 8: Chinese Civil War – Chinese Nationalist forces flee to Formosa as Chinese Communist forces advance, and declare Taipai in Formosa (modern day Taiwan) to be the National capital.
• Dec. 27: Independence of Indonesia is programmed as Netherlands and Republic of Indonesia formally transfer sovereignty to the United States of Indonesia

1950 Events
• Jan. 15-17: National Emergency Civil Rights Conference occurs in Washington D.C.
• Jan. 21: Red Scare - Alger Hiss Trial - Alger Hiss found guilty in second perjury trial and sentenced four days later to five years in prison
• Jan. 31: USSR recognizes Ho Chi Minh’s communist regime as the Vietnam Government over French protests
• Jan. 31: President Truman announces the development of the hydrogen bomb in response to the detonation of the Soviet Union's first atomic bomb

• Feb. 3: Red Scare - FBI Director J. Edgar Hoover testifies before Congress that there are 54,174 Communist Party members in the U.S.

• Feb. 11: Red Scare - In a letter to President Truman, Senator Joseph McCarthy charges that 57 Communists are working in the State Department

• Mar. 7: Red Scare - Judith Coplon convicted of spying for the Soviet Union and sentences to 15 years in prison

• Mar. 14: FBI’s “10 Most Wanted Fugitives” program begins

• Apr. 24: Jordan formally annexed the West Bank

• June 16: Red Scare - David Greenglass, a New York machinist is arrested by the FBI on charges that he handed over atomic bomb secrets to Communists while working as a machinist at Los Alamos

• June 25: Korean War - North Korean Communists invade South Korea

• June 26: Korean War - President Truman orders General Douglas McArthur to aid South Korea and defend Formosa with U.S. air and sea fleets

• June 28: Korean War – North Korea forces capture Seoul; Budo League Massacre begins, South Korean forced execute suspected North Korean sympathizers

• June 30: Korean War – General Douglas MacArthur visits the South Korean front lines and calls for U.S. troops. President Truman commits U.S. ground troops to South Korean and extends draft for an additional year

• June 29-30: Red Scare - Nine of the so-called “Hollywood 10” are convicted of contempt of Congress for refusing to tell the House Committee on Un-American Activities whether or not they were communists

• July 6: Red Scare - David Greenglass is indicted on charges of atomic espionage

• July 8: Korean War - UN resolution acknowledges American leadership of UN and US forces in South Korea

• July 14-21: Korean War - North Korean forces capture the city held by the U.S. 24th Infantry Division but the delay allows establishment of the Pusan Perimeter

• July 17: Red Scare – Rosenberg Case - FBI arrests Julius Rosenberg on charges of engaging in atomic espionage for Russia

• July 19: First Indochina War - Ho Chi Minh pledges that forces will crush all “American interventionists in Indo-China”

• July 19: First Indochina War - U.S. authorizes $15 million in military aid to the French in Vietnam, beginning American intervention in the country

• Aug. 6: Korean War - North Korean offensive stopped around Pusan

• Aug. 11: Red Scare – Rosenberg Case - FBI arrests Mrs. Ethel Greenglass Rosenberg for allegedly conspiring to transmit atomic secrets to the Soviet Union
• **Sept. 12-19:** Western powers agree to rearm Germany

• **Sept. 15:** *Korean War* - UN forces lead by General MacArthur land at Inchon behind North Korean lines and move quickly toward Seoul

• **Sept. 16:** *First Indochina War* - General Giap leads Viet Minh offensive against French outposts near the Chinese border

• **Sept. 26:** *Korean War* - UN troops recapture Seoul

• **Sept. 27:** *First Indochina War* - U.S. establishes a Military Assistance Advisory Group in Saigon to aid the French

• **Sept. 29:** *Korean War* - UN forces reach the 38th parallel; South Korean president Syngman Rhee announces his intention to continue the war and unite all of Korea

• **Oct. 7:** *Korean War* - MacArthur's UN forces invade North Korea shifting from a policy of containment to one of overthrowing the Communist government

• **Oct. 18:** *Red Scare* – David Greenglass pleads guilty to atomic spy charges

• **Oct. 20:** *Korean War* - UN troops capture the North Korean capital of Pyongyang and advance north toward the Yalu River

• **Oct. 21:** *Chinese forces occupy Tibet*

• **Nov. 4:** *Korean War* - Chinese offensive halts the advance of UN troops at Chongchon River

• **Nov. 26:** *Korean War* - China openly joins the conflict, sending troops across the Yalu River

• **Dec. 5:** *Korean War* - In the face of enormous Chinese manpower and their willingness to accept huge causalities, UN troops abandon Pyongyang, eventually being pushed out of the North; MacArthur reports to Truman, "We face an entirely new war"

• **Dec. 16:** President Truman declares a national emergency and calls for an army buildup to 3.5 million men

Sources:


Committee on Armed Services. Senate; Committee on Foreign Relations. Senate. *Military Situation in the Far East, Part 1, GPO*, May 3-5, 7-12, 14, 1951. 82ns Congress, 1st Session, 82 S985-1-A. ProQuest Congressional, HRG-1951-SAS-0006


Committee on Foreign Relations. Senate; Committee on Foreign Affairs. House. *Extension of European Recovery*. GPO, Feb. 8-11, 14-17, 28, 1949. 81st Congress, 1st Session, S1 S892-1. ProQuest Congressional, HRG-1949-FOR-0006


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**Major Acts**

**Executive Reorganization Act of 1949.** Authorized the President to reorganize the executive branch of the Government, subject to the disapproval of either House of Congress. Approved June 20, 1949. (63 Stat. 203; PL81-109) (Regulatory History)

**Federal Property and Administrative Services Act.** Simplified the process through which Government property was managed to increase efficiency in procurement of property and the disposal of surplus or undesirable
property. It also reorganized particular agencies of the Federal government to be under the newly created General Services Administration. Approved July 15, 1949. (63 Stat. 377, Chap. 288; PL81-152) (Regulatory History)

Housing Act of 1949. Established a national housing objective and authorized Federal aid for slum-clearance and low-rent public housing projects, and Federal assistance for the construction of decent, safe, and sanitary farm dwellings. It made possible for the first time in United States history a comprehensive attack upon slum and blighted areas by local committees with the assistance of Federal loans and grants. Approved July 15, 1949. (63 Stat. 413, Chap. 338; PL81-171) (Regulatory History)

National Security Act Amendments of 1949. Renamed and reorganized the National Military Defense Establishment--the Departments of the Army, Navy, and Air Force--creating an executive Department of Defense incorporating the three military Departments; added a Deputy Secretary and three Assistant Secretaries of Defense; added a non-voting Chairman to the Joint Chiefs of Staff and expanded the joint staff to 210 officers; and dropped the three service Secretaries as members of the National Security Council while adding the Vice President. Approved Aug. 10, 1949. (63 Stat. 578; PL81-216) (Regulatory History)


National Science Foundation Act. Established the National Science Foundation, which was authorized and directed to develop and encourage the pursuit of a national policy for the promotion of scientific research and education of future scientists. Authorized an appropriation of $500,000 to establish the Foundation and subsequent appropriations of $15 million. Approved May 10, 1950. (64 Stat. 149; PL81-507) (Regulatory History)

Foreign Economic Assistance Act of 1950. Authorized appropriations for five foreign aid programs, including the Point IV program, which called for technical assistance and capital investments in less developed countries. Amended the Economic Cooperation Act of 1948, liberalizing trade between certain West European countries and China, granting certain guarantees to said countries, protecting the American economy against the implementation of the Economic Cooperative Act of 1948. Approved June 5, 1950. (64 Stat. 198, Chap. 220; PL81-535) (Regulatory History)
Organic Act of Guam. Granted American citizenship to the inhabitants of Guam and gave the island local self-government. Provided for a unicameral legislature, an independent judiciary headed by a judge appointed by the President, and an appointed governor with veto power. Specified that the governor in making appointments to executive agencies and other local posts should give preference to Guamanians. Citizens of the Island were required to pay Federal income taxes, which were to be retained in Guam for use by the Island government. Approved Aug. 1, 1950. (64 Stat. 384, Chap. 512; PL630) (Regulatory History)

Federal Aid in Fish Restoration Act. (Dingell-Johnson Act). Provided Federal aid to States for management and restoration of fish having "material value in connection with sport or recreation in the marine or fresh waters of the United States." Approved Aug. 9, 1950. (64 Stat. 430; PL81-681)


Defense Production Act of 1950. Established a system of priorities and allocations for materials and facilities, made financial assistance available for the expansion of productive capacity and supply, and provided for price and wage stabilization. Also provided guidelines for the settlement of labor disputes and strengthened governmental control over credit. Approved Sept. 8, 1950. (64 Stat. 798; PL81-774) (Regulatory History)

Educational Agencies Financial Aid Act. Provided Federal aid for school construction funds to school districts affected by fluctuating student populations as a result of Federal activities, such as the establishment of new military bases or defense production centers. Approved Sept. 23, 1950. (64 Stat. 967, Chap. 995; PL81-815)

McCarran Internal Security Act of 1950. Established the Subversive Activities Control Board to rule on petitions of U.S. Attorney General, to list organizations believed to be Communist and require that they register with the Justice Department and submit information concerning membership, finances and activities. Provided for registration of Communist and Communist-front organizations, and for the internment of Communists during national emergencies and prohibited employment of Communists in national defense work. Prohibited from entry into the United States anyone who had been a member of a totalitarian party. Approved Sept. 23, 1950. (64 Stat. 987, Chap. 1024; PL81-831) (Regulatory History) Certain provisions of this Act were subsequently held unconstitutional in Aptheker v. Secretary of State, 378 U.S. 500 (1964), Albertson v. Subversive Activities Control Board, 382 U.S. 70 (1965), and United States v. Robel, 389 U.S. 258 (1967).

Source: