operations; to the Committee on the Post Office and Post Roads.

By Mr. McGROARTY: A bill (H. R. 12412) to provide for the construction of a post-office building at Canoga Park, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12413) to provide for the construction of a post-office building at Lancaster, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12414) to provide for the construction of a post-office building at Burbank, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. MARTIN of Colorado: A bill (H. R. 12415) to cancel a specific class of rehabilitation loans against farmers in the drought area as an obligation against the recipients and their property; to the Committee on Agriculture.

By Mr. THOMAS: A bill (H. R. 12416) to authorize funds for the prosecution of works for flood control against flood disasters along the Battenkill in New York; to the Committee on Flood Control.

By Mr. WHELCHEL: A bill (H. R. 12417) to prevent the Government from manufacturing and selling stamped envelopes; to the Committee on the Post Office and Post Roads.

By Mr. THOMAS: A bill (H. R. 12418) to authorize funds for the prosecution of works for flood control against flood disasters along the Mettowee River in New York; to the Committee on Flood Control.

By Mr. BLAND: A bill (H. R. 12419) to apply laws covering steam vessels to seagoing vessels of 300 gross tons and over propelled by internal-combustion engines; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL: A bill (H. R. 12420) to amend chapter 61 of the act of February 7, 1920 (36 Stat. L. 901), and sections 450, 451, 452, 453, and 454 of the Tariff Act of 1930 (41 Stat. L. 402) so as to provide for the elimination of discriminations in payment of overtime as between employees of the Bureau of Customs on seaboards and on the Great Lakes, and for other purposes; to the Committee on Ways and Means.

By Mr. MONAGHAN: A bill (H. R. 12421) to amend the act approved June 19, 1934, entitled the "Communications Act of 1934"; to the Committee on Interstate and Foreign Commerce.

By Mr. CALDWELL: A bill (H. R. 12422) to cancel certain unpaid interest accrued on loans secured by adjusted-service certificates; to the Committee on Ways and Means.

By Mr. CONNERY: A bill (H. R. 12423) to provide equal opportunities under the 10-percent differential for night work and overtime pay for work in excess of 8 hours for employees of the Custodial Service of the United States Post Office Department, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. QUINN: A bill (H. R. 12424) to provide for examination and registration of those engaging in the occupation of beauty culture; to the Committee on the District of Columbia.

By Mr. SCOTT: A bill (H. R. 12425) to amend section 80 of chapter 9 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898; to the Committee on the Judiciary.

By Mr. DEROUEN: A bill (H. R. 12426) authorizing the payment of certain salaries and expenses of employees of the General Land Office; to the Committee on the Public Lands.

By Mr. PETERSON of Florida: A bill (H. R. 12427) to provide for the establishment of a Coast Guard station at or near Pass-A-Grille Beach, Fla.; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 12428) to provide for the establishment of a Coast Guard station at or near Clearwater Beach, Fla.; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 12429) authorizing the President of the United States to award a medal of honor to Capt. Einar W. Sundstrom; to the Committee on Merchant Marine and Fisheries.

By Mr. COLDEN: A bill (H. R. 12430) granting a pension to Vera E. Bryant; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 12431) granting compensation to John Voorhees; to the Committee on Claims.

By Mr. DISNEY: A bill (H. R. 12432) granting a pension to Ellen Thompson; to the Committee on Pensions.

Also, a bill (H. R. 12433) granting a pension to Caroline Danforth; to the Committee on Pensions.

By Mrs. JENCKES of Indiana: A bill (H. R. 12434) granting a pension to Elmer S. Laymon; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H. R. 12435) for the relief of Pompeo Ercolano; to the Committee on Immigration and Naturalization.

By Mr. McGEHEE: A bill (H. R. 12436) for the relief of Gulledge Lumber Co.; to the Committee on Claims.

By Mr. O'LEARY: A bill (H. R. 12437) to confer jurisdiction on the Court of Claims to hear and determine the claim of New York Harbor Drydock Corporation; to the Committee on Claims.

By Mr. SCHULTE: A bill (H. R. 12438) for the relief of Philipina Baca Klemencic; to the Committee on Immigration and Naturalization.

By Mr. SULLIVAN: A bill (H. R. 12439) for the relief of Herman Urist; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 12440) for the relief of Minnie Urist; to the Committee on Immigration and Naturalization.

By Mr. THOMAS: A bill (H. R. 12441) granting an increase of pension to Eliza Hoag; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 12442) granting an increase of pension to Louisa Reynolds; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10764½. By Mr. GOODWIN: Petition of 55 residents of the city of Kingston, N. Y., and vicinity, urging support of the Wheeler-Crosser bill (S. 4174 and H. R. 11609); to the Committee on Interstate and Foreign Commerce.

10765. By Mr. HAINES: Resolution from Farmer-Labor Party of York County, Pa., protesting against the policies of the Works Progress Administration and urging that all Works Progress Administration workers who lost their jobs be reinstated; to the Committee on Banking and Currency.

10766. By Mr. RICH: Petition of citizens of Bradford, Pa., favoring the Wheeler-Crosser bill (H. R. 11609); to the Committee on Interstate and Foreign Commerce.

10767. By the SPEAKER: Petition of the Brotherhood of Railway and Steamship Clerks; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, APRIL 23, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 22, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Overton
Austin	Connally	Keyes	Pittman
Bachman	Coolidge	King	Pope
Bailey	Copeland	La Follette	Radcliffe
Barbour	Couzens	Logan	Reynolds
Barkley	Davis	Lonergan	Robinson
Benson	Dickinson	Long	Russell
Bilbo	Dieterich	McAdoo	Schwellenbach
Black	Donahey	McGill	Sheppard
Bone	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Gerry	Minton	Townsend
Burke	Gibson	Moore	Truman
Byrd	Glass	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL] are absent because of illness, and that the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce the necessary absence of the Senator from Delaware [Mr. HASTINGS].

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

CORRECTION

Mr. AUSTIN. Mr. President, I wish to correct an assumption made yesterday and appearing in the RECORD at page 5875. At that point I asked the Senator from New York the following question:

> Is not the Senator from New York aware that the Commissioner testified that approximately 90 percent of those cases contained in the number 2,860 were free from any crime at all; and if that is so, does not the Senator admit that, with the amendment adopted, all of those who have no crime attached to their records would come within the clemency granted by section 3?

I wish to correct that percentage. What I had in vague memory was a statement which appeared in the letter from the Secretary of Labor, Miss Perkins, on page 6, which was considered by the committee, as follows:

> Ninety-eight percent of the 2,862 cases which have been stayed involve cruel family separations, the punishment of innocent American citizens, and the imposition on our States and communities of the burden of caring for a new group of dependents.
>
> So far as our records and investigations show, these aliens are of good moral character. None have been convicted of a crime involving moral turpitude. None are anarchists or Communists. None are persons of the so-called immoral classes, such as procurers or prostitutes. The Kerr bill in the most explicit terms provides that such discretionary power as may be granted shall not apply to any of these groups.

That is what I referred to or intended to refer to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Pittsburgh, Pa., Central Labor Union, favoring the enactment of legislation creating a court of appeals for civil-service employees, which was referred to the Committee on Civil Service.

He also laid before the Senate a resolution adopted by the International Society of Master Painters and Decorators, at Chicago, Ill., favoring the utilization by the Federal Government of private channels of construction rather than Federal construction agencies, and so forth, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by Starke (Fla.) Townsend Club, No. 1, favoring the adoption of the so-called Townsend old-age revolving pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Victory Lodge, No. 1233, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Milwaukee, Wis., favoring the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a letter in the nature of a petition from Rev. Harry C. Goodman, of Washington, D. C., praying for the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

Mr. ROBINSON presented a telegram in the nature of a petition from Hugh R. Carter, of Little Rock, Ark., praying for the making of an adequate appropriation for the Public Works Administration, which was referred to the Committee on Appropriations.

Mr. WALSH presented letters in the nature of petitions from Local Union No. 2446, of Millbury, and Local Union No. 2260, of East Douglas, both of the United Textile Workers of America, in the State of Massachusetts, praying for the enactment of House bill 11770, the so-called Ellenbogen national textile bill, which were referred to the Committee on Education and Labor.

He also presented the petitions of Edith Daby, of Houghton, and Townsend Club No. 1, of Baldwinville, in the State of Massachusetts, praying for the adoption of the so-called Townsend old-age revolving pension plan, which were referred to the Committee on Finance.

He also presented the petition of Home City Lodge No. 793, Brotherhood of Locomotive Firemen and Enginemen, of Springfield, Mass., praying for the enactment of the bill (S. 4174) to foster and protect interstate commerce by authorizing the Interstate Commerce Commission to approve or disapprove of the consolidation or abandonment of carrier facilities of public service, which was referred to the Committee on Interstate Commerce.

POLLUTION OF WATERS

Mr. WALSH. Mr. President, I present and ask to have printed in the RECORD and referred to the Committee on Commerce a letter which I received from the Commissioner of Public Health of Massachusetts, dealing with Senate bill 3958.

There being no objection, the letter was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF PUBLIC HEALTH,
Boston, March 5, 1936.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: If Senate bill 3958 were enacted, the National Resources Board of the Federal Government would have the power to—

(1) "SEC. 6. (a) * * * divide the area of the continental United States into * * * sanitary water districts.

"(b) * * * fix standards of purity for the waters of each such district; shall establish minimum requirements as to the treatment of polluting material before it is discharged into * * * waters * * *; promulgate regulations governing the discharge of any matter or materials into * * * waters."

(2) Establish district boards in each water district, which will have the power—

"SEC. 7. (b) (1) To prevent the pollution of waters within the district by voluntary methods so far as practicable."

(3) "To institute proceedings for the prevention and abatement of water pollution in * * * districts."

In addition, under this act Congress would declare the discharge or deposit of any waste or other substance, whether in a solid, gaseous, or liquid state, into any of the navigable waters of the United States or "into any stream from which the same may float or be washed into any of such navigable waters, in violation of regulations promulgated by the committee, if such waste or other substance is or may be injurious to public health, domestic

animals or poultry, fish or shellfish, or other aquatic life, migratory waterfowl, or other wild game, or impairs in any manner the utility of such waters for navigation purposes, to be against the public policy of the United States and to be a public and common nuisance. An action to prevent or abate any such nuisance may be brought in the name of the United States by any United States attorney, and it shall be the duty of such attorneys to bring such an action when requested to do so by the national resources committee or the district board of a sanitary water district. Such action shall be brought as an action in equity and may be brought in any court of the United States having jurisdiction to hear and determine equity cases."

At a meeting of the health officers of the New England States the following resolution was unanimously passed, and it was voted that copies be sent to each member of the New England congressional delegation:

"*Resolved*, That the Members of the United States Congress from New England be advised that the State health officers of New England are heartily in favor of steps to promote the betterment of New England streams and shore waters by antipollution measures and feel that the adoption by the New England States of interstate compacts to abate water pollution is the most satisfactory method of accomplishing that purpose. It is further the opinion of these State health officers that no extension of Federal control over streams is desirable, that the activities of the Federal Government should be restricted in the field of stream pollution to fact finding and coordination and stimulation of State and interstate programs and to directing the promotion of interstate compacts, with the cooperation of the interested States. The establishment of standards of water purity in particular areas and the enforcement of antipollution measures should be delegated to the States, as provided for in compact agreements."

Very truly yours,

HENRY D. CHADWICK, M. D.,
Commissioner of Public Health.

LOW-COST HOUSING

Mr. WAGNER presented a resolution of the Tampa (Fla.) Municipal Housing Board, which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Resolution of Tampa (Fla.) Municipal Housing Board unanimously adopted April 20, 1936, Tampa, Fla.

Whereas it has been proven that bad housing is detrimental to the health of the people in a community and that slums constitute an economic waste; and

Whereas it is an acknowledged fact that good housing for persons of low income cannot be provided through the ordinary channels of private enterprise; and

Whereas city, State, and National Governments have accepted the principles and acknowledged the obligation of governmental responsibility for the housing of persons who cannot be reached through private enterprise; and

Whereas it is necessary for the Government to bear a certain portion of the burden of financing the clearance of slums and the construction of low-rent housing: Therefore be it

Resolved, That the Tampa Municipal Housing Board endorses a bill introduced in the Senate by the Honorable ROBERT F. WAGNER, United States Senator from New York, and in the House of Representatives by the Honorable HENRY ELLENBOGEN, Congressman from Pennsylvania, which reads as follows:

"A bill to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the development of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes."

Be it further

Resolved, That a copy of this resolution be forwarded to Hon. ROBERT F. WAGNER, Senator from New York, and Hon. HENRY ELLENBOGEN, Congressman from Pennsylvania, and the following Senators and Representatives: Senator DUNCAN U. FLETCHER, Senator PARK TRAMMELL, Hon. J. HARDIN PETERSON, Hon. R. A. GREEN, Hon. MILLARD CALDWELL, Hon. MARK WILCOX, Hon. W. J. SEARS.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution of the Council of the City of Pittsburgh, endorsing the Wagner-Ellenbogen Housing Act of 1936. In view of the need for low-cost housing, coordination of government activities for that purpose, and protection from crime and disease which emanate from wretched tenement areas, I regard this resolution as a matter of importance to the Nation generally.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Whereas it is the sense of the Council of the City of Pittsburgh that there is urgent need for the construction of low-cost housing for the working people of our city; and

Whereas there exists in the city of Pittsburgh an acute shortage of houses which are within the means of our working people; and

Whereas this situation has been greatly increased due to the recent flood, which inundated approximately 13,000 houses in the lower sections of the city, of which about 1,000 will never again be fit for occupancy; and

Whereas during the past year and a half more than 1,500 houses have been demolished by our public safety department, due to their dangerous and insanitary condition; and

Whereas the private building interests of our city have been unable to cope with the situation in the construction of houses that may be rented at a reasonable rental within the reach of our working people: Therefore be it

Resolved, That the council endorse the Housing Act of 1936, now under consideration in Congress and known as the Wagner-Ellenbogen bill, which provides for the financing and construction under Government supervision of low-cost housing projects; and be it further

Resolved, That the city clerk be requested to send a copy of this resolution to Franklin D. Roosevelt, President of the United States; Secretary Harold L. Ickes; Senator Wagner, of New York; and to each United States Senator and Representative in Congress from the State of Pennsylvania.

REPORTS OF COMMITTEES

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 4432) authorizing and directing the Secretary of War to lease land on the Fort Moultrie (S. C.) Military Reservation to the owners of certain cottages thereon, reported it with an amendment and submitted a report (No. 1920) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 4159) for the relief of Anchorage Commercial Co., Inc., reported it with amendments and submitted a report (No. 1921) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 2467. A bill for the relief of Holy Cross Mission Hospital (Rept. No. 1922); and

H. R. 2936. A bill for the relief of J. H. Taylor & Son (Rept. No. 1923).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 5491. A bill for the relief of the Bethlehem Fabricators, Inc. (Rept. No. 1924);

H. R. 5625. A bill for the relief of Sperry Gyroscope Co., Inc., of New York (Rept. No. 1925); and

H. R. 7867. A bill for the relief of Adolph Micek, a minor (Rept. No. 1926).

Mr. LOGAN, also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 9153. A bill for the relief of Evelyn Harriett B. Johnstone (Rept. No. 1927); and

H. R. 10565. A bill for the relief of Mr. and Mrs. William O'Brien (Rept. No. 1928).

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 399. A bill for the relief of A. F. Amory (Rept. No. 1929);

H. R. 6344. A bill for the relief of the estate of John A. McGloin (Rept. No. 1930); and

H. R. 7031. A bill for the relief of Georgiana Minnigerode, widow of Capt. Karl Minnigerode (Rept. No. 1931).

Mr. BENSON, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7736) to provide for the establishment of the Whitman National Monument, reported it with an amendment and submitted a report (No. 1937) thereon.

He also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3768. A bill for the relief of E. W. Jermark (Rept. No. 1932);

H. R. 1915. A bill for the relief of Henry O. Goddard (Rept. No. 1933); and

H. R. 3914. A bill for the relief of Oscar Gustof Bergstrom (Rept. No. 1934).

Mr. BENSON also, from the Committee on Claims, to which was referred the bill (S. 3956) for the relief of Jacob Kaiser,

reported it with an amendment and submitted a report (No. 1935) thereon.

He also, from the same committee, to which was referred the bill (S. 3808) for the relief of R. D. Stephens and Vera Stephens, reported it with amendments and submitted a report (No. 1936) thereon.

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4374) for the relief of Ruth Edna Reavis (now Horsley), reported it without amendment and submitted a report (No. 1938) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4230) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910, reported it without amendment and submitted a report (No. 1939) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on April 22, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 3258. An act to amend section 304 of the Revised Statutes, as amended;

S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.;

S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes;

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States;

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; and

S. J. Res. 233. Joint resolution providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4521) to provide annuities for certain widows of employees and retired employees of the United States and the District of Columbia; to the Committee on Civil Service.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 4522) to lease an unused portion, useless for military purposes, of the Fort Hancock Military Reservation to the State of New Jersey for a public aquatic park and pleasure ground for the benefit and enjoyment of the people of the United States; to the Committee on Military Affairs.

By Mr. BACHMAN:

A bill (S. 4523) for the relief of Cecil E. Phipps; to the Committee on Claims.

By Mr. GIBSON (by request):

A bill (S. 4524) to provide a permanent government for the Virgin Islands of the United States, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. NYE:

A bill (S. 4525) for the relief of Mrs. John Olson; to the Committee on Claims.

By Mr. O'MAHONEY:

A bill (S. 4526) to amend section 5, as amended, of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes", approved July 10, 1890; to the Committee on Public Lands and Surveys.

(Mr. McADOO introduced Senate bill 4527, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. TYDINGS introduced Senate bills Nos. 4528 and 4529, which were referred to the Committee on Territories and Insular Affairs, and appear under a separate heading.)

By Mr. WAGNER:

A bill (S. 4530) to amend the Subsistence Expense Act of 1926 by adding a new section to provide that section 259 of the Judicial Code providing for traveling expenses of circuit justices, circuit and district judges actually incurred, and maintenance expenses in an amount not to exceed $10 per day, shall not be construed to be modified or repealed in any respect by any section of the Subsistence Expense Act of 1936; to the Committee on the Judiciary.

PROPOSED INDEPENDENCE OF PUERTO RICO

Mr. TYDINGS. Mr. President, I shall send to the desk shortly a bill proposing to give the people of Puerto Rico the option of becoming independent as a result of a national referendum in the island on the question whether they would rather continue under the American flag or have independence. The bill will be introduced with the support of the administration. The reasons for introducing it are many, and time does not now permit a long review of them.

One reason why the option is proposed to be given to the people of Puerto Rico is that it is in line with present-day American policy, pan-American policy, the repeal of the Platt amendment, Filipino independence, and a wider measure of cooperation and democracy to the people who are associated with us and those who are under our flag as well.

There are other reasons, however, which impel the introduction of the measure at this time. First of all, the chief of police was recently assassinated in Puerto Rico. The conduct of trials in Puerto Rico has been the subject of some criticism not only outside of the island but in the island as well.

Then the election machinery in the island is not complimentary to the island at all, because the recent registration of voters in Puerto Rico shows that out of 852,832 persons over 21 years of age in the island, 852,904 of them are registered voters. In other words, there are about 100 more people registered in Puerto Rico and qualified to vote than there are people of both sexes over 21 years of age in the island.

It has always been the policy of this Government not to interfere in the local and internal affairs of any of the people who happen to be under our flag, but certainly so flagrant a case as this, which apparently is receiving no remedy in that island, makes us question the worth of American institutions as being adapted to the people of Puerto Rico and to the conditions under which they live.

I want to read a few of the election registration returns in a little detail. In Aguadilla there are 18,291 persons registered. There are in the Province only 15,583 over 21 years of age. In other words, 117 percent of the population is registered for voting purposes.

In Anasco there are 8,871 registered out of a population of 8,044, or 101 percent.

In Arecibo there are 30,939 registered out of a population of 31,716.

In Arroyo there are 4,878 registered out of a population of 4,864, just 100 percent.

In Bayamon there are 17,000 registered and only 15,000 in the province, 110 percent.

In Carolina there are 10,000 registered out of a population of 9,400, or 106 percent.

In Catano there are 5,339 registered out of a population of 5,173, or 103 percent.

I might read on, but let me merely call attention to one or two very flagrant examples. In Coamo there are 14,000 registered out of a population of 9,975, a registration of 144 percent of the population. I shall place the entire record of registration and population of Puerto Rico in the RECORD.

The elections in Puerto Rico are disgraceful, corrupt, and fraudulent. The registration is the most flagrant example of open fraud that has ever come to my attention, since it is scattered more or less over the island in rural sections and in cities and is not confined to any one locality.

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

Mr. TYDINGS. I yield.

Mr. MINTON. Does the registration bear any relation at all to the people who live in the districts?

Mr. TYDINGS. Apparently there are either some people in the district registering more than once and under different names, or people who do not live in the district are brought in simply for registration and voting purposes.

Each of the three political parties in Puerto Rico blames this condition on the others. One is charged with having padded the election polls, and then it says it was not at fault, but the other two parties are the culprits in the case. The fact remains, however, that Puerto Rico, which has its own legislature, has not set about investigating the fraud or taken any substantial step to correct it. It is perfectly apparent that the election to be held this year is going to reek with fraud and will not be worthy of the name of an election, because in province after province, in division after division, more people who are over 21 years of age are registered than actually live in the precinct or division or district.

Facts such as those to which I have just called the attention of the Senate must lead us strongly to believe that the American system is not functioning adequately in Puerto Rico. There is an independent party in Puerto Rico which favors independence under certain conditions. What the bill would do would be to give the people of Puerto Rico a chance to say whether they want independence or whether they want to continue under the American flag.

Perhaps this measure would not be thought of now if, in addition to the frauds apparent in election registration, the American chief of police had not been shortly since assassinated. So far as I can learn, it is very difficult to convict anybody in Puerto Rico before a jury on the charge of murder. The courts in many instances have not lived up to the name of "court" insofar as the jury return is concerned. There have been several murder cases there in which convictions have not been obtained, and as to which a great mass of the people of Puerto Rico think there has been a miscarriage of justice.

America has been very generous to these islands—the Philippines, Puerto Rico, and some other islands. We acquired them as a result of our War with Spain. We have given to the Filipinos the right to say whether they shall continue under the American flag or be independent, and they have voted to become independent. It is the purpose of the proposed legislation which I am now introducing to confer the same right upon the people of Puerto Rico.

Since we have had the islands, and particularly in recent years, many, many million dollars have been poured into Puerto Rico from the Federal Treasury in all sorts of social campaigns, housing campaigns, W. P. A. and P. W. A. programs; and it seems as if the more we do the worse conditions become in the island. Although this is Federal money, there is a continual quarrel about how the Federal Government shall spend, not the money of the people of Puerto Rico but the money of the people of the United States of America.

Mr. President, this bill is not perfect. Undoubtedly it will have to be amended in many respects. It does, however, furnish the outline and the conditions of an independence act, if the people of Puerto Rico desire it. More safeguards will have to be thrown around the election to be held. Obviously, we do not wish to have a military election, where the marines supervise the voting. On the other hand, we must not have a Puerto Rican election, reeking as it does with fraud and corruption, as is demonstrated by the present registration lists of the island in comparison to the population there. So perhaps some system will have to be worked out whereby, under some sort of Federal supervision, an honest election can be held if the people of Puerto Rico themselves are not in a position to purge the legislative and registration lists.

Accompanying the bill for independence, which the people of Puerto Rico may adopt or reject, is another bill which has for its purpose the accomplishment of fair elections in the island. Many of the finest people in Puerto Rico, both rich and poor, are anxious for fair elections; but the parties down there have not seemed able, under the present Federal act, to safeguard the elections so that they shall be honest, and really reflect the will of the people. Therefore, accompanying the proposed independence bill, which has the support of the administration, is a bill for fair and honest elections in Puerto Rico. It is hoped that at the present session of Congress time may be found for consideration of each of these measures by the committee, and such action upon them by the Congress as may be desired and appropriate when they are reported.

I ask leave, out of order, to introduce the two measures to which I have referred, and to have printed in connection with my remarks a letter from the Director of the Division of Territories and Island Possessions and a table showing the municipalities, the total of registered voters, the inhabitants over 21 years of age, and the percentage of registered voters. This table shows that in many of the municipalities many thousands of persons are registered more than the number of persons actually living in them.

The VICE PRESIDENT. Without objection, the bills will be received and appropriately referred, and the letter and table referred to by the Senator from Maryland will be printed in the RECORD.

The bill (S. 4528) to regulate the conduct of elections in Puerto Rico; and

The bill (S. 4529) to provide for a referendum in Puerto Rico on the question of independence, to provide for carrying it into effect, and for other purposes, were read twice by their titles and referred to the Committee on Territories and Insular Affairs.

The letter and table presented by Mr. TYDINGS are as follows:

DEPARTMENT OF THE INTERIOR,
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS,
Washington, March 9, 1936.

Hon. MILLARD E. TYDINGS,
United States Senate.

MY DEAR SENATOR TYDINGS: The result of the recent registration of voters in Puerto Rico for the election of November 1936 reveals a very large proportion of fraudulent voters on the lists. Unless this is corrected, it is feared that the election campaign will develop to an increasing accompaniment of violence and bloodshed. The man selected for chief of police by the Governor after the Riggs assassination—Col. Luis Raul Esteves, West Point graduate and colonel of the Puerto Rican National Guard—stated as a sine qua non condition for successful police administration, the enactment of fair-election legislation.

The leaders of all the political parties on the island admit the existence of the fraud and accuse each other of being responsible for it. Leaders of all parties are on record urging the desirability of correcting the fraud.

The legislative situation in Puerto Rico is such, however, that it is not to be hoped that the legislature itself will correct the situation. The leaders of the different parties will no doubt make gestures indicating their desire to correct the situation, but at the same time will be jockeying for special advantage. The desirability of a clean and trustworthy election in Puerto Rico is not open to question. Under present conditions it is believed that only Congress can provide adequate guarantees of a clean and trustworthy election.

Enclosed is a list comparing the number of registered voters in large towns with the number of persons over 21, according to the 1930 census corrected as of 1935. (All citizens over 21 years of age have the right to vote in Puerto Rico.) The correction has been made by including all persons who were from 15 years to 19 years old in 1930. Mortality, however, has not been discounted, so the figures are extremely conservative.

From this enclosed tabulation, it appears that in 28 out of the 80 districts which compose the island, there are more registered voters than there are persons over 21. In Aguadilla, for instance, the percentage of registered voters to persons over 21 is 117 percent; in Bayamon 110 percent; in Coamo 144 percent; in Culebra 124 percent; in the second Ponce district 119 percent; in Toa Alta 127 percent; and so forth. In the city of San Juan, comprising almost one-tenth of the population, the voting lists contain 73,000 names, while persons over 21 (without discounting mortality since 1930) number 75,000.

For the whole island the census shows that there are 852,832 persons over 21 and 852,904 voters on the lists, without subtracting noncitizens and mortality.

Senator Rafael Martinez Nadal, president of the Republican Party, has this to say in El Mundo of February 13, 1936:

"We are opposed to fraud (election fraud), and we fight it for two reasons: First, as a matter of principle; and, second, because our majority is so great that we do not need to appeal to other resources than our legitimate strength."

Senator Bolivar Pagan, acting president of the Socialist Party, and coleader of the coalition with Senator Martinez Nadal, has this to say in El Pais of February 6, 1936:

"There is no foundation in the charge that the election law is the cause of the scandalous fraud that, in truth, has taken place in the registrations that have just ended."

Senator Antonio R. Barcelo, president of the Liberal Party, has publicly complained of the fraud. Many minor leaders of all the above-mentioned parties have published statements recognizing the obvious fraud with which the election lists are vitiated and condemning it.

In seeking to correct this evil, it is thought that it would be desirable to apply a double check: First, by providing an honest list of voters; second, by providing the method of carrying out the actual election which shall eliminate all possibility of repeating and all impersonation of voters by nonvoters. The Federal Government has just finished taking the census of Puerto Rico. This census was begun last October in order to obtain reliable data on which to base economic policy. It has been taken under the supervision of the Federal Bureau of the Census and under the direct management of Mr. Starke M. Grogan, sent to Puerto Rico for this purpose. At no time has the idea of the census been connected in anyone's mind with the election; therefore it is the most reliable enumeration of the population that we have. It is suggested that this census be made the basis for the right to vote this year. The field work was completed a week ago, and all the data are now in the San Juan office of the census. Tabulation work is now beginning.

In order to guarantee the election process itself, it has been suggested by the commissioner of labor, Prudencio Rivera Martinez (who is also a prominent leader of the coalition), that all voters be gathered in the places where they are to vote before the voting begins; that at a given hour no more persons be allowed to enter said places; and that the voting then proceed in the usual manner by secret ballot. This will eliminate all possibilities of repeating, and it would practically eliminate all possibilities of nonvoters impersonating voters. This suggestion has been embodied in the enclosed proposed draft of a bill.

Mr. Rivera Martinez made public the following statement in El Mundo of February 14:

"I believe that it is a disgrace for the fraudulent vote to destroy the purposes and the intentions of the legal vote at the ballot box. I firmly believe in any effective measure to prevent and punish this fraud. Among the measures that have been proposed, I do not believe in that which proposes long lines of voters, but I do believe in the measure disposing the creation of as many polling places as may be necessary, to which the voters can come until a stated hour, each one being given a number according to priority of arrival. Then the voting can begin as per the order of arrival. I think that the best measure would be to destroy all election lists and make a new registration, but perhaps there would be insufficient time to do this. I do not see that there would be any difficulty in finding or preparing the number of places sufficient for 100 to 150 voters, men and women, concentrated in the form I have suggested."

Many responsible citizens of Puerto Rico have for a long time believed that certain minimum election guaranties should have been embodied in the organic act to end continuous partisan tampering with election legislation designed to give undue advantage to the party which at the moment happens to be in majority. Therefore the action now contemplated will not only be of great importance in averting violence and disorder this year but also in providing certain permanent minimum guaranties for all future elections.

Sincerely yours,

ERNEST GRUENING, *Director*.

Municipalities	Total of registered voters	Inhabitants over 21 years of age	Percent of registered voters
Adjuntas	9,571	9,919	96
Aguada	7,828	7,990	97
Aguadilla	18,291	15,583	117
Aguas Buenas	6,103	6,249	97
Aibonito	7,388	8,578	86
Anasco	8,171	8,044	101
Arecibo	30,939	31,716	97
Arroyo	4,878	4,864	100
Barceloneta	8,108	8,257	98
Barranquitas	5,858	7,244	80
Bayamon	17,465	15,821	110
Cabo Rojo	10,907	12,649	86
Caguas	26,319	27,073	97
Camuy	7,595	8,265	88
Carolina	10,049	9,454	106
Catano	5,339	5,173	103
Cayey	17,146	15,979	107
Ceiba	3,388	3,966	85
Ciales	10,044	10,048	99
Cidra	5,296	9,652	54
Coamo	14,144	9,775	144
Comerio	7,698	8,267	93
Corozal	7,955	7,834	101
Culebra	481	387	124
Dorado	3,684	4,018	91
Fajardo	10,374	9,181	112
Guanica	5,757	5,676	101
Guayama	16,445	14,464	113
Guayanilla	8,051	7,388	109
Guaynabo	6,658	6,842	97
Gurabo	7,526	7,730	97
Hatillo	7,415	8,006	92
Hormigueros	3,187	2,844	112
Humacao	14,923	14,631	101
Isabela	10,667	12,070	88
Jayuya	6,761	6,334	106
Juana Diaz	9,922	11,547	85
Juncos	9,065	9,523	95
Lajas	6,111	6,684	91
Lares	14,467	14,351	100
Las Marias	3,540	4,717	75
Las Piedras	5,692	6,441	88
Loiza	10,308	9,603	107
Luquillo	3,438	4,115	83
Manati	12,091	13,267	91
Maricao	3,262	3,576	91
Maunabo	3,711	4,595	80
Mayaguez	38,595	35,148	109
Moca	8,785	8,999	97
Morovis	8,133	8,335	97
Naguabo	8,332	9,655	86
Naranjito	5,882	5,505	106
Orocovis	7,332	7,984	92
Patillas	5,163	7,811	66
Penuelas	7,120	7,067	100
Ponce	65,374	54,691	119
Quebradillas	4,724	5,262	89
Rincon	3,340	4,396	75
Rio Grande	7,436	7,188	103
Rio Piedras	25,423	23,227	109
Sabana Grande	6,393	6,538	97
Salinas	9,898	9,024	109
San German	13,701	13,726	99
San Juan	73,636	75,302	97.7
San Lorenzo	9,922	11,667	85
San Sebastian	12,125	13,158	92
Santa Isabel	6,116	5,625	108
Toa Alta	7,214	5,671	127
Toa Baja	5,904	5,473	107
Trujillo Alto	4,123	4,604	89
Utuado:			
Primero	18,926	19,779	95
Segundo	292		
Vega Alta	5,972	6,216	96
Vega Baja	11,669	10,596	110
Vieques	4,693	5,945	78
Villalba	5,718	6,310	90
Yabucoa	11,647	11,928	97
Yauco	15,250	15,612	97
Total	852,904	852,832	

JOINT COMMITTEE ON ARRANGEMENTS FOR THE INAUGURATION OF THE PRESIDENT-ELECT

Mr. NEELY submitted the following concurrent resolution (S. Con. Res. 38), which was referred to the Committee on Rules:

Resolved by the Senate (the House of Representatives concurring), That a joint committee consisting of three Senators and three Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, is authorized to make the necessary arrangements for the inauguration of the President-elect of the United States on the 20th day of January next.

AMENDMENT OF FEDERAL AID HIGHWAY ACT

Mr. GEORGE and Mr. RUSSELL submitted an amendment intended to be proposed by them jointly to the bill (H. R. 11687) to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

AMENDMENT TO BUILDING-PURCHASE BILL

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 2103) to authorize the purchase of existing buildings for governmental use, and for other purposes, which was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

DEPORTATION OF ALIEN CRIMINALS—AMENDMENT

Mr. AUSTIN submitted an amendment intended to be proposed by him to the bill (S. 4011) to further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, and to provide for the prompt deportation of habitual criminals and all

other undesirable aliens, and to provide for the registration of all aliens now in the United States or who shall hereafter be admitted, which was ordered to lie on the table and to be printed.

IMMIGRATION POLICY—ADDRESS BY HON. JAMES J. DAVIS IN 1923

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of an immigration policy for the United States delivered October 15, 1923, by Hon. JAMES J. DAVIS, then Secretary of Labor, before the American Legion convention at San Francisco, Calif.

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

We are faced in America with the necessity of determining upon an immigration policy. At present our immigration from all countries except those whose natives are barred from our shores, and except those in the Western Hemisphere is controlled under the 3-percent quota law. This law will expire on the last day of next June, and unless we write a new immigration law before that time, on July 1, 1924, we will have immigration without restriction.

The quota law is purely a numerical restriction, which limits the number of immigrants that may come to the United States in any 1 year from any nation to 3 percent of the number of aliens of that nationality in the United States in 1910. You of the American Legion in the consideration of this matter have proposed an absolute bar on all immigration over a period of 5 years. I am of the opinion that restriction should be placed not only as a matter of quantity, but also, and primarily as a matter of quality. I favor a selective system of immigration; and if we cannot have selected immigration, I would have none. I would admit to America only the alien who is able and willing to accept American customs, American ideals, American institutions, and who can contribute something to the advancement of our civilization. I would absolutely bar the alien who under our laws cannot win to citizenship, or who by mental, moral, or physical defect would lower the standards of America. I would take this stand now, and would adhere to it forever, no matter what numerical limitation might at any time be placed upon the immigrants to be accepted.

I favor an immigration program based on these points:

First. The examination of every prospective immigrant before he leaves his native land. By this means we would make sure that the applicant was eligible for admission to the United States before he started on a 3,000-mile ocean voyage. Thus we would end the sorrow and distress incident to the rejection of inadmissible aliens at our immigration stations. This matter could be attended to by the governments abroad, who would thus protect their departing nationals from embarrassment and distress. If these governments would issue passports only to their nationals who come within our laws, we would end the constant criticism of our immigration administration.

Second. The granting of power to United States consuls abroad to refuse to visa the passports of prospective immigrants when it is clear to the consuls that the individual is ineligible for admission.

Third. I would enroll every alien upon his arrival here, and would provide for an annual census of all aliens over a period of 5 years, during which period the alien would be subject to deportation if he was found to be in America illegally or for an unlawful purpose.

This program is simple, clear, and enforceable. It would provide better aliens for America and would make for a better America for both aliens and native born. Under this plan I would give preference to certain classes. For, so long as the youth of America declines to work with its hands and insists upon white-collar jobs, we must have aliens to perform our common labor. Last year we accepted some 70,000 Mexicans—for there is no quota limitation on immigration from countries of the Western Hemisphere. Would we not be better off with 70,000 sturdy, upstanding men from western Europe?

I am for an immigration that can be assimilated into our American national life. First, I would provide for the admission of the families of aliens already in the United States. Second, I would admit skilled labor, where labor of a like character cannot be found unemployed in the United States. Finally, I would admit the men who will come here to do our common labor. But I would subject every immigrant to the strict mental, moral, and physical tests which must be maintained if we are to keep up our American standard of health, intelligence, and living.

In order to appreciate the magnitude of the problem of the alien in America, both as it affects the alien and as it affects America, let us look at the results of our last census. We have a total white population of 94,820,915, of which number 58,421,957 are of native-born parentage. Of the remainder, 15,694,539 are of foreign-born parentage; that is, both parents were born abroad; 6,991,665 are of mixed parentage; that is, one parent was born abroad, and 13,712,754 are foreign born. This means that we have 36,298,598 individuals in the United States who in the present or the last generation are or have been linked with a foreign allegiance. The figures are even more striking when we consider our urban or city population. There are 24,556,729 native-born of native parents in our cities. But there are 26,063,355 of foreign birth or foreign stock in these centers, and of these 10,356,983 are foreign born.

Of our nearly 14,000,000 foreign born, less than half are naturalized American citizens. Our records indicate that the average alien is in this country 10 years before he assumes the duties and responsibilities of citizenship. Clearly there is something wrong with a system which permits this vast undigested mass of alien population to continue undigested for year after year.

During the early days of our history we asked no questions of arriving aliens. We did not even count the number who came. We extended the hand of welcome to everyone who arrived, regardless of who or what he might be or why he came. Beginning with 1820 we counted the arrivals, but that was about all we did. Practically all of our immigration legislation has been created since 1880. From that time until the present a great many types and classes of aliens have been added to the excluded classes. The first class to be excluded was the insane. Thereafter, rapidly the list was increased until the beginning of the present century, since which time we exclude, as a matter of law, every diseased person, every imbecile, idiot, feeble-minded person, insane person, criminals, and all those likely to become public charges. We have sought to protect our social and political organization by refusing admission to those who would lower our mental, moral, or physical level. How far we have succeeded was shown in a survey recently completed for the Committee on Immigration and Naturalization of the House of Representatives which covered our jails, almshouses, insane asylums, and other public institutions. The scientists who made the survey investigated State institutions housing the feeble-minded, the insane, the criminals, the epileptics, the inebriate, the chronically diseased, the blind, the deaf, the deformed, the crippled, and the dependent. He found that while the foreign-born make up 14.70 percent of the Nation's population, they furnish 20.63 percent of the population of these institutions housing our social inadequates. He estimated that 44.09 percent of the inmates of these institutions were either foreign-born or of foreign-born parentage.

I have been told that 47 percent of the inmates of New York State institutions for the care of public dependents are either foreign born or of foreign-born parentage.

This House committee has before it figures showing the mental level of some of the aliens who have been coming to us during the last generation. The intelligence tests applied to our soldiers during the World War have been worked out to index the intelligence rating of our whole population, including our foreign born. According to this calculation, which divided all those examined into seven classes or standards of mental ability, America's foreign-born population of 13,920,692 was indicated in the following classifications:

	Number	Percent
Very superior	153,128	1.1
Superior	403,700	2.9
High average	1,016,211	7.3
Average	3,702,904	26.6
Low average	2,296,914	16.5
Inferior	4,287,573	30.3
Very inferior	2,060,262	14.8

Thus, according to these figures, we have in America today 6,347,835 aliens, nearly one-half of our total foreign-born population, who are classified as of inferior or very inferior in intelligence. In other words, if we had applied these intelligence tests to our immigrants for the last generation and had admitted only those making the five higher ratings, we would have barred 45.6 percent of all the aliens who have come to us. And these people have come despite our vigorous efforts to bar those plainly deficient in mental, physical, or moral health.

One of the sources of this flood of social inadequates which fill our jails and penitentiaries, our insane asylums, and our homes for the feeble-minded is the underground network of devious paths by which aliens are smuggled into this country. We have found them coming by every means of transportation and in every guise. Our thousands of miles of land borders and our vast expanse of coast line with its myriad harbors offer wealth of opportunity for the hardy outlaw who, tempted by the vast profit in the traffic, engages to pour the poison of illicit immigration into the life stream of American civilization.

The actual number of surreptitious entries is difficult to determine. It has been conservatively estimated that 100 individuals a day are coming into the United States in violation of the law. Some well-informed authorities are of the opinion that at times it rises as high as 1,000 a day.

Every underground and overhead channel into America is crowded with the stream of illicit immigrants. We find thousands of them waiting in Cuba for an opportunity to take to the fast motorboats of the smugglers for a quick trip to the shores of Florida. We find them sneaking over unguarded points on the Mexican border by the hundred and losing themselves in the great Southwest. We find them coming by airplane and by automobile, by railroad and by steamship, by motorboat and by schooner. We find them running side by side with the illicit traffic in rum and with the vile commerce in narcotic drugs. There is no means of coming into the United States that is not utilized in this illegal traffic.

One of the chief means of smuggling immigrants today is devised as an evasion of the seaman's law, enacted some time ago to regulate the treatment of sailors in American vessels. Under this law a foreign sailor entering an American port and leaving his vessel may remain in the United States 60 days while he seeks a berth in an out-bound ship. It is literally true that there are thousands of so-called sailors in the United States today working at everything in the world and at nothing at all. They simply leave and desert their ships, wander away from the seacoast, and are lost sight of. We found hundreds of them not so long ago at work in a New Jersey industrial plant. Some months ago we happened upon a Portuguese schooner off the New England coast with a crew of 20 or more aboard. Seven men were her regular complement. Among the crew we found one woman. Upon investigation it developed that the whole outfit had shipped as sailors in order to get into the United States. The captain had been paid to let the crew work its way. That smugglers' fee of $500 or more a head is the motive power behind the whole illicit traffic.

The immigration authorities estimate that there are today in the city of New York more than 5,000 Chinese who are in this country illegally. We are almost without the means of rounding them up. We did gather together more than 150 of them in a series of raids within the last week or two. These aliens are liable to deportation, but it costs $200 a head to provide passage for them back to China. For 5,000 Chinese that would mean an expenditure of a million dollars.

For every smuggler that the officials intercept, dozens escape, and land their illicit cargoes. It is plain to me that it would take a patrol equal to a man to every yard of our thousands of miles of border and seacoast to put an end to the smuggling of aliens. If we put all the Army and all the Navy, and every police force in the country at the task, I hardly believe we would stop the trade. But there is a way to stop it, and that is to make it utterly useless for an alien to enter the United States illegally. If the alien knew that within a short time after his arrival, the authorities would discover him and deport him, he would not come surreptitiously. There is a practical, feasible, simple plan to accomplish this.

For I say to you that no good American comes to this country surreptitiously. We get no real upstanding American citizen out of the dregs of humanity that crowds itself into smugglers' holds, fit company for illicit rum and outlawed drugs. What kind of an American can be made out of the individual whose first experience of America comes through defiance of her laws and evasion of her authority? He comes through crime and he brings crime with him. He is an outlaw from the moment he lands on American soil. He has learned contempt for law and order, for all that stands for America.

Every undesirable alien who finds his way into the United States plays his part to prejudice all Americans against all aliens. The foreigner of low mental standard who comes to us automatically stirs the apprehension of the American people against every foreigner. He damages the standing of every good foreign-born resident or citizen who is seeking to make his way in this country. For this reason every upstanding alien, every citizen of foreign birth, should be alert to put our immigration on the highest possible plane. We should support every measure that will make for better immigrants. It is clear to me that we must Americanize the alien before the alien alienizes America.

To this end I propose that the Federal Government enroll every alien upon his arrival in this country and issue to him an identification card which will establish his right to be here. Over a period of years I would provide for an annual census of these aliens in order that we might offer to those legally here every opportunity to learn what America means, what its traditions are, and what life in America has to offer them. I would see that they were given every chance to become good American citizens, and if they proved worthy I would accept them through a simplified naturalization plan. If they proved unworthy I would send them whence they came.

It is plain to me that under this system we would have no difficulty in weeding out the illicit immigrant, the smuggled oriental, and the apostle of destruction who has found his devious way to America and to preach the downfall of American institutions, the destruction of all law and order. The alien unable to produce his identification card would be given a hearing, and if after a fair and impartial investigation he was unable to establish his right to be here, he could be summarily and promptly deported.

This enrollment plan is no radically new departure in our American scheme of things. Every American citizen under the law must register himself before he can exercise the right of suffrage under our laws. There has been some objection to the enrollment of the alien on the ground that it might develop into some sort of an espionage system. I cannot find any basis for this thought. The registration lists of our citizenship have never been used for such a purpose, and there is no more reason to believe that the enrollment of the alien would subject him to any surveillance that has not been imposed upon the citizen through our election registration plan. No man whose life is open and aboveboard could object to enrolling himself as a prospective good citizen any more than any American today objects to enrolling himself as a voter.

I would make the enrollment plan a means of helping the good alien and of eliminating the bad alien. I believe that it would operate to weld all of the foreign-born into a great organization similar to our fraternities, devoted to helping each other toward getting the best that they have to give. The alien enrollment card would be an evidence of good character, just as the card of any of our great fraternal orders is an evidence of membership. I would enlist in the work of helping these aliens to become better, stronger Americans, the efforts of every civic organization, every church organization, every great fraternal order, and every patriotic society. I would call for the aid of every honest American, in this highest of all duties, the making of better Americans for a bigger, better America.

You men have fought for America. What kind of an America did you fight for? What kind of an America have all those heroes fought for since the days when the fathers established in this new land a government based upon the principles of liberty and equality? The time has come to answer this question, for we are facing the necessity of determining just what America is and what America shall be.

Not long ago a distinguished member of a certain eastern European racial group in America was quoted as saying:

"This country is not a 'nation'; it is a gathering together of peoples from every corner of the earth. No one racial group, no matter how early settled in this country, can furnish more than one note in this vast symphony of nations."

This means only one thing. It means that this new American, and those whose minds run with his, believe that there is no real America. It means, if this idea is to prevail, that the history of this country, its traditions, its ideals will be forgotten. It means that this great country, stretching from sea to sea, is to be a mere jumble of racial groups, each preserving its own racial customs and its own racial language, without common language or ideals. It means that the whole fabric of social, economic, and political life, built up through the toil and suffering of the last 150 years on this continent, is to be shattered. It means that the principles of union and liberty for which millions have laid down their lives, from Bunker Hill to the Argonne, those principles for which you and your fellows took up arms and crossed 3,000 miles of sea, shall perish in a welter of discord like unto that which fell upon Babel.

That is not the America that I know. I trust it is not the America that my children shall know. It is not the America that my people came across the ocean to seek. My father came here to become an American, and he became one. When, as a lad of 8, I followed my mother as with her six children she came forth from the shadows of the old Castle Garden immigration station, I came to a new life. She did not bring her children here to preserve the language and customs and ideals of the land she had left behind. She visioned her sons growing up part and parcel of the great new civilization to which she had brought them. On the threshold of this country all that there was about that family of the Old World fell away, and it faced the future as a family of Americans, Americans in heart and Americans in soul. When those who come to us from abroad fail to consecrate themselves wholly and entirely to America, to American life, American institutions, and American ideals, then we will have lost the thing which has made America great.

We can have no divided allegiance, no double loyalty. An American must be for America against all the world.

BORAH VERSUS ROOSEVELT—ARTICLE BY WALTER LIPPMANN

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann, published in the New York Herald Tribune of Saturday, April 18, 1936, entitled "Borah Versus Roosevelt."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of Apr. 18, 1936]

BORAH VERSUS ROOSEVELT

By Walter Lippmann

In interpreting the significance of the Illinois primary election, it is necessary to remember that over 1,000,000 voters were not heard from at all. For there appear to have been about 2,130,000 votes cast, whereas in 1932 the two major parties polled about 3,300,000 votes. Now on the face of the returns, the Democrats have well over 60 percent of the vote, a percentage which would be described as a landslide. In 1932 they had only 57 percent. Thus they could be defeated only if two-thirds of the stay-at-home vote on Tuesday goes over to the Republicans in November and if Senator BORAH's followers stay with the Republican candidate.

Yet when all possible allowances have been made for the stay-at-home voters, the verdict rendered in Illinois is still overwhelmingly decisive on one point. It is that conservative Republicanism is at a hopeless discount in Illinois. It was able to muster only about 1 vote out of 5 cast. It did not enlist the support of more than 20 percent of the electorate. Colonel Knox is by no means a reactionary, but he took his text, so to speak, from the Liberty League. Roosevelt alone outnumbered him better than 3 to 1. Roosevelt and BORAH combined outnumbered him perhaps 5 to 1.

This is a fairly conclusive evidence that Senator BORAH has been right in saying that the Republican Party would be disastrously defeated under the leadership of the Old Guard.

Insofar as Illinois is a fair sample of sentiment in the Mississippi Valley, the primary shows that the alternative to the New Deal is not Old Guard republicanism but a different kind of progressivism. Mr. BORAH, or a candidate who represented his general point of view, might defeat Mr. Roosevelt. A candidate who represented the general point of view of the Liberty League could, on the present showing, get nowhere at all.

Now there are many Republicans, especially in the East, who think there is no real difference between BORAH and Roosevelt. But there is a difference, it seems to me, and a very deep one. The two men are alike in their general feeling that large corporate wealth has exercised too much power. But they are radically different in their general feeling as to how to deal with the problem.

Senator BORAH is, in the main, apart from certain aberrations such as prohibition and the tariff, a lineal descendant from the earliest American liberals, an individualist who opposes all concentration of power, political or economic, who is against private privilege and private monopoly, against political bureaucracy and centralized government. It is the tradition of Jefferson and Lincoln, of Bryan and Wilson. It is grass-roots progressivism. Mr. BORAH believes in the Bill of Rights. He believes in the principle of the Sherman Act. He believes in widely distributed private property. He believes in competition. He believes in a government of limited powers, above all in the distinctively American theory that the Government itself is under the law and must be held to the law.

This general philosophy has always been, and is still today, the true alternative to a socialist order and an authoritarian state. In expounding that philosophy Mr. BORAH is frequently vague. But he holds it instinctively. It is the habit of his mind; and where the issue is clearly drawn he will almost always be found fighting in this historic tradition of American liberalism.

Mr. Roosevelt, on the other hand, has no such instinctive appreciation of American liberalism in this, its oldest and most authentic, sense. He is disposed to think that these old liberal principles no longer fit the modern world, that they belong to a horse-and-buggy age, and that the future is to bring a very highly organized society controlled by a very powerful government. Thus he is not much concerned about the old safeguards of liberty. What he is really concerned about is sufficient power to provide security and the good things of life for everybody.

Though it may horrify him to hear it said, he approaches the social problem in the manner of what in England would be called a Tory philanthropist, of one whose sympathy for the people expresses itself in a desire to help them rather than in a desire to let them help themselves. Thus he has tried to present the farmers with monopolistic privileges equal to those enjoyed by certain industrialists, to present wage earners with Government-created labor unions.

No one can doubt for a moment the sincerity of his passion to have privileges more widely shared. But his method of reform is generally, for, of course, he has not been consistent, to create new privileges to balance old ones; not to liquidate old privileges in order to provide more equal opportunity. His speech at Baltimore the other day shows that, though the N. R. A. is dead, its ghost still possesses him; and the essence of N. R. A. was to give everyone his little monopoly and then to have an all-powerful Government to keep all the monopolists in order.

The real issue of the near future lies between the kind of liberal individualism which Mr. BORAH represents and the kind of regulated monopoly which Mr. Roosevelt seems to believe in. The kind of thing represented by the Old Guard, in general, unregulated private monopoly, could become popular again only if Mr. Roosevelt's plans ended in another economic crisis and produced an unthinking but violent reaction.

The issue symbolized by BORAH and Roosevelt runs across all the existing party lines. Thus Senator BORAH is in his ultimate political faith far closer to Secretary Hull, to Senator GLASS, than he is, let us say, to a Republican progressive like Senator LA FOLLETTE or to a Democratic progressive like Senator WAGNER. He moves away from rather than toward a collectivist order and an increasingly powerful Government.

The issue he has raised within the Republican Party is no less an issue in the Democratic Party, and there are an untold number of Democrats, like Vice President Garner, who, contemplating Mr. Roosevelt's social philosophy, feel they are in a similar fix. The issue is whether the idealism of the country is to be realized through a removal of privileges in order to enhance the liberty of the individual or through the fostering of great organizations in which the individual is submerged. That is why those who really wish to oppose the New Deal will have to look for their inspiration in the general direction indicated by Senator BORAH.

AS LINCOLN SAID AT GETTYSBURG—ADDRESS BY EMANUEL HERTZ

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD portions of an exceedingly interesting address entitled "As Lincoln Said at Gettysburg", delivered by Emanuel Hertz, before the Covenant Club of Illinois on February 13, 1936.

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

In a recent film one of the actors in the course of a conversation made the significant statement: "As Lincoln said at Gettysburg." When asked what it was that Lincoln said at Gettysburg, he, in turn, asked: "What did Lincoln say at Gettysburg?" The person spoken to turned to the nearest man and asked the same question, until everyone in the room admitted his ignorance as to what Lincoln did say at Gettysburg. The English valet, who had memorized the address soon after he read it, then told what Lincoln said at Gettysburg in so impressive a manner that it disclosed his veneration for the short address, not unlike that of the editor of the London Standard in 1863—long before the full significance of the address dawned upon Lincoln's own countrymen. Lincoln himself was in doubt as to whether the address would "scour" as he said in an aside to Lamon. There was no applause—you would as soon think of applauding the recital of a psalm or prayer. But the English editor detected the eternal ring in the address the moment he read it. Again, in 1913—50 years later—Curzon, in a presidential address before the Oxford Union, compared it with the funeral oration of Pericles, the masterpiece of the ancient world. Referring to the Gettysburg address and to the second inaugural Curzon says: "They are among the glories and treasures of mankind."

We might ask the same question about a great many other important utterances of Lincoln and fare no better. There never was more general ignorance about the utterances of any other great American than there is about his. And yet he wrought many permanent changes in many important departments of our country and its policies; changes which not only made us great but which opened new avenues for our growth His mental stature enabled him to survey and detect the needs of his country in almost every phase of its retarded development, brought on by the attention which for three decades was almost exclusively given to the slave power and its inevitable companion, secession; all else was crowded out of the line of visibility. Lincoln saw the country as a whole. He had studied its needs during a lifetime of preparation, and he knew the problems of the people. "The dogmas of the quiet past", said he, "are inadequate to the stormy present; the occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew."

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What did Lincoln say on March 4, 1861?

Coming to the end of his first inaugural, Lincoln concluded: "In your hands, my fellow countrymen, and not in mine is the momentous issue of civil war. The Government will not assail you. You can have no conflict without being yourselves the aggressors. You have no oath registered in heaven to destroy the Government, while I shall have the most solemn one to preserve, protect, and defend it." At this point he paused, for he had finished the argument. But Seward thought that there should be an imaginative appeal added to the address. Lincoln passed the address into the hands of Seward and asked him for a suggestion, and this is what Seward wrote: "I close. We are not, we must not be, aliens or enemies, but fellow countrymen and brethren. Although passion has strained our bonds of affection too hardly, they must not—I am sure they will not—be broken. The mystic chords which, proceeding from so many battlefields and so many patriot graves, pass through all the hearts and all hearths in this broad continent of ours will yet again harmonize in their ancient music when breathed upon by the guardian angel of the Nation." And this is what the paragraph became after it had passed the purifying fires of Lincoln's mind as he transformed it into his preoration: "I am loth to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, we must not break our bonds of affection. The mystic chords of memory stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature."

The rail splitter took the great scholar's straggling paragraph and made it immortal.

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Lincoln and education:

Justin S. Morrill introduced a bill to provide for the giving to the States certain tracts of public land in proportion to their representation in the lower House of Congress; the lands to be sold, when necessary, the proceeds to be turned into the State treasury as a perpetual fund, the income only to be used, for the endowment and support of at least one college in the State in which the primary object should be instruction in branches relating to agricultural and the mechanic arts—without excluding other literary and scientific subjects, including military tactics. That act passed both Houses of Congress in 1859, but was vetoed by President Buchanan. Morrill reintroduced the bill, and when it passed it was signed by Lincoln on July 2, 1862. The Morrill Act, or Land Grant Act, has been called the most far-reaching educational statute ever enacted by any legislative body in this country. Every State promptly accepted the provisions of the act. There is today in every State at least one land-grant college. About 39 percent of the collegiate students of the United States are enrolled in these colleges, which were made possible and which were chartered under the act signed by Abraham Lincoln on July 2, 1862. So that at the close of the year of 1935 there were 163,388 students and 14,065 teachers in these colleges.

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What did Lincoln say to Greeley?

Lincoln was a powerful wrestler in his youth. The man was never found who could throw him on equal ground save the one Army captain, Lorenzo Dow Thompson. Once in his clutches, the strongest antagonist was broken and cast prone. Lincoln's method with a political opponent or a fault-finding editor was the same. Horace Greeley in the high noon of the war attacked Lincoln and demanded to know his meaning. Would he or would he not abolish slavery? Was he or was he not a friend of freedom? Why would he have a Union stitched together with bayonets? Why

not let the erring sisters go in peace? Would he answer the prayer of twenty millions? And this is Lincoln's reply: "If there be those who would not save the Union unless they could at the same time save slavery, I do not agree with them. If there be those who would not save the Union unless they could at the same time destroy slavery, I do not agree with them. My paramount object is to save the Union and not either to save or destroy slavery. If I could save the Union without freeing any slaves I would do it. If I could save it by freeing all the slaves I would do it, and if I could do it by freeing some and leaving others alone I would also do that. What I do about slavery and the colored race I do because I believe it helps to save the Union, and what I forbear I forbear because I do not believe it helps to save the Union. I shall do less whenever I shall believe that what I am doing hurts the cause, and I shall do more whenever I believe doing more will help the cause."

"Since the death of Thucydides", says Historian Ridpath, "there has not, I believe, been written another such paragraph as that. Talleyrand and Burke and Webster all sitting together could not have composed it." It is tougher than wrought steel; the precision of it is equal to the strength and the cogency and the comprehensive harmony of the diapason. It is well-nigh the unapproachable model of all that was ever done in human argument. No phalanx of bayonets ever went so level across the field against the enemy. It is a countercharge that goes over the redoubt without breaking a step. After that was said there was a profound silence in the sanctum of Greeley's Tribune.

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Lincoln and the slave power:

To one who has given any thought to the rise and fall of the slave power on our continent from that day in 1619 when Rolfe made his now epoch-making entry in his ledger "came in the Dutch man-of-warre that sold us 20 Nagers", until the eve of the great whirlwind with the great Civil War and its attendant hatreds and suffering, which threatened to destroy all that had been established in the seven decades preceding, a scene witnessed by Roy Chapman Andrews is very illuminating. "Not long ago, exploring in the Gobi Desert, I saw an age-old tragedy reenacted. A huge mastodon, his monstrous shovel jaw dredging up masses of trailing grasses, worked his way slowly along the shore through the shallow waters into a deep well of mud. The succulent tubers, just beyond the water's edge enticed him farther and farther into the treacherous mud. Suddenly, amidst his greedy feeding he found that he could not lift his ponderous legs. He struggled madly, only to sink deeper and deeper into the mire of death. I heard his frenzied trumpeting echoing from the high shores. At last they ended in exhausted gurgles as the colossal beast sank below the surface."

Face to face with the mastodon of slavery as represented by the southern oligarchy of slaveholders, and Lincoln became adamant. Neither menace of rebellion nor final secession, nor fear of an engulfing and unending war, nor intervention by a threatening and hostile world frowning on triumphant democracy; neither treason in his own ranks nor foul abuse from friend and foe alike, stayed him from the predetermined completion of his self-appointed tasks—he resolved that, as far as was in his power, it be ordained by a victorious Union firmly reestablished, that racial enslavement cease on the American Continent. The small beginning in 1619 from which grew this mastodon of slavery from the seemingly harmless purchase of "20 Nagers", was thus for all time sunk into the mire of extinction and annihilation by the kind-hearted lover of his people—when he issued his declaration that all men must be forever free.

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What did Lincoln say on August 26, 1863?

The Lincoln-Conkling letter was written at a crucial period in the history of the war. The emancipation proclamation had been in force since January 1 of the year; though Vicksburg had fallen and Gettysburg had been won, drafts had been forcibly resisted in many of the States, and the enemies of the Union were unusually active. Race riots were rampant, and New York City was in the hands of rioters subdued only after the arrival of Federal troops. The elections of the previous year had resulted disastrously to the administration, and the fate of the Republic seemed to be trembling in the balance. "Peace at any price" was shouted from the editorial rooms of the northern press. It was in this condition of affairs that Lincoln's friends conceived the idea of calling a great mass meeting of the Union men of Illinois who were in favor of a vigorous prosecution of the war. Lincoln was to have appeared in person before this monster mass meeting in Springfield, the attendance at which was estimated to have been between sixty and seventy thousand. Lincoln was unable to leave Washington, and wrote this letter to James C. Conkling, one of the leaders, and requested him to read the letter to the vast assembly. "I have but one suggestion, read it very slowly, and now, God bless you and all good Union men." Understanding the momentous character of the occasion where this letter was to be made public—and it was read from a score of platforms to the vast crowds—he threw into it all the power of persuasion and logical argument, of which he was a master. It is indeed a marvelously convincing argument that the only hope of the preservation of the Union is to suppress the rebellion by force of arms—to defend the emancipation proclamation to the utmost, to employ Negroes as soldiers, and then the letter closes with an enumeration of the encouraging signs of final triumph and an appeal to the patriotism of all—that stirred the hearts of the Union men not only in Springfield but throughout the Nation. "I certainly wish that all men could be free, while you, I suppose, do not. Yet I have neither adopted nor proposed any measure which is not consistent even with your view, provided that you are for the Union. I suggested compensated emancipation, to which you replied you wished not to be taxed to buy Negroes. But I had not asked you to be taxed to buy Negroes, except in such a way as to save you from greater taxation to save the Union exclusively by other means." * * *

"Is there, has there ever been, any question that, by the law of war, property, both of enemies and friends, may be taken when needed? And is it not needed whenever it helps us and hurts the enemy? Armies the world over destroy enemies' property when they cannot use it, and even destroy their own to keep it from the enemy. Civilized belligerents do all in their power to help themselves or hurt the enemy, except a few things regarded as barbarous or cruel. * * *

"I know that some of the commanders of our armies in the field, who have given us our most important victories, believe the emancipation policy and the use of colored troops constitute the heaviest blows yet dealt to the rebellion, and that at least one of those important successes could not have been achieved when it was but for the aid of the black soldiers. * * * I submit their opinions are entitled to some weight against the objections, often urged, that emancipation and arming the blacks are unwise as military measures and were not adopted as such in good faith."

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"Humor", said Bacon, "is a sudden glory; as a glory, a heavenly benediction, it blesses him that gives and him that takes; and it will be found that the most lovable characters, those whose virtues we should do well to copy, are always these among whose main inspirations is also laughter. Their mirth shall be counted to them for righteousness sake, for without an alloy of humor there can be no salvation."

A local politician went to Washington to get an office which he felt sure only awaited his application. In a couple of weeks he came back. "Well, did you get your office?" his friends asked him. "No", said he. "Did you see the President?" "Yes, of course." "What did he say?" "Well, we went in and stated our errand. He heard us patiently, and then said, 'Gentlemen, I am sorry that I have no office for Mr. ———, but if I can't give you that, I can tell you a story.' We thought best to hear the story and let him go on. 'Once there was a certain king', he said, 'who kept an astrologer to forewarn him of coming events and especially to tell him whether it were going to rain when he wanted to go on hunting expeditions. One day he had started off for the forest with his train of ladies and lords for a grand hunt, when the cavalcade met a farmer, riding a donkey, on the road. "Good morning, farmer", said the king. "Good morning, King", said the farmer. "Where are you folks going?" "Hunting", said the king. "Lord, you'll get wet", said the farmer. The king trusted his astrologer, of course, and went to the forest, but by midday there came on a terrific storm that drenched and buffeted the whole party. When the king returned to his palace he had the astrologer decapitated and sent for the farmer to take his place. "Law's sake", says the farmer when he arrived. "It aint me that knows when it's goin' to rain, it's my donkey. When it's goin' to be fair weather that donkey always carries his ears forward, so. When it's goin' to rain he puts them backward, so." "Make the donkey the court astrologer!" shouted the king. It was done. But the king always declared that that appointment was the greatest mistake he ever made in his life.' Lincoln stopped there. 'Why did he say it was a mistake?' we asked him. 'Didn't the donkey do his duty?' 'Yes', said the President, 'but after that time every donkey in the country assembled in front of the palace and wanted an office.'"

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What did Lincoln say in his second inaugural?

The second inaugural, coming so shortly before his death, formed unintentionally his farewell address. It has the tone of prophecy, for the Bible was its inspiration. The first two paragraphs ring like chapters from the poet seers of old. The concluding paragraph is an apostolic benediction.

An editorial in the Chicago Tribune of August 12, 1862, written by Horace White, inspired by a letter from Mrs. Mary E. Root, not only found a ready lodgment in Lincoln's mind but furnished him with some of the material from which he built that symmetrical structure which will always impress us with its grandeur and its beauty. Lincoln was a constant reader of the Tribune, and Joseph Medill, the editor and owner, for years had been his friend. The editorial is entitled "The Justice of the Almighty" and is as follows:

"It seems to be decreed that the American people must lose all that they have made or acquired from the sin of slavery, and suffer in their own persons all the anguish they have wrongfully put upon the African race. It is impossible to compute in dollars and cents the aggregate of the imposing balance sheet, but we cannot avoid the conviction that the sum total of profits that has been derived from slave holding, slave trading, and slave driving, from the first cargo of Africans which was landed at Jamestown down to the day when the last of the race shall be emancipated, is to be swept away in a vortex of civil war, with probably compound interest at 6 percent. If so, who shall gainsay the justice of the Almighty? But the dread account does not stop here. Dollars and cents can be replaced. The accumulation of wealth which the sun beholds in his course from the Atlantic to the Pacific today is a trifle in the lifetime of a nation. There is an account of bloodshed and tears, bodily torture, separation of husband and wife, parent and child,

extending over a period of 200 years. Have we nothing to balance it in our own sufferings, in the tale of every battlefield, in the mortality report which each day brings us from some quarter? We have used men and women as so much raw material to be worked up into cotton and sugar till we have been able to compute that the average life of a slave on a plantation in the cotton and sugar States is about 7 years. Do our hospitals on the Peninsula show nothing to correspond with this fact in the alarming waste of human life?

"There is a philosophy in this war which we will do well to comprehend. They tell us that England is on the eve of great calamities by reason of the war in America. England is entitled to great calamities for putting upon us the original sin. Let her take her just share and bear it as she may. 'I, the Lord thy God, am a jealous God, visiting the inquity of the fathers upon the children unto the third and fourth generation.' England gave us her slavery and took cotton for her pay. If she has made rope enough out of it to hang herself, let her cry aloud to God for mercy, and not rail at us for being the instrument in His hands to carry forward the pleas of everlasting justice.

"But what shall be the penalty of the slaveholders themselves in this general settlement? What is the balance due from them at the great clearing house? If those who are responsible accessories, those who long ago put away the sin from their own doors, suffer so much, what must be the reckoning for those who have trafficked in human flesh, wielded the scourge with their own hands, and taken the sword at last to perpetuate and extend the horrid crime?

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A spiritual leader some years ago said that what happened to the fame of Lincoln is a vindication of human idealism. For if the leaders of the reconstruction period had become the heroes of America, then we would be justified in the conclusion that the evil that men do lives after them and the good is buried with them. But because it was Lincoln's fame which survived, because the Union became permanent, then we may declare that the eternal things, the great and infinite aims, live and endure. Because Lincoln touched eternity in his work he became eternal.

Lincoln, therefore, is the barometer of America's idealism in each successive age, understood and appreciated to a varying degree. In an age that is particularly materialistic, Lincoln begins to fade into vague memory. In an age that cherishes idealism, Lincoln becomes more real and comes closer to the hearts of man. This much is sure: that should America ever become so sunk in materialism and so forgetful of all that is noble that its soul will die, only then will Lincoln be forgotten. And that will be the tragic era of American history. But as long as idealism lives on among us, so long will his influence remain.

GRATITUDE IN POLITICS—WASHINGTON STAR EDITORIAL

Mr. CAREY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Gratitude in Politics", published in the Washington Evening Star of April 21.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star of Apr. 21, 1936]

GRATITUDE IN POLITICS

Gratitude too often is erased from the lexicon of politics. Senator HASTINGS, of Delaware, took occasion yesterday in the Senate to recall to certain Democratic leaders, who are today bitter in their denunciation, what they owed in the past to some of the members of the American Liberty League. He recalled, for example, that members of the Du Pont family in the past contributed large sums to the Democratic campaign chest; that these sums were contributed not only in the campaign of 1928 but also in the campaign of 1932. He mentioned the fact that John J. Raskob, at one time chairman of the Democratic National Committee, took hundreds of thousands of dollars out of his own pocket to help finance the Democratic national campaign in 1928, and that he continued his support of the Democratic organization thereafter when the Democratic Party was flat on its back.

These Democrats are now members of the American Liberty League, which is committed to the support of the Constitution of the United States and to the liberties guaranteed the American people under that great document. And yet it is charged by the New Deal Democrats that the men whose money was so gladly accepted by the Democratic National Committee in the past are actuated only by the basest of motives. If the followers of the New Deal are to be believed, these men are merely representative of "entrenched greed."

Senator HASTINGS compared the platform of the American Liberty League with the platform of the Democratic Party adopted in 1932, the platform on which President Roosevelt was elected. The Delaware Senator found them almost identic in the principles laid down, principles which declared for the preservation of American institutions, for economy in Government, for a sound fiscal policy and the maintenance of a sound and stable currency, for the restoration of employment, and for no unnecessary competition by Government with legitimate industry. As Senator HASTINGS pointed out, the platform of the American Liberty League is so nearly in line with the 1932 Democratic platform that it must be concluded that the league is being controlled by those who believe in the Democratic platform.

The trouble arose when these Democratic members of the American Liberty League refused, as Senator HASTINGS said, "to follow the New Deal into the morass of socialism and when it deliberately violated every Democratic principle for which all good Democrats stood when Mr. Roosevelt was nominated in 1932." The New Dealers have characterized the American Liberty League as "the miscalled American Liberty League, an organization of multimillionaires." There was no complaint when Irénée Du Pont sent a check for $5,000 to Chairman James A. Farley of the Democratic National Committee a month after the inauguration of President Roosevelt. The complaint came later, when the Democratic chairman declared the Du Ponts "ungrateful" to the Roosevelt administration, and added "they want the people of the United States to be just as ungrateful as they are." The people of the United States will determine for themselves whether they believe that they should be grateful to the New Dealers.

Senator HASTINGS called the roll of prominent Democrats who now are members of American Liberty League committees. He listed among them Alfred E. Smith, who was the Democratic standard bearer in 1928, and John W. Davis, who was the party nominee for President in 1924. He mentioned also the same Irénée Du Pont and John J. Raskob, who were generous in their contributions to the Democratic cause. He called the roll, too, of other prominent Democrats who have broken with the New Deal, among them former Senator Reed, of Missouri, the late Governor Ritchie, of Maryland, former Governor Ely, of Massachusetts, Lewis W. Douglas, the first Director of the Budget in the Roosevelt administration, Col. Henry Breckinridge, Judge William R. Pattangall, of Maine, James R. Warburg, and others.

The speech of the Delaware Senator was partisan and Republican. He spoke as a critic of the Roosevelt administration. The facts that he marshaled, however, are sufficient to indicate that the Democratic Party, united in 1932, is no longer united. The attacks launched upon the anti-Roosevelt Democrats by the new dealers are scarcely calculated to win these Democrats back into the fold.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 371. An act for the relief of G. Elias & Bro., Inc.;

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;

S. 929. An act for the relief of the Southern Products Co.;

S. 1062. An act for the relief of James R. Young; and

S. 1846. An act for the relief of the estate of Anton W. Fischer.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 12037) relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 788. An act for the relief of the International Mercantile Marine Co.;

S. 790. An act for the relief of the Compagnie Generale Transatlantique;

S. 998. An act to carry out the findings of the Court of Claims in the case of George Lawley & Son Corporation, of Boston, Mass.; and

S. 1110. An act for the relief of A. Randolph Holladay.

The message also announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 267. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of Nature;

S. 753. An act to carry out the findings of the Court of Claims in the case of Wales Island Packing Co.; and

S. 1138. An act for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 796. An act for the relief of A. E. Clark;

H. R. 1365. An act for the relief of E. G. Briseno;

H. R. 1485. An act to pay the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the Tariff Act;

H. R. 2087. An act for the relief of the Delaware Bay Shipbuilding Co.;

H. R. 2163. An act for the relief of William Sulem;

H. R. 2213. An act for the relief of Charles P. Shipley Saddlery & Mercantile Co.;

H. R. 2259. An act for the relief of Addie I. Tryon and Lorin H. Tryon;

H. R. 3155. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the Bankers Reserve Life Co. of Omaha, Nebr., and the Wisconsin National Life Insurance Co. of Oshkosh, Wis.;

H. R. 3286. An act for the relief of Albert W. Wright;

H. R. 3348. An act for the relief of Nathan A. Buck;

H. R. 3694. An act for the relief of Florence Byvank;

H. R. 3737. An act for the relief of George L. Stone;

H. R. 3866. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses;

H. R. 4060. An act for the relief of Jessie T. Lafferty;

H. R. 4942. An act for the relief of the estate of Patrick Henry Walsh;

H. R. 9213. An act to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to the control of their flood waters; and

H. R. 11302. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, and 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 796. An act for the relief of A. E. Clark;

H. R. 1365. An act for the relief of E. G. Briseno;

H. R. 1485. An act to pay the Printz-Biederman Co., of Cleveland, Ohio, the sum of $741.40, money paid as duty on merchandise imported under section 308 of the tariff act;

H. R. 2087. An act for the relief of the Delaware Bay Shipbuilding Co.;

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H. R. 2213. An act for the relief of Charles P. Shipley Saddlery & Mercantile Co.;

H. R. 2259. An act for the relief of Addie I. Tryon and Lorin H. Tryon;

H. R. 3286. An act for the relief of Albert W. Wright;

H. R. 3348. An act for the relief of Nathan A. Buck;

H. R. 3694. An act for the relief of Florence Byvank;

H. R. 3737. An act for the relief of George L. Stone;

H. R. 3866. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Emanuel Bratses;

H. R. 4060. An act for the relief of Jessie T. Lafferty; and

H. R. 4942. An act for the relief of the estate of Patrick Henry Walsh; to the Committee on Claims.

H. R. 9213. An act to provide a preliminary examination of the Hillsborough and Withlacoochee Rivers and their tributaries, in the State of Florida, with a view to the control of their floodwaters; to the Committee on Commerce.

H. R. 11302. An act to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936; to the Committee on Military Affairs.

ALTERNATIVE METHOD TO IMPEACHMENT FOR TRIAL OF INFERIOR FEDERAL JUDGES

Mr. McADOO. Mr. President, the impeachment trial of a Federal judge which has just been concluded in this Chamber centers attention upon a grave and important problem which now confronts the people of the United States. It is a truism that the integrity, the honesty, the fair-mindedness of our courts constitute the ultimate foundation upon which our Republic rests, upon which free institutions throughout the world are based, and without which liberty and order are alike impossible. No breath of scandal since the birth of our Government has touched the highest Court in the land, the Supreme Court of the United States, but it is not enough that that high tribunal alone should be above suspicion. The intimate contact of our citizens is with the lower courts. For every citizen immediately affected by a decision of the Supreme Court 10,000 may be affected by the decisions of the Federal circuit and district courts. Confidence of the citizen in the integrity, the incorruptibility, and the even-handedness of Federal justice depends directly upon his confidence in and his ability to have confidence in the lower courts whose action directly and immediately affects his rights, his liberty, and his property.

It is not perhaps generally realized to what an extent our lower courts, and particularly our lower Federal courts, are discretionary agencies charged not merely with the application of clear and definite rules of law laid down for them by Congress or by the precedents, but vested also with vast administrative powers, the exercise of which, in the nature of the case, cannot be governed and prescribed by rules, but which require the constant exercise of broad discretion. I am referring especially to their powers in connection with bankruptcies and receiverships, which make them to all intents and purposes the administrators of great properties and estates for the benefit of creditors and investors. These involve discretionary powers far broader and more important than those which attach to any other courts in the country.

It has been my experience to sit first as a member and subsequently as chairman of a special committee of this body to investigate receivership and bankruptcy proceedings and the administration of justice in the courts of the United States. Not alone the testimony to which I have listened in that capacity, but also the disclosures which have come to light and attracted widespread public attention during the past 10 years in relation to similar conditions in the Southern District of New York, in Illinois, in California, and more recently in Florida, as evidenced by the testimony in the impeachment proceeding which has just come to a close, have convinced me, and would, I believe, convince anyone who has had the same opportunity to become acquainted with conditions, that we are confronted with a problem which we can no longer neglect if public confidence in the courts is to be maintained. District courts in the exercise of their administrative discretion, in the management of insolvent properties and corporations, have been, in instance after instance, revealed as too frequently taking action, the effect of which has been to deprive creditors and investors of a proportionate share of the assets to which they are entitled, for the benefit of lawyers and receivers and other court officials. Favoritism and influence have too frequently ruled the selection of receivers and trustees appointed by the courts, and the integrity and ability of these officers of the courts have too frequently been disregarded for other considerations. Officers of the courts, such as referees in bankruptcy, receivers, trustees, and special masters, have too often disregarded the obligations imposed on them by their public trust. The rights of creditors and other parties interested in insolvent estates have, not infrequently, been grievously neglected. Where judges are entrusted, as are the judges of our district courts today, with the management and administration of billions of dollars in value of property through insolvency or bankruptcy proceedings, and where the effect of such management and administration is that the creditors and investors too often realize little, if anything, out of the properties, while attorneys' fees and the fees of receivers and trustees run into magnificent figures, the necessary result is to impair the confidence of the people in the administration of justice.

This situation cannot be corrected by mere multiplication of rules or law or by an attempt to deprive the judges of discretionary power.

Obviously, judges cannot be transformed into mere ministerial officers in respect of any of their functions and least of all in the exercise of the broad powers of supervision and management of estates committed to their care which have always formed a part of the historic jurisdiction of chancery. That jurisdiction is embodied in the Constitution itself and judges must of necessty continue to exercise the discretion which the jurisdiction comprehends. Instead of attempting the futile and impossible task of cutting down this discretion or attempting to cabin it within rigid rules, the only intelligent course would seem to be to prevent its abuse by holding the judges who abuse it to strict accountability and preventing further abuse by promptly and unhesitatingly depriving them of their judicial office.

The method upon which we now rely, and upon which we have relied throughout our history, to enforce such accountability upon our judges and to effect such removals is the process of impeachment. The Constitution definitely provides that judges shall hold their office only "during good behavior"; and the method of impeachment has been our traditional device for enforcing the requirement of good behavior and for removing the stain upon the ermine by unfrocking the faithless judges who have sullied it. That impeachment has been a prompt and efficient method for accomplishing this result, I do not believe anyone will contend. Our experience is proof to the contrary. In the 149 years since the Constitution was adopted only nine judges have been impeached. Of those nine, only four were found guilty and removed from office. Four removals in a period of 149 years! Within the past decade we have twice witnessed the spectacle of judges strongly suspected of improper conduct resigning under fire and thereby evading the consequences of the impeachment process. Not merely has impeachment been unproductive of results; but the nature of the process is such that, as evidenced in the recent proceedings, it seriously interrupts for long periods the necessary transaction of important legislative business, places an almost intolerable burden of hearing and weighing testimony upon Senators already charged heavily with other responsibilities, and for this reason alone is always resorted to with extreme reluctance, even in cases of flagrant misconduct. The pressure of other responsibilities on the time of the Senate, together with the inevitable increase in the number of Federal judges, is clearly bringing us close to the time when this body will find it a matter of sheer physical impossibility to conduct a sufficient number of impeachment trials to render the prospect of impeachment an effective deterrent to judicial misconduct. On the other hand, the practical certainty that in a large majority of cases misconduct will never be visited with impeachment is a standing invitation for judges to abuse their authority with impunity and without fear of removal.

In view of this situation, the time is clearly at hand when we must consider seriously the possibility of reenforcing the process of impeachment with some other and more certain, prompt, and effective method for dealing with the judges of the inferior Federal courts who abuse their office.

I wish to submit today such a method for the consideration of the Senate, in order that while the difficulties and the unsatisfactory character of the impeachment process are still fresh and vivid in our recollection, we may concentrate our attention on the consideration of a more effective way of dealing with a great and fundamental problem before the evil shall have passed beyond remedy.

The question which confronts us upon the very threshold of the inquiry is whether, under the Constitution, the impeachment process is exclusive; whether, in other words, the Constitution requires that judges guilty of improper conduct in office shall be removed by impeachment, and by impeachment alone.

I contend that the Constitution does not so require; that impeachment is not the sole constitutional method for the removal of faithless judges; and that the Constitution leaves the door open for legislative action by the Congress to provide supplementary and additional methods, if in its judgment, it should deem such action desirable.

This conclusion follows clearly from a scrutiny of the pertinent provisions of the Constitution itself.

Let it first of all be noted that, contrary to a widely prevailing idea to the contrary, there is no separate provision in the Constitution for the impeachment of judges as distinguished from other officers of government. The constitutional basis for impeaching judges is found in section 4 of article II which does not mention judges by name, but which applies equally to all civil officers of the United States. This includes judges only because they fall within the general description of civil officers. The language of the provision is as follows:

> The President, Vice President, and all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

In view of the fact that the impeachment process thus applies to judges only because they are civil officers, it must follow, if we are to conclude that impeachment is the exclusive method for removing judges, that it is also the exclusive method for removing all civil officers. This is obviously not the case. Clearly, civil officers other than judges may be removed by other means than impeachment. This question, so far as relates to civil officers generally, was squarely presented to the Supreme Court in the case of *Shurtleff* v. *United States* (189 U. S. 311 (1902)); and the answer which the Court gave to it is as follows (at p. 317):

> By the fourth section of article II of the Constitution it is provided that all civil officers shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors. No one has ever supposed that the effect of this section was to prevent their removal for other causes deemed sufficient by the President. No such inference could be reasonably drawn from such language.

Since it is thus settled that the provisions of section 4 of article II do not, in and of themselves, provide an exclusive procedure for removing from office civil officers, including judges, the only question which remains is whether, with respect to judges, there is some other and different provision of the Constitution which prevents the application to them of any process other than impeachment.

No such provision can be found anywhere in the Constitution.

Mr. CONNALLY. Mr. President, will the Senator permit me to interrupt him at that point?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from California yield to the Senator from Texas?

Mr. McADOO. I yield.

Mr. ASHURST. Mr. President, the remarks now being made to the Senate are uttered by two of the ablest lawyers in the Senate, but I am unable to hear what they are saying. Will they permit me to advance closer to them, or else speak louder? I am sure the Senate wishes to hear both Senators.

Mr. McADOO. I shall be happy if the Senator from Arizona will move nearer if he feels so disposed. As he is chairman of the Judiciary Committee, I desire particularly to have him hear my remarks.

Mr. CONNALLY. Mr. President, I now have the strongest possible inducement to speak so that I may be heard. I thank the Senator from Arizona.

The Senator from California, I apprehend, is proposing some method of removal other than through the process of impeachment. May I ask him, Is there not much good to be derived from trying judges through the present method of impeachment, even though it may be cumbersome and toilsome and laborious? Does not the spectacle which is presented to the country of a high court of impeachment here in the Senate attract more attention, and does not the public look on it as a proceeding of more dignity and of more importance, and is there not a good to be accomplished through that process rather than by some process of trial by a committee or by a special court? And does not the decision of the Senate, in the final analysis, carry with it greater prestige and greater benefit to the public than the judgment of some lesser or subordinate tribunal?

For instance, while the proceedings which we had here 2 weeks ago interrupted the work of the Senate, yet when the Senate did act I feel confident that the decision went out all over the United States, and commanded respect, and, so far as I know, elicited very little opposition or criticism from the people of the country.

I merely suggest those considerations to the Senator with a view to having his reaction.

Mr. McADOO. I may say that the proposals I shall submit in this argument do not exclude the impeachment process. We may still resort to it if we wish to do so; but I think there are very grave objections to the cumbersome and inefficacious impeachment process, as illustrated throughout our history. It is extremely difficult to convict a judge by a two-thirds vote of this body, and it is also very difficult to secure the presentation of articles of impeachment by the House.

When we do get someone before the Senate for trial on an impeachment, the proceeding may be impressive. I grant that; but if, as a result of it, we effect only an impressive spectacle and do not administer justice, then I say we had better devise, as supplemental and additional to impeachment, some other method which may enable us to call and to hold judges to a stricter accountability. That is a thing which I believe is of imperative importance to the country.

I desire to say to my colleagues that I shall be more than glad to have questions propounded to me, but I shall appreciate it if I may be permitted to present this argument with continuity. After it has concluded, I shall be more than happy to answer any questions my colleagues may desire to propound.

In offering this suggestion I do not mean to be discourteous. I only mean that I think what I have to say will be more effective if its continuity may be preserved.

The Constitution clearly contemplates the removal from office of judges who betray their trust. This is evident from the explicit language of the very first section of article III, the judiciary article of the Constitution, which provides that judges shall hold their office "during good behavior", and thereby specifically looks to their removal from office for improper behavior. Nothing is said in this section as to the method of removal, since the section deals not with the removal process but merely with tenure. One method of removal is by the process of impeachment; but, as I have shown, that process is clearly not exclusive. The way is, therefore, open for implementing the requirement of good behavior by some other method of removal, provided one can be found which does not transgress some specific provision of the Constitution.

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

Mr. McADOO. I yield.

Mr. ASHURST. Let me say that I have listened to the Senator with more than usual attention, because as to the subject involved there is some division of opinion in the Senate, and the Senator knows how highly I respect his opinions. Therefore I have listened closely; and I could not hear a while ago until the Senator elevated his voice.

Mr. McADOO. It is a question upon which there has been and is, I have no doubt, a wide difference of opinion; but I think that difference of opinion arises from the fact that for the past 149 years we have accepted the impeachment process as the only means of putting unworthy judges out of office, and I do not think we have ever explored the alternative methods. My hope is that in the argument I shall present to the Senate I may open a train of thought which may lead to some productive result. That is the sole object of this argument.

So far as relates to civil officers other than judges, it is the law under the most recent decisions of the United States Supreme Court that Congress, in creating the offices, may provide for the removal by the President for misconduct of the persons holding the offices, even in the case of quasi-judicial officers such as the members of independent administrative boards and commissions (*Humphrey's Executor* v. *United States*, 295 U. S. 672). Thus, although a member of the Federal Trade Commission might clearly be impeached for bribery under the impeachment provision of section 4, article II, Congress may nevertheless provide that he shall be removed from office by the President if he is found guilty of bribery or some other breach of duty.

I do not propose to enter upon a discussion of the question as to whether or not Congress could constitutionally confer on the President the power to remove judges of the lower Federal courts for cause, similar to the power which may be conferred upon him to remove quasi-judicial officers. Whatever might be the conclusion as to constitutionality—and, in view of our doctrine of "separation of powers", a serious constitutional doubt may be raised as to whether the President could be given such a power over the judiciary—I shall not discuss that question, because, apart from all questions of constitutionality, no President would care to be charged, or should be charged, with the responsibility of passing on the conduct of members of a great coordinate branch of the Government.

The Houses of Congress comprising the legislative branch have a well-recognized power to protect their integrity by the process of expulsion, which is in substance nothing but an exercise of the power of removal of their own Members for misconduct. Analogous to this is the power of the President, whether under statute or otherwise, to preserve the integrity of the administrative arm of the Government by exercising the power of removal with respect to subordinate executive officers. In view of these clearly established powers in both the legislative branch and the executive branch to remove their own unworthy members by different processes than impeachment, it seems clear that the judiciary may constitutionally be authorized to exercise a like power unless the obstacle of some specific constitutional provision stands in the way.

Two such obstacles may conceivably be suggested. In the first place, it is well established that courts of the United States erected under the judiciary article of the Constitution can exercise only judicial powers. The first question which arises, therefore, is whether the power to remove a judge for misconduct in office is a judicial power.

On this point we are necessarily without the benefit of direct precedents from the Federal courts, because no such power has ever been exercised, or even attempted; but it would seem entirely clear, both on principle and on the authority of the precedents drawn from the State courts, that such a power of removing judges is a judicial power. From the standpoint of principle, it is to be noted that the Supreme Court has held that where a statute authorizes the President to remove executive officials for specified causes, the power of removal is judicial in such sense that it cannot be exercised without notice to the official in question and until he has been given an opportunity to be heard (*Shurtleff* v. *United States*, 189 U. S. 311).

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Arizona?

Mr. McADOO. I yield, with pleasure.

Mr. ASHURST. I think the Senator is correct. Apparently, he draws the conclusion that an impeachment process is the exercise of a judicial power. I agree with the Senator. The Constitution of the United States, in my judgment, gives the Congress no judicial power whatever except with relation to impeachments and with relation to passing upon the qualifications of their own Members.

Mr. McADOO. I think the Congress has the power to create a judicial tribunal which may deal with judges accused of abuse of their trust.

In many States, and I may specifically name Maryland, Indiana, Louisiana, New York, and Texas, the upper courts are given authority to remove inferior judges for misconduct in spite of the fact that, in some of those States, the State Constitution is explicit in confining the courts to the exercise of purely judicial functions.

That the exercise of the power of removal from office for misconduct is not per se beyond the competence of the Federal courts is clearly proved by their well-established practice of exercising such a power in the matter of the disbarment of attorneys for misconduct, which is nothing more than the removal of officers of the court from office, because it is well

established that attorneys are "officers of the court." An attorney, an officer of the court, cannot be removed without trial, without opportunity to be heard, and without the exercise of judicial power.

It has long been recognized in the Federal courts that this power is a judicial power, and I may refer specifically to the case of *Ex parte Garland* (4 Wall. 333), decided in 1886, where the Supreme Court said that attorneys hold their office during good behavior and that "their admission and their exclusion are the exercise of judicial power."

A second objection which might conceivably be raised against the exercise by the Federal courts of power to remove members of the Federal judiciary is that under judiciary power of the Constitution—article III, section 2—it has been held that the courts are limited to the adjudication of cases or controversies "in law and equity." The question, therefore, arises whether a proceeding for the removal of a judge would be a case or controversy "in law and equity" within the meaning of the Constitution. The answer to this question would likewise seem to be clearly in the affirmative. The term "all cases in law and equity" as used in the Constitution has been held to include all types of proceeding known to the common law as the common law existed at the time of the adoption of the Constitution.

One of the historical forms of procedure at common law is the writ of quo warranto. This is the traditional common-law procedure for determining the right of a person or corporation to hold an office or franchise conferred by the State. The essential feature of quo warranto is that it results in a judgment of ouster from the office or franchise. While ordinarily quo warranto is used to determine the legal questions regarding title to the office, there is sufficient authority to the effect that it may also be used to oust a person from office for misconduct (*Commonwealth* v. *M'Williams*, 11 Pa. 61; *State* v. *Darnell*, 123 Kans. 643; *State* v. *Redman*, 183 Ind. 332).

The Indiana case which I have just cited is directly in point in the present connection. The Indiana Constitution provides that any judge who shall have been convicted of corruption or other crimes may be removed from office by the Supreme Court. The details of the procedure for such removal had not been provided by the legislature. It was held that the proper form of proceeding was one analogous to quo warranto, and that in such a proceeding the Supreme Court might remove a judge.

Since, as I have shown, the power to remove judges for misconduct is a judicial power, and since a proceeding for removal is directly analogous to quo warranto, which is a proceeding known to the common law prior to the adoption of the Federal Constitution, it follows that such a power of removal could validly be exercised by a Federal court established under article III of the Constitution.

With these points established, there exists no constitutional objection to the institution by Congress, in addition to the procedure of impeachment, of a method for the removal of faithless judges by the courts of the United States themselves. I raise no question here as to whether such a procedure could be entertained by the Supreme Court of the United States and whether that Court has, or could be given, the power to purge itself by the removal of a faithless member because the question with which I am dealing does not concern the Supreme Court. It relates only to the inferior Federal courts. I assert, therefore, that it would be constitutional for Congress to establish a procedure for the Federal courts to try members of the inferior Federal judiciary for misconduct and to remove them from office if found guilty.

Again, I say that if such a procedure should be adopted it would not exclude the process of impeachment, which could still be resorted to if the Congress desired that that method should be employed.

We now confront the question as to what form this procedure may most satisfactorily take. It seems clear that the Supreme Court of the United States could not be charged with original jurisdiction to hear and determine proceedings for the removal of a Federal judge, because the original jurisdiction of that Court is expressly limited to the classes of cases which the Constitution specifies and by the provision that all other exercises of jurisdiction by the Supreme Court shall be appellate in character. Accordingly, some other tribunal than the Supreme Court must be found. It would no doubt be possible to vest in the circuit court of appeals for each circuit the power to hear and determine removal cases with reference to judges within the circuit, but as a practical matter, in view of the relative unevenness in the distribution of business among the circuits and in view of the fact that in some circuits the dockets are grievously overburdened, it would seem, apart from other considerations, unwise to add this additional burden to the business of the regular circuit courts of appeals.

It would be entirely practical, and I therefore suggest that a high court be established by act of Congress, whose sole jurisdiction shall be to try charges of misbehavior which may be presented to it against judges of the inferior courts of the United States in the manner and through the channel I shall shortly propose.

This high court should be composed of 10 judges of the circuit courts of appeals of the United States, ranking in point of seniority in service, one to be drawn from each circuit, together with the chief justice of the United States District Court of Appeals of the District of Columbia, who should be the presiding judge or justice thereof.

The said court should hold annual or semiannual sessions in the city of Washington for the trial of such cases as may be presented to it; but the court should not be required to sit unless notified by the Attorney General of the United States 30 days in advance of the fixed date for such sessions that there is on the docket a case or cases for submission to the court.

The question now arises as to how and in what manner the charges shall be brought before the proposed court. Clearly the origination of the proceeding should be safeguarded in such manner that the judges would not be exposed to the danger of unmerited harassment through frivolous or unjustified complaints. The procedure must be solemn and dignified and vested in hands which can be trusted not to abuse it and which will act always with due regard to public responsibility.

Here again the analogy of the historic procedure by quo warranto points the way. Quo warranto is a proceeding brought in the name of the State by the attorney general acting in defense of the public interest. The Attorney General of the United States should be authorized and directed to receive and to make careful and thorough investigation of complaints which may be lodged with him against any judge or judges of the inferior Federal courts of the United States. If, as a result of such investigation or investigations, the Attorney General should conclude that a proceeding in quo warranto should be brought against any such judge, he should be required thereupon to file a complaint with the high court I have described and to prosecute the same before such court. It should be the duty of the said high court to proceed, without unnecessary delay, to hear and determine the charge or charges. The defendant judge should have the right to answer the complaint and to defend the same. The court, after having heard the case, should either dismiss the charge or charges for want of sufficient evidence, or upon grounds of law, or if the charge or charges should be proved, the court should enter against the defendant a judgment of removal from office. From such judgment the defendant should be entitled to appeal on questions of law to the Supreme Court of the United States.

I would suggest that the Congress should also have a right to set in motion such proceeding before the said court through a direction or instruction to the Attorney General to commence a quo warranto proceeding by resolution adopted by a majority of both Houses of the Congress.

It is my opinion that this procedure would be in all respects constitutional for the reasons I have outlined and would be fair, prompt, and efficacious in a far higher degree than the present method of impeachment. Practically the only objection to it would be because of its novelty or because it runs counter to our long-accepted theory of historical tradition

and exclusiveness of the remedy of impeachment. As contrasted, however, with the process of impeachment, it would, besides being more efficacious, be fairer to the accused and fairer to the courts. It would, at the same time, fully preserve the rights and powers of Congress aside from the fact that the impeachment procedure would still continue to exist and could be resorted to by Congress whenever impeachment should appear preferable.

The procedure I have outlined would be in all respects fair to an accused judge. It would give to him the benefit of a trial in a regular court of law, sitting exclusively to determine the question of his guilt or innocence, and unencumbered and uninterrupted by other duties during the period of the trial. The procedure would be fair to the courts, because it would place in their own hands the determination of the judicial question of the guilt or innocence of a member of the judiciary. It would not impose upon them the performance of any nonjudicial task and would invoke their cooperation in a matter in which they should be supremely interested, namely, the preservation of the honor and integrity of the judicial office.

At this point I wish to add that it is my firm conviction, after such studies as I have made of this subject, that the term "good behavior", as used in the Constitution, is a justiciable question, and that the Congress, under the authority conferred upon it, has the power to create a tribunal to try that issue whenever it shall be raised in a proper manner.

The procedure I am suggesting would in no way diminish or cut down the privileges or prerogatives of the Congress. The Congress would be free, whenever it so desired, to resort to the existing process of impeachment. At the same time the Congress could set in motion the alternative procedure by a majority vote of both Houses directing the Attorney General to institute a suit under the new removal method, as I have already stated, and I merely repeat it to emphasize the point. The freedom of action of the Congress would thus in all respects be preserved.

So far as relates to the power of the Attorney General to initiate such a proceeding, what I propose would in no way hamper or restrict the judiciary. All that the Attorney General could do would be to set in motion a procedure exclusively judicial in character, conducted entirely through the courts and depending for its results upon action by a court. The fate of the accused judge would be exclusively in the hands of the judicial department. The court which would be empowered to pass upon his guilt would be a court consisting of judges of high character, independence, and ability, thereby being vested with the fullest possible guaranty of its impartiality; and, finally, the accused would have the benefit, which he does not now have, of an appeal to the Supreme Court of the United States on any question of law involved. Surely no judge could object to the impartiality or the appropriateness of such a method for determining charges of misconduct brought against him.

With such a procedure in existence for the removal of judges guilty of misconduct, the administration of justice in our lower Federal courts would be held to a far higher standard of strict accountability than at present. No longer could judges, who are careless of their responsibilities, trade upon the uncertainties of the impeachment process and profit by the likelihood of never having to answer for their conduct before the bar of justice. That, in my opinion, is one of the most serious objections to the remedy of impeachment. No longer would this body face the prospect of having from year to year to devote an increasing amount of its time to sitting as a Court of Impeachment, and thereby having to neglect its already heavy responsibilities in other directions, if the purity of the Federal bench is to be maintained.

The time is upon us when we can no longer postpone the necessity of supplementing and reinforcing the process of impeachment by additional means to maintain the purity of the bench.

I therefore introduce and send to the desk a tentative draft of a bill embodying the suggestions I have made, and request that it be printed in the RECORD immediately following my remarks. I also request that it be referred to the Judiciary Committee of the Senate.

The PRESIDING OFFICER. Without objection, the bill will be received, printed in the RECORD, and referred, as requested by the Senator from California.

The bill (S. 4527) to provide for the judicial determination of charges of misconduct in office by judges of courts of the United States other than the Supreme Court of the United States, and for removal from office of justices against whom such charges shall be proved, was read twice by its title and referred to the Committee on the Judiciary, as follows:

A bill to provide for the judicial determination of charges of misconduct in office by judges of courts of the United States other than the Supreme Court of the United States, and for removal from office of justices against whom such charges shall be proved

Be it enacted, etc., That a court to be called the "High Court for the Trial of Judicial Officers" is hereby established, to be composed of 10 judges of the Circuit Court of Appeals of the United States, ranking in point of seniority in service, one to be drawn from each circuit, together with the chief justice of the United States District Court of Appeals of the District of Columbia, who shall be the presiding judge or justice thereof.

SEC. 2. The jurisdiction of the said court shall be confined exclusively to the trial and determination of charges which may be brought against judges of the inferior courts of the United States as hereinafter provided.

SEC. 3. The said court shall have all the powers of a district court of the United States to compel the appearance of witnesses and the production of documentary evidence: *Provided*, That the process of such court shall run throughout the United States and all Territories subject to jurisdiction thereof.

SEC. 4. The said court shall meet semiannually in the city of Washington, in the District of Columbia, on the first Monday in May and November of each year for the trial of such cases as may be on the docket of said court: *Provided, however*, That the said court shall not convene at the time and place hereinabove named unless the Attorney General shall, in writing, notify each member of the said court 30 days in advance of the regular sessions herein provided that there are on the docket of said court cases for the consideration of the court.

SEC. 5. Said judges are authorized to appoint a clerk and such other officers and employees as in their opinion may be needed; and the funds for the payment of such officers and employees and for the other expenses of the court shall be appropriated by the Congress.

SEC. 6. The Attorney General of the United States is hereby authorized to receive and to make careful and thorough investigation of complaints which may be lodged with him against any judge or judges of the inferior courts of the United States. If, as a result of such investigation or investigations, the Attorney General shall conclude that a proceeding in quo warranto should be brought against any such judge or judges, he shall thereupon institute proceedings in said court for the removal from office for misconduct or misbehavior of any judge holding office under the authority of the United States, other than a judge of the Supreme Court of the United States, and shall set forth the charges against the defendant judge and pray for a judgment of removal of such defendant from office; and thereafter the proceeding shall, so far as practicable, conform to the proceeding on an information in the nature of a quo warranto for ouster from office for misconduct.

SEC. 6. Said court may make rules and orders directing the return of writs and processes, the filing of pleadings, the taking of rules, the entering and making up of judgments by default, and otherwise regulate its practice as may be necessary or convenient for the advancement of justice and the prevention of delays in proceedings.

SEC. 7. At the conclusion of the hearing and argument in the cause it shall be the duty of the court to cause a written opinion to be filed in the cause, setting forth the specific findings of the court of the facts therein and the conclusions of the court upon all questions of law involved in the cause and to render judgment thereon. Such judgment shall be either for dismissal of the information and charges or for the removal of the defendant from office. In the event the judgment shall be for removal from office, the defendant may have an appeal to the Supreme Court of the United States on all questions of law, subject to such rules governing such appeals as the Supreme Court of the United States may prescribe.

SEC. 8. In the event that a judgment of removal shall have been affirmed by the Supreme Court or in the event that no appeal to the Supreme Court from the judgment of such high court shall have been taken within the period prescribed by any rule or regulation made in pursuance of this act, a certified copy of such judgment shall immediately be transmitted by the presiding judge to the President of the United States and upon such transmittal the office of the judge against whom such judgment shall have been entered shall at once become vacant and the President of the United States shall be empowered to appoint, by and with the advice and consent of the Senate, a successor to such judge.

SEC. 9. Removal of a judge from office under the procedure provided by this act shall not be a bar to criminal prosecution of

the judge so removed for any criminal offense which may have served as a basis for such judgment of removal.

SEC. 10. Nothing herein contained shall be construed to limit or impair the right and power of Congress to impeach judges for misconduct.

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

Mr. McADOO. I yield.

Mr. CONNALLY. The Senator says that as a practical proposition the power of impeachment would still remain. Let us suppose a judge was tried before such a court as suggested by the Senator and that he was acquitted; then would it not be practically impossible successfully to impeach him regardless of the merits of the case? Would there not be so much moral force in the fact that the court had absolved the judge as to make it practically impossible to get a verdict against him?

Mr. McADOO. It is not my thought, I may say to the Senator from Texas, that there would still reside the power of impeachment after the court had acted. If the court first took jurisdiction clearly the impeachment power would not be resorted to. It would be exclusive of that. What I mean to say is that before the court takes jurisdiction and even upon the direction of Congress to the Attorney General that in any particular instance he must not file or that he should file a quo warranto under the proposed act, the House would still be free to consider a case and to present impeachment to the Senate, in which event the Senate would still be free to try it.

Mr. CONNALLY. Does not the Senator's proposal to turn over to the courts themselves the trial of inferior judges run counter to the whole theory of the constitutional provision regarding impeachment, which is that the Senate by reason of its being an independent branch of the Government is a check on the judiciary? If we turn over to the judiciary the supervision of its own conduct, are we not destroying one of the most wholesome provisions of the Constitution in that regard?

Mr. McADOO. I do not propose that that provision be destroyed. I am proposing an alternative. It seems to me it is clearly appropriate to confer upon a special court the power to discipline the judges of the inferior courts. Impeachment is rarely resorted to; and when resorted to, the result is involved in great uncertainty. As I have read the record of impeachments, I think several guilty judges have escaped. It is almost impossible to keep 96 judges in their seats to hear the evidence in impeachment cases and the arguments of counsel, and it is almost impossible for any political body to divest itself wholly of its legislative and political character and to assume effectively and successfully the judicial quality which I think is necessary in the determination of impeachment cases.

Mr. CONNALLY. Mr. President, let me state to the Senator that the theory of impeachment is a blending, as it were, of the judicial power and the very political power of which the Senator complains. That was the theory of impeachment from the beginning, as I understand it. Would it not be preferable for the Senate to delegate to a committee the hearing of the evidence, which we can do under the Constitution, and for the Senate to act upon the report of the committee, rather than to delegate that power to some court somewhere? I am in sympathy with the Senator's desire to secure more prompt action in impeachment cases, but still I approach the question probably from a conservative viewpoint, hesitating to abandon the old theory.

The Senator referred to the removal of subordinate officers. The theory of removal of subordinate officers is based on the idea that since Congress creates an office it may fix the tenure. In the Humphrey case that tenure was prescribed. It was prescribed that he could only be removed for certain causes. Therefore the Supreme Court held that until those causes arose and the facts were determined he could hold his office. The Senator will remember, however, that the original theory was that the President could remove all Government officers, but not the judiciary, of course, because the judiciary is provided for in a separate and specific article of the Constitution.

In the first Congress which met under the Constitution there was an extended debate, participated in by Mr. Madison and others, on the contention that the President had the right as an incident of the power to appoint, to remove all subordinate officers where the Constitution did not prohibit it. In the Constitution, however, it is provided that the President—

Shall nominate and, by and with the advice and consent of the Senate, shall appoint Ambassadors, other public Ministers and consuls, Judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.

Under that provision, since we have the power to create the office, we have the power to determine its tenure. Therefore we could leave the period of tenure absolutely blank and allow the President, if we saw fit, to remove the officer at will. Of course, that does not apply to judges. However, in the case of judges the Constitution specifically provides that they shall hold office——

Mr. McADOO. During good behavior.

Mr. CONNALLY. During good behavior. Therefore they have a life tenure.

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

Mr. McADOO. I shall be glad to yield in a moment. I do not agree with the distinguished Senator from Texas in some of his conclusions. I wish to repeat that I do not mean by any action we may take here to exclude resort to impeachment.

It is always within our power to resort to impeachment if the House prefers charges. I am proposing an alternative method which, I think, if adopted, would have the most salutary effect upon the courts of the United States, because it would assure prompt investigation of complaints, many of which are legitimate, against the conduct of judges who feel they cannot be held to swift, if any, accountability. When I say that, I do not mean by any means to imply that every judge is recreant to his duty. I think the great majority of judges are men of character and responsibility, and that they discharge their duties with a high conception of the obligations of their office; but so long as judges feel, as many undoubtedly do feel, that they have a life tenure and that they can do very much as they please on the bench, without accountability to anybody, abuses of a serious character occur in many instances, abuses which I think will be developed and presented to the Senate in due season by the committee of which I have the honor to be chairman.

Mr. LOGAN. Mr. President——

Mr. McADOO. I yield to the Senator from Kentucky.

Mr. LOGAN. I have listened to the suggestions of the Senator from Texas [Mr. CONNALLY] with much interest, and I have listened to the argument made by the Senator from California [Mr. McADOO] with even a greater degree of interest, because, it seems to me, he is dealing with a question that has been long neglected. If I understand the contention of the Senator from California, the plan which he proposes would in no way interfere with the impeachment of judges for high crimes and misdemeanors, but considering the section of the Constitution where we find the provision that judges shall hold office during good behavior, is it the opinion of the Senator from California that a judge might be guilty of misbehavior or be lacking in good behavior which would justify his removal although he might not be guilty of any offense that would justify his removal by impeachment?

Mr. McADOO. That is my decided opinion, I may say to the Senator from Kentucky.

Mr. LOGAN. How could a man be impeached because he was ignorant of the law and decided questions erroneously or because his mind had "gone bad" on him or his habits had become bad? That would not be ground for impeachment if there was nothing evil behind it all. But it is not good behavior on his part if he cannot discharge the duties of the office, and he might be removed under the plan suggested by the Senator from California without casting any stigma at all upon him or charging him with a criminal offense.

Mr. McADOO. Precisely. My view of the matter is that the jurisdiction of the proposed court should be confined solely to the question of good behavior of a judge, and not beyond, and that punishment should be confined solely to removal from office.

If in the course of investigation before the high court I have suggested it should be developed that the judge had been guilty of high crimes and misdemeanors, then, in conformity with the Constitution, he might be prosecuted in a court of competent jurisdiction and, upon conviction, punished under the criminal laws.

Mr. LOGAN. I fully agree with that, but I wonder if the Senator has considered this phase of the situation: The expression "during good behavior" has given me trouble for 40 years. I have wondered who is going to determine when a judge was of good behavior. I wonder if the Senator has thought that when the President appoints a man to a position as a judge he is appointed only during good behavior, and if the time comes when he is not of good behavior his tenure is over; and that the Senate is called upon to confirm the nomination of a judge, but he is only confirmed in office during good behavior? Would it be possible, may I ask the Senator, for the Senate of the United States to have such a committee as might be necessary to make investigation of the conduct of inferior judges, and submit a report to the Senate through its Judiciary Committee, and if it should be found that the judge was not of good behavior, could not the Senate withdraw its confirmation and thereby end the tenure of the judge?

Mr. McADOO. I doubt it, although I confess that I have not considered that question seriously. I doubt if the Senate could withdraw confirmation once made, because I do not think that the Senate by such procedure could properly render a decision of such distinctly judicial character. A committee of the Senate would have to conduct a trial under the Senator's suggestion, as I understand, to determine the validity of the charges.

Mr. LOGAN. It would do exactly what it does in the first place when a nomination is sent in. The nominee is not confirmed unless he is of good behavior. The Senate makes its investigations through its committees, and finding that the nominee is of good behavior and that he is fit for the office his nomination is confirmed, not forever, not during life, but during good behavior. Does the Senate have the power to limit that confirmation to such period of time as he is of good behavior; and if, upon investigation, the same authority finds he is not of good behavior, could it withdraw its confirmation and the judge be deprived of his office? We do remove them that way indirectly. The President can appoint a judge as soon as the present session of Congress adjourns; and the judge can enter upon the office and qualify and serve, and his acts are legal; but when Congress meets again, if the Senate should be of the opinion that he is not such a man as should be confirmed, and should refuse to confirm him, he would be at the end and would be removed from office by the Senate itself.

Mr. McADOO. In that event, of course, he would not have acquired complete title to the office; he would be holding it on sufferance as an interim appointee. I may say to the Senator that I think the fault of his argument consists in this—and the suggestion he has made is very interesting—that the Senate alone does not make the judges. It requires an Executive appointment in the first instance before the Senate can consider the nomination.

Mr. LOGAN. Oh, yes. I was going a little further, may I say? Somone must determine when a judge is guilty of misconduct or when he is not on his good behavior. The appointing power is in the President. Suppose he reports to the Senate that a certain judge is not of good behavior. Therefore his tenure is ended and the Senate then withdraws its confirmation. I am not saying that that can be done; I am merely suggesting that what the Senator has said this morning brings up some very interesting points and that I do want to consider them. I do not know whether or not the Senate could withdraw its confirmation, but we do not give a judge complete title forever to office when we confirm his nomination; we only give him title so long as he is of good behavior; and if we should determine that he was not of good behavior, I do not know but that we could withdraw the confirmation and end the term of the judge.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McADOO. I will yield in just a moment. My feeling about it is, I may say to my able friend from Kentucky, that the "good behavior" as used in the Constitution, to repeat, is essentially a justiciable question, and the Congress, which creates the inferior courts has, since the foundation of the Republic, never attempted to assert its power by the creation of any authority to determine the question of good behavior in a judge. That is what I am contending we have the right to do, and that we should do now. Of course both Houses of Congress would have to enact such legislation. The power undoubtedly resides in Congress to create a tribunal to determine this justiciable question. As to that I am confirmed by my studies beyond a reasonable doubt. At the same time I do not mean to assert that my conclusions are infallible. It is an immensely interesting subject, and my chief purpose in making this presentation here today is to arouse a discussion of it.

It is, of course, a problem of growing and vital importance to the country. I think it is essential that some means shall be found to deal with it more efficaciously, more certainly, and more promptly than by the process of impeachment.

Now I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Does the Senator's bill define "good behavior"?

Mr. McADOO. It does not.

Mr. O'MAHONEY. Then the Senator's bill would transfer the authority of determining what is good behavior to a court?

Mr. McADOO. It would, because, as I have previously said, I consider that a distinctly justiciable question, to be determined by the facts and law as presented in each case.

Mr. O'MAHONEY. Then the court, under the Senator's bill, rather than the Senate itself, would set up the rules which determine the tenure of judges?

Mr. McADOO. No; I do not say so; but I think if preferable to give judges a right of trial before an impartial court. If the plan I propose should be adopted, the judges would be tried before a high court, a dignified court, composed of men of ability and character, and that court would determine whether, upon the evidence presented, the case as made out justified a judgment of removal. The whole proceeding is in the nature of a quo warranto—that is what it gets down to—and I think it would be a more certain, effective, and expeditious method of dealing with the problem than by a trial before the whole Senate sitting as a Court of Impeachment.

Mr. O'MAHONEY. Does the Senator believe that under the Constitution a judge may be removed for reasons different from those for which any other civil officer may be removed?

Mr. McADOO. I think in that respect there is some limitation in the provision of the Constitution, because, although the term "good behavior" is so comprehensive that it includes, as the distinguished Senator from Kentucky said a moment ago, offenses which cannot be invested with the quality of a high crime or misdemeanor——

Mr. O'MAHONEY. I agree with the Senator on that.

Mr. McADOO. Yet neglect of duty, for instance, malfeasance, and many other things enter into the subject of good behavior that are not denominated offenses.

Mr. O'MAHONEY. Does the Senator believe that it would be preferable in legislation of this kind to define exactly what we mean by good behavior in order to prevent arbitrary or whimsical action, so to speak, upon the part of the removing court?

Mr. LOGAN. Mr. President——

Mr. McADOO. May I interject for a moment in reply to my good friend from Wyoming?

I think any attempt at definition of the term "good behavior" would be dangerous, because it might exclude many things that ought to be comprehended within the term.

Not only that, but I think under the Constitution we might not have the power to define "good behavior." We have the power to determine it under impeachment, as we have done in the cases which have been brought before this body.

I think in the case just tried many Senators voted—indeed, some Senators who are not lawyers have talked to me about it and said they voted "not guilty" on some of the counts because the charge was "high crimes and misdemeanors." They did not consider that phrase in the technical sense in which it is used among lawyers, but they would have voted "guilty", they said, if misbehavior alone had been charged in the count. We have the right to determine that, of course.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from California yield to the Senator from Wyoming?

Mr. McADOO. I yield.

Mr. O'MAHONEY. If the constitutional Court of Impeachment cannot define "good behavior", how can it transfer the practical right of determining it to a Federal court?

Mr. McADOO. I say the Senate has a right to define it when the issue is brought before it, but I do not think we can define it by statute.

I am glad now to yield to my friend the Senator from Kentucky.

Mr. LOGAN. Mr. President, the word "removal" has been used frequently in connection with this argument. I do not think that is appropriate. Under the proceedings the Senator is proposing to set up, we would not remove a judge from office. We would simply notify him under proper procedure that his tenure was over, that his term was ended, and therefore he would just step out.

Mr. McADOO. The Senator would merely terminate his tenure?

Mr. LOGAN. That is all.

Mr. McADOO. Mr. President, I yield the floor.

DEPORTATION OF ALIEN CRIMINALS

The Senate resumed the consideration of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

The PRESIDING OFFICER (Mr. MINTON in the chair). The question is on the motion of the Senator from North Carolina [Mr. REYNOLDS] to recommit the bill to the Committee on Immigration.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Overton
Austin	Connally	Keyes	Pittman
Bachman	Coolidge	King	Pope
Bailey	Copeland	La Follette	Radcliffe
Barbour	Couzens	Logan	Reynolds
Barkley	Davis	Lonergan	Robinson
Benson	Dickinson	Long	Russell
Bilbo	Dieterich	McAdoo	Schwellenbach
Black	Donahey	McGill	Sheppard
Bone	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Gerry	Minton	Townsend
Burke	Gibson	Moore	Truman
Byrd	Glass	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. KING. Mr. President, the Senator from Vermont [Mr. AUSTIN] yesterday suggested an amendment to the pending bill. I am instructed by the members of the committee to accept the amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina [Mr. REYNOLDS] to recommit the bill.

Mr. REYNOLDS. Mr. President, I wish to say that it is my understanding that the question before the Senate is the motion made by me to recommit the pending bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. REYNOLDS. I insist upon that motion.

The PRESIDING OFFICER. Of course, the motion is debatable.

Mr. REYNOLDS. Mr. President, without this being charged to my time, I assume that it was announced this morning, when the roll was called, that our beloved colleague the senior Senator from Illinois [Mr. LEWIS] is absent. I learned from the columns of the newspapers—although I knew it before—that the Senator from Illinois is in my State of North Carolina, where on last evening he addressed the Bar Association of Western North Carolina, at which time hundreds of the citizens of North Carolina were invited to be present and hear the address of the Senator from Illinois on the subject of International Affairs.

I take pleasure in availing myself at this time of the privilege of reading a press notice from Asheville, N. C., as to what the Senator said; and, incidentally, I may new address this body upon international affairs, as I understand that, in view of the fact that I have the floor, this statement cannot be charged to my time upon the pending bill.

Mr. KING. Mr. President, I should not accede to the statement made by the Senator, because, in my opinion, the understanding which we reached would preclude the Senator, while the bill is before the Senate, from occupying a period in excess of the time agreed upon. If the opposite were true, the Senator might speak upon a multitude of questions while the bill is under consideration, and, depending upon his physical ability, hold the floor for an indefinite period.

Mr. REYNOLDS. Mr. President, I should like to say to the Presiding Officer of this body that I did make an agreement with the Senator from Utah [Mr. KING] to the effect that I would confine the remainder of my remarks upon the pending bill to a period and duration of 3 hours, and I shall now undertake to answer the inquiry directed to me on yesterday by the Senator from West Virginia [Mr. NEELY], at which time he inquired why I had agreed to limit my argument to a period and duration of 3 hours. I did not answer the inquiry then, but circumstances now are such that I feel it my duty to myself and to those who are interested with me in the question before us, which is of more importance than any other question before the American Senate today, to reply.

Mr. KING. Mr. President——

Mr. REYNOLDS. I cannot yield now.

Mr. KING. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. KING. The Senator from North Carolina has 44 minutes to his credit. He may not, under the rules, under the guise of answering a question which relates to the agreement and to the subject under discussion, talk indefinitely. I raise the point of order that he is now consuming a part of his 44 minutes. I want to be fair to him, and advise him that such is the parliamentary status.

The PRESIDING OFFICER. The Chair will state to the Senator from North Carolina that he may talk on anything he desires to discuss, but his time started at 1 o'clock and 35 minutes.

Mr. REYNOLDS. I raise the point, Mr. President, that I have a perfect right at this time to speak upon any subject I desire to debate if I do not talk about the pending bill. I have the floor. I made an agreement to limit my argument upon the pending bill to 3 hours, and I will state to the Presiding Officer of this body that I did not make an agreement not to talk upon any other subject. I now state that I am ready to talk upon international affairs, world trade. Perhaps I will talk about the Great Smoky Mountain National Park of western North Carolina.

The PRESIDING OFFICER. The Chair will state to the Senator from North Carolina that in a parliamentary sense he is speaking on the bill.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. I desire to give notice that later during the day I shall move to reconsider the vote by which the so-called tobacco-compact bill was passed.

Mr. REYNOLDS. I make the point that I am talking about the Senator from Illinois [Mr. LEWIS], and I wish to read what the Senator from Illinois stated last night in his address in North Carolina.

The PRESIDING OFFICER. The Parliamentarian of the Senate informs the Chair that the Senator from North Carolina is speaking on the pending bill.

Mr. REYNOLDS. Then I shall not speak. [Laughter.] I prefer to wait until the Senator from Utah [Mr. KING] has spoken. I understand that I have 45 minutes left, and I desire to use all of the 45 minutes in answering the Senator from Utah, who favors the passage of the pending bill.

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

Mr. REYNOLDS. I gladly yield.

Mr. NEELY. Mr. President, permit me to inquire from what law or rule the Chair or the Senate derives the power to enforce private agreements between Senators to limit debate in this body?

The Senate has not adopted and probably never will adopt a general rule to restrict the freedom of senatorial speech.

The distinguished Senator Underwood, of Alabama, vigorously and eloquently advocated the passage of the last practical cloture measure that was seriously considered by the Senate. That measure was so decisively defeated that from the day of its rejection until this hour no Senator has had sufficient temerity to attempt to amend the Senate rules so as to interfere with the freedom of speech in this Chamber.

The PRESIDING OFFICER. If the Senator from North Carolina entered into an agreement which he now does not wish to stand by, he is at liberty, of course, to reject the agreement.

Mr. NEELY. Mr. President, has either the Chair or the Senate any power to enforce any private agreement between Senators concerning debate in this body?

The PRESIDING OFFICER. The Chair will state to the Senator from West Virginia that the Chair has no such power, and if the Senator from North Carolina wishes to repudiate his agreement with the Senator with whom he agreed, that is up to him.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. The Senator from West Virginia has not stated the situation quite accurately. It was not an agreement alone with the Senator from Utah; it was an agreement with the leader on this side, and an understanding with other Senators, notably, the colleague of the Senator from North Carolina, who were anxious to have the tobacco-compact bill taken up, and we who are in favor of the pending bill consented to permit the tobacco bill to be taken up, providing the debate, so far as the Senator from North Carolina was concerned, was to be limited to 3 hours; and he was very glad to accede to that.

The PRESIDING OFFICER. There is nothing in the RECORD about the agreement, and therefore it is just a gentleman's agreement between Senators, and they can repudiate it, stick by it, or modify it.

Mr. REYNOLDS. Mr. President, in reference to the word the Chair employed, "repudiate", I desire to state that I have never given my word to any Member of this body at any time about anything that I did not keep it; and I declare to the Members of this body, all of whom I admire, and for all of whom I have deep affection, regardless of who they are, and all of whom I am constantly boosting and never knocking, that I will never repudiate anything I say to any Member or any gathering of Members of this body. I propose to stand by my word, which is my word of honor, and is as good as if I had sworn upon Holy Writ itself, to limit my discussion and debate on this matter to a period and duration of 3 hours.

I am now directing the attention of the clerk to the fact that I do not consider the time I am now taking to be chargeable to my remaining 44 minutes, but, in view of the fact that this matter has arisen, I desire to state to the Senate, so that my constituents in North Carolina may know, so that all of the patriotic societies of the United States, which include the Daughters of the American Revolution, 5,000 strong, who are assembled in the Capital today, my reason for limiting my argument to 3 hours upon this all-important subject.

I am glad the Daughters of the American Revolution are assembled here. I am glad that the mothers of this country, whose forefathers stood by the red, white, and blue of the flag which stands behind the presiding officer of the Senate at the present time, are in the Capital today in order that they may know where I stand on this question.

Mr. President, what is the question? It is, Do you, Senator REYNOLDS, stand for the American or do you stand for the alien? To all those who now sit within the sound of my voice I repeat, I stand for the American. Therefore, I stand here declaring to the world that I am against the Kerr-Coolidge bill, because, I repeat, unhesitatingly and unblushingly, it is an un-American bill.

Mr. President, I will tell the American Legion; I will tell the Veterans of Foreign Wars; I will tell the Disabled Veterans of the World War; I will tell half a dozen other World War veterans' organizations; I will tell the 500,000 members of the Junior Order United American Mechanics; I will tell 500,000 trainmen, brakemen, conductors, firemen, engineers; I will tell thousands upon thousands of Daughters of the American Revolution and their sons and daughters and grandsons and granddaughters; I will tell the Sons of the American Revolution and their sons and daughters and grandsons and granddaughters; I will tell the Patriotic Order of the Sons of America; I will tell the millions of members of the 110 patriotic societies of America, whose cause I am endeavoring in my feeble way to champion here today, why I have been limited to 3 hours. It is because I was forced into it against my will.

How did it happen? I desire to take this opportunity to thank the Members of the Senate who recognized the embarrassing position in which I found myself, through no fault of my own, who came to me voluntarily and said, "I see the predicament you are in. It is a personal predicament you are in. It is no fault of yours. I will help you out of it." I wish to thank them for volunteering their services to me, to help me get out of the embarrassing situation. But the time did not come when I could have a vote on my motion in the Senate. If there had been a vote on it, the motion I made would have carried, because I had the support of those who recognized the embarrassing position in which I was placed. What was it? On Friday, April 3, and Saturday, April 4, it is true that I consumed almost the entire session of the Senate talking about the immigration question, fighting the pending bill, and I say to my colleagues that I have no apologies to make to any Member of this body for that. I have no apologies to make, because I was talking for the men and women of America who are interested in holding up the standards set by your forefathers. I took up that time in an attempt to defeat the bill which is before us now, and I have no apologies to make for what I did.

But, lo and behold, like lightning out of the clear sky, the bill known as the tobacco-compact bill came before us. That bill came to us from the House. It had been passed by the House, according to my recollection, by a vote of about 190 to 116. It was immediately sent to the Senate, and, thanks to those in charge of the business of the Senate at that time, it was read twice so that a motion could be made to consider it. There are 97,000 tobacco farmers in North Carolina, and I know personally about 50,000 of them. I smoke cigarettes, Mr. President, and, according to what my colleague the Senator from Missouri [Mr. CLARK] said the other day, they are the best cigarettes on earth because they are

made in North Carolina, from North Carolina tobacco. I know 50,000 tobacco-growing farmers in North Carolina, because I have ridden up every 'possum trail and walked down every stream in my State.

I used to chew tobacco. We all have to learn the ways of our friends. With every chew of tobacco I took, however, I made a vote or two, and I have not forgotten how to chew tobacco. [Laughter.]

I knew that those 97,000 farmers in North Carolina wanted the tobacco bill passed, and I further knew that I wanted them to continue to be my friends, because I shall run again for the Senate two years from now. I wanted all 97,000 of them to be my friends, and I was willing to do anything I could to help those 97,000 farmers. But, lo and behold, I was caught. The immigration bill was before us for action, and then there came the tobacco bill from the House, having been passed there, and we had to pass that tobacco bill this week in order that the tobacco farmers of North Carolina might be availed the opportunity of profiting by it if they saw fit. It will be necessary to call an extra session of the Legislature in North Carolina in order to take action in connection with the tobacco bill. Thousands of farmers marched upon the capitol at Raleigh the other day demanding that the Governor of North Carolina call an extra session of the legislature.

The immigration bill was before us. My colleague the Senator from Utah [Mr. KING] wanted the immigration bill to be acted upon. I wanted the immigration bill laid aside until we could pass the tobacco bill, but I could not get that done. I would not agree to limit my argument upon this question; but, lo and behold, the tobacco bill was taken up. Then my colleague from Utah told me that he would filibuster against the tobacco bill; and I knew that would defeat the wishes of the 97,000 tobacco farmers of North Carolina; and they would promptly swear that BOB REYNOLDS was responsible. So I said, "If you will not filibuster I will agree to take just 3 hours." That is how the agreement happened to be made. That is how I happened to agree to limit my remarks to a period of 3 hours. My colleague the Senator from West Virginia [Mr. NEELY] made inquiry of me concerning that matter yesterday. I did not then want to tell the people about it, but the argument had been brought before the Senate concerning how much time I had and why I was limited, and some Members stated that I could not commit myself or anybody else to 3 hours. However, that is the way the limitation occurred.

Mr. President, having explained my position I desire to read what our dear friend the Senator from Illinois [Mr. LEWIS] said in North Carolina the other day. I am not taking this time out of my 44 minutes. The Senator from Illinois in addressing the members of the bar of western North Carolina made certain remarks which I should like incorporated in the RECORD. I wish to say that the Senator from Illinois is very popular in North Carolina. We are always anxious to have him there. We love him as much in North Carolina as do the people of Illinois. I happen to know they do love him in Illinois.

I was in Illinois last summer and talked with scores and scores of people of all classes, from the most humble citizen to those living in the finer sections of the cities, and they had nothing but love and affection and fine things to say about their Senator. I quote from the press dispatch:

LEWIS URGES ISOLATION

ASHEVILLE, N. C., April 23.—Senator LEWIS (Democrat), of Illinois, last night called for a new American foreign policy based on isolation from the League of Nations, promotion of an inter-American peace union, and promulgation of an unbiased international law acceptable to all nations.

Addressing the eastern division, North Carolina Bar Association, the veteran Senate Foreign Relations Committee member said:

"America should set forth a new doctrine of international law, holding all nations in balance through obedience to regulations which give no preference or special license."

I am happy to have had the opportunity to read that news dispatch, which in a sense brings to our mind the fact that a proposal was made on the floor of the Senate that we enter the back door of the League of Nations by way of the World Court, and I believe most of us recognize now that if we had been in the League of Nations, with Sir Anthony Eden directing the affairs of Great Britain, and every other country, incidentally, which has been affiliated with the League of Nations, probably oil sanctions would have been brought about with the aid of the United States, and we would have been involved in another world war, all of which would have been attributable to our endeavoring to keep Italy out of Ethiopia.

Mr. President, why is Italy in Ethiopia? Charge an additional minute to my time. Italy is in Ethiopia because she is conducting a war of conquest of territory in order that her surplus population, resulting from the annual increase in population of 750,000 may be placed in Ethiopia upon the soil of the African Continent. Such action has become necessary to Italy by reason of our having raised the immigration bars in this country. Before the American people raised their immigration bars almost 50,000 Italians came to the United States annually. When those gates were raised, however, with the aid of the Daughters of the American Revolution and the Sons thereof, the great American Federation of Labor, the American Legion, and other military organizations who saved the world for Christianity and democracy, Italy had to find a new outlet. So she went down into Africa to snatch off a slice of land about the size of the State of California to provide an outlet for the yearly increase in her population of 500,000 to 750,000. If we had not raised the bars against immigration to this country; if the Daughters of the American Revolution, the Sons of the American Revolution, and all the rest of the organizations that are fighting this vicious, un-American bill tooth and toenail, had not stood at the floodgates and closed them with all their might and all their strength, Italy never would have had a war with Ethiopia. She would have had no reason to do so, because she already owned Italian Somaliland.

I yield the floor for the time being.

Mr. SHEPPARD. Mr. President, for several years efforts have been made to break down vital provisions of the immigration laws, but Congress has refused so far to take away this protection from the wage earners of our country. Inasmuch as American wage earners are fundamentally affected by immigration policies it will not be out of place to call attention to the attitude of the largest labor organization in our country toward this measure.

I am advised that a committee appointed by the executive council of the American Federation of Labor made a thorough investigation of this measure and declared that under no circumstances would labor approve of section 3.

According to its sponsors this bill was the outcome of the report of what was known as the Ellis Island committee. Forty-eight residents of New York were appointed to make a thorough investigation of immigration with the view of submitting legislation to Congress. No representative of the American Federation of Labor was on that committee. Neither President Green nor any other officer of the American Federation of Labor was asked to detail a representative to act for the American Federation of Labor.

Based on the report of this committee five bills were introduced, each of them having some provisions to weaken the immigration laws. Members of Congress who believe that the immigration laws should be tightened instead of weakened fought these bills until finally one measure was written, and it is now before the United States Senate for action.

The outstanding feature of the bill is the provision leaving it to the discretion of an interdepartmental committee as to whether any illegal entrant shall be deported. Section 3 provides that the interdepartmental committee may permit to remain in the United States any alien who entered the country illegally other than those deportable under the law enacted relating to prostitutes, procurers, or other like immoral persons, if the alien is of good moral character and has not been convicted of a crime involving moral turpitude.

If I am correctly advised, no such power, in our past history, has ever been given to any representative of the Government.

Under this bill three persons, appointed by the Secretaries of Labor, State, and Justice could permit, as they saw fit, anyone who has entered the country illegally to remain here if he—

(1) Has lived continuously in the United States for a period of not less than 10 years; or

(2) Has lived continuously in the United States for at least 1 year and has living in the United States a parent, spouse, legally recognized child, or, if a minor, a brother or sister, who has been lawfully admitted for permanent residence or is a citizen of the United States.

This bill provides that any alien not ineligible to citizenship as to whom there is no record of admission for permanent residence who has been permitted to remain in the United States in accordance with subdivision (a) of this section shall be recorded as admitted to the United States for permanent residence as of the date of the order permitting him to remain upon payment of a fee of $18 to the Commissioner of Immigration and Naturalization, such fees to be deposited in the Treasury of the United States as miscellaneous receipts.

It must not be forgotten that under present law illegal entry is a prison offense, and undoubtedly that provision would be repealed if the authority proposed were granted to the committee. If the bill becomes a law the deportation provisions of the immigration laws will be made discretionary instead of mandatory.

There are still millions of the unemployed in the United States, and I cannot understand how anyone can advocate legislation that will put a premium on the illegal entry of aliens. It is a permanent law that is proposed, and after 3 years it will be enforced by the Bureau of Immigration. There are millions of persons in foreign countries who are anxious to come to the United States, even under present conditions. If this bill is enacted it will be possible for many of them to steal into the country, hoping for security in the power given the interdepartmental committee by section 3.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Texas yield to the Senator from Vermont?

Mr. SHEPPARD. Gladly.

Mr. AUSTIN. Has the Senator seen the amendment that was adopted by the committee and reported to the bill which limits that authority to 3 years? Does the Senator realize that the interdepartmental committee will not exist after 3 years?

Mr. SHEPPARD. I understand that, but I can anticipate that this limitation may be dissipated before the 3 years are over by additional legislation if the camel once gets his nose under the tent.

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

Mr. SHEPPARD. Yes, sir.

Mr. REYNOLDS. In other words, if he gets his foot in the door, he is going to open the door?

Mr. SHEPPARD. Yes.

Mr. REYNOLDS. Does the Senator know how many aliens there are in this country today who are subject to deportation?

Mr. SHEPPARD. I do not know the exact number.

Mr. REYNOLDS. Of course not, because we have no registration; but would the Senator give us an estimate as to the number of aliens who are in this country today who are not entitled to be here?

Mr. SHEPPARD. I think it would require a special census to determine the number. If I am not mistaken, the bill of the Senator from North Carolina has some provision of that kind.

Mr. REYNOLDS. Would the Senator say there are anywhere from a million on?

Mr. SHEPPARD. Easily.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Pennsylvania?

Mr. SHEPPARD. I yield.

Mr. DAVIS. Is the Senator of the opinion that we ought first to ascertain the number who are here illegally before we delegate any power?

Mr. SHEPPARD. Most certainly.

Mr. DAVIS. Especially when statements are being made that there are a million or more here illegally?

Mr. SHEPPARD. Undoubtedly.

Mr. REYNOLDS. Mr. President, will the Senator yield for a question?

Mr. SHEPPARD. I yield.

Mr. REYNOLDS. Does the Senator understand that the interdepartmental committee, which it is proposed to set up under one of the sections of this bill, will have 3 years in which to pass upon the question of whether or not an alien shall stay or be deported?

Mr. SHEPPARD. That was the statement of the Senator from Vermont.

Mr. REYNOLDS. Excuse me; I did not hear the Senator from Vermont.

Mr. SHEPPARD. I believe the Senator from Vermont made the statement that an amendment had been proposed limiting the authority of the committee to 3 years.

Mr. AUSTIN. Yes.

Mr. REYNOLDS. Does the Senator understand that the interdepartmental committee which, in all probability, will be functioning by way of clerks from each of the Departments of State, Labor, and Justice, will have an opportunity to pass upon thousands upon thousands of other cases?

Mr. SHEPPARD. Unquestionably.

Mr. REYNOLDS. Does the Senator understand that this bill does not merely affect the small number of 2,862? Does not the Senator understand that the 2,862 cases are merely a come-on, or sugar?

Mr. SHEPPARD. According to my understanding of the situation the Senator is correct.

Mr. President, is it possible that the United States Senate will approve a measure that will increase the number of unemployed in the United States? Can it be possible that the misunderstanding that has existed for months in reference to this measure has influenced any Member of the Senate to give it approval?

Mr. SCHWELLENBACH. Mr. President, the original discussion by the committee concerning this bill occurred so many weeks ago that I wish, on behalf of the committee, very briefly to discuss the provisions of the measure in order that we may recollect, despite what I consider to be very misleading suggestions which have been made about it, exactly what this bill is about.

Senators who have spoken in opposition to the bill have very carefully avoided discussing the portions of the bill which not only do not permit aliens to enter or to remain but which very definitely provide for the deportation of criminal aliens. Section 1 of the bill refers exclusively to a tightening of the present deportation laws so as to enable the Government to deport criminal aliens.

The Department of Labor estimates that there are available for deportation on the ground of criminal activity an average of 4,000 a year, and that at the present time, because of defects in the present law, we are able to deport only 1,700. Under the provisions of this bill, if enacted, there would be made immediately available for deportation a total of 20,000 criminal aliens now in this country, and it would mean that from the time of the enactment of the bill an average of 2,300 more per year would be available for deportation than are available at the present time. So when Senators talk about this bill as being one which opens up the gates, as being one which makes it possible for aliens to remain here who are not entitled to remain here, they are not presenting the actual facts about the bill, because, under the terms of the bill, 20,000 criminal aliens will be immediately available for deportation, and, in addition, 2,300 each year.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. SCHWELLENBACH. I yield.

Mr. DAVIS. The Senator is making the statement that 20,000 will be deported. Will he also tell us the number that

would be left behind? An alien engaged in the narcotic business or the bootlegging business and deported would probably leave behind a wife and a family.

Mr. SCHWELLENBACH. Does the Senator from Pennsylvania mean to intimate that he is objecting to this bill because of the fact that, if enacted, it would leave behind the relatives of criminal aliens?

Mr. DAVIS. Oh, no.

Mr. SCHWELLENBACH. Then why is the Senator raising the question?

Mr. DAVIS. I am asking the Senator if he can give us an estimate as to the number.

Mr. SCHWELLENBACH. No; I cannot give an estimate. The Senator from Pennsylvania was Secretary of Labor for a number of years; nothing was done about this subject during that period of time, and I cannot give him an estimate.

Mr. DAVIS. Mr. President——

Mr. SCHWELLENBACH. Until I get through I will not yield. The attempt, in connection with this bill, to raise a camouflage, the attempt to raise a smoke screen about a condition of affairs which the Senator from Pennsylvania had more of an opportunity to correct than did anyone else in this country, is not justified. The Senator from Pennsylvania occupied the position of Secretary of Labor for a longer period than anybody else has occupied it, and because he did not take action during the time of his administration and did not do anything about it when the Republican Party was in power, now to try to raise that as an objection to this bill, in my opinion, does not evidence any degree of logic. This bill is a deportation bill. If it is desired to pass the bill the Senator from North Carolina [Mr. REYNOLDS] has introduced providing for the registration of aliens, the committee would say to the Senator from North Carolina that they will be glad to hear him on that bill, they will give him plenty of time and opportunity to bring in all his witnesses, but he will not take advantage of that. For the last 4 weeks the pending bill——

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

Mr. SCHWELLENBACH. Yes, I yield; but I ask the Senator from Pennsylvania to refer to this bill and not to some other bill that has not anything to do with it.

Mr. DAVIS. I am referring particularly to this bill, and I ask the Senator if the number who would remain behind——

Mr. SCHWELLENBACH. I have said I do not know the number.

Mr. DAVIS. Could not go to the interdepartmental committee with their plea for justice and ask the committee to permit the criminal aliens in whom they were interested to remain or come back?

Mr. SCHWELLENBACH. Mr. President——

Mr. DAVIS. Just a moment. I want to ask the Senator about deportation.

Mr. SCHWELLENBACH. I am not going to yield to the Senator from Pennsylvania if he is going to make misstatements like that, and not give me an opportunity immediately to answer them. There is nothing in this bill that so provides, and the opponents of the bill know that there is nothing in it that so provides.

Mr. DAVIS. I know that there is. I want to follow the matter further with the Senator.

Mr. SCHWELLENBACH. The Senator will have ample opportunity in his own time to make statements and attempt to prove them. There is nothing in this bill which provides for that.

Mr. DAVIS. I will prove that to the Senator if he will give me an opportunity. The Senator made the statement that I did not take advantage of the opportunity to bring about the deportation of criminal aliens.

Mr. SCHWELLENBACH. Mr. President, I have the floor and I decline to yield. The Senator has raised a question as to the knowledge we may have today in reference to aliens in this country. That was the question the Senator raised and it was that about which I was talking. I said that when he, as Secretary of Labor during all those years, did not attempt to have Congress pass a bill providing for registration of aliens, I could not see how there could be any logic in his position today in coming here and talking about that matter when we have before us for discussion a bill which has nothing whatsoever to do with that subject.

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

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. SCHWELLENBACH. I yield.

Mr. REYNOLDS. In order that I may answer the challenge made by the Senator from Washington to the Senator from Pennsylvania by way of statement that the Senator from Pennsylvania did not do anything, I ask unanimous consent that there be published in the Appendix of the daily RECORD a speech delivered by Hon. JAMES J. DAVIS, Secretary of Labor, before the American Legion convention in San Francisco, Calif., October 15, 1923, which speech I obtained from the files of the American Legion, and in which speech the present senior Senator from Pennsylvania [Mr. DAVIS] then advocated, more than 10 years ago, everything that I am advocating today, and at the time he made that speech in San Francisco the Honorable HIRAM W. JOHNSON, of California, welcomed——

Mr. SCHWELLENBACH. Mr. President, I did not yield to the Senator for a speech. I have the floor. If the Senator from North Carolina wants to have something printed in the RECORD, that is all right, but I do not want it in the RECORD as a part of my speech.

Mr. REYNOLDS. I have asked that the speech might be printed in the Appendix of the daily RECORD.

The PRESIDING OFFICER. If there is no objection, the speech referred to will be printed in the Appendix of the daily RECORD.

(The speech referred to appears on p. 5928.)

Mr. DAVIS. Mr. President, I want to answer that portion of the statement of the Senator from Washington with reference to deportation, in which he suggested that I did not do anything about it at the time.

Mr. SCHWELLENBACH. Mr. President, I shall not yield for a speech by the Senator from Pennsylvania. He and the Senator from North Carolina have taken much of the time of this body for the last month, and they are not going to keep me standing here now while they occupy our time all afternoon. I am discussing the bill. I am willing to yield to the Senator from Pennsylvania if he wants to ask me a question, but I am not going to yield to enable him to make an argument, because this is nothing more nor less than a filibuster, and I am not going to let him filibuster in my time.

The PRESIDING OFFICER. The Senator from Washington declines to yield.

Mr. DAVIS. Mr. President——

Mr. SCHWELLENBACH. I refuse to yield.

Mr. DAVIS. I have not taken 5 minutes——

The PRESIDING OFFICER. The Senator from Washington declines to yield.

Mr. DAVIS. Does the Senator refuse to yield?

Mr. SCHWELLENBACH. I said I refused to yield to permit the Senator from Pennsylvania and the Senator from North Carolina to filibuster against the bill. I think that is perfectly understandable.

Mr. DAVIS. I want the Senator to understand perfectly that I am not filibustering. I am trying to give the Senator from Washington some information with reference to the bill, but it seems that he does not want any information.

Mr. SCHWELLENBACH. I refuse to yield further. If the Senator from Pennsylvania insists upon talking despite my refusal to yield, there are methods by which he might be stopped from talking. I have the floor.

Mr. DAVIS. If the Senator from Washington refuses to yield, I shall take my seat.

The PRESIDING OFFICER. The Senator from Pennsylvania is out of order because he is talking when the Senator from Washington has declined to yield. The Senator from Washington has the floor.

Mr. SCHWELLENBACH. I am still willing to yield for a question, but only for a question.

Mr. DAVIS. Will the Senator yield to receive some information?

Mr. SCHWELLENBACH. No; I shall not yield, because I am not going to permit the Senator from Pennsylvania and the Senator from North Carolina to filibuster against this bill in my time.

Mr. DAVIS. The Senator from Pennsylvania is not filibustering.

The PRESIDING OFFICER. The Senator from Pennsylvania is out of order. The Senator from Washington has the floor and will proceed.

Mr. SCHWELLENBACH. Section 1 of this bill, as I said before I was interrupted to discuss a subject which is in no way germane to the subject of the bill, provides for the deportation of criminal aliens, and despite all the talk that may be made about the fact that this bill opens up the floodgates to immigrants and permits aliens to remain in the United States who should not remain here, it will result, if enacted, in the deportation of 20,000 criminal aliens at once, and an increase in the number which may be deported to 2,300 per year.

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

Mr. SCHWELLENBACH. I yield for a question only.

Mr. DAVIS. Section 1, paragraph 2, as I see it, makes it possible to deport an alien for a legitimate fisticuff, for the most trivial affair——

Mr. SCHWELLENBACH. I yield for a question only. If the Senator from Pennsylvania wants to be discourteous I shall refuse to yield at all. I have yielded for a question and for nothing else.

Mr. DAVIS. Very well. Does section 1, paragraph 2, make it possible to deport an alien for a legitimate fisticuff?

Mr. SCHWELLENBACH. I cannot understand the Senator's last word—a legitimate what?

Mr. DAVIS. For a legitimate fisticuff—two fellows getting together and one cuffing the other.

Mr. SCHWELLENBACH. Does the Senator mean a brawl, an ordinary fist fight?

Mr. DAVIS. I would not say an ordinary fist fight. I mean just two men meeting for a discussion and one punching the other. Could he be deported under that particular provision of the bill?

Mr. SCHWELLENBACH. I think if the Senator from Pennsylvania would only read the bill he would have a better understanding of it. I will read clause 2 of section 1:

> * * * has been convicted in the United States, within 5 years of the institution of deportation proceedings against him, of a crime involving moral turpitude.

An ordinary brawl or fist fight does not involve moral turpitude, and therefore the answer to the question of the Senator from Pennsylvania is "No."

Mr. DAVIS. But it goes on further to say——

Mr. SCHWELLENBACH. I have answered the Senator's question.

Mr. DAVIS. I shall not interrupt the Senator during the rest of his discussion.

Mr. SCHWELLENBACH. I thank the Senator very much. I appreciate that promise.

Section 2 of the bill is a further limitation upon the power of the court to excuse a person convicted of a crime from the penalty of deportation. At the present time the court itself has the power, as a part of its sentence or within 30 days thereafter, to determine whether the particular person convicted shall be subject to the penalty of deportation. This amendment provides that that power shall be subject to the acquiescence and the affirmation of the Commissioner of Immigration. It extends the time, it is true, from 30 days to 90 days; but, nevertheless, it is a restriction upon the power and tends rather to increase deportations than to decrease them.

We come now to section 3, about which there has been the most discussion. It is the section as to which many witnesses appeared.

The question before the Senate at the present time is whether or not this bill shall be recommitted to the committee. It is my personal theory that where a committee of this body has given due and complete consideration to a bill and then has reported the bill as the result of evidence taken and investigation made and consideration given, it should not be attempted to defeat the bill by resort to the parliamentary procedure of recommitting it to the committee. Personally I have never been willing to vote to recommit a bill just because I was opposed to it. I think that is not the proper way to legislate. The particular bill has received full and complete consideration by our committee. I do not know how many dozens of witnesses we have heard. We have held four public hearings occupying four different periods of time on four different days. We heard every witness who wanted to be heard, and we heard dozens of them.

An interesting thing about the bill is that one group of witnesses was opposed vigorously to one part of the bill on the ground that it was too lenient and too liberal. I think the expression made by the representative of the American Bar Association, Mr. Justin Miller, who spoke on behalf of the American Bar Association, pretty well describes that condition. In speaking in favor of the bill, in behalf of the American Bar Association, he said:

> It has been attacked by some because of some provisions, with the statement that they approve others. It has been attacked by others who say that they approve those parts disapproved by the first group, and vice versa.

Our committee, after hearing the witnesses, met on two different occasions; and I call to the attention of the Senate the fact that the bill appears as a committee substitute. In other words, so many amendments were made by the committee, as a result of suggestions we had received, that we decided that the bill could not be written in the ordinary way with the amendments in italics, and had the whole measure reprinted as a substitute. The bill has received thorough consideration from the committee, and there is absolutely no value to sending it back to the committee. It is not an immigration bill.

The Senator from North Carolina has a bill here, the Reynolds-Starnes bill, which is an immigration bill. It provides for registration of aliens and certain further restrictions on immigration. That bill has nothing to do with the bill which the Senate today is considering. That is an immigration bill. This is a deportation bill.

As to section 3, many persons felt that it was too stringent, and many felt that it was too lenient.

Something has been said about the American Federation of Labor being opposed to the bill. The American Federation of Labor appeared before the committee by their legislative representative, who is personally opposed to the bill. He submitted, however, a statement made by a special committee appointed by the American Federation of Labor to consider the bill. They wrote a letter in which they reported to Mr. William Green, the president of the federation, on February 19. In that letter they said:

> With reference to section 1, our committee does not object to this section in principle; to the contrary, it believes it an improvement upon the existing law.

They suggested certain changes which they thought were desirable, and the Committee on Immigration has very largely adopted those changes.

> With reference to section 2, no objections were urged on our part; to the contrary, we approved the general purpose and objective embraced.
>
> * * * * * * *
>
> Section 3, your committee disapproved.
>
> * * * * * * *
>
> Section 4 relates to change of status of the alien. * * * Your committee does not object to this section in principle.
>
> * * * * * * *
>
> Section 5 is heartily concurred in.

In other words, as to the five sections of the bill, the American Federation of Labor was not only not in disagreement with four of them, but was in a spirit of approving them; and in one of them the Federation of Labor heartily concurred.

What is section 3?

The amendment we agreed to accept today, proposed yesterday by the Senator from Vermont [Mr. AUSTIN], changes the provisions of section 3 as compared with the discussion of the Senator from Texas [Mr. SHEPPARD] in reference to it. It provides for what are called hardship cases. It provides that in the case of noncriminal aliens who have come in here, and who are guilty of the crime of illegal entry but are guilty of no other crime, under the amendment of the Senator from Vermont—that means of any crime either before or after they came into this country—who are persons of good moral character, who have been here for 10 years, or who have, at least a year prior to the time of enactment of the bill, married, acquired a family, have children or parents in this country who are citizens of this country, the interdepartmental committee shall have power to pass upon the question as to whether or not they shall be entitled to remain in this country.

In all the discussion before the committee, out of all the persons who appeared in opposition to section 3, there were none who said that the United States of America should take the most inhumane attitude and throw out all of these aliens. The objection which was raised to section 3 by all the opponents of the section before the committee was that they felt that it gave too much power to an interdepartmental committee.

Recognizing to a certain extent that objection, the committee in their final meeting adopted two changes in section 3: First, that it shall apply only to those who came into the country prior to the enactment of the bill; second, that the interdepartmental committee shall exist for a period of 3 years only, and that after that time section 3 shall be absolutely of no further force and effect.

I appreciate the argument made by the Senator from Texas [Mr. SHEPPARD] that once an organization is created there is the possibility that it may continue. However, in the consideration of section 3 we do have to recognize the fact that the policy of this Government from the time of its beginning has been one of friendliness toward immigration. We have built up our country upon the basis of immigrants. All of us look back to somebody who was an immigrant—a grandfather or grandmother or great-grandfather or great-grandmother somewhere back in our family history. This country has been developed by immigrants. Comparatively few years ago we in this country changed our policy. We reached a point in our economic development where it was necessary to change our policy. Our labor supply became such that we could not leave the gates open any longer, and we closed them.

As a part of this change of policy and a difference of attitude of the people of this country toward immigration we have in this country today many persons who have come in illegally. We may call them criminals if we desire. They have violated the entry law. In my personal practice I have had a large number of persons come to me—and I never specialized in immigration work—who have said, "I thought I was in this country legally. I went up and tried to be naturalized, and I find that I am not here legally. I did not do a certain thing which I should have done when I came in. What can I do about it?" I have had to tell them that they probably would have to go out and come back into the country again. Before the enactment of the quota laws there was no difficulty about that, but since the enactment of the quota laws there has been difficulty.

We have changed our policy, and we have in this country today, so far as the efforts of the Department of Labor are concerned, 2,862 known cases of persons whose families would be subjected to very extreme hardship if deportation should occur. I do not think there is anybody here, I do not care what his attitude may be upon the question of immigration, who feels that there should be deportation in a case where a father came into this country 11 years ago, he has two or three children born after that time, 1, 2, 3, 4, 5, or 6 years of age; they are citizens of this country, and he, because of the fact that he failed to comply with some provision of the immigration law, finds himself now subject to deportation. He may be sent back to Italy, but the children cannot go to Italy. They are citizens of this country. The wife and family stay here; the father is sent back to Italy, and they become public charges.

The Senator from North Carolina [Mr. REYNOLDS] pointed out a certain number of these cases and, as I remember, he talked probably 5 or 6 hours about three or four of them where, according to the Senator from North Carolina, the persons were not of good moral character. They have been guilty of certain violations of law. I have here the answer of the Commissioner of Immigration and Naturalization to the arguments made by the Senator from North Carolina, in which he denies those statements, but I am not going to attempt to put the matter upon that basis. I think we may rest assured that with all the diligence of the opposition to this bill, and the fact that the list of cases has been available in the House for a considerable period of time, with all the ability and diligence of the Senator from North Carolina, he brought to us all the cases which were subject to criticism.

Let us assume that out of the 2,862 cases there were 28 cases where mistakes were made. They have not that many. I do not know how many cases the Senator discussed, but something like four or five or half a dozen cases. Assume, however, that 1 percent of the total number were wrong. Let us assume that in his investigation the Commissioner of Immigration and Naturalization made a mistake in 1 percent of the cases. That does not argue that the other twenty-eight hundred and thirty or forty should be subjected to hardship because of the fact that the Commissioner made a mistake in the few cases I have mentioned. I do not say that he admits having made a mistake. He answers directly the arguments made by the Senator from North Carolina; but I do not propose to be diverted, and I do not think we should be diverted from the issue by getting into a discussion as to who is right about that. Let us assume that in 28 cases, persons who were guilty of crime did get on this list of 2,862. That is simply a percentage of error upon the part of the administrative department, and we have to accept that. The Senator has pointed out only four or five or six of them, assuming that he is correct about it.

The Senator from North Carolina said day before yesterday, however, that this would mean that millions of persons would be entitled to come in. I asked him how. "Well", he said, "because if this hardship-case alien is permitted to stay here, his family can come in." It is true that his family would have a preference in coming in, but it would simply be a preference under the quota. The only persons entitled to come in as the result of that, under section 4 of the old act are nonquota immigrants, who are defined as follows: An immigrant who has an unmarried child under 21 years of age, or the wife of a citizen of the United States or the husband of a citizen of the United States by a marriage occurring previous to June 1, 1928.

Calling your attention to the fact that it is the fact of having a wife or a child here in this country who is a citizen, the only persons who could come in would be the children of these 2,862 who were born in foreign countries prior to the time the immigrants got here. I think it must be agreed that if the Senator from North Carolina is anywhere near correct in his contention that this would permit millions to come in, he must conclude that these gentlemen, the 2,862 of them, were certainly very prolific before they left their home lands in order to have millions of children waiting to come in now. [Laughter.] There is nothing whatever to that argument.

Let us assume, however, as I do, that the Commissioner of Immigration has made a mistake. The pending bill merely provides that an interdepartmental committee will then pass upon the 2,862 cases, and that for a period of 3 years, in respect to the cases which are discovered by the Immigration and Naturalization Service, this interdepartmental committee will have a discretionary right to pass on them. As I said, I do not believe even the Senator from North Carolina would

want us to deport all of these cases. One argument that is made is that Congress should not delegate this authority to a committee, to the administrative branch of the Government, but that we should pass on each case in the Congress as a separate matter.

It seems to me that all we need do is to consider what would happen if that were the practice. Suppose there should be introduced in the Senate 2,862 bills right now to determine whether or not those people were to be allowed to remain in this country.

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

Mr. SCHWELLENBACH. I yield.

Mr. KING. I may say that both in this branch of the Congress and in the House of Representatives a large number of bills are pending to deal with some of these cases, separate bills, introduced by Representatives and Senators.

Mr. SCHWELLENBACH. I thank the Senator. If the contention of the opponents is correct, that we should have separate bills, I appeal to any Member of the Senate as to what would happen. Senators know how much consideration these cases would get if tomorrow we should have 2,862 of these bills dumped in and referred to the Committee on Immigration. There would be dozens on dozens of cases referred to each member of the committee, the bills would come before the Senate, and it would be absolutely impossible to clean up the situation by that method. The purpose of the pending bill is to clean up the situation during the period of the next 3 years.

As I have said, in the committee as it met there were many divergent views. There were many things in the bill of which I did not approve. The Senator from Georgia presented many objections to the bill, the committee accepted a number of very valuable suggestions he made, and the amendments which are in the bill are very largely the result of his suggestions.

There is a condition under which there are in this country this number of people. There is talk about breaking down immigration, and about the patriotic societies objecting to it, that it is something which will destroy America, and all that. No honest, candid discussion of this subject can present that point of view, because certainly nobody can claim that the permission to a department to deal humanely with 2,862 people is going to break down the standards of America. If the opponents of the bill think that America is on such tenuous ground that the enactment of a measure of this kind is going to destroy it, I do not think they have very much confidence in the future of the country.

Going briefly through the other parts of the bill, section 4 is the provision relating to an alien who is in this country legally; he may come in as a student, for example, get a temporary right to come into the country, and then may wish to change his status from that of a temporary resident to that of a permanent resident. Under the present procedure he has to go from this country back to his own country and reenter, come in under the quota. That is silly; it is foolish. If I am an immigrant in this country, coming even from Canada, and I desire to change my status, there is no reason in my having to go back to Canada. If I am from a quota country, there is no sense in making me go back, because the quota can be charged just as well by having my status changed here as by making me take the trip back home and come to this country again. That is the situation with which section 4 deals. It would not increase the number of immigrants who might enter. It would charge them to the quota. It merely provides that instead of making a foolish and unnecessary trip, an immigrant who has entered legally and is in the country legally, may change his status by simply making application, and, on the granting of the application, having his status changed.

Section 5 refers to the registry of aliens and would give to those who desired to register and who entered prior to July 1, 1924, the same right as that possessed by those who entered prior to July 3, 1921.

Section 6 is simply procedural, having to do with the burden of proof.

Section 7 is simply a provision for fees.

Section 8 is a provision which gives to the Bureau of Immigration and Naturalization the power to pick up criminal aliens. At the present time the Department estimates that some 2,500 aliens a year are escaping detention because of the fact that they are not able to pick them up. They see some alien whom they suspect, and they have to get a warrant, and during the time taken to do that the alien disappears. This measure would give to certain designated employees of the Department the right to pick up the aliens and hold them for not more than 24 hours, and immediately report to the Commissioner of Immigration. It is a strengthening of the law rather than a weakening of it.

Section 10 is simply a routine provision.

Section 11 sets up an interdepartmental committee, which, under section 3, can exist for only 3 years.

Section 12 is purely a procedural matter.

Section 13 is the only immigration feature of the bill. When the quota laws were enacted it was provided that certain preferred quotas should be given for those engaged in agriculture, the thought being that we needed agricultural labor in this country. It has been found that that condition no longer exists, and the last section of the pending bill merely repeals that feature of the law and is a further restriction upon immigration.

Stripped of all the talk about "American", about patriotic organizations, and things of that kind, stripped of all that talk, the bill gets down to some very practical facts. Under it we could deport 20,000 people immediately. We could pick up annually 2,500 criminal aliens in this country, who, the Department says, are not subject to being picked up at the present time. Under it we could send out 2,300 a year more than we can under the present law. It would be a strengthening of the deportation law.

Section 3 does not provide that these people shall remain in this country, but it does say that in interdepartmental committee, which can consider all the facts in relation to those who are not criminals, who are of good moral character, and who come within certain classifications, shall have the right to say to them, as some similar agency in every other country in the world has a right to say to such people, "We will not separate your families. We are not going to subject you to these conditions."

As I said before, there are some of the cases, undoubtedly, in which the Commissioner of Immigration has been in error. The purpose of the bill will be to submit the findings in those cases to the interdepartmental committee, a committee consisting of a representative of the Department of State, a representative of the Department of Labor, and one of the Department of Justice, and let this country get in line with all the rest of the countries of the world in humane treatment of those who desire to enter the country.

Just one other word. Personally, I believe that the bill in its ultimate effect would result in a decrease in the number of aliens in this country. The Senator from North Carolina has a bill here, and I am very much in favor of many of its provisions. It is an immigration bill. The committee is perfectly willing to have a hearing on it, and to give the Senator an opportunity to be heard. But to send the pending bill, which has been thoroughly considered, back to the committee in order to get it mixed up with an immigration bill just is not proper legislative procedure, and there is no logic to it. If the Senate does not believe in the pending bill, it can vote it down, but certainly it should not attempt to send it back to try to get some sort of a hybrid bill which would be half immigration and half deportation. There is no reason why we should attempt to do that.

Mr. AUSTIN. Mr. President, assuming that a vote is about to be taken on the pending question, I wish to make a statement with respect to my position. In view of what the RECORD shows to be the attitude of the committee with respect to my amendment—that is, that they will accept the amendment—I shall, of course, not vote to recommit the bill to the committee, but my position must be understood to be

exactly what it was yesterday, when I stated, as appears at page 5871 of the RECORD:

I say frankly I favor the Reynolds bill over the bill reported by the committee, even with my amendment adopted. But I say also that if the Reynolds substitute should not be accepted by the committee, I would vote for the bill reported by the committee, provided my amendment should be adopted, because of those two things, namely, increasing the power of the Government to deport criminals and giving the power of clemency to the Government to protect hardship cases where the person involved is not a criminal.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina to recommit the bill.

Mr. McNARY and Mr. KING rose.

Mr. KING. Mr. President, does the Senator from Oregon desire to address the Senate?

Mr. McNARY. No, Mr. President. I thought a vote was about to be taken. I was about to suggest the absence of a quorum.

Mr. KING obtained the floor.

Mr. WALSH. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum?

Mr. KING. Mr. President, Senators have evinced no particular interest in the bill. However, I shall yield for a quorum call.

Mr. WALSH. I raise the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Holt	O'Mahoney
Ashurst	Clark	Johnson	Overton
Austin	Connally	Keyes	Pittman
Bachman	Coolidge	King	Pope
Bailey	Copeland	La Follette	Radcliffe
Barbour	Couzens	Logan	Reynolds
Barkley	Davis	Lonergan	Robinson
Benson	Dickinson	Long	Russell
Bilbo	Dieterich	McAdoo	Schwellenbach
Black	Donahey	McGill	Sheppard
Bone	Duffy	McKellar	Shipstead
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Okla.
Bulkley	George	Metcalf	Thomas, Utah
Bulow	Gerry	Minton	Townsend
Burke	Gibson	Moore	Truman
Byrd	Glass	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Nye	White

The PRESIDING OFFICER (Mr. ADAMS in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. KING. Mr. President, in view of a statement made a few moments ago by the Senator from North Carolina [Mr. REYNOLDS], I deem it proper to present the facts with respect to what has occurred in connection with the consideration of the pending measure. I might add that though it is not germane to the bill, I do not think that the Senator's statement to the effect that he had been limited to 3 hours for a discussion of the bill should pass without comment and without the presentation of what I regard as the facts in connection therewith.

The bill has been before the Senate for a long time. It has been discussed upon a number of occasions by the Senator from North Carolina, and no effort whatever has been made to deny him or any other Senator every opportunity to discuss the bill. On the 13th of February the Senator from North Carolina occupied more than an hour and a half in discussing the question of immigration. On the 17th of March the Senator offered a resolution dealing with immigration, and addressed himself to the same for an hour. On April 3 the Senator consumed approximately 3 hours in discussing the so-called Kerr-Coolidge bill, and on April 4 he devoted more than 2½ hours to a discussion of the bill. On April 21 he discussed the bill for 2½ hours, and on April 22 he occupied the floor in a discussion of the bill for substantially the same period.

Today the Senator referred to his motion to recommit the bill and then occupied the floor for perhaps one-half or three-quarters of an hour. An examination of the RECORD upon the days referred to, will, I believe, furnish convincing evidence that the Senator has spoken upon the bill for at least 12 hours.

In my opinion the Senator from North Carolina and the Senator from Pennsylvania [Mr. DAVIS] gave evidence of their purpose to prevent a vote upon the bill even if it was necessary to filibuster to bring about that result. My friend from Pennsylvania, who sits on the other side of the Chamber, stated to me but a few days ago, when pointing to two large volumes on his desk, that he intended to speak for 2 days and to avail himself of the books mentioned. Perhaps he was jesting. However, his statements to me then and subsequently led me to believe that it was the purpose of the Senators referred to to prevent a vote upon the pending bill. During the addresses of the Senator from North Carolina he read for several hours what he claimed to be facts in regard to several aliens who would be the beneficiaries of the bill before us if it should become law. I could not refrain from believing at the time he was challenging attention to these cases, that he intended to defeat the bill. Statements were made by him indicating that the debate upon the measure before us would be continued until the Senate, by reason of the pressure of business, would feel constrained to displace the pending measure and proceed to the consideration of other bills.

In the discussion today the Senator claimed that he was limited to 3 hours in which to discuss the bill. I cannot help but believe that the Senator desired the inference to be drawn from his statement that an improper limitation had been imposed upon him and that he desired the public, and the people of North Carolina and patriotic organizations of the United States, to believe that he had been denied an opportunity to discuss the bill. I leave it to the Senate and the RECORD to determine whether any effort has been made upon the part of the proponents of the bill to deny the Senator from North Carolina, or any other Senator, the fullest opportunity to point out the weaknesses or the virtues of the bill before us.

The Senator from North Carolina alluded to the fact that the tobacco bill was before the Senate the other day and that he was forced into an embarrassing situation, which resulted in his consenting to restrict to 3 hours any further arguments upon his part on the deportation bill. May I be permitted, in view of the fact that the Senator has elaborated his view regarding that incident, to give what I believe are the facts, or at any rate my recollection of the facts.

The deportation bill was under consideration and, as I have stated, has been before the Senate upon various occasions since February 13. Senators know that toward the closing hours of the session there are many important bills which should be considered. Senators upon both sides of the aisle have appealed to the leader upon this side of the Chamber for opportunities to take up their bills, and in every possible way he has conformed to their wishes and undoubtedly has often subordinated his own views in order to meet the desires of his colleagues.

We know that as we approach the end of the session—and God speed the day when we may adjourn—there will be greater pressure to pass pending measures. After the deportation bill had been before the Senate for several days, and the Senator from North Carolina had spoken for many hours—and I am not criticizing him—and the bill was still under consideration before the Senate, and the desire, at least upon the part of the proponents of the bill, without interfering at all with legitimate debate, was to secure a vote on the bill, the Kerr tobacco bill was brought before the Senate.

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

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I yield.

Mr. REYNOLDS. Will the Senator agree that he stated that unless I agreed to 3 hours on the immigration bill he would filibuster on the tobacco bill?

Mr. KING. No; that was not my statement.

Mr. REYNOLDS. May I ask the Senator what he did state?

Mr. KING. If the Senator will wait until I shall have concluded my observations I think he will be satisfied with the accuracy of my statement. The junior Senator from North Carolina and his colleague, as I recall, conferred with a number of Senators favorable to the pending bill, with a view to ascertaining whether the deportation bill could be laid aside in order to consider the tobacco bill—a measure which was regarded as of great importance to North Carolina and other tobacco States.

I regarded the tobacco bill as one presenting legal questions, as well as those of economic importance. It seemed to me that the importance of the questions involved merited several hours for proper consideration. The Senators from North Carolina stated that it was important that the tobacco bill be taken up and passed that day; indeed, the junior Senator stated there would be a meeting at Raleigh, N. C., at 2 or 3 o'clock that afternoon and he was anxious to have the bill passed by that hour if possible, but certainly before the meeting adjourned. I told him that I, too, was desirous of having the tobacco bill considered, and, so far as I was advised, passed after due consideration, but I stated that as the deportation bill had been laid aside upon a number of occasions for consideration of other measures I did not feel warranted, without the consent of the members of the Committee on Immigration, to consenting to have it again laid aside for the consideration of any other measure, particularly in view of the fact that there was evidence in part based upon the position of the Senator that the debate on the deportation bill would be prolonged perhaps for an indefinite period.

Both Senators again conferred with me and I stated that if the debate upon the deportation bill was to be a filibuster then I would not consent to lay aside the deportation bill for the purpose of taking up any other measure. I spoke only for myself as a member of the committee. I further added that if the filibuster continued against the deportation bill it might provoke a filibuster or retaliation with respect to the tobacco measure, as well as other measures. That statement by me was based upon the attitude and statements of the junior Senator from North Carolina and the Senator from Pennsylvania [Mr. DAVIS], that the deportation bill would be defeated if it was within their power. I then stated that as the junior Senator from North Carolina had debated the deportation bill for several days, it seemed to me that if he had 2 or 3 hours more he ought to present his views upon the measure, and that with such an understanding, an understanding as to the time which would be devoted to the tobacco bill, I should have no objection to laying aside the deportation bill.

Mr. REYNOLDS. Will the Senator yield for a question?

Mr. KING. I think the junior Senator from North Carolina and the senior Senator from North Carolina stated that that would be satisfactory.

Mr. REYNOLDS. Let me asked the Senator a question.

Mr. KING. Very well; I yield.

Mr. REYNOLDS. If the junior Senator from North Carolina had failed to accept an agreement to speak 3 hours, may I inquire what the Senator from Utah would have done about the tobacco bill?

Mr. KING. We did not reach that contingency. If the Senator had said, "I am going to continue this filibuster and talk indefinitely", I am not sure what would have been the result.

Mr. REYNOLDS. May I ask what the Senator would have done?

Mr. ROBINSON. Mr. President, may I submit an inquiry? If gentlemen saw fit to make an agreement, what difference can it make after the agreement has been made?

Mr. KING. None; and I should not have adverted to it except for the implied criticism of my friend from North Carolina when he had the floor a few moments ago. It is always well to have the facts before us.

Mr. President, the Senator from Washington [Mr. SCHWELLENBACH] has just delivered an unanswerable argument in favor of the pending bill. It seems to me that those who had the privilege of hearing it will find it impossible to vote against the bill. The facts presented by him refute the arguments submitted by the opponents of the measure, and demonstrate that opposition to the bill is without merit and is founded upon a misunderstanding of the bill and the objects which it seeks to accomplish. Efforts have been made by those opposed to the bill to convince not only the Senate, but the country, that the measure we are considering is an immigration bill, and that it will undermine our restrictive immigration policy and open the gates of our country to an influx of aliens. I do not want to be critical, but I respectively submit that the campaign waged against the bill and the propaganda spread throughout the country have not been free from insincerity and have aroused wholly unjustifiable fears upon the part of many patriotic American citizens. The opposition to the bill has not infrequently rested upon the assumption that those who supported it were, perhaps, lacking in devotion to American ideals, if not to patriotic impulses. Undoubtedly, the erroneous and fantastic statements which have been circulated are responsible for much of the opposition to the bill. Members of several organizations who have indicated opposition to the bill, have been misled as to its purposes and to the results which will follow its enactment into law.

As I have stated, it is not an immigration bill but a deportation bill. Instead of the measure being injurious to labor or harmful to the American people, it will prove highly advantageous and beneficial to every field of activity and every branch of industry. Instead of liberalizing or broadening our immigration laws, it provides further restrictions; it will remove from the United States at least 20,000 aliens who are found in all parts of the United States, many of whom are competing in the fields of labor with American citizens. For a number of years the Department of Labor has urged a measure of this character in order that thousands of aliens who under existing law cannot be deported may be removed from our shores.

Mr. President, I am persuaded that those who are familiar with the bill and understand what it will accomplish will heartily support it. No one can charge that the Department of Labor, which has been so zealous, particularly under this administration, in protecting the American labor and all who are engaged in our industrial life, would urge a measure that would prove in the slightest degree inimical to the American people, and particularly to American labor. The Department of Labor is proving a faithful guardian of the rights, not only of labor but, so far as it is within its prerogatives, the rights of American citizens. If this bill shall be defeated, then labor can justly charge the opponents of the bill with the retention in the United States of at least 20,000 aliens, many of whom have criminal records, and some of whom will compete with American citizens in the fields of labor and industry.

The proposition is squarely presented: Shall 20,000 undesirable aliens be deported, or shall they remain in the United States? Shall approximately 2,800 aliens who may be deported under existing law—not because of crimes or because they are undesirables—be permitted to have their cases reviewed by a competent board for the purpose of determining whether they shall be permitted to remain in the United States? And as a part of the latter proposition, and as a necessary corollary to it, whether four or five thousand children born in the United States of American mothers shall be left without support because their fathers, under the strict and rigid application of existing immigration laws, may be deported?

The problem before us presents the question as to whether American mothers of these thousands of children shall be deprived of their husbands and have the burden cast upon them of attempting to feed and clothe and educate their children. It is obvious that this bill does not deal with immigration; it deals with present and immediate problems—problems involving the lives and welfare of several thousand people, many of whom are American citizens. The deportation of a limited number of aliens who are not

charged with crime, who are industrious and honest, and who are supporting their wives and their children, and who are a part of the industrial life of the Nation—this is one of the questions before us. The other question is that of obtaining authority to remove from our shores approximately 20,000 persons who are violators of law and whose presence is inimical to the peace and welfare of American citizens.

Those who oppose this bill in effect vote to keep these 20,000 aliens in the United States. Those who oppose this bill vote to deprive five or six thousand children of the support and companionship of fathers who have been in the United States for many years; whose wives and children are American citizens and who by their industry have not only supported their families but have found a place in the social and industrial life of our country.

Mr. WALSH. Mr. President, will the Senator yield to permit a few questions?

Mr. KING. I yield to the Senator from Massachusetts.

Mr. WALSH. As I understand the bill, aside from the last section, it merely deals with the method of treating certain aliens who are subject to deportation from this country. Am I correct?

Mr. KING. I think the Senator is correct.

Mr. WALSH. The Department of Labor has through the years discovered that there are aliens who originally entered this country illegally, and that economic, social, and domestic conditions have arisen which would result in grave hardships being imposed if the present deportation laws were carried out and the aliens in question were deported.

Mr. KING. As I understand the Senator, he accurately states the situation. He might add, however, that many of the aliens referred to were only guilty of a technical infraction of the law.

Mr. WALSH. And this bill is before us by reason of the fact that the Department of Labor believes that it is in the interest of charity——

Mr. KING. And humanity and justice——

Mr. WALSH. Yes; and humanity and justice and economy, not to impose the rigid provisions of existing law in certain cases. Is that correct?

Mr. KING. The Senator is correct.

Mr. WALSH. Among these cases are some similar in degree to the following. A man who originally entered this country illegally has married an American girl; they have had American children, varying in number; the American woman and the American children would be left without a father if the existing law, unmodified, were enforced and the alien father deported.

Mr. KING. They would become public charges, the mother and children—American citizens—and dependent upon their husbands and fathers—would be left unprotected, and the public would have the burden of supporting them.

Mr. WALSH. Yes. Some of the opposition to this measure is based on fear that the discretionary power that is granted under this bill might be improperly exercised.

Mr. KING. That fear has been expressed by some, but, in my judgment, it has no validity. The commission to be set up to examine the cases presented would consist of men of character who would not permit any unworthy alien to remain in the United States.

Mr. WALSH. There has to be some tribunal or agency to discriminate between the worthy and the unworthy cases growing out of the illegal entry of aliens into this country.

Mr. KING. Absolutely. I may say that we now give to our consuls abroad, some of whom do not have sufficient experience and adequate knowledge of economic conditions and the psychology of the people here and abroad, the discretion to pass upon applications of aliens who seek visas. Our consular representatives may now determine whether the applicant possesses all of the requisites to enter the United States. They decide whether the applicants for visas will become public charges. One consular agent may say that a man must have $50,000 before he can secure a visa, while other consular agents may say he need have but $10,000. That arbitrary discretion is vested in our consular representatives abroad, and it has been felt by some persons that they have not exercised it wisely in all cases. I mention that merely to indicate that in many of the activities in connection with the Federal Government discretion must be lodged somewhere.

Mr. WALSH. I understand that the Department of Labor has presented to the House—and it has been referred to here in the debate—some 2,800 cases of deportable aliens whom they label as meritorious.

Mr. KING. That is correct.

Mr. WALSH. Or, rather, as deserving——

Mr. KING. Of consideration.

Mr. WALSH. Of consideration, and that, in all probability, those aliens ought not to be deported because of economic and humanitarian conditions that would arise if they were deported.

Mr. KING. The Senator is correct; that is to say, the House has in its control the files in every case embraced within the 2,862.

Mr. WALSH. The able Senator from North Carolina [Mr. REYNOLDS] had an opportunity to study these cases, and on one occasion he exposed on the floor two or three of the cases, at least, that did not appear to me to be meritorious. That fact has raised in the minds of some Senators some doubt as to whether or not this discretionary power will be exercised wisely. What has the Senator to say about those cases? Are they merely isolated cases or are they representative types?

Mr. KING. The Senator from North Carolina asked for the files in 48 of the cases—and I have them here—and from the files he selected he mentioned five cases, and, while perhaps this is not an orderly method of presentation of the subject, yet, since the Senator has propounded the question, I will state the facts in connection with each of these cases.

Mr. WALSH. I should be glad to have the Senator do that later during the course of his address to the Senate. In the meantime I should like to ask him one or two more questions, and then I will end my inquiries. How long is this discretionary power to be exercised?

Mr. KING. For 3 years.

Mr. WALSH. Is the discretionary power to be applicable to aliens who are discovered to be illegally in this country after the passage of this bill?

Mr. KING. Not if they enter the United States after the passage of the bill.

Mr. WALSH. I want to thank the Senator, and I hope I have not interfered with his address to the Senate. I thought that many of the Senators could get at the gist of what is involved in this case by a few interrogatories such as I have made.

Mr. KING. The Senator has not interrupted me. I have no set address and arose only to submit a few observations, based upon some of the unwarranted and inaccurate statements made by the opponents of the measure, with which the country has been flooded in regard to the character of this bill.

Mr. WALSH. The Senator is most gracious and generous, and I am grateful to him.

Mr. ROBINSON. Mr. President, in connection with some of the questions which were asked by the Senator from Massachusetts, I should like to have the information, if it is available, as to what is the maximum number of persons unlawfully in the country who might be permitted to remain if the provisions of this bill should go into effect and the discretion sought to be vested in the interdepartmental committee should be granted.

Mr. KING. Mr. President, I am unable to definitely answer the Senator's question. After a careful and searching investigation it has been discovered that there are 2,862 persons whose deportation has been stayed because of reasons which were regarded as sufficient, and in order that Congress might, as it was believed it would, provide some relief in their behalf. As I have stated, these stayed cases

presented strong reasons for further consideration—such consideration as is provided in the pending bill. Appeals have been made to the Labor Department by prominent American citizens, including some Senators and Congressmen and officials in various States, in behalf of many of these 2,862 aliens. These appeals have largely rested upon humanitarian grounds, as well as upon established facts that the aliens involved had committed only technical breaches of immigration laws or regulations. The Labor Department, after a searching examination, has reported only 2,862 aliens who would probably, if this law were passed, avail themselves of its provisions and be permitted to remain in the United States.

I am informed by a representative of the Labor Department that Mr. Doak, when Secretary of Labor, stated that there were not to exceed 100,000 aliens in the United States who were subject to deportation. Since then, thousands of this number have voluntarily departed and 10,000 more have been deported. During the past 3 years the Department of Labor has scoured the country for the purpose of discovering the names and abodes of all aliens in the United States. A large force of competent representatives of the Department has been engaged in this task. Many of them for years have been acquainted with immigration problems, and have learned of the whereabouts of a large number of aliens. As Senators know, the Department has been exceedingly zealous in searching out those who are subject to deportation, and, as I have stated, have caused to be deported several thousand during the past 3 or 4 years. I should add that the Labor Department for a number of years prior to 1933 did not lack in diligence in invoking the deportation laws of our country. I cannot help but believe, however, that a considerable number of the 20,000 aliens who should be deported ought to have been apprehended prior to their obtaining a status which makes them immune from deportation under existing law. The Labor Department during the past 3 years has been diligent and aggressive in its efforts to learn the whereabouts of aliens and to discover those who were subject to deportation. In its aggressive campaign, the 2,862 cases which have been referred to during the discussion, were classified, and their residences and status determined.

My information is, however, that some on this list were persons whose identity and status had been ascertained under a previous administration, and whose deportation had been stayed because of reasons that would appeal to persons of humanitarian instincts. My attention has been called to a number of Chinese, 70 and 80 years of age, whose years were numbered, and whose names and whereabouts were known to the Labor Department, perhaps for 15 or 20 years. My information is that a number of illiterates subject to deportation were permitted to remain. They were old and infirm, but were cared for by relatives who were American citizens, and they could not under any circumstances become public charges. It has been known that there were some political refugees in the United States subject to deportation, and others who, because of humane and entirely valid reasons, were not deported. It is known that there are a number of persons among this 2,862 who could not reenter the countries of their birth; Turkey would not admit a number of Armenians who were born in Turkey, so that efforts to deport them would be unavailing.

I think the testimony before the committee and the facts which have been developed in connection with this bill prove that the Labor Department has been most diligent in enforcing the immigration laws, and in deporting aliens.

Mr. ROBINSON. Then, according to the statement, the bill would contemplate the deportation of approximately 20,000 criminal aliens?

Mr. KING. Of those who have been discovered.

Mr. ROBINSON. Of those who have been discovered, and permit to remain in the country a maximum of 2,862 who have been discovered and whose cases are regarded as meritorious?

Mr. KING. That is correct; but it is possible a few more cases may be discovered. But as I have stated, after a vigorous campaign conducted by the Labor Department to discover aliens in the United States, only 2,862 have been found to date whose cases are worthy of consideration and review for the purpose of determining whether they should be permitted to remain in the United States.

If this bill shall become law, each of the persons within the list referred to, must pass the scrutiny of the Board, and must meet all the requirements of section 3 of the measure before us.

Mr. President, I call attention to the testimony of Colonel MacCormack, Commissioner of Immigration and Naturalization, before the Senate Immigration Committee. He stated in substance that when he took office it was found that only about 8½ percent of the aliens deported were deportations of criminals; that under the law criminals were permitted to escape because the mandatory provisions of the law did not reach them. He further stated that in dealing with noncriminals the law was mandatory and exceedingly severe. He stated that a number of bills had been introduced in Congress to correct the situation, but none had been passed. He then stated that the Department had found that in the United States there were 20,000 alien criminals who had committed crimes within the past 5 years who could not be deported, but who could be deported by the Government if the bill before us were enacted into law. He added that during the past 5 years an average of between 1,800 and 1,900 criminals were annually deported, and that if this bill is passed the entire 20,000 can be deported.

In his testimony at page 16 of the hearings, he referred to some of the so-called hardship cases. With reference to persons who had infringed the law by some technicality, he stated that in some cases to deport such persons would mean that the family would be "left behind in the United States." He added—

> That it is not an uncommon thing to deport the husband to one country, his wife to a second country, and his child or children to a third country. If these children had been born in the United States they would be left here.

He stated that there is no country in the world that has ever acted so harshly as to separate families in the manner indicated. He added, however, that under this policy the Department has been obliged in some cases to take children from their mothers. He also stated that a child was brought into the United States from Canada in his mother's arms:

> The mother entered the country legally. The child was not registered at that time, or at any rate there was no record of legal entry into the United States. The father had entered the United States illegally and was arrested and deported. In the examination of the case we found that the wife had legally entered the United States but the child in his mother's arms had illegally entered. Under the present law, mandatory in character, deportation was required. The child was put on trial for having entered the country illegally in his mother's arms, and the child was ordered deported, taken from the mother and ordered to be sent to Canada to be placed in the poor farm.

The record of the 2,862 cases will reveal many hardship cases as cruelly tragic as the one just referred to.

Colonel MacCormack further testified that if the persons in the 2,862 group are deported they will leave nearly 7,000 members of their families in the United States, 4,600 of whom are American citizens and most of whom would become public charges.

Of the 2,862 cases which have been stayed, 98 percent would involve the separation of families, and, as I understand the testimony and the facts, those in this category subject to deportation have not been convicted of a crime involving moral turpitude; none are anarchists or Communists; none are persons of the so-called immoral classes. The great majority are cases of aliens who have entered the country illegally and involve regulatory provisions of the law as distinguished from the provisions which relate to the inherent undesirability of the individual alien.

I am repeating when I state that the primary reason for not deporting those in the class just referred to is because of the hardship it would work on the relatives left behind (most of whom are American citizens), and also upon the public. Deportation in these cases would not only create suffering and hardship for the innocent wives and children,

but would impose financial burdens upon the United States and the States. It should also be noted that most of the aliens within this category who would be deported, after the separation of families and after they had sojourned in the countries to which they were deported, would be entitled to return as nonquota or preference quota immigrants. Hence, their deportation would be largely futile, and could only result in the enforced interruption of the family life and well-being during the interim.

In the reports submitted by the committee are a number of typical cases of aliens subject to deportation who would be entitled to consideration under the bill. I ask that without reading, excerpts from the report may be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpts are as follows:

One case concerns an alien but 4 feet tall and physically deformed—a hunchback. Her father, a rabbi, came to this country from Hungary 11 years ago. Later, his wife and four other children followed him. The alien did not reach the United States until 1929, when she came as a student. She has now completed her studies and must leave the country or be deported. Members of the family in this country are all employed. She has no near relatives in Hungary and no one to look after her there. The money which otherwise would be spent in supporting her in this country would have to be sent abroad and probably in an increased amount.

Another case is that of a man who came to the United States with his father, when a child, and has lived here continuously ever since. In 1924 he was arrested and deported. He later entered the United States without an immigration visa and without inspection. He has married an American woman and has two children. In 1933 he attempted to enter the country legally by proceeding to Canada and applying for admission in the regular manner. This attempt to regularize his status merely had the effect of causing his arrest in deportation proceedings. It developed at the hearing that he not only supported his family but also a homeless woman and her two American-born children.

Still another case concerns a 9-year-old boy, now subject to deportation. He was brought here as an infant by his mother who entered legally, but who, somehow, failed to register the entrance of her child. The father is under sentence of deportation to Rumania—the child to Canada. The mother, having entered legally, may remain in the United States. If she can find the means she may accompany her husband or her child, provided that Canada or Rumania will permit her to enter.

Mr. KING. Among the 2,862 persons are aliens who were legally admitted to the United States as nonimmigrants. Some were students or visitors who later were entitled to a nonquota preferential immigrant status. Among such cases is that of a Russian girl who fled to Manchuria where she met an American woman who agreed to finance her medical studies in the United States. Before completing her studies her patron was unable to continue, or withdrew, her support, and the girl thereupon married an American farmer. The husband and wife and their child, born in the United States, are happily married. Deportation proceedings have been instituted against the woman because she had not maintained her student status. The Commissioner of Immigration reports that:

* * * the whelming majority of the stayed cases have no charge against them other than that of having entered or remained in the country illegally. * * * Many who have crossed our land borders without proper inspection did not know the requirements of our immigration laws. This is especially true of children brought here to join relatives or friends.

The Commissioner, in his letter to the chairman of the Committee on Immigration of the Senate, under date of January 27, 1936, gives a number of illustrations of cases where aliens are subject to deportation, principally upon technical grounds. I ask permission without reading to have excerpts from the Commissioner's letter inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection it is so ordered.

The excerpts are as follows:

Deportation in the two following cases is mandatory on the sole ground of illegal entry.

FAMILY WOULD BE DISTRIBUTED OVER THREE DIFFERENT COUNTRIES

This is a case in which the present law would send the father to one country, the mother to a second, while the children remain in the United States. The alien father of this family came to Canada from Ireland in 1920, and 4 years later married a Canadian girl. The couple entered the United States illegally and during their residence in this country four children have been born. With deportation proceedings pending against them, this couple faces not only separation from their children but from each other as well. Canada will not receive the father, since he is a native of Ireland. The mother is a native of Canada and must be returned to that country. And they are the parents of four native-born American-citizen children, who in all probability must be left behind in the United States and separated from both their parents, and, in any event, must be separated from either their father or their mother.

MOTHER TO BE SEPARATED FROM HUSBAND AND CHILDREN, ALL CITIZENS

A Canadian woman, the mother of three children born in the United States, is subject to deportation because she went back to Canada to care for her sick father. She took her children with her and remained with her father 2 years because he had no one to care for him. Meanwhile her husband stayed in this country, where he had employment and contributed to his family's support. Finally he went to Canada to bring them home, but found that while he could bring in his three American-born children without difficulty, it would be necessary to obtain a visa for his wife and to pay a head tax for her. He did not have the money to do this, and returned to the United States, taking the children with him. The wife entered illegally and, because of her lack of the proper documents and her failure to pay head tax, is deportable despite her marriage to an American citizen and her three American-born children.

HONEYMOON TRIP TO CANADA BASIS OF DEPORTATION

An alien who has lived in this country 9 years went to Canada on his honeymoon. A year after his return he contracted tuberculosis and was treated in a State institution. He would not be subject to deportation but for a judicial construction that if an alien steps foot across the boundary, even momentarily, his return to the United States shall be considered the date of his entry. As the alien in question became ill within a year after his return from Canada, he was construed to have become a public charge within 5 years of his entry and is, therefore, subject to deportation. He has recovered and is supporting his wife and her father and mother who live with him, but there is no discretion in the existing law to relieve the hardship and injustice which deportation in a case of this character would cause.

FACES DEPORTATION AFTER 32 YEARS' RESIDENCE

A Canadian lived in the United States for 32 years, established a good reputation, and reared a family of five American children. He spent Christmas with his 75-year-old mother in Canada. Shortly after his return he suffered a mental disorder and was confined in a State institution. He is subject to deportation on the technical ground that he became a public charge within 5 years after his entry. Notwithstanding his 32 years' residence in this country, his filial visit in Canada renders him subject to deportation.

The following cases are illustrative of the deportations caused by the interpretation that an alien who has been a public charge for as much as a single day is mandatorily deportable.

GIRL WHO CONTRIBUTES TO FAMILY'S SUPPORT DEPORTABLE AS PUBLIC CHARGE

The first case is that of a girl who came to this country when 11 years of age. At 15 she suffered a nervous break-down and was treated in a State institution for a time. She recovered and now helps to support her family, who are legal residents of the United States. Deportation in this case is likewise necessary under the present law, as the interpretations are that if a person is treated in an institution maintained by public funds for even a day without paying for the treatment, he or she becomes a public charge, even if prior and subsequent thereto the alien has been self-supporting and the support of others.

NURSE DEPORTABLE BECAUSE OF TEMPORARY TREATMENT TO EXTENT OF $47

A Canadian nurse living in Pasadena, Calif., contracted tuberculosis and was treated for a brief period in a State institution. The total cost of the treatment was $52. She could pay but $5 at the time and did so, but was reported to us as having been a public charge to the extent of $47, requiring that proceedings be instituted for her deportation.

Deportation is often mandatory on grounds that are purely technical.

AGED FATHER SUBJECT TO DEPORTATION AFTER NEARLY 50 YEARS' RESIDENCE

This is the case of a man who lived here nearly 50 years, married, established his home, and brought up a family. In 1930 he went to Canada to look for work, failed to find it, and decided to return to the home of his sons. He was penniless, and crossed the border on foot without being inspected by the immigration authorities. He was detained, and despite his 50 years' residence in the United States is subject to deportation.

SEARCH FOR WORK IN CANADA MEANS YOUTH'S DEPORTATION

The alien lawfully entered this country with his mother when he was under 16. In 1932, because of the depression, he lost his job and decided to seek work in Canada. After 14 months there, he returned to his home in Astoria. He did not undergo inspection when he reentered and was apprehended near Mooers, N. Y., by the immigration border patrol. He must be deported to Scotland. The alien professes that he is ignorant of the formalities incident to admission.

PASSING THROUGH CANADIAN TERRITORY ON TRAIN CAUSES DEPORTATION

One of the most farcical of these cases is that of the secretary of a Ukranian benefit organization. He had entered without inspection before 1924 and, under the law, was not subject to deportation as long as he remained in the country. He attended a convention of his society in Rochester, traveling via the Michigan Central, which passes through Canadian territory. He never left the train in Canada, but nevertheless we must consider this a departure from the country and a reentry rendering mandatory his deportation and separation from his legally resident wife and children, two of whom were born in this country.

The family separations inevitable under the present law appear especially cruel in such cases as these:

DAUGHTER OF UNITED STATES VETERAN FORCED TO RETURN TO POLAND

An alien was left in Poland when her father came to this country about 20 years ago. In 1932 she came to join her father, traveling on a nonquota visa. Previously, through coercion, the alien had married.

She never lived with her husband, however, and the marriage was annulled by ecclesiastical authorities but not civilly. Because of this marriage she was not entitled to a nonquota status. She was admitted as a temporary visitor but cannot be permitted to remain permanently. The father is a naturalized citizen of this country. He served in the Army from 1913 until 1919 and saw action in France. He has a business in Homestead Park, Pa., and is a respected member of the community.

HUNCHBACK GIRL MUST BE SEPARATED FROM FAMILY

Another case relates to an alien but 4 feet tall and physically deformed—a hunchback. Her father, a rabbi, came to this country from Hungary 11 years ago. Later, his wife and four other children followed him. The alien did not reach the United States until 1929, when she came as a student. She has now completed her studies and must leave the country or be deported. Members of the family in this country are all employed. She has no near relatives in Hungary and no one to look after her there. The money which otherwise would be spent in supporting her in this country would have to be sent abroad and probably in an increased amount.

PLEDGE TO DEAD WIFE CAUSES DEPORTATION

A German who entered as a seaman in June 1924, who was not subject to deportation, was asked by his dying wife to take her body to Germany for burial. He did so. The fulfillment of his pledge to his dead wife brings him within the deportation net as constituting a new entry. He will leave behind him a legally resident wife and American-born child. We can take into account neither his fine character nor his family situation.

DEPORTEE LIVED HERE SINCE CHILDHOOD, SUPPORTS TWO FAMILIES

Another case is that of a man who came to the United States with his father when a child and has lived here continuously ever since. In 1924 he was arrested and deported. He later entered the United States without an immigration visa and without inspection. He has married an American woman and has two children. In 1933 he attempted to enter the country legally by proceeding to Canada and applying for admission in the regular manner. This attempt to regularize his status merely had the effect of causing his arrest in deportation proceedings. It developed at the hearing that he not only supported his family but also a homeless woman and her two American-born children.

Deportation inflicts special hardship on the young. The child who is deported is returned to a country of which he knows little or nothing and where there is frequently no one to care for him. From his standpoint he is being banished rather than deported.

NINE-YEAR-OLD BOY MUST BE DEPORTED

A 9-year-old boy is now subject to deportation. He was brought here as an infant by his mother who entered legally, but who, somehow, failed to register the entrance of her child. The father is under sentence of deportation to Rumania—the child to Canada. The mother having entered legally may remain in the United States. If she can find the means, she may accompany her husband or her child, provided that Canada or Rumania will permit her to enter. At the best she will be separated from one of them.

BOY 12 YEARS OLD TO BE SEPARATED FROM MOTHER

Another case is that of a Syrian boy, now 12 years of age. When he was 4, his father died and his mother emigrated to Mexico with him. She became seriously ill and sent for her brother who lived in the United States to take care of the child. He took him to his home in the United States without obtaining a visa for his admission. The mother later married an American citizen and entered the United States legally. Someone reported the child to us and we have been obliged to issue a warrant of deportation.

Since coming to this country the boy has attended school, where his record is excellent. Leaders in the community have protested against the cruelty of separating him from his family and sending him back to a country of which he knows nothing and where there is no one to care for him.

TWO MOTHERLESS LITTLE GIRLS FACE SEPARATION FROM FOSTER PARENTS

Two sisters, 9 and 10, natives of Canada, were brought to this country by their mother when infants, when she entered this country illegally in search of her husband who had deserted her. A year after the mother's entry she died. The children's father, who has since been deported, brought them to Lebanon, Pa., to the home of their uncle and aunt, who have cared for the motherless little girls as though they were their own children and wish to adopt them. Under the present law the deportation of these two children is mandatory.

These are the types of cases in which we believe and have recommended that there should be the possibility of exercising administrative discretion. These people are not criminals; they are not anarchists or Communists; they are not of the immoral classes. They are for the most part simple, honest folk, who, by the investigations of our own officers and of the welfare agencies, have been found to be respected, hard-working members of their communities and good citizenship material.

Mr. WALSH. Mr. President, will the Senator yield for a further inquiry?

Mr. KING. I yield.

Mr. WALSH. Am I correct in my understanding also that the interdepartmental committee, consisting of a representative of the Department of Labor, a representative of the Department of State, and a representative of the Department of Justice, cannot prevent the deportation of any alien unless it is found that "the alien is of good moral character and has not been convicted of a crime involving moral turpitude"; secondly, unless the alien "has lived continuously in the United States for a period of not less than 10 years"; and thirdly, unless the alien "has lived continuously in the United States for at least 1 year and has living in the United States a parent, spouse, legally recognized child, or, if a minor, a brother or sister, who has been lawfully admitted for permanent residence or is a citizen of the United States"?

Those conditions limit the authority and power of the interdepartmental committee, do they not?

Mr. KING. Yes.

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

Mr. KING. I yield.

Mr. REYNOLDS. Upon what information does the Senator base his statement to the effect that there are 20,000 aliens in the United States today who are subject to deportation?

Mr. KING. I base it upon repeated statements made by the Department of Labor, by Commissioner MacCormack, Mr. Shaughnessy, and other representatives.

Mr. REYNOLDS. May I ask the Senator why those aliens have not been deported?

Mr. KING. Because they cannot be under the law; and if the Senator had read the evidence and read the reports, he would have discovered the reason why they have not been deported.

Mr. REYNOLDS. I will state to the Senator that I have read the evidence and I have read the reports. May I ask the Senator where these 20,000 alien criminals are now?

Mr. KING. They have been located and classified; many of them are in large cities such as New York, Chicago, Detroit, and San Francisco; they are scattered in various parts of the United States. With respect to the first question, I invite the Senator's attention to the hearings and to the supplemental report submitted with the substitute bill. The report states that a survey of the principal cities by the Immigration and Naturalization Service, with the cooperation of chiefs of police and directors of public safety, indicates that there are at least 20,000 alien criminals who are not subject to deportation under the present laws, who would be rendered deportable under the provisions of this bill. An alien convicted of a violation of the narcotic laws in any State, Territory, insular possession, or the District of Columbia under existing law cannot be deported. There are many persons convicted of narcotic violations under State laws; the records show that there are approximately 2,000 such cases.

The report shows that aliens who have had as many as 30 separate convictions, and others who have spent a great deal of their time in this country in prison, and aliens who have been guilty of serious offenses cannot, in many cases, be deported under the present law. By pleading guilty to a lesser offense, which will not call for imprisonment for 1 year, they are not subject to deportation; and, likewise, if given a suspended sentence or a sentence below the one required under present law for deportation. Persons who smuggle aliens into the United States are not deportable. The Immigration and Naturalization Service have a record of more than 500 cases in which aliens have been smuggled into

the United States—persons who will be subject to deportation under the bill before us—but the aliens who smuggled them in are not; and there are 500 such persons who would be subject to deportation if this bill becomes a law. Racketeers and gangsters convicted of carrying concealed weapons may not be deported, due to the requirement that deportation must depend upon conviction of a crime involving moral turpitude. A person stealing toys to give to a child may be deported because that is technically a crime involving moral turpitude; but under existing law one who is convicted for carrying concealed weapons cannot be deported because it is held that a conviction for such an act does not involve moral turpitude. Senators know that there are many aliens who have been convicted of carrying concealed weapons, but, as stated, they cannot be deported for that offense.

Mr. President, further replying to a question submitted to me by the Senior Senator from Arkansas [Mr. ROBINSON], a few moments ago I stated that after the most searching and thorough examination, made by hundreds of representatives of the Immigration Service and the Labor Department, they have been able to discover 20,000 persons who should be deported, but who, under existing law, may not be deported. They also discovered 2,862 persons whose position was such as to call for some clemency—for the exercise of some humanitarianism.

Let me give an illustration of one of the cases adverted to.

A young woman living in Pennsylvania—the State of one of the Senators who is opposed to this bill—had a brutal father, whose cruelty resulted in the passing away of the mother. The young girl, 18 or 19 years of age, was left with two small children.

Because she could not give them adequate care, she placed them in a children's home. She obtained work and contributed from her meager wages to the support of the children. Shortly thereafter she married an alien who resided in the city in which she lived. He entered the United States legally but remained beyond the period prescribed by law. He was industrious, was carrying on a profitable business, and was in every way a law-abiding citizen. He took the children from the children's home in which they had been placed and supported them, and also his wife, in a home which he provided. He is under the ban and will be deported unless the rigors of the present law are modified. Permit me to furnish another illustration of the justice of amending the present law. If Senators will turn to page 174 of the Senate hearings they will find a statement by Miss Evelyn Hersey, executive secretary of the International Institute of Philadelphia, Pa. I read from her testimony:

> I am executive director of a social agency of Philadelphia which has worked for 17 years now for the assimilation of the alien and the newly arrived resident in Philadelphia.

She went on to state the social activities and humanitarian activities in which she was engaged, helping to feed and to clothe alien immigrants, and to have them oriented as they come into the United States and become citizens. During this depression she has given her entire time to looking after those who are in need and in want.

Let me read further from her testimony:

> I would like especially to speak of section 3 very briefly from the point of view of a practical worker in a local community such as you gentlemen come from. I am not a national organization representative; I am a representative of a local organization that walks up and down the streets daily and sees these people.
>
> I was asked to and got in touch with some 25 of these famous 2,862 cases, and to me some of these people are not names, they are faces; I know them, I know their wives, I know their children, I know how terror stricken they are about their present situation, and how terrible they feel about their present status.
>
> Just before I came I pulled out of my file, just hit-or-miss, 5 of these cases of the 2,862.
>
> Senator RUSSELL. How many of them are there in Philadelphia?
>
> Miss HERSEY. I cannot answer that officially. I would say, to my knowledge, I think there are something under 100. I had some of the more difficult ones about whom there was some question, that they wanted me to look into, where there were some social problems, to see what could be done.

Mr. BONE. Mr. President, will the Senator yield for a little information?

Mr. KING. I yield.

Mr. BONE. I have listened to some of the arguments here. I have not heard all of it. I am wondering if the Senator from Utah can tell us, approximately, how many aliens in the United States would be subject to deportation under the provisions of the substitute reported by the Senator from Utah to Senate bill 2969, if it were very vigorously enforced?

Mr. KING. As has been frequently stated during the discussion, after searching examination by the Department of Labor to ascertain the number of aliens in the United States, whether subject to deportation or not, they have discovered 2,862 whose status is such as to differentiate them from the remaining aliens, 20,000 of whom are subject to and should be deported, but the records of these 2,862 present humane and practical reasons, it is believed, why they should not be deported. As I have stated, thousands of aliens have been deported and nearly 2,000 are being deported each year. I repeat, that the status of 20,000 aliens is known and that they should be deported, but under existing law all efforts to deport them would be frustrated. In my opinion, the Department of Labor is vigorously enforcing the immigration laws, and even those who are most hostile to aliens and most insistent upon stringent immigration and deportation laws, admit that the Department of Labor is aggressively enforcing the law to rid the country of undesirable aliens.

Mr. BONE. Mr. President, I hope the Senator will forgive me for interrupting him. I merely desire some information.

Mr. KING. I shall be glad to give the Senator any information I possess.

Mr. BONE. I am wondering if the Senator can tell us whether that represents somewhere near the maximum number; or is it the Senator's viewpoint that there may be a much greater number than that who are subject to deportation?

Mr. KING. Mr. President, I think I covered this matter in my former answer. However, I may add that thousands of aliens have departed from the United States during the past few years, many of them voluntarily, and several thousand of them because of proceedings instituted by the Labor Department. As I have indicated, a vigorous campaign has been conducted by the Labor Department for the purpose of ferreting out every alien in the United States. My understanding is that they have been very successful in discovering the whereabouts of aliens. They have discovered 20,000 whose records are such as to demand deportation. It is quite likely that other aliens will be found who should be deported and who, if this pending bill is enacted into law, will be deported.

In searching for aliens the Labor Department, as I have stated, has found 2,862 cases which, because of humanitarian and practical reasons, warrant consideration. They are what is called worthy cases, and possess such appealing qualities as to not only justify, but require, special treatment. That view was recognized by the House when it adopted a resolution August 23 of last year in which it was stated that during the two preceding years the Department of Labor had stayed the deportation of more than 2,000 cases technically subject to deportation, whose deportation would involve the separation of many families, and leave approximately 7,000 dependent relatives here, approximately 5,000 of whom were wives and minor children. The resolution also stated that the House Committee on Immigration and Naturalization on June 18, 1934, had unanimously adopted legislation urging the continued stay of deportation pending such time as the Congress required for a further opportunity to study the problem. The resolution further provided that in order that Congress might have adequate time to consider legislation the Secretary of Labor would be requested to continue the stay of deportations until March 1936, where the aliens were of good character and so forth.

As I have indicated, the Department has discovered 20,000 aliens who should be deported, and it is ready, if this bill shall become law, to launch a vigorous campaign for the deportation of these aliens, as well as any others that may be found subject to deportation.

Mr. BONE. When citizenship has been granted to a man who afterward became a confirmed criminal and went into the underworld of our great cities, and into those activities which are familiar to all of us who have practiced law, I have often wondered why steps were not taken to cancel his citizenship and deport him.

Mr. KING. A bill of that character is not before us.

Mr. BONE. I understand that.

Mr. KING. The Senator from Washington is a good lawyer, and his suggestion or question presents an interesting legal problem. I have heard it stated that such a law would be invalid. I express no opinion as to the authority of Congress to deprive a person of the rights and immunities of citizenship by an act declaring that his naturalization papers are canceled.

Mr. BONE. It is not an unusual thing to cancel citizenship, because that has been accomplished in our own district courts.

Mr. KING. Where it is obtained by fraud?

Mr. BONE. Yes; where there is some mental reservation on the part of the applicant for citizenship which can afterward be demonstrated at a hearing.

Mr. KING. I am inclined to think that where a person swears falsely to obtain citizenship and obtains his naturalization papers, they may be canceled upon proof of his perjury.

Mr. BONE. There probably would be no fraud where a man subsequently went into a life of crime.

Mr. KING. No. However, the question raised by the Senator cannot be determined now. I have been diverted, however, from the testimony of Miss Hersey, secretary of the Philadelphia Institute, who is devoting her life to humanitarian work, and to aiding aliens as well as impoverished citizens born in the United States. She says:

> Out of the 5 that I pulled out, just hit-or-miss, there were 22 individuals involved, 18 of whom were American citizens. I know that this is a small number, statistically speaking, but I was interested in the way they stacked up. Eighteen of these dependents were citizens, and 20 of these dependents, to all estimates that I could make, as an honest social worker, looking into resources, and so on, would be dependent on the community if these 5 men were deported.

These 5 men who will be deported if this bill fails, have families dependent upon them, and 18 are American citizens, all born in the United States.

Five fathers, 20 American children.

> They were the breadwinners. There were small children, reasons why the mother would have difficulty in supporting them. So Philadelphia would have to support those 20 people if these 5 were deported.

Mr. ROBINSON. Mr. President, will the Senator yield there?

Mr. KING. I yield.

Mr. ROBINSON. Those aliens wrongfully in the country, and liable to deportation within the innocent classes to which the Senator referred, are subject to deportation at any time.

Mr. KING. Absolutely.

Mr. ROBINSON. But unless the law is changed as is proposed in this bill, many criminals, by reason of statutes of limitations that have operated for their protection, will remain here, even though they may have been guilty of crimes of violence and other crimes of moral turpitude.

Mr. KING. The Senator has stated the matter accurately. Let me state what the result will be. If this bill is not passed, 20,000 criminals now subject to deportation will remain in the United States, and more than 5,000 children, American citizens, and their mothers will be thrown upon the public for support. So by passing this bill the fathers will be permitted to support their wives and 5 or 6 thousand children. If we fail to pass it, the communities in which they live will have them to support; and if we fail to pass it, the 20,000 aliens with criminal records, who should be deported, will remain.

Mr. BONE. Mr. President, may I interrupt the Senator again?

Mr. KING. Yes; I yield to the Senator from Washington.

Mr. BONE. Mr. President, the Senator has referred to 20,000 aliens who might be subject to deportation. I merely desire to get these figures in mind, as to whether it would be possible to deport 20,000 people who are of a criminal or quasi-criminal nature, who have done things which, in the normal course of events, would subject them to deportation. I understood the Senator to say, in answer to my first question, that some 2,800 had been brought together in this category.

Mr. KING. Yes. The 2,862 referred to have no criminal records, and are not in the same class as the 20,000 who have criminal records.

Mr. BONE. It is merely a case of illegal entry?

Mr. KING. That is correct, as I understand the facts. But under the amendment which we have just accepted, offered by the Senator from Vermont [Mr. AUSTIN], only those who do not have criminal records would have the benefit of the legislation, and their records could be further reviewed by the interdepartmental committee.

Mr. BONE. If there is anything in section 3 which we might legitimately object to, something which we think might invite the doing of something that would be a grievous wrong, is it not possible for us to make some slight amendment to section 3 which would overcome the difficulty? I am not suggesting the desirability of a change, but it has been mentioned on the floor a number of times that possibly under section 3 some grievous wrong might be done. Certainly it is possible to find some language which all might agree on, if it is desirable to make a change.

Mr. KING. I cannot conceive of any grevious wrong, or any wrong, which would or could result from the operation of the section referred to. Under existing laws these 20,000 aliens are protected from deportation, and unless this bill, or some similar bill, is enacted into law they will remain in the country.

Mr. BONE. Does the Senator from North Carolina want to have everybody of alien birth deported, or does he think 20,000 is enough to deport?

Mr. KING. Some who desire to defeat the bill apparently want to deport every unnaturalized alien. At any rate, if this bill were defeated, the result would be that the five men to whom Miss Hersey referred would be deported, and their wives and 18 children, all of whom are American citizens, would be deprived of support and probably would become charges upon the community.

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

Mr. KING. I should like to finish reading this testimony, of the witness, but I yield to the Senator.

Mr. REYNOLDS. Does the Senator contend that these 2,862 are all of good character?

Mr. KING. If they are not, the committee will indicate that fact. If they are not of good character they cannot claim immunity, and will be deported.

I may say to the Senator that Colonel MacCormack testified that after they had gone over the cases again and again they did find a few, in excess of the 2,800, which they could not conscientiously place in this category, and they were thrown out, and will be deported if they have not already been deported and this proposed law would not save them.

I desire to save the American taxpayers from the necessity of taking care of five or six thousand little children and their mothers, who, if the breadwinners are deported, will become charges upon the communities or States.

Mr. President, let me finish with this statement I started to read four or five times, and have been compelled to make a detour because of interruptions, of which I make no complaint.

> That is just practical, not a sentimental point of view, as far as the community is concerned.
>
> Senator KING. Were those five breadwinners, so far as you could learn, reasonably good citizens, working?
>
> Miss HERSHEY. Yes.
>
> Senator KING. Law abiding and industrious?
>
> Miss HERSHEY. Yes; in fact, I was very much surprised when I went through this list. When you hear them discussed they sound

so far away. They are decent, ordinary, hard-working men, making a struggle to look after their families, with ordinary human problems such as every man has. They include a tall, lanky, dark-haired steeplejack, who works very hard, at long hours, and so on; a painter, a mechanic, a man who works in a radio place, and I cannot think of what the other man does.

Senator KING. They have been here a good many years?

Miss HERSHEY. Oh, yes; all of them. I think none of them, of this particular five, had been here under 9½ years. Of course, there were a few of them that have been here slightly less.

But as to this group of five I happened to pick out, I would like to make the point of view of the community; what is it going to do to the community when we take out this group of people?

In the first place, there are all the friends and relatives that we have to support and look after. In the second place, there is the feeling and the hardship involved. In the third place, practically what does it mean?

Some of these men are going back to their old country to try to save during a year and a day until they can write to the consul there to get permission to return. They are going to try to get enough money to come back to their families. In the meantime, we have supported their families, and they have struggled on, and you are back where you were in the first place, if the man gets back, with the waste of that 12 months or 14 months and the money that could have gone into the support of the family spent in traveling across the ocean and back again.

In the case of Germany and Italy—some of these people are Italians—in Italy those men are going to have to find their way into the Italian Army, and we are going to have those wives and children here forever. Frankly, it is a very serious situation socially.

For instance, take the young couple that I saw, with three small children. The young woman is a Roman Catholic. She does not believe in divorce. Her husband is separated forever from her. What is she going to do? What is he going to do, just socially speaking? It is a pretty difficult situation from the point of view of the community just as well as the family.

Mr. President, I wish I had time to read more of the testimony of Miss Hersey as well as the testimony of other persons who appeared before the committee.

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

Mr. KING. I yield.

Mr. DAVIS. I did not quite get the answer of the Senator to the question about the statute of limitations. I was on the other side of the Chamber, and I could not hear the Senator's reply to some question about the statute of limitations expiring.

Mr. KING. I do not recall having heard the words "statute of limitations", or the suggestion of it. The nearest to it I can think of was the question propounded by the Senator from Washington as to whether or not, after the persons had obtained their citizenship papers, if they should be guilty of crime their citizenship could be revoked.

Mr. DAVIS. I refer to a question that was propounded by the distinguished leader of the majority just a few moments ago.

Mr. KING. I do not recall anything about the statute of limitations.

Mr. DAVIS. It referred to some limitation. I will get the question from the Official Reporter.

Mr. KING. Very well. The Senator from North Carolina, in his address yesterday or the day before, called attention to the case of Harry Carstans. He claims that he was an illegal entrant, and ought to be deported. The fact is that Mr. Carstans was investigated by the Department. I read from the information furnished by the Department in regard to that case. I am calling attention to this because it shows the assiduity of the Department of Labor in searching out all persons subject to deportation.

The principal file in this case is in New York in connection with habeas corpus proceedings. From the record now in this office it appears that a warrant of deportation was issued; that a request for a stay of deportation was denied; that thereafter Carstans instituted habeas corpus proceedings in New York City; that the writ was dismissed by the district court in New York; which action was affirmed by the Circuit Court of Appeals for the Second Circuit.

It further appears that Carstans was not delivered to the Immigration Service at the termination of court proceedings. The court bond has been declared breached. There are indications in the record that Carstans has proceeded to Canada, although it is not definitely known where he is at present.

The Senator from North Carolina calls attention to the case of Francisco Chavez. The Department says regarding that case:

Chavez was found to be subject to deportation because he was not in possession of an immigration visa when he entered.

It appears from the record that he had married an American-born woman who had lost her citizenship through marriage to an alien, but who had never left the United States, and that he had deserted her 2 months before the institution of deportation proceedings.

Chavez was authorized to depart voluntarily without issuance of warrant of deportation. It later developed that he had resumed living with his wife and action was suspended.

The Galveston district office have reported November 13, 1935, that they had closed the case, as Chavez could not be found and had apparently returned to Mexico in June of that year.

So he is out of the United States.

Another case is that of Marie Kolacek. She had lived in this country since she was a mere child. She was found subject to deportation on immoral charges. Deportation was at one time deferred before a plan had been formulated to care for certain aliens whose deportation would result in extreme hardship to members of their families lawfully within the United States. Because of the grounds of deportation, the stay was later revoked and efforts were made to effect this woman's deportation. The Immigration and Naturalization Service was unsuccessful for the reason that passport facilities were not available. The country of Marie Kolacek's nationality refused to recognize her as a citizen because she had married a citizen of the United States. There is presently outstanding a warrant of deportation against this woman.

I called attention the other day to one of the cases mentioned by the Senator from North Carolina which he lingered upon for a long time, and that was the Grenier case.

Mr. REYNOLDS. Mr. President, relative to that case there seems to be a difference of opinion between the Senator and myself. I should like to make a suggestion in respect to that case. Whether or not it could be done I am unable to state. Based upon records I have, I contend certain things, and the Senator from Utah contends other things. I may be wrong. I do not really know whether I am or not. I should like to ask that the original files be sent here from the department.

Mr. KING. I shall be very happy to ask that that be done. May I tell the Senator what the facts are? The Senator had, perhaps, some warrant for what he said. This young man, Grenier, told a fantastic tale in order to prevent deportation.

Mr. REYNOLDS. Was his statement made under oath?

Mr. KING. I do not know whether it was under oath or not. The fact is that he was never a French citizen, was never in the war, and never stole an airplane.

He was only a young chap, 20 years of age. When he was investigated looking to deportation he made up this fantastic story that he had fled from the French army in an airplane into Italy. The fact is that he belonged to the Greek nation, came here with a Greek name, but he changed the name to Grenier.

Mr. REYNOLDS. Mr. President, would the Senator contend that if he came to this country and perjured himself in order to avoid deportation, that after having committed perjury he should be permitted to stay here?

Mr. KING. I am not going to pass on that question. It will be left under the bill to the committee created by the bill. He was a boy 20 years of age. I have known, and the Senator as a lawyer knows, of many good men who under the threat of serious harm have not been careful about the truth. And in the courts they have not always respected their oaths and some of them later have been indicted by the grand jury because of their failure to state the truth.

I have here a copy of the letter of the French Ambassador to the effect that Grenier never was in the French Army. They have no record of him at all.

The Senator referred to another case. I may say to the Senator that I have examined scores of these cases, and I should be glad to show them to the Senate. This is, shall I say, one of the worst cases out of the scores that I have examined. The Senator dwelt upon that case with great earnestness.

The Branch case is one of a negro laborer without friends or influence. Fifteen years ago he married a woman in Canada who deserted him after 6 months. Seven years later, after the legal presumption of her death had arisen, he entered into a common-law marriage, which was permitted in the place where the marriage was entered into, in the State of New York. He followed this with a ceremonial marriage. Not only was there the common-law marriage, but there was a ceremonial marriage. He had a child during his common-law relationship, which died. Another child was born of his legal marriage and still lives. The charge that his child is an illegitimate one is, of course, incorrect.

The charges that he smuggled his mistress into the United States is equally without the slightest basis in fact. His common-law wife and the ceremonial wife never was in Canada. The woman involved was first his common-law wife and then his wife, as stated, by the ceremonial marriage. The wife was born in Tennessee, a citizen of the United States. The child was born in the United States. This is one of the cases that are rather the most revolting of the cases which I have examined out of the entire 2,800.

Mr. DAVIS. Mr. President, I have just gotten from the reporter the question by the Senator from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. But unless the law is changed as is proposed in this bill, many criminals, by reason of statutes of limitations that have operated for their protection, will remain here, even though they may have been guilty of crimes of violence and other crimes of moral turpitude.

Mr. KING. The Senator has stated the matter correctly.

Mr. KING. They came in here under existing laws which would prevent deportation.

Mr. DAVIS. No statute of limitations exists since the act of 1924. Prior to the act of 1924, if I understand it correctly, if a person remained here 5 years illegally he could not be deported, but since the passage of the 1924 act the statute of limitations has been set aside, and he can be deported even if he has been here for 24 years, provided he came into this country illegally.

Mr. KING. Of course, if it is put upon the ground of when he may be deported, the act of 1924 practically legalized certain entrants up to that time, and I am speaking of anterior to the passage of the act.

Mr. DAVIS. Prior to 1924 the aliens had the right to register, and if they were not criminal aliens, they then would get a certificate that permitted them to remain in the country and make application for citizenship.

Mr. KING. If the Senator means they had to register, he is wrong.

Mr. DAVIS. They did not have to register; no. They were permitted to register by paying a fee of $20, was it not?

Mr. KING. I think it was $18.

Mr. DAVIS. No; they paid a fee of $20 at that particular time, but the present fee is $18. It has been reduced $2 since the 1924 act.

Mr. KING. Mr. President, the report of the committee states accurately the terms of the bill, and the injustices which would result and the things that would be accomplished. It makes deportable 20,000 persons, as I have indicated. Let me read from the report:

Racketeers and gangsters convicted of carrying concealed or dangerous weapons are not subject to deportation. This is due to the requirement that deportation be for convictions of crimes involving moral turpitude. A man who steals a toy to give to his child may be deported because that is a crime technically involving moral turpitude—

My attention has been called to a case of this character. A young man in a foreign country, when he and some of his playmates were getting ready to respond to the call of their country for military training, young men, had a little celebration and they purloined two or three chickens and cooked them and ate them in their little feast. The boys were all of good character. The boy in question came to the United States legally. When he applied for citizenship papers they asked him if he had ever been charged with any offense, and he said yes, and he told them about this little chicken episode. That was a crime involving moral turpitude, the stealing of a chicken by him and his associates. However, his own country regarded it merely as a little play activity upon his part and that of his associates and did not even prosecute him, but he is subject to deportation, and if we do not pass this bill he will be deported, although he has a wife and, I think he has two children, is a resident of this country and a good law-abiding citizen who cares for himself and for his family.

I could spend hours, Mr. President, calling attention to scores of these cases indicating the hardship and brutality which would result if we shall not pass this bill. If we are interested in American institutions, if we want to be patriotic, using the words of the Senator from North Carolina, it seems to me that we can show no higher evidence of our patriotism than in passing a bill to deport 20,000 criminals, though in so doing we will protect five or six thousand little children and their mothers, all of whom are American citizens, and let their fathers remain in the United States, where they are guilty of no crime, where they are breadwinners, and where they have earned the confidence of the communities in which they live.

It seems to me, Mr. President, that all of the arguments of humanity and legality are in favor of this bill. I desire to tell Senators if we do not pass this bill it is quite likely we will get no bill. These 20,000 criminals will remain. These five or six thousand little children will be deprived of their fathers, of their care and of their protection, and they will be thrust upon the public for the public to support. Where are the humanities, where are the equities, where is the injustice in this matter?

Mr. President, the Senator from North Carolina desires his bill to be considered. He has only to indicate it, and the committee will consider it. But this is not an immigration bill. The trouble is that the public has been confused. There has been an improper and unjust propaganda. Many so-called 200-percent Americans have tried to frighten the people and to deceive them as to the character of the bill which is before the Senate. They have been led to believe that this was a measure to open the flood gates for immigration. The only provision in it with respect to immigration is that it restricts more countries. Under the present law, persons may come in if they are qualified for work upon the farms. That is repealed. So we may not appeal to foreigners to come in to work upon our farms, they, of course, having the preference in the quota. That part is repealed. That is the only feature in the bill that might be denominated of an immigration character.

It is essentially a deportation bill, not an immigration bill. The matter has been confused and confounded and the public has been led to believe that it is a measure which would broaden our immigration policies and permit millions of people to come to the United States. Of course that is absurd. Restrictions now are imposed, and it may be in the near future we will further restrict the quotas of immigration. When an immigration bill is before the committee and before the Senate then we can consider the question of immigration, but not during the consideration of a deportation bill.

Mr. President, if this bill shall be recommitted, so far as I am concerned that would end consideration of legislation of this character during this session. May I say that the Secretary of Labor reports to us that if a similar bill had been enacted into law 2 or 3 or 4 years ago, as the Bureau of Immigration desired, 8,000 or 9,000 of the 20,000 criminals the Department of Labor finds to be in the United States would have been deported, and if we do not pass this bill those 20,000 will remain and we will have the question before us again. It seems to me that wisdom, prudence, justice, and a proper regard for the economic condition of our country compel us to vote against recommitting the bill to the committee and to pass the same at the earliest possible moment.

Mr. DAVIS obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Pennsylvania yield to the Senator from Oklahoma?

Mr. DAVIS. I yield.

Mr. THOMAS of Oklahoma. May I inquire of the Senator from Pennsylvania if he intends to address the Senate at some length?

Mr. DAVIS. For about 20 or 30 minutes.

Mr. THOMAS of Oklahoma. I was wondering if it would be agreeable to the Senator from Pennsylvania to suspend and permit the District of Columbia appropriation bill to be brought before the Senate for consideration?

Mr. DAVIS. I would rather proceed now if I may, although if the Senator thinks it is more urgent I should be glad to accede to his request.

Mr. THOMAS of Oklahoma. I shall not insist.

Mr. DAVIS addressed the Senate. After having spoken for 40 minutes, he said: Mr. President, I am willing to yield now, provided I may go on in the morning; and I ask that my speech be withheld so that it might be continued at that time.

Mr. DAVIS. Mr. President, I did not expect to speak upon this bill. Rather I preferred to ask what I thought were pertinent questions, to bring to the attention of other Senators such information as I have. For the information of the Senator from Utah [Mr. KING], and at his request, I brought the books to which he referred in order that he might interrogate me as to matters pertaining to the immigration law over a period of 15 years.

STATUS OF IMMIGRATION LAWS

March 4, 1921: On this date the restrictive immigration and deportation laws were:

The Chinese Exclusion Act.

The general immigration laws of 1917.

The Anarchist Acts of 1918 and 1920.

The passport law.

There were minor laws of limited application, principally modifications, but of sufficient importance to take the time to describe.

Chinese Exclusion Act: This, with amendments, has existed so long and is so generally understood as to need no comment. The passport and special anarchist laws referred to are adequate, in my opinion, on those matters so far as they can be controlled.

1917 act: This is the basic law setting physical, mental, educational, and moral standards, and contract labor restrictions; provides the machinery for administration of everything but the Chinese and Quota Acts, including admission and deportation.

Most of this act was a codification of earlier laws, the important additions being the reading test and barred zone.

The 1917 act, with a few technical exceptions, was not and is not difficult of enforcement. Most hardship cases arising out of it and coming to attention during the period from 1921 to 1931 were satisfactorily disposed of under the several limited powers of discretion granted. Most of the really difficult cases were those resulting from failure of administration of laws from 1912 to 1921, which included the period of the World War.

The highest record of immigration was in 1907, with about 1,300,000 admitted, but the average for the 10 years preceding 1914 was well over a million a year.

A few figures on immigration rejection at ports, and deportation, immediately before the World War are interesting. In the following short synopsis is given total immigration, total rejections, and total deportations upon warrants of deportation. Of the total deportations following are the figures showing aliens deported of the criminal and immoral classes:

I repeat the statement that there is ample power vested in the Secretary of Labor now to deport most of those in that list of 2,800 which has been presented here by the distinguished Senator from Utah [Mr. KING] and the distinguished Senator from North Carolina [Mr. REYNOLDS].

I invite attention to these statistics in order that the Senator from Utah may know that there has been ample power vested in the Department of Labor.

In 1913 immigration amounted to 1,197,892 persons who came into this country. There were rejected at the port 19,938. There were deported 3,461. Of that number, 551 were of the criminal class.

In 1914 immigration admitted into the country amounted to 1,218,480. There were rejected 33,041 and deported 2,088. Included in the latter number were immoral and criminal classes to the number of 862.

In 1915 the immigrants numbered 326,700.

It will be noted there was a reduction in the number coming into this country at that particular time on account of the war. The number of immigrants was 326,700. The number rejected was 24,111. There were deported 1,053, including of the immoral and criminal classes 471.

In 1916, the war being on at that time, there were admitted into this country under the immigration laws 298,826; rejected, 10,383; deported, 2,435, including immoral and criminal classes to the number of 249.

In 1917 those admitted under the immigration laws numbered 295,403; rejected, 15,028; deported, 1,853, including immoral and criminal classes to the number of 376; deportations suspended, 694, including immoral and criminal classes, 98, and insane, 347.

In 1918 the immigration was 110,618; rejected, 7,297; deported, 1,569, including immoral and criminal classes to the number of 199; deportation suspended on 1,045, including immoral and criminal classes to the number of 119; and insane to the number of 575.

In 1919 the immigration into the United States was 141,132; rejected, 8,626; deported, 3,068, including immoral and criminal classes to the number of 322. Deportation that year was suspended in the case of 182.

In 1920 the immigration was 430,001. Senators will notice that the war then was over, and immigrants began to come in. There were rejected 11,795; deported, 2,762, including immoral and criminal classes to the number of 477; and anarchists, 314.

In 1921 the immigration was 991,942; rejected, 13,779; deported, 4,517, including immoral and criminal classes to the number of 1,447; and anarchists, 446.

Mr. AUSTIN. Mr. President, will the Senator yield before he leaves his statistics?

Mr. DAVIS. Yes.

Mr. AUSTIN. I ask unanimous consent, and especially the consent of the Senator from Pennsylvania, to have inserted in his remarks at this point in the RECORD two tables—table A, aliens admitted to the United States under the provisions of the Immigration Act of 1924 during the past 5 years; and table B, aliens deported from the United States during the past 5 years.

Mr. DAVIS. I had intended to insert those tables in the RECORD later on. However, I have no objection to it.

The PRESIDING OFFICER. Without objection, the tables will be included in the RECORD at this point in the remarks of the Senator from Pennsylvania.

The tables are as follows:

TABLE A.—*Aliens admitted to the United States under the provisions of the Immigration Act of 1924*

[Compiled from official figures furnished by the U. S. Commissioner of Immigration and Naturalization]

	1931	1932	1933	1934	1935	Total
I. Quota immigrants	54,118	12,983	8,220	12,483	17,207	105,011
II. Nonquota immigrants:						
(a) Alien residents of United States returning from visit	91,442	67,057	62,616	55,169	51,081	327,359
(b) Students, admitted for temporary stay	1,538	1,266	877	1,048	1,377	6,106
(c) New immigrants	39,708	19,741	14,723	16,769	17,572	108,513
i. Husbands of citizens	527	296	1,232	1,021	705	3,781
ii. Wives of citizens	9,684	5,779	3,643	4,348	4,925	28,379
iii. Children of citizens	7,053	3,415	1,783	2,522	3,598	18,371

TABLE A.—*Aliens admitted to the United States under the provisions of the Immigration Act of 1924*—Continued

	1931	1932	1933	1934	1935	Total
II. Nonquota immigrants—Con.						
(c) New immigrants—Con.						
iv. Natives, nonquota countries [1]	21,139	9,328	7,475	8,183	7,661	53,786
v. Wives and unmarried children of natives, nonquota countries [1]	236	133	74	54	86	583
vi. Ministers, professors, their wives and children	943	660	380	475	458	2,916
vii. Women, formerly citizens	97	105	101	134	116	553
viii. Miscellaneous	29	25	35	32	23	144
III. Nonimmigrant aliens:						
(a) Government officials, families, servants, etc.	4,973	3,844	4,053	4,363	5,194	22,427
(b) Temporary visitors for business	17,150	13,741	11,360	13,068	13,166	68,485
(c) Temporary visitors for pleasure	38,486	26,724	25,539	36,765	48,467	175,981
(d) In continuous transit through United States	32,169	28,678	22,693	23,687	24,931	132,158
(e) To trade under treaty	1,095	837	653	552	726	3,863

SUMMARY

New immigrants:						
Quota immigrants	54,118	12,983	8,220	12,483	17,207	105,011
Nonquota immigrants	39,708	19,741	14,723	16,769	17,572	108,513
Total, new immigrants	93,826	32,724	22,943	29,252	34,779	213,524
Other than new immigrants:						
Returning residents	91,442	67,057	62,610	55,169	51,081	327,359
Students	1,538	1,266	877	1,048	1,377	6,106
Nonimmigrant aliens	93,873	73,824	64,298	78,435	92,484	402,914
Total	186,853	142,147	127,785	134,652	144,942	736,379
Total, all admissions	280,679	174,871	150,728	163,904	179,721	949,903

[1] Natives of nonquota countries include persons born in Canada, Newfoundland, Mexico, Cuba, Haiti, Dominican Republic, Canal Zone, or Independent countries of Central or South America. The separate classification for their wives and children shows only those who were born in quota countries, but come in under the man's nonquota status.

NOTE.—The official figures for new immigrants admitted for permanent residence always differ slightly from figures developed as above. This is because in establishing these figures, it is necessary to take into account laws prior to the 1924 act in the classification, even though all admissions actually occur under the provisions of the 1924 act. The official figures for immigrants admitted for permanent residence are: 1931, 97,139; 1932, 35,576; 1933, 23,068; 1934, 29,470; 1935, 34,956; 5-year total, 220,209.

TABLE B.—*Aliens deported from the United States*

	1931	1932	1933	1934	1935
Criminals	1,773	1,709	1,770	1,569	1,632
Federal narcotic-law violators	44	138	167	122	111
Anarchists, etc	18	51	74	20	17
Immoral classes	884	906	785	383	413
Mental or physical defects	952	1,107	1,056	662	510
Remained longer than permitted	2,835	3,284	3,148	986	786
Entered without proper visa	6,205	8,167	9,099	3,611	2,824
Likely to become public charge	1,240	187	166	98	33
Unable to read (over 16 years old)	2,066	1,403	1,393	539	416
Under Chinese Exclusion Act	207	516	249	101	77
Had previously been deported	1,003	1,202	1,010	359	933
Miscellaneous causes	915	756	948	429	567
Total deported	18,142	19,426	19,865	8,879	8,319
Deportable aliens allowed to depart voluntarily at own expense	11,719	10,775	10,347	8,010	7,978
Grand total	29,861	30,201	30,212	16,889	16,297

Mr. DAVIS. The table of statistics presented by the Senator from Vermont [Mr. AUSTIN] gives the number of aliens entering this country by Executive order which I recommended to President Hoover at the beginning of the depression in 1930.

If I remember correctly, 150,000 was the total number coming from Europe at that time, which was practically reduced to 10 percent of that number. This Executive order became effective at the time when unemployment was growing with great rapidity.

That Executive order, as I understand it, is still in effect.

Mr. President, from the table from which I have been reading it will be noted that prior to the World War deportations after entry amounted to 3,461 and 2,088 for the fiscal years ended June 30, 1913, and June 30, 1914, respectively, no part of which was during the war; and during those years, of those deported, only 551 and 862, respectively, were aliens of criminal and immoral classes. Immigration in both of these years was on a high level.

Beginning in 1916, because of war conditions, deportation was suspended in a considerable number of cases, including for 3 years 294 of the criminal and immoral classes and 1,316 insane persons. There were also included some epileptic, feeble-minded, and imbecile aliens not classified as insane.

One of the most difficult problems after the close of the war was ridding the country of the insane and other mentally defective aliens, as well as those of the criminal and immoral classes, whose deportation was stayed. It will also be noted that during the fiscal years 1920 and 1921 there were deported 760 anarchists, and during 1921 the largest number of aliens of criminal and immoral classes theretofore deported in any one year of our history, amounting to 1,447.

During the fiscal year 1921 immigration almost reached the million mark and indicated conclusively that, unless some restriction were placed upon numbers, all previous records of immigrants admitted would be broken in 1922 and subsequent years.

I now desire to have placed in the RECORD the immigration and deportation figures from 1922 to 1935.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Year	Total immigration	Rejected	Deported with warrants		Expulsions without warrants	Total expulsions
			Total	Criminal and immoral		
1922	309,556	13,731	4,345	709		
1923	522,919	20,619	3,661	717		
1924	706,896	30,284	6,409	864		
1925	294,314	25,390	9,495	1,015		
1926	304,488	20,550	10,904	1,286		
1927	335,175	19,755	12,055	1,579	14,619	26,674
1928	307,255	18,839	11,625	1,841	19,946	31,671
1929	279,678	18,127	12,908	1,856	25,888	38,796
1930	241,700	8,233	16,631	2,456	11,387	28,018
1931	97,139	9,744	18,142	2,719	11,719	29,861
1932	35,576	7,064	19,426	2,753	10,775	30,201
Total	3,434,696	192,346	125,601	17,795	94,334	185,221
1933	23,068	5,527	19,865	2,712	10,347	30,112
1934	29,470	5,384	8,879	2,074	8,010	16,889
1935	34,956	5,558	8,319	2,156	7,978	16,297
Total	87,494	16,469	37,063	6,942	26,335	63,298
Grand total	3,522,190	208,815	162,664	24,737	120,669	248,519

Mr. DAVIS. I desire to read just a few of these figures.

It has been charged that under the present law we cannot deport these aliens. I believe I have had as much experience as any other administrative officer in the deportation of aliens. I have said on the floor of the Senate, and I say again, that the hangman's job is an easy one compared to that of Secretary of Labor when he has to enforce the deportation law, especially with regard to certain cases that arouse all the sympathy that is within a man's soul.

I remember the case of a smuggled alien's family, and I think it hardened me a little bit when we had a report on that particular family. In one of our Midwestern States this family had smuggled in one of its children who could not pass the medical examination at the port. The child was smuggled in, and they sent it to a school. The child had scalp disease. When we found this out and brought in the child for examination, and put it in the bureau of health, we found that the child had transmitted that loathsome disease of ringworm of the scalp to nearly all the children in that schoolroom in the public school to which she was sent.

Then I began to think in terms of the children legally here. When we had to deal with the insane and with those persons

requiring medical attention I began to lose some of my sympathy for cases of that particular kind and to think in terms of the children we had in the schools of America. I believe we ought to enforce law, especially the part of it pertaining to medical inspection, with all the power of the Government.

It is said that this law cannot be enforced. Let me read to you some figures; and I am reading them because the distinguished junior Senator from Washington [Mr. SCHWELLENBACH] made a statement with reference to the administration of the act during the time I was Secretary of Labor.

In 1922, the first year for which I made a report to Congress, the total immigration was 309,556. We rejected at the ports 13,731 aliens who came under the classification that was inserted in the RECORD by the Senator from Vermont [Mr. AUSTIN]. We deported that year criminal aliens to the number of 709.

I am not going to read the total of each and every year during that time; but the total number of aliens who came in during that particular time was 3,434,696. There was practically no organization of the immigration staff when I assumed the duties of Secretary of Labor. The immigration staff had to be reorganized, from top to bottom. We rejected at the ports from 1922 to 1932, 192,346 persons. We had a total of rejections or aliens deported with warrants of 125,601. We had criminals who were deported during those particular 10 years to the number of 17,795. The number of expulsions without warrants was 94,334. Those aliens were given the right to leave without cost to the Government, because it costs from $100 to $200 to deport every alien who is in the United States illegally, or who comes here and is unable to pass inspection. We deported without warrants 94,334, and the total expulsions were 185,221.

Mr. President, I wish to say a word in reply to what the Senator from Washington [Mr. SCHWELLENBACH] said about the Republicans being negligent in their duty. I made the recommendation when I was Secretary of Labor, and I brought the records here to support my plea, that the Congress of the United States provide for the enrollment of aliens. I recommended that in 1922, but when the 1924 act was passed it gave the right to all those aliens who were illegally here, if they could pass the regular test, the right to enroll in a sort of way, and by the payment of a fee of $20 they were enabled to get a legal status as the first step in becoming citizens. That law was passed upon the recommendation of the Secretary of Labor at that particular time.

The Secretary of Labor also called to the attention of the Congress the fact that we ought to have an enrollment of aliens because at that particular time the illegal immigrants were coming across the Mexican border by the thousands, and we did not have jails enough to put them in. We had to shoo them back just like chickens.

Mr. President, there are some parts of the pending bill I like; but there ought to be something to put a stop to the possibility of insulting aliens in this country by saying to them, "You are here illegally, and have not anything to show that you have a right to be here."

When I became Secretary of Labor, I found that the naturalization law permitted the Secretary to issue a certificate to the alien upon his arrival showing he was legally in the United States. I presented the matter to the solicitor of the Department and he concurred, so instead of permitting them to be taken off ships like sheep, we issued to each alien a certificate to take with him to show that he was legally in the United States, so that those who had charge of the immigration law would not cause someone who did not understand our language and customs any inconvenience when they were investigating those who were legally here.

Mr. President, I desire at this point to insert in the RECORD a table showing the number of immigrants admitted, rejected, and deported during the years 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, and 1921, with comment on the tables submitted.

There being no objection, the table and comment were ordered to be printed in the RECORD, as follows:

1913:	
Immigration	1,197,892
Rejected	19,938
Deported (including immoral and criminal classes, 551)	3,461
1914:	
Immigration	1,218,480
Rejected	33,041
Deported (including immoral and criminal classes, 862)	2,088
1915:	
Immigration	326,700
Rejected	24,111
Deported (including immoral and criminal classes, 471)	1,053
1916:	
Immigration	298,826
Rejected	10,383
Deported (including immoral and criminal classes, 249)	2,435
1917:	
Immigration	295,403
Rejected	16,028
Deported (including immoral and criminal classes, 376)	1,853
Deportation suspended (including immoral and criminal classes, 98; insane, 347)	694
1918:	
Immigration	110,618
Rejected	7,297
Deported (including immoral and criminal classes, 199)	1,569
Deportation suspended (including immoral and criminal classes, 119; insane, 575)	1,045
1919:	
Immigration	141,132
Rejected	8,626
Deported (including immoral and criminal classes, 322)	3,068
Deportation suspended [1]	182
1920:	
Immigration	430,001
Rejected	11,795
Deported (including immoral and criminal classes, 477; anarchists, 314)	2,762
1921:	
Immigration	991,942
Rejected	13,779
Deported (including immoral and criminal classes, 1,447; anarchists, 446)	4,517

[1] Deportation suspended because of war conditions.

From the above tables it will be noted that prior to the World War deportations after entry amounted to 3,461 and 2,088 for the fiscal years ended June 30, 1913 and 1914, respectively, no part of which was during the war, and during those years, of those deported only 551 and 862, respectively, were aliens of criminal and immoral classes. Immigration in both of these years was at a very high level.

Beginning in 1916, because of war conditions, deportation was suspended in a considerable number of cases, including for 3 years 294 of the criminal and immoral classes and 1,316 insane persons. There were also included some epileptics, feeble-minded, and imbecile aliens not classified as insane. One of the most difficult problems after the close of the war was ridding the country of the insane and other mentally defective aliens as well as those of criminal and immoral classes whose deportation was stayed.

It will also be noted that during the fiscal years 1920 and 1921 there were deported 760 anarchists and during 1921 the largest number of aliens of criminal and immoral classes theretofore deported in any year of our history, amounting to 1,447.

During the fiscal year 1921 immigration almost reached the million mark and indicated conclusively that unless some restriction were placed upon numbers that all previous records of immigrants admitted would be broken in 1922 and the subsequent years.

Mr. DAVIS. Mr. President, during the course of my remarks the Senator from Vermont [Mr. AUSTIN] was permitted to insert some statistics in the RECORD, and they show that in 1933 the total immigration amounted to 23,000. There were rejected at the ports 5,527. There were deported as criminal aliens 2,712. There was a total of aliens admitted, all told, of 24,737.

We are confronted today with the problem of acting on a measure under which it is expected that within 3 years the aliens illegally in this country will be rounded up. They cannot be rounded up with the present force in 3 years. It cannot be done, Mr. President, in 3 years. We have no adequate enforcement law. I contend, therefore, that the law will not be enforced, except at tremendous expense.

As I was about to point out, when I was Secretary of Labor, it was necessary to establish a border patrol on the Canadian and Mexican borders. We had to establish new officers under the Immigration Service in every port of this country. Practically all appointees are under the civil service. It was necessary to make new districts. We were confronted with a disorganized force with which to enforce restricted-immigration law.

Mr. President, this law cannot be enforced with a border patrol of five or six hundred men. If I remember correctly—and I am speaking from memory—there was one patrolman to every 400 miles.

As I have already pointed out, our idea was to have the alien, after he had been here a year, go with his passport to the county clerk or the postmaster or someone designated by the Commissioner General of Immigration, with the approval of the Secretary of Labor, and to pay a small part of his fee, $1, on enrollment day, and that dollar would have paid the running expenses of the Immigration and Naturalization Bureaus.

Mr. President, I predict now on the floor of the Senate that this measure could not be enforced with the present staff. I have appeared before congressional committees begging for money to enforce the law, and I could not get it. I am not going to say that the Republicans refused to make the appropriations or that the Democrats refused, because most of the men on the other side of the Chamber were voting for it, while on my own side of the Chamber they did not approve it.

O Mr. President, I wish to repeat that the hangman's job is a gentleman's job compared with the job of the Secretary of Labor in these hardship cases. I have sympathy for these 2,800 people. I would have no objection to extending the great warm hand of friendship to them if I believed for a moment that that would end the matter; but it would not. It is so easy to get across the border, it is so easy to enter this country through the seamen's law, it is so easy to enter in so many ways, that if this measure shall be enacted, in 3 years there will be a demand for more legislation, for an extension of the time for some sympathetic soul who wants to come in, perhaps some mother with a sick child and a dozen others will sneak in because we let our hearts go out to the mother and her child.

No man has more sympathy with the alien than have I. I am an alien-born myself. I came into this country as a child, holding to my mother's apron strings. I see all of these aliens coming in, and I know that if we permit them to come in, sneaking in under the immigration law, cheating their way in, and then being given citizenship, we might just as well repeal the Immigration Act, leave the doors wide open, for all to come in.

The idea of an interdepartmental committee is all wrong. It is the job of the Secretary of Labor, under the law, to do what is here proposed to be turned over to a committee. The Secretary has a board of review of five or six important men, many of them with good legal minds, many of them with hearts as big as any heart in this Chamber, and I think the responsibility ought to be there, and not elsewhere. I have enough faith in the people to know that you may fool the people once in a while, but you will never be able to fool them all the time.

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

Mr. DAVIS. I should prefer not to yield now, unless it is for some very important question. I am now going to discuss the bill. Does the Senator from New York desire to put something in the RECORD?

Mr. COPELAND. I desire to ask the Senator a question, but I do not wish to divert him. I do not see why we have to be so distressed over the pending bill.

Mr. DAVIS. I will tell the Senator in a few moments, if he will just wait.

Mr. COPELAND. Very well. I shall be glad to wait, because I should like to find out why Senators should be so distressed over the bill. I have not been able as yet to ascertain.

Mr. DAVIS. For the time being I am answering the question asked by the Senator from Washington [Mr. SCHWELLENBACH].

It has been said on the floor of the Senate that the American Federation of Labor is not opposed to the bill. To make sure of that, I called up President Green, of the American Federation of Labor, this afternoon. The part of the bill to which he is opposed is the only part of the bill to which I am opposed. It is something to which I was opposed when I was Secretary of Labor.

I am now going to discuss the bill.

Section 1 (1) is in keeping with the recommendations in the reports of the Secretary of Labor for 1925 and 1927. I desire the Senator from New York to pay particular attention to this, because I know he is a home-loving man; he is kind; he is generous; and any sympathetic plea touches his heart. He is interested in the matter from that particular point of view.

Section 1 (2) makes it possible to deport an alien for a legitimate fisticuff. I desire the Senator from New York to pay particular attention to this point. I have discussed this matter with men who served in the Immigration and Naturalization Service, and what I am now about to say is what they have reported to me concerning the bill. Section 1 (2) makes it possible to deport an alien for a legitimate fisticuff, for the most trivial offense, even though the court finds it justified by refusing to impose sentence. It must be remembered that pleading guilty to a very minor charge results in conviction, though the court finds the act justifiable.

Section 1 (3) carries out the purpose of the recommendation of the Secretary of Labor to Congress made in 1925.

Section 1 (4) provides deportation of any alien who is convicted of carrying any dangerous weapon—whatever that may be—even though he is not sentenced. The same comment applies to section 1 (2). If a judge is prejudiced against an alien and fines him for the most trivial offense, the Commissioner of Immigration and Naturalization, if he lives up to his oath of office, will have to deport the alien.

As I see the matter, Mr. President, the worst part of it all is that there is no appeal from the Commissioner's action. He will be the dictator of American immigration laws.

Those are the sections to which I am opposed.

Deportation may be had, in the cases I have just referred to, even though the crimes are not sufficient to justify a court in passing sentence. Discretion is left in the hands of a committee which may be composed of clerks or representatives of the Secretary of Labor. How much attention is the Secretary of State going to give to the work of the interdepartmental committee? How much time is the Attorney General going to give to it? How much time is the Secretary of Labor going to give to it? With the power vested as it is, there is no responsible head of the committee. If the power is to be lodged anywhere, let it be lodged with the Secretary of Labor. Let us not be influenced by consideration of who shall be Secretary of Labor. Whoever he or she is, he cannot go far wrong.

The recommendations of the Secretary of Labor in 1925—and I say this for the benefit of the Senator from Washington—eliminated the qualification "involving moral turpitude", and, instead, made an alien deportable for (1) any offense for which he is sentenced to imprisonment for a year or more, or (2) conviction of several offenses for which the total of one or more previous sentences amounts to 18 months or more.

The Secretary of Labor, as I pointed out, already has a board of review under the direction of a responsible officer; namely, the Secretary of Labor himself. This board was created in 1922 by the then Secretary of Labor. The board sits to determine whether or not under the law there is a right to deport. I say that under this bill we are delegating to one person the power to enforce the immigration law in matters of this kind, especially under the bill as it first came out.

Section 2 of the bill proposes to allow judges to make recommendations against deportation within 6 months, instead

of 30 days, provided the Interdepartmental Committee approves the judges' recommendations. It also proposes to give effect to pardons upon the same condition of approval by the committee.

What is then going to happen to the Senators and Members of the House of Representatives? They will be asked to intercede with these judges. We shall be traipsing down to the Secretary of Labor. I should not want to be Secretary of Labor under such circumstances, and have to listen to the appeals that are going to be made to him.

Increasing the period of judicial recommendation seems just in view of the intended addition of very minor crimes or misdemeanors to the deportation penalty; but it should be remembered that these crimes will for the most part be State offenses. If any right is given the State to recommend against deportation for a violation of its own statutes, why should that action be reviewable by a Federal committee, which may be composed only of minor officers in a department?

Section 3: It will be noted by this section that the committee can use its discretion only if the alien has lived in the United States 10 years or has a certain relative or relatives in the United States, and is an alien not ineligible to citizenship, and has not been convicted of a crime involving moral turpitude. In other words, even with proper family connections, if the alien comes within section 1, he cannot remain or be registered, although in section 1 the committee may restrain from deportation. Here obviously is an ambiguity.

From year to year from 1922 to 1931 the Secretary of Labor advocated the registration or enrollment of aliens in order that they might be assisted to citizenship. At no time, however, has it been deemed expedient to force an alien to become a citizen.

Subdivisions (c) of section 3 and (b) of section 5 should be eliminated. It must be remembered that an alien is subject to a check on his deportment. If given facilities to become a citizen and he is naturalized he may become a good citizen, but an alien driven to naturalization under threat of deportation is a menace to our Government.

Section 4: This provides for adjustment of status and quota for persons of preference or nonquota status in the United States and those admitted as students under proper conditions.

Comment: This is in substance what has previously been requested in asking for administration discretion. On several occasions requests for authority to adjust hardship cases were submitted. See especially the report of the Commissioner General, 1927, page 23.

Section 5 (a): This is to register aliens arriving prior to July 1, 1924. This was specifically requested in the Secretary of Labor's report of 1926 and in subsequent requests.

Subdivision (b) requires registrants to become citizens or be deported. See comment after section 3 (c).

Section 6 is administrative and provides for charging quotas with adjustments.

Section 7 changes fee for registration from $10 to $18.

Section 8 authorizes the Secretary of Labor to designate officers throughout the service to issue warrants of arrest.

Comment: This is not unreasonable. It is a request frequently discussed during all years past with the chairman of the Immigration Committee of the House. Heretofore it has been deemed advisable by Congress not to heed the requests. Instead, it will be recalled, additional assistants to the Secretary of Labor were granted.

Section 9 authorizes detention of aliens without warrant for 24 hours.

Section 10 authorizes rules and regulations.

Section 11 states the interdepartmental committee shall be representatives of the Departments of Labor, State, and Justice. It does not state who they shall be or how appointed.

Comment: If the Secretary of Labor is not the proper authority in which to vest discretion, why not have a legitimate court?

Section 13 abolishes preferences for agriculture. This has been dead for years, and its fallacy officially called to the attention of Congress by the Secretary of Labor in his annual reports of 1927 and 1928.

Mr. President, I desire to present and have printed in the RECORD a letter in the nature of a digest of the pending bill submitted to me by one who served the Department of Labor for 12 years, and served at a time when the reorganization of the Department was being made with respect to the change from open to restrictive immigration.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

FEBRUARY 20, 1936.

Senator JAMES J. DAVIS,
Washington, D. C.

DEAR SENATOR: After making a study of S. 2969, attached, with a view of preparing amendments, it is my candid opinion that I would not undertake to amend it. The bill as a whole is vicious and should be defeated.

Section 1 relates to subjects covered in whole or in part by statutes. This section is intended to convey the impression that the present laws are grossly inadequate to meet conditions. The truth is that if the law extends the authority to cover violations of State narcotic laws and for carrying concealed weapons, etc., as provided for in this section, the increase in the number deported would be negligible.

Section 2 refers principally to the right of judges to prevent deportation. The judges already have this right, but seldom exercise it. From my 10 years' experience in deciding immigration cases, I know that this right was exercised in so few cases as to present no administrative problem. The only purpose I can see in the proposed provisions in this bill is to give time to those interested in the deportable alien to intercede in behalf of the alien and in this way thwart the deportation order.

Section 3 is very cleverly designed to create a further loophole in our restrictive immigration laws. The request is based upon the much-abused use of the slogan "to relieve unusual hardship cases."

The responsibility for the enforcement of our immigation laws now rests squarely upon the shoulders of the Secretary of Labor, a high and responsible official of our Government. This is as it should be. For 10 years you carried this responsibility and I assisted, and we know that while hardship cases arose, yet they were few in number in comparison with the thousands passing over our desks. We know also that we were able to handle all of the "unusual hardship cases" in a just and humane way.

The number of hardship cases submitted in the committee report obviously includes cases that would come under the provisions of this proposed legislation and are not cases arising under the present law. There would be no such array of cases if the present officials had performed their duty as required under their oath of office.

Section 5 primarily extends the date for registration of aliens who are here illegally from June 1, 1921, to July 1, 1924. If this was all, there would be no particular objections, but that is not all. Paragraph C of this bill, as well as other sections, undertakes to force citizenship upon various classes of aliens.

Citizenship is the greatest gift we have to offer those of foreign birth. Surely this great gift should not be forced upon reluctant aliens. What value do the sponsors of this kind of legislation place upon citizenship? Apparently they hold it in light esteem and consider it of no value.

Citizenship should only be bestowed upon those seeking it of their own initiative. What kind of a citizen will an alien become who has been forced to take this step lest he lose his right to remain here?

Section 11 creates a so-called interdepartmental committee, composed of representatives of the Departments of Labor, State, and Justice.

This committee is to administer all discretionary authority. This appears to be the main objective of this bill.

This bill in one form or another has been before Congress for the past several sessions. Originally the discretionary authority was to be lodged in the Commissioner of Immigration and Naturalization. Congress refused to grant such authority to the Commissioner, and now this same discretionary authority is asked for an interdepartmental committee. It is a cheap subterfuge.

Note the wording of the paragraphs creating the interdepartmental committee. Nothing said as to who is to select the representatives. No tenure of office mentioned. No responsible officers are named to be members. Nothing to indicate the number. No limit as to number. If this bill should become a law, this committee will be composed of subservient clerks, and we will have the spectacle of a committee of irresponsible clerks handling this great and vital matter with the real administrators hiding behind its skirts.

If Congress wishes to take the responsibility for the enforcement of our immigration laws away from the Secretary of Labor, it should create an immigration court composed of a definite number of judges to be appointed by the President, by and with the consent of the Senate. Fix their compensation. Define its jurisdiction and remove its members out from under the influence of politics.

This bill should not become a law. It is my sincere belief that there is no real need for such legislation; that the laws already

on our statute books provide ample authority for the deportation of the undesirable aliens in our midst, after they are once apprehended.

The one thing needed is a mandatory registration law for all aliens in this country. This for the purpose of enabling immigration officers to locate those who have no right to be and remain here.

This bill is an obvious attempt to broaden the authority of an executive who is irking under the necessity of enforcing the laws as they now stand.

Mr. DAVIS. Mr. President, for the information of the Senator from Washington [Mr. SCHWELLENBACH], I present and ask to have printed in the RECORD a digest of the several reports of the Secretary of Labor from 1921 to 1930 on immigration, with some general comments on the immigration law from 1921 to 1935.

There being no objection, the digest and comments were ordered to be printed in the RECORD, as follows:

ADMINISTRATION LEGISLATION AND RECOMMENDATIONS DURING AND AFTER 1921

1921: The first proposal by Congress to limit immigration by numbers was vetoed by inaction of President Wilson in the closing days of his administration.

During the special session of Congress called by President Harding limitation by quota was enacted by the Congress and became law June 3, 1921, just 28 days before the close of the fiscal year. Consequently its effect is not shown until 1925.

It was anticipated that 350,000 immigrants would be admitted under it and the horribe condition then existing in the physical plant at Ellis Island eliminated. An estimate of $1,008,000 to recondition the place was asked, of which $123,470.75 was submitted to the Congress by the Bureau of the Budget.

1922—Admissions—Laws: The backbone of the immigration laws, which furnishes most of the physical, mental, and moral standards for immigrants, is the act of 1917. There has appeared little need for changing that act. In 1922 there was added to the classes of deportable aliens those convicted under certain provisions of the narcotic laws. In that respect this was strengthened again in 1931 upon requests of the Secretary of Labor, several times contained in annual reports.

The year 1922 saw the first full year of operation of the then temporary 3-percent restrictive law. In that year immigration dropped from nearly a million (1921) to 309,556. Immigration from Canada and Mexico was little affected.

Deportations: It will be noted that deportations began to increase following the war, in 1922 amounting to 4,345, of which 709 were of criminal and immoral classes. There were real hardship cases then. In the Secretary's report of 1922 is found the following:

"By a course of firm conduct and impartial dealing, the Department has succeeded in eliminating from the country a majority of the mental defectives that had accumulated, and progress is being made in eliminating the others. It makes one's heart bleed with compassion to deal with many of these unfortunates and makes an officer wish that he might trade places with a hangman."

At pages 98 and 99 will be found more details on the handling of hundreds of mental cases suspended in the previous administration, including over 900 insane, in addition to other less serious mental cases. Rejections did not show a decrease until economic adversities beset us, and until after July 1, 1924, both at sea and land ports there was no way of preventing aliens applying whether quota was open or closed. While fines were placed upon steamship companies, there were always some who were willing to take a chance of getting their passengers in under the line. Hence the greatest steamship races in history took place in that year.

Appropriations for enforcement were cut so that at the ports personnel was reduced nearly one-half. At the same time, as noted in the Secretary's report for 1922 (p. 85), the quota law, while reducing immigration vastly increased the work of the ports. Administratively the Board of Review in Washington was created to expedite the handling of appeals under the direction and supervision of the Secretary of Labor.

Recommendations for selection of immigrants: The first quota law exempted from restriction not only natives of the Americas but also residents of 1 year. The amendment of 1922 changed that to natives and residents of 5 years, but even then immigration outside of quota grew, and greater opportunities for fraud offered. Fraudulent documents of birth and residence were numerous.

In the report for 1922 the passport system then in use was condemned. It stated:

"The passport system at the present time, with reference to immigration, ill adapted to our needs. * * * Those qualified to enter should be selected on the other side and given our certificate of qualification. To accomplish this purpose legislation should be enacted providing for the examination abroad of prospective emigrants."

1923.—General comment: No new laws were given for enforcement in this year, yet notwithstanding the further restrictive amendment to the quota act of 1921, in 1922 immigration increased to more than half a million. Rejections also increased from 13,731 to 20,619 with formal deportations amounting to 3,661, of which 717 were of criminal and immoral classes. It will be noted that constantly the aim was to rid the country of the most highly undesirable. That deportation was not still further accelerated was caused by the failure of Congress to realize the enormity of the task then imposed by trying to keep out the increasingly large number of "gate crashers."

The annual report of 1923 again called attention to the need for funds and enforcement officers. A codification of all alien laws, including specific amendments, was requested. While no codification has ever been made the 1924 act—requiring visas, giving American consuls the authority to refuse, and providing some penalties in the fiscal year 1925—were beneficial. A recommendation was also made for the enrollment of all aliens so that their identity and status could always be determined without embarrassment to them.

1924.—General comment: In this year nearly three-quarters of a million immigrants were legally admitted. More than 30,000 were rejected and over 6,000 (nearly twice the previous year), including 864 criminal and immoral aliens, were deported.

This was an enormous job, considering that restriction had by this time set up well-organized movements of smuggling and surreptitious entries. Still no substantial relief by appropriation was granted, and again definite plans were presented.

Molded after the pattern presented by the Secretary of Labor to the House Committee on Immigration, the Immigration Act of 1924, requiring immigration visas, enlarging the penalties to steamship companies, and further restricting by numbers to 2 percent, this law in the following year had marked effect. Tentative agreements were, in the fiscal year 1924, had with appropriate offices of some European countries that they would consent to a preliminary examination of aliens by American consuls to determine admissibility. While the 1917 act authorized the making of agreements of this character, it had until that year been announced by members of the Immigration Committee of the House and officers of the Department of State that no government would ever consent to this control of immigrants from abroad. But it was done, and the act of 1924 was drafted after the consents were had.

Enrollment of aliens—Compulsory naturalization: Again in 1924 a recommendation for enrollment of aliens was submitted. As previously asserted, and as I still am firmly convinced, when an alien immigrant is within our gates, we should provide a program of Americanization. I do not, however, believe in compulsory naturalization.

1925—General comment: The fiscal year of 1925 was notable for several reasons. It was the first year of operation of the 1924 Immigration Act, the present basic law for numerical limitation. Immigration was reduced to 294,314, and rejections at seaports dropped because of the discretion given to consular officers in granting visas. Land-border rejections, however, were still high, because penalties, such as to steamship companies coming to seaports, were not generally applicable.

Border patrol: The second notable event was the granting by Congress of an appropriation of $1,000,000 for a land-border patrol. Previously hundreds of miles of border without officers to prevent offered opportunities for wholesale crossings. While the 500 patrol officers thus provided was but a nucleus of a really effective enforcement agency, it helped a great deal.

Deportations increased: Deportations by warrants increased to 9,495, including a larger number of criminal and immoral persons, namely, 1,015.

Recommendations: In the 1925 report of the Secretary of Labor was incorporated a review of some of the previous and new recommendations for legislation. These included the enrollment plan, a codification of alien laws, a strengthening of deportation laws to include in principle some of the changes which are now requested by the present Secretary of Labor but, at the same time, giving to aliens every reasonable protection against overzealous administrators. The program of deportation recommendations had been incorporated in a deportation bill, H. R. 11796, which passed the House but not the Senate. Fourteen classes were included, of which, however, two had only recommended in principle and not in the broad language provided. If that program had been followed, it would be unnecessary to consider any of the proposals now presented for a deportation program, and with which I am not wholly in accord. Pages 115 to 117 of the report of the Secretary for 1925 contain this deportation program.

Technical advisers: In that year also preliminary arrangement for a trial of physical and mental examinations before issuance of visas was agreed to, and generally put into effect in later years. This technical adviser service to consulates has probably done more than any other one thing ever did do to improve the quality of immigrants received.

The uniting of families: The uniting of families by certain preferences was also recommended, and in subsequent years this program was adopted by Congress.

1926—General comment: The fical year 1926 was the most satisfactory in the administration of the immigration laws. The technical adviser service abroad was in working order, and the number of rejections at seaports was almost nil because of the preliminary precautions taken in examinations abroad. Yet 304,488 immigrants were admitted, and all had to be properly documented before application for admission.

However, because of pressure on the land borders, and because of the practice which had from time immemorial existed in permitting persons in Canada and Mexico to cross daily to work in the United States, the work of examination was no less difficult.

Over 20,000 were rejected.

Deportations on warrants increased to 10,904, including 1,286 criminal and immoral—a new record.

The border patrol in that year became an effective organization, and I believe that the upward trend in illegal entrances of aliens was halted.

Relieving hardship cases: Prior recommendations were renewed, together with new ones relating to the more humane aspects of regulation, including methods of preventing separation of families and an allotment of a few visas for hardship cases to the Secretary of Labor. As pointed out in the 1926 report (p. 120), every immigrant inspector and each member of the Board of Review was being trained to the principle that, as they were dealing with the rights of human beings, every principle of equity should be available to the alien as well as to the Government, to the end that no one should suffer unjustly in the administration of this most difficult set of laws.

1927 to 1930—General comment: During these years the number of immigrants admitted did not vary appreciably, being from 335,175 to 241,700, and with the assistance of the border patrol deportations became more and more effective. Also, a policy was adopted to encourage the departure of aliens, not of the criminal and immoral classes, without warrants of deportation. Total expulsions amounted to 26,674 in 1927, 31,671 in 1928, 38,796 in 1929, and 28,018 in 1930. Of these an average of over 12,000 were on formal warrants, and deportation of criminal and immoral classes increased from 1,579 in 1927 to 1,841 in 1928, 1,856 in 1929, and 2,456 in 1930.

Recommendations: Included in recommendations in the annual report of 1927 were suggestions for reuniting families, preventing separations, and a certain amount of discretion in administrative authority. As in several years past, also, penalties for surreptitious entries were requested. The 1928 report also reiterated these needs. The uselessness of the preference granted by the 1924 act in favor of immigrants skilled in agriculture was also pointed out.

Canadian border crossings for labor: During these years was evolved a policy of forbidding the entrance as business "visitors" aliens residing in foreign contiguous territory, to labor in the United States. On April 1, 1927, an administrative order was put into effect barring from such crossing aliens who were not legally admitted residents of the United States. A program was worked out, however, whereby, through the cooperation of the State Department, worthy cases of nonresident aliens secured proper visas.

This restriction, however, was a blow to the large number of aliens residing in Canada, because they could not qualify for admission as immigrants, and yet enjoyed the privilege of working here. It was fought in court, and finally, on April 8, 1929, the Supreme Court of the United States affirmed the viewpoint of the Secretary of Labor. In the report of 1928 is stated:

"If its (the Supreme Court) decision is against the Government, then the present restrictive immigration law will no longer be of any effect as a protection to the wage earners of the United States against alien labor of foreign countries."

This instance shows how effective can be an administrative action:

Legislation of March 1929: On March 2 and 4 of 1929 a part of recommendations were approved. The act of March 2 authorized a voluntary registration of certain aliens who arrived before June 3, 1921; and the act of March 4 made criminal the surreptitious entry of an alien, his return after deportation, and made deportable some criminal aliens that previously it had been impossible to reach. These acts, however, were more stringent than requested, and were later modified, upon recommendation, to relieve some of the extreme hardships created. In the meantime certificates of lawful admission were provided incoming immigrants, another step toward the ultimate registration of all aliens.

The operation of the border patrol, and the coordination of activities of the Immigration Service, with the additional help of penalties provided, made it possible in the annual report of 1932 to report (p. 15) that "illegal entries over the boundaries have been materially checked" and "that the purposes of immigration laws are reasonably well carried out."

1931 to 1933—General comments: During these years, except for the volume of immigration, the results of enforcement were similar to the immediately preceding years. However, the reputed "drives" to round up aliens believed to be subject to deportation resulted in little difference in actual expulsions and deportations, in 1931 being 29,861; in 1932, 30,201; and 1933, 30,112; practically all the deportations in the fiscal year 1933 occurring prior to March 4 of that year. It will be noted also that the level of deportations of criminal and immoral classes have remained at about the same level of about 2,500 up to 1935.

1934 and 1935—General comment: While no reasons are assigned, during the period from July 1, 1933, to June 30, 1935, deportations and total expulsions declined by about 50 percent, from an average of 19,500 formal warrants in the 2 preceding years to an average of about 8,500 in 1934 and 1935, with total expulsions with and without warrants declining by some 14,000 a year. These are not accounted for in the total of some 2,800 cases said to be now held in abeyance as accumulated over the period of more than 2 years.

Mr. DAVIS. Mr. President, the restriction of immigration has been a serious problem to my knowledge over a period of more than 40 years.

I remember very well the agitation for restrictive legislation against orientals, which was passed in 1882, and at that time the people of America believed that a solution was had of their immigration problems.

This was not true, however, for, while the restriction of orientals brought a slight reduction in agitation, there immediately began a more serious problem during the late eighties and early nineties in the development of the major industries of the country. There was a press for cheap labor and the corporations went out into the farming communities and through the countryside in central Europe to recruit the common labor which could not be found in the United States. So great was the competition in the securing of this labor that agents were sent abroad and railroads and steamship lines were subsidized by industry to such an extent that in many instances the fare of an immigrant from central Europe to Chicago was as low as approximately $10, and this amount was frequently advanced by the employers to be deducted from the wages after the immigrant's arrival. The conditions on ships were such that every available inch of space was used for steerage, and it was a common expression that immigrants in the holds of ships were referred to as being packed like sardines in a box.

The wages which were paid to these immigrants thus recruited were very low, and it can be easily seen that the corporations which were formed with large issues of common stock had to make their profits out of the cheapness of the labor which they imported in this manner.

The immigrants who came to do this work were from every part of central Europe, and in communities where I have lived I have heard every language of Europe spoken where English was little, if any, understood. These immigrants came in colorful groups as they arrived at our shores in their native costumes. They were of the plain kind of countryfolk, generous in spirit, noble in thought, hardy, and with great endurance. They came with one thought in mind, and that was to find a better place for themselves and to help build a great Republic for their posterity.

To get a full and complete picture of these great migrations one has only to read the reports and recommendations, both of the majority and minority, of the Immigration Commission, referred to as the elder Roosevelt Commission, and headed by the late Senator from Vermont, Walter P. Dillingham.

Keen partisanship grew out of this situation because developing industry felt it needed to continue this importation of cheap labor, and it became a partisan issue. Those who believed that the country could only prosper by continued unrestricted immigration were very persistent. During this period between the eighties and up to the time of this Commission's report, the wage earners began to feel the very slimness of their wage and began to demand the American standard which they saw about them. Naturally strikes resulted, and to break these strikes the same corporations used the additional supply of what we might call "raw labor", which was coming in in large numbers at that time. In fact, one of the earlier of our immigration laws is the contract-labor law, which prohibited the contracting for this labor abroad, but this was of little effect when the bars were down and the migrations had started, with the cost of railroad and steamship passage being so low as to present no obstacle to the migration of these millions of people.

The peak of immigration was reached just before the World War when nearly a million and a half immigrants were admitted, but the World War gave us the only breathing spell or any restriction upon immigration that we had after the great migration started. Because of the disturbed conditions in Europe and the unavailability of ships for immigrants we had a breathing spell, during which the 1917 Immigration Act was formulated and which gave us the first real standard by which to bar immigrants and impose restrictions on immigrants from certain oriental countries and the educational or reading test which was applied to all those who thereafter sought entry.

Following the war, however, immigration immediately resumed in great numbers, and we were well on our way to reach or pass the peak previously marked before the war. Nearly a million immigrants entered in the year from July 1, 1920, to June 30, 1921, and it was reported that millions and millions

of immigrants—residents of wartime Europe—were breaking up their homes and flocking to ports seeking passage on ships as soon as they were available after being released from wartime service.

This condition brought to attention the necessity for a numerical restrictions of immigration. The first restrictive act was rushed through at the first special session of Congress called in 1921, and the 3-percent restrictive law was passed. Against this restriction there were numerous exceptions, and the total of immigration dropped considerably and gradually increased until it reached again the three-quarters of a million mark.

There was a real battle to get the 3-percent restrictive act, and the battle continued until the passage of the 1924 act, which is the basic restrictive law at the present time, the wisdom of which I believe is now clear to all.

Mr. President, during the time I was administrator of the immigration laws, I tried to temper justice with mercy. My sympathies are naturally with the immigrant who is legally here because I came here myself as an alien boy of 7½ years. This country has treated me well, and now that it has placed me in a position of trust I want to return the benefit to the best of my ability.

Like all other aliens, we came here to improve our condition. During that time aliens were coming to this country because there was a great demand for their services. When they came, they brought with them a knowledge of skills and technical aptitudes which has helped to make this country strong. There was much in the lands they left for which they have a true and natural affection. They came here because of the opportunities of the average man on American farms, in mills, mines, and factories. At the time we came here there was a great demand for workers, and American agents had been sent abroad to recruit labor for American agriculture and industry. Immigrants poured in by the millions. They added color and strength to American life.

Now the need for labor has been replaced by the need for employment. Therefore, it was necessary to change the immigration policy of the country so that the millions of unemployed now within our borders may have the right to work.

This country has ever been regarded as a refuge for the persecuted of other lands, and we have sheltered thousands of men and women who found the Old World customs oppressive to them, and how fortunate are all of us who came to this country as we now enjoy a freedom of speech and the guiding of individual conscience that is denied to many in the lands of their birth. While they have a policy of restrictive immigration, I trust that those who come under this policy will be the noble men and women whose ideals of democracy, constitutional government, and protective genius naturally draw them to this land. Under the limitations of immigration now in effect we may expect that those who come to us will bring with them those things necessary to help give employment to the unemployed.

Mr. REYNOLDS. I ask to have printed in the RECORD as a part of my remarks at this point a digest which I have prepared relative to the three sections of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Section 1 (1): I am wholly in accord with the provisions of this subsection.

Section 1 (2): This subsection still embodies the vices which the Commissioner of Immigration and Naturalization alleges exist in the Act of 1917 through the inclusion of time limitations. There is precisely the same temptation for an alien to plead guilty to a lesser offense than that for which he is charged involving moral turpitude in order to escape the penalty of deportation. As the Commissioner says, there is an inducement to have a case nol-prossed. Cases are nol-prossed, of course, through the exercise of political pressure in order to prevent an habitual alien criminal from being deported. An alien may be released on bail which he can jump, or he may be given a suspended sentence. Under this subsection as it now stands, there is a particular temptation to secure the exercise of political pressure in order to get a suspended sentence, because the Commissioner of Immigration and Naturalization is granted discretionary power to exempt the alien from deportation under such conditions. There remains under this provision the same temptation to secure a recommendation from the judge or magistrate against deportation as in the present law, although to be sure under S. 3969 section 2 gives discretion to the Secretary of Labor as to the desirability of accepting this recommendation. In other words, we still have under this subsection a large amount of discretionary power, and what is worse, we no longer have a provision that aliens with a long record of crime, against whom it is not possible at the moment to bring deportation proceedings because the last offense involving moral turpitude occurred over 5 years ago. It may be pointed out in this connection that here again is a vast temptation to use political pressure to secure a conviction for a crime of lesser moment than that charged in order to escape deportation, and under this subsection that temptation is continuing throughout the entire residence of the alien in the United States. Under the existing statute, if by chance any alien committed a second offense involving moral turpitude, he is mandatorily deportable at any time after his entry into the country. The subsection as now drawn, therefore, grants amnesty to a vast class of habitual criminals who can continue to prey upon the community so long as they avoid an offense involving moral turpitude. (Senators will please read from Fruit of the Family Tree, pp. 8, 16, 186, and also read the report of the Commissioner of Immigration to accompany list of stayed deportation cases dated Jan. 15, 1936, H. Doc. 392.)

Section 1 (3): It is preposterous to continue the embodiment of the provision in this subsection that in order to secure deportation the Government shall prove that an illegal entry was induced, assisted, or aided for the purpose of gain. There is no reason in morals or in law why an alien should be exempt from the penalties to which a citizen is exposed by being an accessory to the commission of a crime. It is a very grave crime to promote illegal entry into the United States, because a reference to section 22 of the Immigration Act of 1924 discloses the character of crimes an alien commits in order to secure entry into the United States by illegal methods, and the penalty imposed by Congress for the perpetration of the crime of illegal entry under the provisions set forth in section 22 carry a penalty of $10,000 fine or 5 years in jail. At the very least the act of March 4, 1929, section 2, provides that any alien who hereafter enters the United States at any time or place other than as designated by immigration officials, or eludes examination, etc., shall be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000. In order to bring an alien within the provisions of the statutes as this subsection is now drawn, the promotion of illegal entry would have to become a habit, because it is only upon proof that illegal entry has been promoted on more than one occasion that the alien becomes mandatorily deportable.

Section 1 (4): I object to this subsection for two reasons. First, it contains the vicious limitation as to time which has been discussed in connection with subsection 1 of this section; and secondly, it gives broad discretionary power to the Commissioner of Immigration and Naturalization to release the alien if he thinks it to be in the public interest; that means in substance that the alien is released if enough political pressure can be exercised to save him from deportation. In connection with this subsection I want to call your attention to the fact that in the Uniform Crime Reports, issued by the Bureau of Investigation of the Department of Justice of the United States (last issue), it will be noted that the rate of arrests of aliens for criminal homicide exceeds that of the native-born persons.

Section 2: This section extends the period of time during which the judge may make a recommendation that an alien convicted in his court be not deported as a consequence of such conviction. The obvious result, if indeed it is not the purpose of this extension of time, is to permit the alien to muster political pressure whereby a recommendation for exemption from deportation may be forced from the judge. The provision in the section that the recommendation of the judge must be accompanied by the Commissioner of Immigration and Naturalization is meritorious to the extent that makes it incumbent on the persons exercising political pressure to force attention on the Commissioner of Immigration and Naturalization, in addition to the judge. It is hardly conceivable that if the alien can secure a recommendation that he be not deported from the judge that the Secretary of Labor will nevertheless deport him.

Section 3 (a): This section relates to the 2,862 aliens whose deportation has been suspended by the Department of Labor in defiance of the existing statutes, and which, of course, extends amnesty to all aliens of a similar class who may be subsequently apprehended. The grant of discretionary power conferred by this section extends for 3 years and it not only makes possible a grant of amnesty to any alien illegally entered in the past, but who falls within the scope of its exemption, but also grants amnesty to prospective violators of the law for a period of 3 years. It is, of course, inevitable that when such a provision as this is written into the law the alien blocs will force all the political pressure they can assemble in the next 3 years for its indefinite extension, and leave the Congress no peace or establish any permanency in our immigration policy. The beneficiaries of this provision are those who have successfully hidden themselves in the community for 10 years, or have succeeded in escaping detection for 1 year, and have living in the United States a parent, spouse, legally recognized child, etc. Inasmuch as probably 80 percent of the aliens in the United States have a relative belonging to one or other of the classes mentioned in this subsection, the vast scope of this discretionary power is at once apparent, but worse than that it holds out to the alien the temptation to recognize an illegitimate child or adopt a child in order to escape deportation. This section raises directly the question as to the moral character of an alien who illegally enters the United States. The Department of Labor and the Commissioner

of Immigration in particular has repeatedly set forth the view that illegal entry is not in itself any evidence of bad moral character, although, as has already been pointed out, certain classes of illegal entrants are subject to the penalty of $10,000 fine and 5 years in jail, or the lesser penalty under other circumstances of $1,000 fine or 1 year in jail. Section 3 is strongly objected to by the Federation of Labor, the Brotherhood of Locomotive Firemen and Enginemen. (See testimony of Hushing before Senate committee.)

Section 4 (a): Inasmuch as aliens who have entered the United States illegally and who may or may not legalize their position in the United States under the provisions of this section are entitled to the privileges of the National Security Act, and also inasmuch as the provisions of the Executive order of May 20, 1935, prescribing rules and regulations for the enforcement of the Emergency Relief Act is so drawn as to make it impossible now to exclude the alien legally entered or illegally entered from the benefits of the Emergency Relief Act, we are holding out through this section a tremendous bonus to any alien abroad to enter the United States, legally, if possible, or illegally, if not possible, in order to enjoy benefits not conferred in any other country in the world upon the foreigner.

Section 4 (b): I regard the provisions of this section as vicious, inasmuch as it puts a premium on an alien using the easier method of entering the United States by declaring himself to be a temporary visitor in order to avoid the more stringent requirements for entry under the quota. It is inevitable that an alien once in the country under the provisions of this section, which is closely linked with section 3 in its application, can evade the restrictive provisions of our immigration statutes much more easily than if he subjected himself to an examination abroad. The Government is deprived of an opportunity to have the consul pass judgment at the moment of application for entry as to whether the immigrant would qualify as a quota immigrant or for a preference within the quota. Furthermore, the provisions granted under this section are distinctly unjust to the honest and law-abiding alien who seeks to enter for permanent residence in accordance with the provisions of the existing statutes. We further object to this section on the grounds that it confers on the Commissioner of Immigration and Naturalization the right to change the status.

Section 5: The purpose of this section is to establish the legality of entrance of any alien who entered the United States prior to July 1, 1924, of whom there is no record of entry. It has been estimated that this provision, which has been embodied in a series of bills offered from time to time in Congress, would legalize the entry of some 250,000 illegal entrants who entered between 1921 and 1924. There is no possible method of ascertaining the number of direct beneficiaries under this section, but it must be borne in mind that every beneficiary whose entry is legalized acquires the privilege, upon establishing citizenship, of bringing in nonquota immigrants who are relatives. There can be no question but what the enactment of this provision would increase the number of immigrants coming into the United States during this period of depression.

Section 6 (a): My position in regard to this section is that the burden of proof should be upon the alien in every matter which arises in connection with the enforcement of the provisions of this act.

Section 6 (b) and (c): Being dependent upon sections 3, 4, and 5, in my opinion, should be deleted along with those sections. At any rate, any immigration act which Congress would pass should require that the burden of proof be borne by the alien. Of course, it is recognized, if Congress yields to the alien bloc by enacting these sections, provisions such as are embodied are necessary.

Section 7: Is dependent upon the action which Congress may take in respect to section 4.

Section 8: I approve section 8 as is embodied in my bill.

Section 9: I approve section 9 as is embodied in my bill.

Section 10: The reckless abuse of power by the Commissioner of Immigration and Naturalization in the course of the past 2 years and 8 months convinces me that in any grant of power to make rules and regulations, there should be added a proviso that these rules and regulations must be wholly in accord with the fundamental purpose expressed in the act and be wholly opposed to grant of broad discretionary power by way of rules and regulations.

Section 11: Provides for the establishment of an interdepartmental committee and stands or falls on the proposition that a grant of discretionary power be given to it.

ORDER OF BUSINESS

Mr. ROBINSON. Mr. President, I desire to submit a request for unanimous consent relating to the procedure of the Senate. The request which I am about to make is approved by the leader of the minority, the Senator from Oregon [Mr. McNARY].

I ask unanimous consent that the unfinished business be temporarily laid aside; that the Senate proceed to the consideration of the District of Columbia appropriation bill; that when the Senate shall have concluded its labors today it adjourn until 12 o'clock noon tomorrow, and after the conclusion of routine morning business and until the hour of 2 o'clock tomorrow the Senate shall proceed to the consideration of unobjected bills on the calendar.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Arkansas?

Mr. AUSTIN. Mr. President, is it contemplated that at the conclusion of today's business the Senate shall adjourn until noon tomorrow?

Mr. ROBINSON. Yes.

Mr. FLETCHER. Mr. President, may I ask the Senator to add to his request that after the conclusion of the call of the calendar the Senate shall proceed to the consideration of Senate bill 4023?

Mr. ROBINSON. I will state to the Senator from Florida that my request as now submitted is rather a lengthy one, and I have not had an opportunity to confer with the leader of the minority as to the feature suggested. I shall cooperate with the Senator from Florida in order to secure early consideration of the bill to which he has referred. I should not at this time like to include it in my request for the reason I have indicated.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Arkansas? The Chair hears none, and it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, under the agreement just entered into, I ask that the Senate proceed to the consideration of the District of Columbia appropriation bill.

The PRESIDING OFFICER. Under the agreement the Chair lays before the Senate the District of Columbia appropriation bill.

The Senate proceeded to consider the bill (H. R. 11581) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first amendment of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, on page 2, line 8, after the word "addition", to strike out "$2,700,000" and insert "$5,700,000", so as to read:

That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1937, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, $5,700,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1936, and all of the remainder out of the combined revenues of the District of Columbia, namely:

The amendment was agreed to.

The next amendment was, under the heading "General expenses—Executive office", to increase the appropriation for personal services under the building inspection division from $113,360 to $122,860.

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "services", to strike out "$37,390" and insert "$43,690", and in line 3, after the words "in all", to strike out "$37,690" and insert "$43,990", so as to read:

Plumbing inspection division: For personal services, $43,690; two members of plumbing board at $150 each; in all, $43,990.

The amendment was agreed to.

The next amendment was, on page 4, line 10, after "(49 Stat., p. 653)", to strike out "$11,000" and insert "$18,000", so as to read:

Smoke regulation and control: For personal services, equipment, instruments, supplies, transportation, and other contingent ex-

penses necessary for the enforcement of the act entitled "An act to prevent the fouling of the atmosphere in the District of Columbia by smoke and other foreign substances, and for other purposes", approved August 15, 1935 (49 Stat., p. 653), $18,000.

The amendment was agreed to.

The next amendment was, on page 4, at the end of line 26, to increase the appropriation for personal services under the collector's office from $45,900 to $47,900.

The amendment was agreed to.

The next amendment was, under the subhead "Office of corporation counsel", on page 5, line 10, after the word "services", to strike out "$99,520" and insert "$104,120", so as to read:

Corporation counsel, including extra compensation as general counsel of the Public Utilities Commission, and other personal services, $104,120.

The amendment was agreed to.

The next amendment was, on page 5, line 17, after the word "exceeding", to strike out "$500" and insert "$1,000", and in line 20 to strike out "$39,900" and insert "$40,400", so as to read:

ALCOHOLIC BEVERAGE CONTROL BOARD

For personal services, streetcar and bus transportation, telephone service, not exceeding $1,000 for the purchase of samples, not exceeding $100 for witness fees, and other necessary contingent and miscellaneous expenses, $40,400.

The amendment was agreed to.

The next amendment was, under the subhead "Coroner's office", on page 5, line 24, to strike out "$10,180" and insert "$10,600", so as to read:

For personal services, including deputy coroners, in accordance with the Classification Act of 1923, as amended, $10,600.

The amendment was agreed to.

The next amendment was, under the subhead "Public Utilities Commission", on page 7, line 12, after the word "services", to strike out "$69,000" and insert "$75,000", so as to read:

For two commissioners, people's counsel, and for other personal services, $75,000, of which amount not to exceed $5,000 may be used for the employment of expert services by contract or otherwise and without reference to the Classification Act of 1923, as amended.

The amendment was agreed to.

The next amendment was, under the subhead "Surveyor's office", on page 8, line 8, after the word "services", to strike out "$73,260" and insert "$80,000', so as to read:

For personal services, $80,000.

The amendment was agreed to.

The next amendment was, on page 8, line 11, after the figures "$2,500", to strike out the colon and the following proviso: "*Provided,* That the amount to be expended from the appropriation herein for personal services, Surveyor's Office, shall not exceed an amount greater than the estimated receipts for the fiscal year 1937 from the work of such office", so as to read:

For rebinding and repairing record books in the office of the Surveyor of the District of Columbia, showing properties in the District of Columbia, $2,500.

The amendment was agreed to.

The next amendment was, under the subhead "Department of vehicles and traffic", on page 9, line 23, after the word "services", to strike out "$69,600" and insert "$74,640", so as to read:

For personal services, $74,640.

The amendment was agreed to.

The next amendment was, under the subhead "Recorder of deeds", on page 10, line 22, after the word "services", to strike out "$97,380" and insert "$104,580", so as to read:

For personal services, $104,580.

The amendment was agreed to.

The next amendment was, under the heading "Contingent and miscellaneous expenses", on page 11, line 13, after the word "exceed", to strike out "$1,000" and insert "$2,000"; and in line 22, after the word "offices" and the semicolon, to strike out "$26,000" and insert "$27,000", so as to read:

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles; traveling expenses not to exceed $2,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of $6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices; $27,000.

The amendment was agreed to.

The next amendment was, on page 12, line 3, after the word "binding", to strike out "$40,000" and insert "$43,000", so as to read:

For printing and binding, $43,000, and the last proviso of this paragraph shall not apply to work which can be performed at a lower cost in the central duplicating section of the District of Columbia or the printing plant at the reformatory at Lorton, Va.

The amendment was agreed to.

The next amendment was, under the subhead "Central Garage", on page 12, line 20, after the word "services", to strike out "$58,340" and insert "$60,467"; and in line 24, after the figures "$800" and the semicolon, to strike out "in all, $72,980" and insert "executive office, three, $6,300; and one ambulance for the Board of Public Welfare, $1,660; for purchase of two passenger-carrying automobiles, $1,160, and two station wagons, $1,500; in all, $85,727", so as to read:

For maintenance, care, repair, and operation of passenger-carrying automobiles owned by the District of Columbia, including personal services, $60,467; for purchase (including exchange) of passenger-carrying automobiles, $13,840; and for purchase (including exchange) of a passenger-carrying automobile for the assessor's office, $800; executive office, three, $6,300; and one ambulance for the Board of Public Welfare, $1,660; for purchase of two passenger-carrying automobiles, $1,160, and two station wagons, $1,500; in all, $85,727.

The amendment was agreed to.

The next amendment was, on page 14, line 10, after the word "of", to strike out "$9,500" and insert "$10,400", so as to read:

The Commissioners are authorized, in their discretion, to furnish necessary transportation in connection with strictly official business of the District of Columbia by the purchase of streetcar and bus fares from appropriations contained in this act: *Provided,* That the expenditures herein authorized shall be so apportioned as not to exceed a total of $10,400: *Provided further,* That the provisions of this paragraph shall not include the appropriations herein made for the fire and police departments.

The amendment was agreed to.

The next amendment was, on page 16, line 6, after the word "Commissioners", to strike out "$1,500" and insert "$2,500"; and in line 9, after the word "such", to strike out "investigations" and insert "purposes", so as to read:

EMERGENCY FUND

To be expended only in case of emergency, such as riot, pestilence, public insanitary conditions, calamity by flood or fire or storm, and of like character, and in all other cases of emergency not otherwise sufficiently provided for, in the discretion of the Commissioners, $2,500: *Provided,* That the certificate of the Commissioners shall be sufficient voucher for the expenditure of not to exceed $1,000 for such purposes as they may deem necessary.

The amendment was agreed to.

The next amendment was, under the heading "Free Public Library", on page 17, line 20, after the word "librarian", to strike out "$352,020" and insert "$354,020", so as to read:

For personal services, and for substitutes and other special and temporary services, including extra services on Sundays, holidays, and Saturday half holidays, at the discretion of the librarian, $354,020.

The amendment was agreed to.

The next amendment was, on page 17, line 23, after the word "publications" and the comma, to strike out "$40,000" and insert "$60,000", so as to read:

Miscellaneous: For books, periodicals, newspapers, and other printed material, including payment in advance for subscription books, and society publications, $60,000.

The amendment was agreed to.

The next amendment was, under the heading "Street and road improvement and repair—Gasoline tax, road and street improvements and repairs", on page 20, after line 10, to insert:

Northwest: Runnymede Place, Broad Branch Road to Nevada Avenue, and Nevada Avenue, Runnymede Place to Western Avenue, $8,400.

The amendment was agreed to.

The next amendment was, on page 23, line 9, after the word "exceed", to strike out "$350,000" and insert "$450,000", so as to read:

For replacement of the superstructure, and such portions of the substructure as may be necessary, including relocation and reconstruction of approach roads of the Chain Bridge in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, including personal services, engineering and incidental expenses, $250,000; and the Commissioners are authorized to enter into contract or contracts for the completion of said bridge at a cost not to exceed $450,000.

The amendment was agreed to.

The next amendment was, on page 23, line 22, after the word "exceed", to strike out "$2,161,200" and insert "$2,169,600", so as to read:

In all, not to exceed $2,169,600, to be immediately available; to be disbursed and accounted for as "Gasoline tax, road, and street improvements and repairs", and for that purchase shall constitute one fund.

The amendment was agreed to.

The next amendment was, under the subhead "Wharves", on page 25, after line 21, to insert:

For construction of pier at fish wharf and market, including approaches, preparation of plans and specifications, and personal services, $20,000.

The amendment was agreed to.

The next amendment was, under the heading "Sewers", on page 26, line 20, after the word "work", to strike out "$226,820" and insert "$230,170", so as to read:

For cleaning and repairing sewers and basins; including the replacement of the following motor trucks: One at not to exceed $2,500; two at not to exceed $975 each; for operation and maintenance of the sewage pumping service, including repairs to boilers, machinery, and pumping stations, and employment of mechanics and laborers, purchase of coal, oil, waste, and other supplies, and for the maintenance of non-passenger-carrying motor vehicles used in this work, $230,170.

The amendment was agreed to.

The next amendment was, on page 27, line 24, after the word "vehicle", to strike out "$157,211" and insert "$190,403", so as to read:

Sewage treatment plant: For operation and maintenance, including salaries and wages of necessary employees, supplies, repairs to buildings and equipment, purchase of electric power, fuel, oil, waste, and other necessary expenses, including not to exceed $950 for the purchase of one non-passenger-carrying motor vehicle, $190,403.

The amendment was agreed to.

The next amendment was, under the heading "Collection and disposal of refuse", on page 28, line 23, after the word "expenses", to strike out "$825,000" and insert "$850,000", so as to read:

To enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes in the District of Columbia, including inspection; fencing of public and private property designated by the Commissioners as public dumps; and incidental expenses, $850,000.

The amendment was agreed to.

The next amendment was, under the heading "Public playgrounds", on page 29, line 8, after the word "services", to strike out "$116,000" and insert "$122,500", so as to read:

For personal services, $122,500: *Provided*, That employments herewith, except directors who shall be employed for 12 months, shall be distributed as to duration in accordance with corresponding employments provided for in the District of Columbia Appropriation Act for the fiscal year 1924.

The amendment was agreed to.

The next amendment was, on page 29, line 16, after the word "maintenance", to strike out "$39,000" and insert "$40,800", so as to read:

For general maintenance, repairs, and improvements, equipment, supplies, incidental and contingent expenses of playgrounds, including labor and maintenance, $40,800.

The amendment was agreed to.

The next amendment was, on page 29, line 24, after the words "school term", to strike out "$28,000" and insert "$29,700", so as to read:

For the maintenance and contingent expenses of keeping open during the summer months the public-school playgrounds, under the direction and supervision of the Commissioners; for special and temporary services, directors, assistants, and janitor service during the summer vacation, and, in the larger yards, daily after school hours during the school term, $29,700.

The amendment was agreed to.

The next amendment was, under the heading "Electrical department", on page 30, line 5, after the word "services", to strike out "$135,300" and insert "$142,500", so as to read:

For personal services, $142,500.

The amendment was agreed to.

The next amendment was, under the heading "Public schools", on page 32, line 8, after the word "superintendents", to strike out "$679,995" and insert "$691,795", so as to read:

For personal services of administrative and supervisory officers in accordance with the act fixing and regulating the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, approved June 4, 1924 (43 Stat., pp. 367–375), including salaries of presidents of teachers colleges in the salary schedule for first assistant superintendents, $691,795.

The amendment was agreed to.

The next amendment was, on page 32, line 10, after the word "employees", to strike out "$169,100" and insert "$193,400", so as to read:

For personal services of clerks and other employees, $193,400.

The amendment was agreed to.

The next amendment was, on page 32, line 21, after the word "twelve", to strike out "$6,962,240" and insert "and including $10,000 for health and physical-education teachers to supervise play in schools of the central area, bounded by North Capitol Street on the east, Florida Avenue on the north, the Mall on the south, and Twelfth Street on the west, $7,113,640", so as to read:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat., pp. 367–375), including for teachers colleges assistant professors in salary class 11, and professors in salary class 12, and including $10,000 for health and physical-education teachers to supervise play in schools of the central area, bounded by North Capitol Street on the east, Florida Avenue on the north, the Mall on the south, and Twelfth Street on the west, $7,113,640.

The amendment was agreed to.

The next amendment was, on page 33, line 14, after the word "schools", to strike out "$29,400" and insert "$32,400", so as to read:

For the instruction and supervision of children in the vacation schools and playgrounds, and supervisors and teachers of vacation schools and playgrounds may also be supervisors and teachers of day schools, $32,400.

The amendment was agreed to.

The next amendment was, under the subhead "Night schools", on page 34, line 10, after the word "schools", to strike out "$91,360" and insert "$94,180", so as to read:

For teachers and janitors of night schools, including teachers of industrial, commercial, and trade instruction, and teachers and janitors of night schools may also be teachers and janitors of day schools, $94,180.

The amendment was agreed to.

The next amendment was, under the subhead "Community Center department", on page 36, line 4, after the word "fixtures", to strike out "$50,000" and insert "$75,000", so as to read:

For personal services of the director, general secretaries, and community secretaries in accordance with the act approved June 4, 1924 (43 Stat., pp. 369, 370); clerks and part-time employees, including janitors on account of meetings of parent-teacher associations and other activities, and contingent expenses, equipment, supplies, and lighting fixtures, $75,000.

The amendment was agreed to.

The next amendment was, under the subhead "Care of buildings and grounds", on page 36, line 11, to strike out "$932,202" and insert "$937,730", so as to read:

For personal services, including care of smaller buildings and rented rooms at a rate not to exceed $96 per annum for the care of each schoolroom, other than those occupied by atypical or ungraded classes, for which service an amount not to exceed $120 per annum may be allowed, $937,730.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous", on page 36, line 17, after the word "pupils", to strike out "$22,000" and insert "$26,000", so as to read:

For transportation for pupils attending schools for tubercular pupils, sight-conservation pupils, and crippled pupils, $26,000.

The amendment was agreed to.

The next amendment was, on page 37, line 1, after the word "power", to strike out "$300,000" and insert "$325,000", so as to read:

For fuel, gas, and electric light and power, $325,000.

The amendment was agreed to.

The next amendment was, on page 37, line 10, after the word "exceeding", to strike out "$5,000" and insert "$6,800"; in line 11, after the words "in all", to strike out "$121,500" and insert "$124,500"; and in the same line, after the word "available", to insert a comma and "of which not to exceed $1,200 may be expended for tabulating school census cards either by contract or by day labor as the Commissioners may determine", so as to read:

For contingent expenses, including United States flags, furniture and repairs of same, stationery, ice, paper towels, and other necessary items not otherwise provided for, and including not exceeding $8,000 for books of reference and periodicals, not exceeding $1,500 for replacement of pianos at an average cost of not to exceed $300 each, not to exceed $1,000 for the purchase of one grand piano for the Armstrong High School, not exceeding $6,800 for labor; in all, $124,500, to be immediately available, of which not to exceed $1,200 may be expended for tabulating school census cards either by contract or by day labor as the Commissioners may determine.

The amendment was agreed to.

The next amendment was, on page 38, line 6, after the word "School", to strike out $90,000" and insert "$113,000"; and in line 10, after the words "in all", to strike out "$127,000" and insert "$150,000", so as to read:

For completely furnishing and equipping buildings and additions to buildings as follows: Anacostia Junior-Senior High School, $113,000; Armstrong High School gymnasium, $3,000; Eliot Junior High School addition, $12,000; Randall Junior High School addition, $10,000; Hardy School, second floor, $3,000; eight-room building on old John F. Cook School site, $9,000; in all, $150,000.

The amendment was agreed to.

The next amendment was, under the subhead "Buildings and grounds", on page 41, after line 6, to insert:

For construction of an addition to the Alice Deal Junior High School, including 10 classrooms and 1 gymnasium, $165,000.

The amendment was agreed to.

The next amendment was, on page 41, after line 9, to insert:

For a stadium and athletic field at the Woodrow Wilson Senior High School, $83,000.

The amendment was agreed to.

The next amendment was, on page 41, line 20, after the words "In all", to strike out "$1,402,500" and insert "$1,650,-500", so as to read:

In all, $1,650,500, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools", and for that purpose shall constitute one fund and remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan Police—Salaries", on page 44, line 2, after the word "department", to strike out "$3,286,100" and insert "$3,390,-200", so as to read:

For the pay and allowances of officers and members of the Metropolitan Police force, in accordance with the act entitled "An act to fix the salaries of the Metropolitan Police force, the United States Park Police force, and the fire department of the District of Columbia" (43 Stat., pp. 174–175), as amended by the act of July 1, 1930 (46 Stat., pp. 839–841), including compensation at the rate of $2,100 per annum for the present assistant property clerk of the police department, $3,390,200.

The amendment was agreed to.

The next amendment was, on page 44, line 3, to increase the appropriation for personal services under the Metropolitan Police from $121,700 to $129,260.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous", on page 44, line 23, after the word "patrol", to strike out "$67,750" and insert "$69,000", so as to read:

For miscellaneous and contingent expenses, including rewards for fugitives, purchase of gas equipment and firearms, maintenance of card system, stationery, city directories, books of reference, periodicals, newspapers, telegraphing, telephoning, photographs, rental and maintenance of teletype system and labor-saving devices, telephone service charges, purchase, maintenance, and servicing of radio broadcasting systems, purchase of equipment, gas, ice, washing, meals for prisoners, medals of award, not to exceed $300 for car tickets, furniture and repair thereto, beds and bed clothing, insignia of office, police equipments and repairs to same, and mounted equipment, flags and halyards, storage and hauling of stolen or abandoned property, and traveling and other expenses incurred in prevention and detection of crime and other necessary expenses, including expenses of harbor patrol, $69,000, of which amount not exceeding $2,000 may be expended by the major and superintendent of police for prevention and detection of crime, under his certificate, approved by the Commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

The amendment was agreed to.

The next amendment was, on page 45, line 21, after the word "another", to strike out "$46,000" and insert "$49,750", so as to read:

Uniforms: For furnishing uniforms and other official equipment prescribed by department regulations as necessary and requisite in the performance of duty to officers and members of the Metropolitan Police, including cleaning, alteration, and repair of articles transferred from one individual to another, $49,750.

The amendment was agreed to.

The next amendment was, on page 48, line 3, to increase the appropriation for personal services (salaries), under the health department, from $180,150 to $185,790.

The amendment was agreed to.

The next amendment was, on page 49, line 16, after the word "expenses", to strike out "$41,960" and insert "$45,-380", so as to read:

For the maintenance of a dispensary or dispensaries for the treatment of indigent persons suffering from tuberculosis and of indigent persons suffering from venereal diseases, including payment for personal services, rent, supplies, and contingent expenses, $45,380.

The amendment was agreed to.

The next amendment was, on page 50, line 15, after the word "clinics", to strike out "$70,760" and insert "$84,000", so as to read:

Hygiene and sanitation, public schools, salaries: For personal services in the conduct of hygiene and sanitation work in the public schools, including the necessary expenses of maintaining free dental clinics, $84,000.

The amendment was agreed to.

The next amendment was, on page 50, line 22, after the word "expenses", to strike out "$1,800" and insert "$3,300", so as to read:

For maintenance of laboratories, including reference books and periodicals, apparatus, equipment, and necessary contingent and miscellaneous expenses, $3,300.

The amendment was agreed to.

The next amendment was, under the heading "Courts", on page 52, line 12, to increase the appropriation for personal services (salaries) under the juvenile court from $59,940 to $65,380.

The amendment was agreed to.

The next amendment was, on page 53, line 6, to increase the appropriation for personal services (salaries) under the police court from $96,830 to $100,550.

The amendment was agreed to.

The next amendment was, under the subhead "Court of appeals", on page 56, line 6, after the words "in all", to strike out "$105,000" and insert "$111,800", so as to read:

Salaries: For the chief justice and four associate justices, five law clerks at $2,500 each, and all other officers and employees of the court; reporting service; and not to exceed $520 for necessary expenditures in the conduct of the clerk's office, in all, $111,800.

The amendment was agreed to.

The next amendment was, on page 58, line 6, to increase the appropriation for personal services under the Board of Public Welfare from $113,140 to $115,300.

The amendment was agreed to.

The next amendment was, on page 60, line 23, to increase the appropriation for personal services under the general administration, Workhouse and Reformatory, District of Columbia, from $408,800 to $416,300.

The amendment was agreed to.

The next amendment was, under the subhead "National Training School for Girls", on page 63, after line 22, to insert:

For construction, repair, improvement, and extension of buildings at the National Training School for Girls in accordance with plans to be approved by the municipal architect and the Commissioners; and for additional personnel and maintenance at that institution, $100,000.

The amendment was agreed to.

The next amendment was, under the subhead "Medical charities", on page 64, at the end of line 9, to increase the appropriation for Children's Hospital from $50,000 to $75,000.

The amendment was agreed to.

The next amendment was, on page 64, at the end of line 10, to increase the appropriation for Central Dispensary and Emergency Hospital from $55,000 to $65,000.

The amendment was agreed to.

The next amendment was, on page 64, at the end of line 12, to increase the appropriation for Eastern Dispensary and Casualty Hospital from $25,000 to $40,000.

The amendment was agreed to.

The next amendment was, on page 64, at the end of line 20, to increase the appropriation for personal services under the Tuberculosis Hospital and Sanatorium from $126,000 to $141,500.

The amendment was agreed to.

The next amendment was, on page 65, line 7, after the word "vehicles", to strike out "$75,000; in all, $78,000" and insert "$80,000; in all, $83,000", so as to read:

For repairs and improvements to buildings and grounds, including roads and sidewalks, $3,000; for furniture and equipment for the new sanatorium, including not to exceed $5,000 for motor-propelled trucks and passenger-carrying vehicles, $80,000; in all, $83,000.

The amendment was agreed to.

The next amendment was, on page 65, at the end of line 10, to increase the appropriation for personal services (salaries), including not to exceed $1,000 for temporary labor under the Children's Tuberculosis Sanatorium from $106,330 to $116,350.

The amendment was agreed to.

The next amendment was, on page 65, at the end of line 23, to increase the appropriation for personal services (salaries), including not to exceed $2,000 for temporary labor, under the Gallinger Municipal Hospital from $418,340 to $423,380.

The amendment was agreed to.

The next amendment was, under the subhead "District Training School", on page 67, line 2, to strike out "$84,000" and insert "$85,000", so as to read:

For maintenance and other necessary expenses, including the maintenance of non-passenger-carrying motor vehicles, the purchase and maintenance of horses and wagons, farm machinery and implements, and not to exceed $200 for the purchase of books, books of reference, and periodicals, $85,000.

The amendment was agreed to.

The next amendment was, under the subhead "Public assistance", on page 69, line 4, after the name "District of Columbia", to strike out "$1,506,020, of which not to exceed $177,800 shall be available for personal services" and insert "$1,656,200", so as to read:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, $1,656,200.

The amendment was agreed to.

The next amendment was, on page 70, after line 14, to insert:

NATIONAL LIBRARY FOR THE BLIND

For aid and support of the National Library for the Blind, located at 1800 D Street NW., to be expended under the direction of the Commissioners of the District of Columbia, $5,000.

The amendment was agreed to.

The next amendment was, on page 72, line 19, after "secs. 47–47f)" and the comma, to strike out "$15,000" and insert "$25,000", so as to read:

VOCATIONAL REHABILITATION

Vocational rehabilitation of disabled residents, District of Columbia: To carry out the provisions of the act entitled "An act to provide for the vocational rehabilitation of disabled residents of the District of Columbia, and for other purposes", approved February 23, 1929 (U. S. C., Supp. VII, title 29, secs. 47–47f), $25,000.

The amendment was agreed to.

The next amendment was, under the heading "Militia", on page 74, line 3, after the word "service", to strike out "$10,000; in all, $37,300" and insert "$15,480; in all, $42,780", so as to read:

For the following, to be expended under the authority and direction of the commanding general, who is hereby authorized and empowered to make necessary contracts and leases, namely: For personal services, $21,500; temporary labor, $5,800; for expenses of camps, including hire of horses for officers required to be mounted, and for the payment of commutation of subsistence for enlisted men who may be detailed to guard or move the United States property at home stations on days immediately preceding and immediately following the annual encampments; damages to private property incident to encampment; reimbursement to the United States for loss of property for which the District of Columbia may be held responsible; cleaning and repairing uniforms, arms, and equipment; instruction, purchase, and maintenance of athletic, gymnastic, and recreational equipment at armory or field encampments, not to exceed $500; practice marches, drills, and parades; rent of armories, drill halls, and storehouses; fuel, light, heat, care, and repair of armories, offices, and storehouses; machinery and dock, including dredging alongside of dock; construction of buildings for storage and other purposes at target range; telephone service; printing, stationery, and postage; horses and mules for mounted organizations; maintenance and operation of passenger and non-passenger-carrying motor vehicles; streetcar fares (not to exceed $200) necessarily used in the transaction of official business; not exceeding $400 for traveling expenses, including attendance at meetings or conventions of associations pertaining to the National Guard; and for general incidental expenses of the service, $15,480; in all, $42,780.

The amendment was agreed to.

The next amendment was, under the heading "Water Service—Washington Aqueduct", on page 80, after line 7, to insert:

For purchase and erection of one 500,000-gallon capacity elevated water tank and appurtenances to replace the existing 138,000-gallon tank situated on District of Columbia property at Stanton School, $35,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 85, after line 2, to strike out:

SEC. 6. No part of the funds appropriated in this act shall be available for the payment of the salary of any officer or employee of the District of Columbia whose salary as such officer or employee is $2,400 or more per annum who is engaged in any outside business or profession in addition to his official duties.

The amendment was agreed to.

The next amendment was, on page 85, line 9, to change the section number from 7 to 6.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, on behalf of the committee, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 32, line 25, after "$7,113,640", it is proposed to insert a comma and the following:

Of which not exceeding $5,000 may be expended for compensation to be fixed by the Board of Education and traveling expenses of educational consultants, employed on special educational projects.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, on behalf of the committee, I offer a second amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, line 2, after "justices", it is proposed to insert "marshal, $3,600, whose appointment is hereby authorized"; and on page 56, line 6, it is proposed to strike out "$111,800" and insert in lieu thereof "$115,400."

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer an additional amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 65, line 18, after "$85,000", it is proposed to insert a colon and the following:

Provided, That pay patients may hereafter be admitted to the Children's Tuberculosis Sanatorium for care and treatment at such rates and under such regulations as may be established by the Commissioners of the District of Columbia, insofar as such admissions will not interfere with admission of indigent patients.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. —. Paragraph (7) of section 1 (b) of the District of Columbia Unemployment Compensation Act, as amended, is amended to read as follows:

"(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual."

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer an additional amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following new section:

SEC. 8. The Commissioners of the District of Columbia are hereby authorized and empowered to make and enforce regulations to require any person in charge or control of any lot of land, improved or unimproved, within the District of Columbia, fronting or abutting on a paved sidewalk, whether as owner, tenant, occupant, agent, lessee, receiver, trustee, executor, administrator, or otherwise, to remove and clear away or cause to be removed and cleared away any snow, ice, and sleet from any said sidewalk in front of or abutting on said lot of land; and, in case the snow, ice, and sleet on such sidewalk shall be frozen so hard that it cannot be removed without injury to the pavement, to require such person in charge or control of any such lot of land to cause said sidewalk to be made safe by strewing the same with such suitable material as the Commissioners may prescribe and to require such person in charge or control of any such lot of land to thoroughly clean said sidewalks of snow, ice, sleet, and such material as soon thereafter as the weather shall permit, and to provide penalties for the violation of such regulations not to exceed $25 for each such violation.

The act entitled "An act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia", approved September 16, 1922, is hereby repealed.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I offer a further amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following new section:

SEC. 7. The Commissioners of the District of Columbia are hereby authorized and empowered, in their discretion, to secure and to install, at no expense to the said District, mechanical parking meters or devices on the streets, avenues, roads, highways, and other public spaces in the District of Columbia under the jurisdiction and control of said Commissioners; and said Commissioners are authorized and empowered to make and enforce rules and regulations for the control of the parking of vehicles on such streets, avenues, roads, highways, and other public spaces, and as an aid to such regulation and control of the parking of vehicles the Commissioners may prescribe fees for the privilege of parking vehicles where said meters or devices are installed.

The Commissioners are further authorized and empowered to pay the purchase price and cost of installation of the said meters or devices from the fees collected, and thereafter such meters or devices shall become the property of said District and all fees collected shall be paid to the collector of taxes for deposit in the Treasury of the United States to the credit of the revenues of said District.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. THOMAS of Oklahoma. I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. COPELAND, Mr. NYE, and Mr. KEYES conferees on the part of the Senate.

Mr. THOMAS of Oklahoma. Mr. President, I think the law provides that a member of one of the legislative committees shall be on the conference committee. I ask unanimous consent that the Senator from Utah [Mr. KING] be appointed to represent the Senate legislative committee on the conference committee.

The PRESIDING OFFICER. Without objection, that order will be made.

WALES ISLAND PACKING CO.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 753) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.

Mr. COPELAND. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THOMAS of Utah, Mr. VAN NUYS, and Mr. BORAH conferees on the part of the Senate.

INTERNATIONAL MERCANTILE MARINE CO.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 788) for the relief of the International Mercantile Marine Co., which was, on page 1, lines 6 and 7, to strike out "to reimburse said company" and insert "in full settlement of all claims against the Government of the United States."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COMPAGNIE GENERALE TRANSATLANTIQUE

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 790) for the relief of the Compagnie Generale Transatlantique, which was, on page 1, lines 6 and 7, to strike out "to reimburse said company" and insert "in full settlement of all claims against the Government of the United States."

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ART METAL CONSTRUCTION CO.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1138) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period, which were, on page 2, line 1, to strike out "1935" and insert "1936", and on the same page, line 5, to strike out "1935" and insert "1936."

Mr. COPELAND. I move that the Senate concur in the amendents of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Asst. Surg. Edward C. Lutton to be passed assistant surgeon in the United States Public Health Service, to rank as such from March 6, 1936.

The PRESIDING OFFICER (Mr. McGILL in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn, pursuant to the order heretofore entered.

The motion was agreed to; and (at 4 o'clock and 58 minutes p. m.) the Senate, under the order previously entered, adjourned until tomorrow, Friday, April 24, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 23 (legislative day of Feb. 24), 1936

POSTMASTERS

CONNECTICUT

Robert M. Smith, East Haddam.
Edmond J. Jodoin, Jewett City.
Gertrude C. Wood, Noroton.
Thomas F. Murray, Noroton Heights.
Walter P. Moran, Norwich.
Arthur W. Carmody, Sandy Hook.
Daniel P. Hurley, Terryville.

DELAWARE

James L. Smith, Greenwood.

IDAHO

Stella Hurst, Carey.

INDIANA

James C. McKillip, Charlestown.
Oscar J. Fueger, Chrisney.
Merlyn R. Elliott, Dale.
Frank M. Davis, Fort Branch.
Eugene W. Felkner, Milford.
Lester B. Dickey, Parker.
Paul D. Pugh, Upland.
Thelma F. Shuff, Van Buren.
Russell J. Dunn, Waterloo.
Ruby G. Nusbaum, Winona Lake.

IOWA

Sydney B. Dailey, Allison.
Frances F. Baldwin, Cascade.
Charles J. Murphy, Chester.
Clarence L. Herren, Clarinda.
John F. Alexander, Conrad.
Herbert L. Smith, Dewitt.
A. George Ross, Doon.
Kathryn D. Finn, Dumont.
John J. Langenfeld, Earling.
Gerald Elias Faust, Earlville.
James N. Kinney, Elliott.
Paul E. Morf, Fredericksburg.
Loren L. Maher, Gilmore City.
Harry D. Hines, Humeston.
George Harder, Keystone.
Julia Loretta Hurley, Laurens.
Louis E. Maxfield, Malcom.
William Harry Thompson, Mapleton.
Mae K. Wilson, Monroe.
James D. Minnes, Moravia.
Mabel E. Buchanan, Plover.
Herbert Ward Alexander, Thornton.
Linus L. Powers, Vail.
Francis A. Gallagher, Walnut.
Charles E. Lynch, Waucoma.
Edward B. Wittrig, Wayland.
Bernice Green, Winfield.

NEBRASKA

Mina E. Andersen, Bristow.
Harry H. Row, Davenport.
Isaac D. Brownfield, Hershey.
Frederick J. Eichenberger, Kimball.

NEW YORK

Edward T. Morrissey, Baldwin.
Emma Reynolds, Brightwaters.
Jay C. Fox, Brocton.
George F. Green, De Kalb Junction.
George W. Seibert, Narrowsburg.
Patrick J. O'Leary, Perry.
Harry S. New, Valatie.
Jack Batt, Woodmere.

SOUTH CAROLINA

Henry N. Folk, Bamberg.

VERMONT

Patrick Mahoney, Burlington.
Roy P. Skinner, Newport.
Marjorie M. Duval, West Burke.

VIRGINIA

Andrew T. Organ, Chester.
Rudolph Shiffer, Claremont.
Charlotte E. Jackson, Ivanhoe.

WISCONSIN

Lawrence Willkom, Boyd.
Albert A. Beck, Dorchester.
Leonard P. Sheehy, Ettrick.
Aloys H. Vos, Kansasville.
Richard H. McCarty, Kaukauna.
William H. Brown, Laona.
Marion L. Shafer, Muscoda.
Lorraine M. Lannoye, Oostburg.
Raymond Novotny, Oshkosh.
Jennie C. Thomm, Oxford.
John M. Kippenhan, Slinger.
Hervey S. Northrup, Waupun.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 23, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Gracious God, author of our existence, the hope and inspiration of every perfect thing, look upon us, we beseech Thee. Like as a father pitieth his children, so the Lord pitieth them that fear him; for he knoweth our frame; he remembereth that we are dust. We wait, Father in Heaven, and appeal from Thy justice to Thy love. Confessing the sins we once cherished, we lift our hearts to Thee; Thou hast loved us, and will love us to the end. We pray Thee, let us know how good it is to distill goodness, sympathy, and the gladness of God from a self-centered life. Give us the courageous eye of faith which alone sees right; it overcomes evil tendencies and is truly all in all. Grant that wise cooperation of the Congress may secure the survival of the best. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12098. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Vice President had appointed Mr. BULOW and Mr. WHITE members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of executive papers in the United States Civil Service Commission.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, after several weeks of preparation, we have now reached the point where the House is to take up for consideration and action what I regard as probably the most important piece of legislation to be considered at this session, the new tax bill.

Under the special order of the House, 16 hours has been provided for general debate on the bill, the debate to be confined to the bill. After conference with the Speaker of the House and the chairman of the Committee on Ways and Means, we have reached the decision that it is most important for us to go through with the consideration of this bill without interruption, and therefore I want to give notice that I trust no Member of the House on either side will submit any request for special consideration to speak or for permission to speak out of order or for special time outside of the consideration of the bill as now provided.

I think it only fair that I should make this statement, because we want to treat everybody fairly and impartially, but we consider it most imperative to consider and pass this bill as expeditiously as possible and I hope, therefore, that all Members on both sides will be governed accordingly.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. COCHRAN. Does the gentleman's statement mean that the conference reports on the various appropriation bills will not be considered until after the tax bill has been disposed of?

Mr. BANKHEAD. No; I did not make that statement because, of course, that is a matter in the sound judgment and discretion of the Speaker, and I do not know what decision he may reach about that. My main purpose was to make a statement with reference to special orders.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. No; I have made my statement.

Mr. RICH. I should like to ask the gentleman if we are going to be notified when these conference reports will come before the House so we may have a little time to discuss them. They are very important and I think the gentleman will agree with my statement.

Mr. BANKHEAD. I may say to the gentleman from Pennsylvania it is rather difficult to anticipate when a conference report is going to be called up, if any are called up, by recognition of the Speaker during the consideration of this bill. I do not know whether it is in the mind of the Speaker to make any statement with reference to that matter at this time or not, but my statement was made purely for the reason I have stated with reference to special requests to address the House.

Mr. RICH. I appreciate that, but if we had a day fixed when we knew these conference reports were coming up, I think it would be very helpful and would be in the interest of the welfare of the country.

Mr. BANKHEAD. I cannot at this time give the gentleman any assurance whatever with reference to that matter.

THE ROOSEVELT ADMINISTRATION AND THE WELFARE OF THE AMERICAN NEGRO

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, the interests of the colored people have been and will continue to be best served by the Democratic Party, the party that stands for the common man, for human rights above property rights; and the leader of that party, Franklin D. Roosevelt, has given that race the greatest opportunity ever afforded under any administration.

From the close of the Civil War up to 1932, the Negro vote went to the Republican Party, but how much consideration did the race get for that allegiance? During the decade from 1920 to 1930 the colored farmers of the Nation lost 3,785,757 acres of land, and not one thing was done by the Federal Government to save these farm homes, the most part of which was good, rich farming land.

In contrast to that deplorable loss is the saving of 36,758,484 acres to colored farmers through the recovery program of President Roosevelt and the Democratic Congress. The colored farmers have access, on an equal footing, to relief afforded by the Farm Credit Administration, the Department of Agriculture, the Federal Emergency Relief Administration, and kindred agencies for financial aid. More than that, there are men of their own race to whom they can appeal. Prof. H. D. Hunt is with the Farm Credit Administration, while T. M. Campbell, of Tuskegee, and J. B. Pierce, of Hampton Institute, are the colored representatives with the Agriculture Department.

Mr. Roosevelt has appointed more Negroes to responsible governmental positions than the last three Republican administrations combined. Under this administration Dr. Thompkins, an outstanding Negro physician and a lifelong Democrat, has been appointed Recorder of Deeds of the District of Columbia. Robert L. Vann, lawyer and publisher, has been appointed Special Assistant Attorney General, with offices in Washington; L. A. Oxley, of North Carolina, is special assistant and adviser in the Department of Commerce; E. K. Jones, of New York, is special adviser in the Department of Labor; Lester A. Walton is Minister to Liberia; Theopholius Mann and William F. Hastie are special solicitors in the Department of the Interior; Forest B. Washington is adviser on Negro affairs to Harry L. Hopkins; Earl R. Moses is assistant statistician in the Bureau of Research. While these are individual honors, the colored citizens generally have benefited by the Roosevelt policies. In every law passed by Congress for direct relief or otherwise the Negro shares equally with his fellow citizens, and in addition to these material benefits, a new understanding and sympathy

have drawn the two races together, and former prejudices based on color are being dissipated.

Under the emergency measures put into effect by President Roosevelt in 1933 and enacted by Congress large sums of money have been spent for relief and economic rehabilitation of both white and colored; there has been no color line there; no discrimination as to creed, or race, or sex. Home owners' loans have been utilized by colored citizens as well as whites to save their homes. The Public Works Administration, the Civil Works Administration, the Works Progress Administration, and similar agencies assumed their obligations to aid the Negro as no less pressing than their duty to the white. Regulations of the National Recovery Act insured them against discrimination in wages and hours. The Agricultural Adjustment Act applied to all farmers regardless of color, and was the means of saving thousands of Negro farmers from foreclosure and ruin.

In addition to these temporary agencies, housing projects are being constructed throughout the country. Nineteen of the total of forty-seven projects will be predominantly tenanted by Negroes, and at least five others will include Negroes, making a total of one-half of all of these projects for the use of colored people, and resulting in thousands of Negro families having decent homes in which to live and rear their children. Negro architects and a fair proportion of skilled and unskilled Negro labor is being used in the construction of these buildings, and at the same wages as given whites.

The Negro must have more and better education than he has received in the past, and a larger proportion of the race must receive the fundamentals of a public-school education; they must receive the fullest possible educational opportunities. Largely as a result of the activities of Dr. Ambrose Coliver, special assistant to Harry L. Hopkins, the school terms for colored children in the South have been lengthened 2 months and the salaries of over a thousand school teachers were increased. Thousands of needy colored students have received from $8 to $20 a month each so they could continue their studies in 120 colored colleges. Hundreds of colored teachers, both men and women, received $100 a month for conducting adult classes in the drive to stamp out illiteracy. As a result of this drive it is estimated that at least half a million colored citizens and their children have been benefited.

Howard University and Freedmen's Hospital, Washington institutions, have received $2,000,000 from public-works funds for improvements and betterments. Wendell Phillips High School, in Chicago, was completed through an allotment of $500,000 from the same source.

Can those who are maliciously attacking the present administration point to comparable activities during the past three administrations? Ever since the Civil War the Republican Party has had the Negro vote pretty much in its vest pocket, and to a greater extent than many people realize, owes its long tenure of power to that very fact. In nearly every election during the last 20 years the Negro vote has represented the balance of power in such important States as Illinois, Indiana, Ohio, and not infrequently, in Missouri. The Negro voter has been of tremendous service to the Republican Party, but newer generations of Negroes who have had the benefit of a better education now wonder whether they still owe their gratitude to the party that has exploited their race for 70 years. They are awakening to the realization that under a Democratic administration they are receiving recognition of their social and economic rights as never before. In 1932 thousands of Negro voters finally came to the conclusion they had paid to the Republican Party whatever debt of gratitude was due from them and voted for the Democratic Party, which has fulfilled its promise of equal opportunity under the law.

The Honorable ARTHUR W. MITCHELL, a Negro and a member of the Democratic Party, representing a congressional district in Chicago, introduced during the first session of the Seventy-fourth Congress a bill providing for the creation of a permanent commission for the study of problems connected with the needs of the Negro. The proposed commission will consist of five members, appointed by the President, and at least three of them must be Negroes.

The duties of the commission shall be to study the economic conditions of the Negro; to study the labor problems in which the Negro is fundamentally interested; to stimulate and encourage thrift and industry among the Negroes of this country; to promote the general welfare of the Negro in industrial pursuits and to encourage his general uplift; to work out plans looking toward the solution of the different problems confronting the Negro race of the United States; to consider all questions pertaining to the Negro that may be referred to said commission by any department of the United States Government, and report a suggested solution of any and all problems that may be presented to the commission by any officer of the United States, the Governor or attorney general of any of the States, or labor department of any State in the United States; to recommend what may be necessary for the stability of labor in the different States; to discourage subversive doctrine and propaganda; to work toward the formulation of a policy for mutual understanding and confidence between the races; to report to Congress through the President of the United States all their acts and doings and to make such recommendations for the solution of any problem or problems affecting the Negro that they may deem advisable.

Mr. MITCHELL hopes that one important result of the studies to be made by this commission will be the formulation of a labor policy which will foster a better understanding between the two races. I share that hope. Too long have we looked with indifference upon the efforts of the Negro to raise himself above the plane in which the race existed at the end of the War between the States. Too few of us realize the marvelous progress made by the Negro in this brief period of 70 years. This bill, which has the endorsement and support of the large majority of good thinking people of both races, promises to meet a real need of the Nation, and to substantially safeguard and advance the interest of the largest minority group of our citizens, a group which has been true to our country and has always answered the call of the country in the most patriotic manner, but which group has been sadly and most shamefully neglected when it comes to sharing in full benefits of what we call American citizenship rights and opportunities.

And I wish to say a word of tribute to our colleague, the Honorable ARTHUR W. MITCHELL, the first Negro Democrat in Congress. His conception of duty to his congressional district, his State, and the Nation has shown him to be a leader among his race, and one of whom they can justly be proud. His breadth of vision and understanding, his fine grasp of current problems, and his unswerving devotion to the Democratic cause make all who know him hope that he will be returned to Congress, and thus be enabled to continue the fine work which he has so ably performed during the past 2 years. It requires genuine courage, in the light of the history of this Republic, for an American Negro to be a Democrat, and ARTHUR MITCHELL possesses that courage, thereby reflecting credit upon himself, his race, and the Democratic Party.

During the first session of the Seventy-fourth Congress, $3,000,000 was authorized to be spent by the Federal Government in connection with the Texas centennial celebration, most of which will be returned to the Government through amusement taxes. One justification, at least, for voting for this measure was that it affords a means for the display of the advancement of the Negro people of this country. It is my understanding that through this appropriation by Congress the Negroes will be given an opportunity to construct a building, designed by Negro architects and built by Negro labor, and in this building will be exhibits of the arts and sciences depicting the advancement of their race. It is my hope that thousands of Kansas Negroes, and thousands from other States, will avail themselves of the opportunity to attend the Texas centennial celebration and participate in this demonstration. It gave me great pleasure to cast my vote in favor of the appropriation in order that this exhibition might be possible.

From all this, I feel that the Roosevelt administration has given fair return to the Negro voters who supported it in the last two elections. For the first time in the history of the Nation the economic and social welfare of the colored citizens have been given the same consideration as all other citizens. The Negro Democrat looks to the rising sun of the future, and is not unaware of the living present. His opportunity today is equal to that of Booker T. Washington, the wisest spirit ever born of African blood.

OUR AIR-LINE PILOTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill (H. R. 11399).

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, the 650 pilots of scheduled airliners in the United States are the best trained group of civilian airmen in the world. The kind of flying they are doing, day and night, summer and winter, through all kinds of weather, is unequaled anywhere; but this vast store of knowledge and experience is going to waste insofar as our national defense is concerned.

I recently introduced a bill, H. R. 11399, which provides that these men shall be a part of the Army Air Corps Reserve and will be given a month's training at an Army field once a year. This bill would make it possible for these pilots to keep posted on latest military developments and enable the United States to tap this source of supply in time of emergency.

With the training that they already have, these pilots could start out with a fleet of bombers, travel long distances to reach their objective with unerring skill and precision, regardless of the weather—whether snow, rain, or fog—that might intervene.

The experience and ability which these men have attained can be acquired in no other way except on the air lines. Collectively, they are familiar with every airport, every airway, and practically every foot of terrain in the United States and Alaska. The military value of these men is inestimable from every conceivable standpoint.

Most of them have already acquired all the Army had to offer in the way of military flying experience prior to taking up their duties on the air lines, for many of them, perhaps the majority of them, are graduates of our Army, Navy, or Marine Corps schools. After they leave the military service, with an experience of about 300 hours of flying, and become attached to some air line as copilot their real training for civil flying has just begun. Before they can qualify as a first pilot they must have attained 1,200 hours of solo flying or twice that amount of time as a copilot. (The copilot is permitted to log only half his actual time in the air.) As a rule, this apprenticeship on the air lines requires 3 to 4 years, during which time they are continually absorbing a knowledge of their profession from the old-timers who preceded them. Before they can become a full-fledged air-line pilot they must pass a rigid examination imposed by the Department of Commerce, which entitles them to a license known as a scheduled air transport rating, commonly referred to as an S. A. T. R. The qualifications for this rating are very severe.

In the first place, as we have seen, the pilot must have 1,200 hours of solo flying, of which 500 must have been spent in cross-country flying and 75 hours must have been spent in solo night flying over lighted airways. He must take a written examination on the Department of Commerce regulations governing scheduled operations of interstate air-line services and practical and theoretical use of directional radio and other available airway aids to navigation, including tests in meteorology with weather analysis and forecasting. He must also demonstrate his ability to fly blind by instruments. This flight test is given by an inspector of the Commerce Department. The plane used for this test is equipped with a hood so that the pilot may not see anything but his instruments. He is then required to execute a number of difficult maneuvers; and when the inspector has him completely lost, he must orient himself on the radio beam and with the help of his instruments and his radio navigate to the airport, locating himself at 200 feet over the edge of the field.

The air-line pilot of today seldom stops for weather, unless it happens that the airport of his destination is closed in. It is a common occurrence for him to take off and fly blind for hours at a stretch, or to fly above a fog for his entire run, then locate himself by instruments and radio at his destination and come down through directly over the airport.

It is only when radio or instruments fail that the pilot is in any serious danger; but, even then, the knowledge he has of his route and the judgment he has acquired through many hours of flying come to his aid, and, given an ample supply of gasoline, he can usually find his way to some alternate airport. It is in the emergencies when the navigation aids fail and the pilot is thrown on his own resources that his years of experience and knowledge of his route place him head and shoulders above the average pilot. It has often been stated that flying is 10 percent machine and 90 percent man. This still holds true. Navigation aids and especially radio have not been perfected to a point where they are infallible, but through long years of experience the air-line pilot is able to judge with accuracy the degree to which he can rely on them. Before he starts on his trip he studies the weather charts, and he knows beforehand the extent to which rain or snow will hinder the reception of the radio beam; he knows also that beam courses occasionally shift around at night. This is known as "night effect" and results in what are known as multiple courses. All of these characteristics and peculiarities of the particular beam he uses are known to him from constant use. It is not merely, as some think, a matter of relying entirely on one particular aid. The pilot must use all of them; he must know the weaknesses of each; and here is where personal skill and judgment enter in. This is the kind of knowledge that cannot be obtained in any other way except by constant flying and constant use of the available aids.

None of the military airmen can possibly approach the degree of efficiency of the air-line pilot unless they are permitted to go out and do the same kind of flying, day in and day out, and become thoroughly familiar with the quirks and idiosyncracies of radio beams, gyro compasses, automatic pilots, and all the other mechanical devices used on modern air lines.

Today, as in the past, the human element is of most importance in the safe operation of the air lines.

Flying instinct, which is developed to the highest degree in the air-line pilot, and which cannot be learned from textbooks, is a definite factor in both military and civil flying. This is the quality that saves the day when mechanical aids go wrong. It is this same quality which will turn defeat into victory in future aerial warfare. The air-line pilots are a national asset with definite military value. Why not take advantage of it?

H. R. 11399 provides the means to the end desired by all who believe in adequate national defense.

DEFENSE WITHOUT EXPENSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill (H. R. 5529), which passed the House a year ago and is now pending before the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, everybody wants peace. Everybody complains about the expense of adequate preparedness. We remember that the Democratic platform of 1932 mentioned the very expensive defensive organizations, the Army and the Navy, bewailing the fact that this expense is "fast approaching a billion dollars a year." The appropriations for the fiscal year ending June 30, 1937, will very probably realize this billion dollars. Adequate defense for such a large and powerful Nation is necessarily expensive.

Our defensive forces, especially in the air, are still inadequate. We must be defended, and under our high cost system it is necessarily expensive.

But, Mr. Speaker, a most important feature of adequate preparedness may be had absolutely without expense. All thinkers upon modern warfare agree that war can be properly conducted only by the combined economic, financial, agricultural, and moral forces of the Nation. In other words, the whole Nation must be at war if victory is to be achieved. The few men at the front doing the fighting are a very small fractional part in numbers of the total population that must be furnishing those men with munitions, implements of war, and supplies of food, clothing, medicine, shelter, and so forth. The eminent British military critic, Liddell Hart, in the magazine section of the New York Times on March 15, 1936, summarizes the situation in these few words:

> Moreover, the complexity is augmented by the increasing dependence of the fighting forces upon industrial resources. As a consequence all the countries are developing schemes of economic mobilization as a necessary foundation for their military, naval, and aerial mobilization.

Mr. Speaker, I hope it may not be presumptuous for a Member of the House of Representatives to speak on a bill which has passed the House and is now pending in the Senate. I refer to H. R. 5529, which passed the House more than a year ago by an overwhelming vote. I am not sure how many voted against it, but I think very few. Of course, there was much discussion and difference of opinion as to details during the week that the bill was before the House, but in the end practically all Members voted for the bill, thus approving it as a whole.

STOP PROFITEERING

H. R. 5529, the bill to take the profits out of war, consists of only about four pages and only nine short sections. The language is general, comprehensive, and therefore elastic in application so as to fit conditions that may arise but cannot now be properly anticipated in detail. It is true that section 8 was drawn hastily and might properly be amended by adding these words:

> Excess war profits are hereby defined to be that part of the profits of any person, firm, or corporation earned in any fiscal year during war which exceeds the average profits of such person, firm, or corporation for the 5 fiscal years immediately preceding such war or the average profits of such person, firm, or corporation for such time as it may have engaged in business, if less than 5 years.

PASS H. R. 5529 NOW

Mr. Speaker, naturally there is great difference of opinion about the details of such an important measure. But this bill ought to be passed and passed at this session of Congress. The members of the American Legion and the ex-soldiers of the country and practically all our citizens who have thought about it at all demand its speedy enactment into law. Ninety-five percent of our population condemn unreservedly profiteering in time of war. If any Member of Congress thinks that H. R. 5529 as it passed the House is not sufficiently strong in terms to correct the evil which all admit, then let us pass the bill now before we adjourn; and at the next session let Members who wish to amend it propose amendments; and if the amendments are in the interest of preventing the evil, then I will gladly cooperate in passing such amendments.

But we ought to pass the bill now as a fundamental, organic, and comprehensive declaration of policy. We ought to notify the people of this Nation that in the event of war there shall be no profiteering, and if some excess war profits do slip through, they will be immediately gathered up by the tax collector. Furthermore, we should notify by this law the rest of the world that America will be mobilized industrially, financially, agriculturally, and morally to fight as one man in the defense of our land, for the protection of our rights, and for the vindication of our national policies. To be prepared to mobilize industry is as important in a defense program as to have an adequate Navy and an adequate Army. The three must go together. We maintain an Army and a Navy as notice to the rest of the world that we will protect ourselves and our rights. If we will pass this industrial-mobilization law, that will be further notice to the world that we are better prepared to defend ourselves. Thus we will promote peace while at the same time we will prevent profiteering. This policy of promoting peace and preventing profiteering is a part of the defense program that we can have, and should have, and must have. Furthermore, it will be without expense. It will cost nothing to pass the law. Furthermore, it will reduce the expense of any future war by 50 percent. It will be a great measure of economy. So, Mr. Speaker, let us pass the law this session. I hope that I may be excused, by reason of my zeal and deep interest in this bill, from seeming to discuss a measure pending before the Senate. It is a matter close to my heart.

CELLER ANSWERS PATMAN

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in answer to the remarks of our colleague, the gentleman from Texas [Mr. PATMAN] concerning myself.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, in the RECORD of April 22, our colleague, Representative WRIGHT PATMAN, of Texas, says I have adopted in toto the objections to the Patman-Utterback-Robinson bill that have been set up by powerful mass-buying interests. I care not who adopts my point of view, so long as my point of view is sound. In the long run this bill, if enacted, will react disastrously to the small, independent dealer who is supposed to be helped by it.

Representative WRIGHT PATMAN states that I stand alone in my objections to the bill among the Members of the House Judiciary Committee, and cites in support thereof the fact that the minority report opposing the bill bore just one signature—my own.

I retort by asking Representative PATMAN to look at the majority report. He will find just one signature—that of Representative UTTERBACK. That does not mean that other members of the Judiciary Committee did not support the majority opinion. By the same token, members of the Judiciary Committee other than myself supported the minority report.

If the distinguished Representative from Texas wants evidence of opposition to this bill from very respectable and eminent authorities, I am very happy to give them to him.

Firstly, we have the opposition of Dr. Harold G. Moulton, of the Brookings Institution, who says:

> This bill, insofar as it would strike at all those who have heretofore been effective in reducing prices, to that extent will raise prices.

Then there is Prof. Malcolm P. McNair, of Harvard University, a rather eminent economist, who voices strong opposition to the bill and emphatically points out that it will not only raise prices to the consumer but will also force a realinement of manufacturing, with disastrous consequences to the small independent.

Prof. M. C. Waltersdorf, head of the department of economics of Washington and Jefferson College, expresses opposition to the same effect.

Prof. Shore Livermore, of the University of Buffalo, emphatically opposes the bill because it would be discriminating against all the present efficient retail distributors of the country.

From Dartmouth College, the department of economics, comes the word of Prof. William A. Carter, who expresses opposition because the bill attempts arbitrarily to classify distributors. He further holds that the bill is administratively unfeasible in regard to quantitative differentials.

Prof. H. L. Caverly, of the University of Michigan, and Dr. George Filipetti, professor of economics at the University of Minnesota, both claim the bill would run counter to reductions of cost of production and distribution, and that it would place a premium on inefficiency and would exploit the consumers.

Prof. C. C. Huntington, of Ohio State University, deplores the attempts to discourage lower prices through quantity discounts.

To the same effect are the words of Prof. T. R. Snavely, of the University of Virginia.

In my own city, we have the objections of Profs. Lewis H. Haney and Walter E. Spahr, well-known economists assigned to New York University.

Scores of other economists throughout the land are unalterably opposed to this bill. I have yet to see the name of a single well-known economist who approves it.

LABOR NOT HELPED BUT HURT BY THE BILL

This bill was originally written by the general counsel for the United States Wholesale Grocers Association, and is to take the place of the Grocery Code. But whereas a large number of N. R. A. codes attempted to fix prices, they did at the same time protect consumers, and particularly the laboring man, in the sense that there was labor representation on most of the code authorities so that there could be no exploitation of labor in the matter of hours and wages. This bill does not mention wages or hours of employment.

Economists agree that the bill will increase prices of goods to the consumer. Therefore, the standard of living of the laboring man would be reduced, because his wages, which will not be increased, will buy less. This reduced demand for goods will reduce the manufacturing volume, which, in turn, increases the cost of manufacturing. The inevitable result will be the lowering of real wages and the laying off of labor.

BILL WOULD DISLOCATE ALL INDUSTRY

The requirement of f. o. b. method of delivery—that is, outlawing all basing points—would seriously dislocate all industry. Regardless of the merits or demerits of this system of pricing, it must be remembered that another committee in Congress has been wrestling with this problem for some time and is about to report out a bill specifically addressed to this problem and based on careful and thorough study of its many ramifications. To interject such far-reaching legislation into this bill, which has had the benefit of no hearings on the subject whatsoever, since this is an entirely new provision, is most ill-advised and dangerous.

The method of pricing would have most serious and deleterious effects upon industry. It will mean that prices to the vendee will vary in accordance with distance and cost of transportation from the seat of manufacture or extraction, as in the case of coal or other minerals. All quotations must be f. o. b. manufacturing plants or mines. This restriction will localize all industry and manufacturing.

THE BUGABOO OF MONOPOLY

The Federal Trade Commission made an exhaustive report which cost the Nation $1,000,000, and in no uncertain language it denied that there is any monopoly in the field of distribution.

The allegation that monopoly is involved, or even remotely possible, in the distribution field is so obviously unsound that it hardly warrants consideration. Yet it is the allegation on which this bill is principally justified. The percentage of chain business to the total retail trade is only 25 percent, certainly far short of monopoly. Moreover, 87 percent of the chains are small sectional or intrastate chains of 25 stores or less. Sixteen thousand of the 20,000 chains in the country have but 3 stores or less. The large national chains, against which the agitation resulting in this bill is practically entirely directed, are but 8 percent of the total distribution of the country. Certainly monopoly cannot be spelled out of that. Even in the grocery field, in which the chain development has been most marked, voluntaries, or progressive independent storekeepers acting jointly in order to secure quantity discounts and other economies, have now as large a volume as the corporate chains, and their volume is growing rapidly. These and the other independents in the grocery field have now over 60 percent of the trade's entire volume. Speaking to his fellow grocers assembled in convention, the president of the National Association of Retail Grocers said only last June:

> The position of the individual grocer today is sound. Speaking generally, he is meeting a public demand for distribution at absolute minimum cost, while preserving all the valuable features of our type of distribution. The independent retail-grocery business has in the last few years amply demonstrated its indestructible character by its ability to shape itself to successfully meet and absolutely check the keenest and most aggressive and ruthless competition. Without any advantage or even at a disadvantage, the independent grocer is not only surviving but is steadily forging ahead.

In the drug wholesale field, to make a comparison in a trade directly involved and urging passage of this bill, one concern—McKesson & Robbins, Inc.—alone does 30 percent of the trade's entire volume, and one association of drug wholesalers—the National Association of Wholesale Druggists—loudly proclaims in its prospectus, and solicits business from manufacturers thereon, that its members alone do 80 percent of the entire drug business handled by all the drug wholesalers in the country, and cover 97 percent of the entire 57,000 retail drug stores in the United States. Yet no suggestion is heard that monopoly exists in the wholesale drug field, while the wholesale druggists, along with a group of wholesale grocers, loudly maintain that this bill is imperative to check monopoly in the retail field, where the chain percentage is in gross, including the 130,000 completely sectionalized or localized chain stores with less than 25 stores, not over 25 percent of the volume involved, and in terms of national chain business in the fields most frequently cited, but 8 percent of national distribution. Certainly this in in reality a case of those who might actually attain a monopolistic position through organization attempting to handicap their principal competition.

So the allegation of monopoly in the retail trade is totally unsustainable, while the assertion that mass distribution may some day become monopolistic, amounts, under the circumstances, to the rankest type of sophistry. Anything might happen, but certainly among all the eventualities which might develop, few are less likely ever to happen than for the very minor percentage of the trade's business in the hands of mass distributors to expand until it becomes monopolistic. Competition is, moreover, keen in the retail field, both among the chains themselves and between the chains and the independents. It is not a matter of large capital to enter the retail business, and the danger of actual monopoly developing is therefore small indeed. Certainly, however, to legislate price increases upon the consumer with no justification whatsoever except that he may some day find himself served by a retail monopoly would not be either reasonable or intelligent. If a monopoly ever should develop, moreover, there is now on our statute books sufficient law to meet the situation.

I HOLD NO BRIEF FOR CHAINS

The chain stores are guilty of many sins. I am in favor of any provision that would stop certain predatory practices. I always was in favor of the Kelly-Capper bill for price maintenance on trademarks or copyright articles. I have spoken frequently in favor of a multiple chain-store tax bill in various States. But this bill goes far beyond the chain store. It would hurt manufacturers, large and small, and particularly the consumer. Ultimately it would hurt the independent dealer. To the latter the bill at the present time is but a snare.

In the beginning this bill, if passed, will create a maximum amount of disruption in the consumer-goods-manufacturing industry. This is no time to add to the derangement of business, particularly since we are emerging from a depression.

This bill will force the realignment of manufacturing and distributing so that the large mass buyers would be forced to buy exclusively from one set of manufacturers and the little set of fellows from another set of manufacturers. The first set of manufacturers would thus be enabled to sell mass buyers more cheaply. The small independents will be compelled to pay more for their goods. Therefore, this bill will ultimately result in the greatest disadvantages to them.

TO REQUIRE THE F. O. B. METHOD OF DELIVERY WOULD SERIOUSLY DISLOCATE ALL INDUSTRY

This bill provides that the word "price"—

> Shall be construed to mean the amount received by the vendor after deducting actual freight or cost of other transportation, if any, allowed or defrayed by the vendor.

This is contained in subparagraph no. 5 of section 2. Regardless of the merits or demerits of this system of pricing, it must be remembered that another committee in Congress has been wrestling with this problem for some time and is about to report out a bill specifically addressed to this problem and based on careful and thorough study of its many ramifications. To interject such far-reaching legislation into this bill, which has had the benefit of no hearings on the subject whatsoever, since this is an entirely new provision, is most ill-advised and dangerous.

I believe the method of pricing this bill would prescribe would have most serious and deleterious effects upon industry. It will mean that prices to the vendee will vary in accordance with distance and cost of transportation from the seat of manufacture or extraction, as in the case of coal or other minerals. In other words, all quotations under the bill must be f. o. b. manufacturing plants or mines. The freight charges and railroad rates or water or highway charges must be superimposed specifically upon the basic price and clearly indicated on all invoices. This restriction will localize all industry and manufacturing.

For example, A manufactures shoes, say in New York City, and B manufactures a comparable product in St. Louis. A has been heretofore profitably selling X, his customer in St. Louis, and has been successfully competing with his competitor B, the manufacturer in St. Louis. He has been charging X the same price as quoted by B. He has done this despite the fact that he has been compelled to pay transportation charges from New York to St. Louis. The manufacturing costs of A are partly the result of his enjoying the business of X. If A is, under this bill, compelled to superimpose upon his price the transportation cost, he will lose the account of X, and B will get the business and A's costs will be increased. A ordinarily made up the transportation charges for shipping to X by means of mass production and other economies. He will be restricted in doing this under this bill. The effect therefore will be the following: A will be compelled to confine his activities to New York, and B, the manufacturer in St. Louis, will be compelled to confine his activities to St. Louis. Thousands of businesses will thus become parochial, because the circle of customers will be more and more definitely delimited. The result will be increases in manufacturing and distributing costs and a cutting off from customers of the full benefits of mass production and distribution. The consumer again will "pay the piper."

WHO OPPOSES THE BILL?

Representative PATMAN offers this query. Aside from the economists I have mentioned this bill is opposed by all voluntary groups of independent retailers, consumer cooperatives, and farm organizations, like the National Farm Bureau Federation; the Independent Grocers Alliance, alone representing 20,000 independent retail grocers; and the National Cooperative Council. At the present time the consumer cooperatives number 6,500, having a membership of over 2,000,000 individuals, 500 retail stores, 50 wholesale establishments, 1,500 farm supply houses, and 1,500 oil-supply stations. The cooperative movement is in its infancy in this country and is growing daily. The retailers have made great progress in meeting chain-store competition by pooling their orders to secure quantity advantages. Such "voluntaries" do as large a volume of business as the national chains.

There are over 100,000 independent retailers in the grocery field alone acting together in "voluntaries." This bill would hurt these "voluntaries" and in that sense would strengthen the chains.

G. ELIAS & BRO., INC.

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 371) for the relief of G. Elias & Bro., Inc., which is now on the Speaker's table, and in explanation, I may say that a similar House bill was passed in the omnibus-claims bill which was considered and passed yesterday. If this consent is granted, and the Senate bill passed, I shall ask that the proceedings by which the House bill was passed be vacated.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, as I understand the situation, we passed the House bill yesterday and a Senate bill had already been passed, and the gentleman is now asking to substitute the Senate bill for the House bill, the Senate bill being practically the same bill.

Mr. MEAD. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to G. Elias & Bro., Inc., out of any money in the Treasury not otherwise appropriated, the sum of $24,139.28, in full settlement for losses suffered by the said G. Elias & Bro., Inc., by reason of changes in the specifications and extra work from which the Government received the benefit but for which no pay whatever has been paid to the said G. Elias & Bro., Inc., under contracts W 535 AC-602 and W 535 AC-628 dated December 14, 1926, and January 28, 1927, with the Air Corps for furnishing certain airship parts and equipment to the United States Army Air Corps: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the proceedings by which the bill (H. R. 2674) for the relief of G. Elias & Bro., Inc., was passed on yesterday be vacated and that the bill be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE REVENUE BILL OF 1936

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. RICH. Reserving the right to object, I think it would be fine if the membership of the Committee had the bill read to them, because I think very few of them have had an opportunity to read it.

The CHAIRMAN. The bill will be read under the 5-minute rule. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 1 hour.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, I also request that I be not interrupted until I have completed my main statement, after which, if I have time, I shall be glad to yield to such questions as may be propounded.

Mr. Chairman, H. R. 12395, entitled "A bill to provide revenue, equalize taxation, and for other purposes", is now before the House in response to the President's message to Congress of March 3, 1936. In proposing and supporting the pending bill, I do so with the full realization of the fact that it is never popular to impose taxes. However, I make no apology for the part I am taking in offering for the consideration of Congress the bill that is now before this body.

First, I shall discuss briefly the necessity for a tax bill at this time; and, second, the basic principles upon which the bill is predicated. Since the message of the President just referred to, the Treasury's needs for additional revenue, as well as the President's suggestions for meeting these needs, have been under consideration by the Committee on Ways and Means and have had careful study by that committee, especially by the subcommittee. In addition public hearings were held, based upon the report of the subcommittee of March 26, 1936. The present bill is the result of such consideration, study, and suggestions made in the course of the public hearings.

In the minority report it is stated:

> We have had no opportunity to examine the 236-page bill before today. We have not been permitted a part in drafting it. It was prepared by the Democratic majority behind closed doors, from which we were excluded. They must assume full responsibility for it.

True, when the work of the final draft of the bill was undertaken, the minority members were not invited. However, when the matter was first taken under consideration and at our first meeting, all members of the committee, including the minority, were invited. This meeting most of the members, both the majority and the minority, attended. At this meeting it was decided that the preliminary work could best be done by the subcommittee, and a motion was adopted to refer the matter to the standing subcommittee on revenue of the Ways and Means Committee with the request that they make a careful study of the matter and report to the full committee. This course was pursued and both the majority and minority members of the subcommittee attended and participated in the study and deliberation of the work assigned to them. Then, when the subcommittee's report was made, public hearings were held by the full committee, and everyone was given an opportunity to testify who made a request to be heard. By the time the hearings were concluded it was fully evident that the minority members would oppose any tax bill, or certainly any along the lines proposed in the subcommittee's report. In fact, this statement was frequently made by the minority members of the committee. This being true, the majority members realized that the full responsibility of the tax bill was upon them and that only useless political discussion and delay would result by having the minority members present. Therefore, we cheerfully accept the challenge to take full responsibility for the bill, and the minority must take full responsibility for opposing the raising of revenue to finance the farm program and take care of the obligations assumed by Congress for the immediate payment of the soldiers' adjusted-service certificates, and also for endeavoring to keep the ordinary Budget balanced, for which they profess such great solicitude, but oppose every effort to accomplish this purpose.

The minority report further says, "They were whipped into acceptance against their better judgment of proposals advocated by no one of experience or ability in the field of taxation." This statement must have been the result of the first lessons of the minority under the tutorship of the new "brain trust" recently employed by the chairman of the Republican National Executive Committee, as I feel certain that nothing so ridiculous and untruthful would originate in the brains and bosoms of the minority members. [Laughter.] They know full well that at no time during the present administration has our committee in any way been whipped or even urged to accept or do anything that did not conform to our own judgment. Nothing more than suggestions was offered to our committee as to how we should raise the needed revenue. Some of these suggestions were taken and some were not.

A complete refutation of that statement comes from a minority member, the gentleman from New York, an able, courageous member of the Committee on Ways and Means, Dr. CROWTHER, a man of whom the members of his own committee could not make a rubber stamp. I quote him in refutation of the statement that the Democratic members have been made rubber stamps:

> Mr. CROWTHER. I do not think that at any time since I have been on the committee—I do not think that even now, as much as the majority is being charged with it—there has been or is very much pressure from the administration that has any great effect on this committee. I do not know of a committee that has had more independence of thought, during my long experience with it, than the Ways and Means Committee of the House, or independence of action in using their own judgment.
>
> Their judgment has been guided largely by the knowledge that they gained from competent witnesses who appeared before us.

If any better denial can be made, if any more positive statement as to the lack of foundation for the statement of the minority members that the majority members have been whipped into line, I should like some one to formulate the language.

The necessity for substitute taxes at this time arises from the decision of the Supreme Court on January 6, 1936, outlawing or holding invalid the processing taxes levied under the Agricultural Adjustment Act, and also the additional annual charge that has been placed on the Treasury through the enactment of the Adjustment Compensation Payment Act. In specific terms, the President outlined the effect on the Budget of the events to which I have just referred. In short, the Supreme Court decision adversely affected the Budget in the amount of $1,017,000,000 during the fiscal years of 1936 and 1937, and the net effect of the enactment of the Adjusted Compensation Payment Act, is to add for a period of 9 years an annual charge of $120,000,000 to the $160,000,000 already in the Budget. To meet these needs, the President requested the Congress to raise $620,000,000 annually of permanent revenue and $173,000,000 annually as temporary revenue for a period of 3 years. So it will be seen that the revenue provided in this bill is primarily for the benefit of agriculture and to finance the agricultural program recently enacted by Congress and to take care of the additional burden placed upon the Treasury recently by Congress through the enactment of the Adjustment Compensation Act. Let it be said emphatically that for neither of these two causes is the President of the United States responsible. The benefits that have come to agriculture under the A. A. A. and the policies of the present administration are so manifest and evident that I cannot see how anyone would dare to refuse to aid in carrying forward a program for the benefit of agriculture.

In this connection, I deem it appropriate to review the record of the past several years relative to the plight of agriculture. Immediately following the inauguration of President Harding in 1921, a Republican Congress under the leadership of a Republican President, machinery was set in motion, the purpose of which it was claimed was to bring the farmer back to normalcy, and, if normalcy meant insolvency and bankruptcy, which it usually does under a Republican administration, the effort was superlatively successful. All during the period of the Harding, Coolidge, and Hoover reign, the American farmer was being driven to economic ruin and despair, while the forces of greed and privilege, so abundantly protected and cared for by these administrations, were entrenching themselves, not only in the control of American industry, but in the control of Government itself. Mergers, consolidations, and the like were carried on throughout the country, driving innumerable independent and small competitors out of business, while those in control of government sat idly and complacently by, viewing through rose-colored glasses only the economic conditions of the favored few, at the same time rejecting by veto after veto almost every proposal advanced by organized agriculture and such men as ex-Governor Lowden, of Illinois. The McNary-Haugen plan, the export debentures plan, and, in fact, every proposal of the farm leaders was discarded or disregarded with the blunt statement that these proposals were unsound and unworkable, just as the opponents of the pending bill are now charging.

Any legislation that does not conform to or comport with the ideas of the high command of the Republican Party is always denounced as unsound and unworkable. We have heard that in every tax bill that we have passed.

Instead of adopting any of the proposals for the advancement of the farmers they were given the Federal Farm Board with an appropriation of one-half billion dollars and the Hawley-Smoot-Grundy Tariff Act, which, we were told by

ex-Senator Watson, of Indiana, and others, would bring forth abundant prosperity, and the American standard of living would rise higher and higher on account of the work done by the then called best minds, of which they took unto themselves a complete monopoly. These best minds were doubtless similar to the new Republican "brain trust", 52 of whom have just been taken on to tell the Republicans how to write a platform, select a candidate, and doubtless criticize an equitable tax bill. This was the era when poverty was to be abolished, two cars were to be in every garage, and a chicken in every pot. We all know what happened to the farmers in those halcyon days of normalcy, prosperity, and full dinner pails. We saw the price of the farmers' products and the farmers' economic position and American life sink lower and lower, continuing in a tail spin, until President Roosevelt took over the control and righted the ship.

In that connection I would say, if it takes 52 college professors or "brain trusters" or "bone-head trusters", or whatever you call them, to tell the Republican Party how to select a candidate and write a platform, and if by any chance, if by an accident, if by any misfortune, we should be so unfortunate and should have such a calamity as the election of a Republican President, which I am sure the good sense of the American people will never allow and Divine Providence never permit—if it takes 52 to start them and write a platform and select a candidate, how many would it take to conduct a Republican administration? [Laughter and applause.]

Let us compare conditions under the Republican with that existing under the present administration. First, let us compare the record with respect to agriculture, since the revenues to be raised by the pending bill is made necessary if we are to continue aid to the farmers, to which end President Roosevelt promised there would be no retreat, knowing full well that by aiding agriculture of which about 23 percent of our population are actively engaged and an additional 17 percent are directly dependent upon, we will be helping to restore prosperity to our entire population, since added purchasing power in the hands of the farmers will inure to the benefit of business in all lines of endeavor. Our Republican friends opposing the enactment of this bill may desire to return to the old order, but I am confident the great mass of the American people favor continuing the New Deal and a square deal for the farmers.

One need only compare conditions in 1920 and 1932 with those existing today to see the beneficent results of President Roosevelt's policies.

In 1920 the gross farm income constituted 17 percent of our total national income, whereas in 1932 it was only 7.8 percent. In other words, the gross farm income dropped from $13,500,000,000 in 1920 under President Wilson to $5,200,000,000 in 1932 under Hoover, a decrease of more than 61 percent. This decrease of $8,300,000,000 was reflected in the increased number of unemployed and in the reduced pay envelope of those fortunate enough to have employment. If the farmers had had the same income they enjoyed during the last year of the administration of Woodrow Wilson, it would not now be necessary for us to make the large appropriations to administer to those in distress. In 1932 the cash income of the farmers amounted to $4,300,000,000; in 1933 $5,300,000,000, an increase of $1,000,000,000; in 1934 it was $6,200,000,000, an increase of $1,900,000,000 over 1932, and in 1935 the cash income amounted to $6,700,000,000, an increase of $2,400,000,000, or more than 55 percent increase over 1932.

To illustrate further, let us compare the last 3 years of Hoover with the first 3 years of Roosevelt with respect to the price of three of the basic farm crops—cotton, wheat, and corn.

UNDER HOOVER	UNDER ROOSEVELT
Cotton	*Cotton*
March 1, 1930, 15.10 cents per pound.	March 1, 1933, 5.90 cents per pound.
March 1, 1933, 5.90 cents per pound.	January 1, 1936, 11.35 cents per pound.
Decline of 61 percent.	Advance of 92 percent.
Wheat	*Wheat*
March 1, 1930, $1.16 per bushel.	March 1, 1933, 48 cents per bushel.
March 1, 1933, $0.48 per bushel.	January 1, 1936, $1.01½ per bushel.
Decline of 59 percent.	Advance of 111 percent.
Corn	*Corn*
March 1, 1930, 88.4 cents per bushel.	March 1, 1933, 24.12 cents per bushel.
March 1, 1933, 24.12 cents per bushel.	January 1, 1936, 60.87 cents per bushel.
Decline of 73 percent.	Advance of 152 percent.

The price of hogs, cattle, tobacco, and, in fact, all farm products shows similar and even greater increases.

In 1920 the total value of farm properties, including lands, buildings, and equipment amounted to $61,000,000,000, and in 1932 it had dropped to $34,200,000,000, a loss of $27,100,000,000, or nearly 45 percent. In 1920 the ratio of mortgage debt to farm properties was 11.8 percent, and in 1932 it had increased to 24.8 percent, and during this period thousands upon thousands of farms were lost through foreclosure and forced sale for payment of taxes, many of whom in desperation committed suicide. Under the administration of the Farm Credit agencies, the farmers have been saved approximately $55,000,000 a year in reduced interest charges.

This increase in the economic condition of American agriculture, achieved under the policies of President Roosevelt, has been one of the major factors in the improved condition of American industry and business; yet we find the Republican members voting, almost to a man, against measures designed to maintain and add to those gains.

Now let us compare the industrial and business conditions during the last 3 years of Hoover and the Old Deal, with those existing today under Roosevelt and the New Deal.

UNDER HOOVER					UNDER ROOSEVELT			
Industry								
Industrial production	Jan.	1, 1930	110.4		Industrial production	Jan.	1, 1933	61.4
(Index: 1926=100%)	Jan.	1, 1933	61.4	Decline 44%	(Index: 1926=100%)	Jan.	1, 1936	92.9	Advance 51%
Steel production	Jan.	1, 1930	2,903,012 gross tons		Steel production	Jan.	1, 1933	861,034 gross tons
(Month ending)	Jan.	1, 1933	861,034 gross tons	Decline 70%	(Month ending)	Jan.	1, 1936	3,081,000 gross tons	Advance 257%
Auto registration	Jan.	1, 1930	161,830 units		Auto registration	Jan.	1, 1933	55,105 units
(Month ending)	Jan.	1, 1933	55,105 units	Decline 66%	(Month ending)	Jan.	1, 1936	235,000 units	Advance 326%
Commerce								
Wholesale prices	Jan.	1, 1930	92.5		Wholesale prices	Jan.	1, 1933	61.0
(Index: 1926=100%)	Jan.	1, 1933	61.0	Decline 34%	(Index: 1926=100%)	Jan.	1, 1936	81.0	Advance 33%
Total exports	Jan.	1, 1930	$3,843,000,000		Total exports	Jan.	1, 1933	$1,675,000,000
(Year ending)	Jan.	1, 1933	$1,675,000,000	Decline 56%	(Year ending)	Dec.	1, 1935	$2,228,000,000	Advance 33%
Total imports	Jan.	1, 1930	$3,061,000,000		Total imports	Jan.	1, 1933	$1,450,000,000
(Year ending)	Jan.	1, 1933	$1,450,000,000	Decline 52%	(Year ending)	Dec.	1, 1935	$1,993,000,000	Advance 37%
Securities								
Listed stocks	Mar.	1, 1930	60.52		Listed stocks	Mar.	1, 1933	15.20
(Average)	Mar.	1, 1933	15.20	Decline 75%	(Average)	Jan.	1, 1936	35.62	Advance 134%
Listed bonds	Mar.	1, 1930	96.19		Listed bonds	Mar.	1, 1933	74.89
(Average)	Mar.	1, 1933	74.89	Decline 22%	(Average)	Jan.	1, 1936	91.85	Advance 22%
Public utilities								
Power production (Month ended)	Jan.	1, 1930	7.87 billion kilowatt-hours		Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours
Power production (Month ended)	Jan.	1, 1933	7.14 billion kilowatt-hours	Decline 9%	Power production (Month ended)	Jan.	1, 1936	8.50 billion kilowatt-hours	Advance 19%

To eliminate seasonal differences where they are a factor, the corresponding months in calendar years are used

Since these statistics were compiled still greater improvement in business has been achieved, and one need only look at the signs of it in the financial page of the newspapers. I shall quote from a few appearing in recent days.

Here is one from the Washington Post of April 14, under a New York date line of April 13, showing that the—

National Industrial Conference Board estimates show an increase of 5,413,000 more persons were at work in December 1935 than in March 1933.

On the same page I find the following:

CHICAGO, April 13.—Chicago's Easter trade last week reached the highest peak since 1920, the Chicago Association of Commerce said today. Retail outlets reported sales from 10 to 40 percent above those of a year ago.

How is it, and how can it be, that more industries can run and more people can be given employment to man these industries and yet unemployment not be reduced? Of course, such an argument is absurd.

Mr. KNUTSON. Mr. Chairman, I rise to a point of order. It is my understanding that all remarks are to be confined to the bill under consideration.

Mr. DOUGHTON. Absolutely; and this bill under consideration is for the benefit of the farmer.

Mr. KNUTSON. I thought the gentleman was delivering the keynote speech of the next campaign.

Mr. DOUGHTON. I am sorry that the truth is always burdensome to the gentleman.

Here is another from the Washington Post of April 20:

STEEL OUTPUT 70.5 PERCENT, NEW HIGH MARK—FRESH DEMAND INCREASES OPERATIONS 4 POINTS DURING WEEK

CLEVELAND, OHIO, April 19.—Fresh commitments for iron and steel, mainly from automobile manufacturers and railroads, have taken up some of the recent slack in new buying, with the result that steel-works operations this week advanced 4 points to 70½ percent, says Steel today.

Taking up again the matter of the tax bill, the President, while recognizing the complete authority and discretion of Congress in the formulation or imposition of appropriate taxes to meet the needs of the Treasury for permanent and temporary revenues, did invite attention to several forms of taxation, which might be employed to meet these needs. In the main, the committee has found it desirable to adopt in principle the more important of these proposals. I shall not attempt to discuss the bill in its technical aspects, as this will be taken up in detail by the able chairman of the subcommittee, Mr. HILL, and other members of the committee, who will speak later on the bill. I shall, however, address myself to an explanation of the provisions of the bill and a review of some of the reasons which prompted their selection.

First, I shall take up the measures proposed by the committee to provide during the next 3 years temporary additional revenues, amounting to $517,000,000. This will require temporary taxes, bringing in about $173,000,000 per annum. The committee was not prepared to reach a final decision as to the measures to be adopted to raise the entire amount of the temporary revenue required, especially as it recognized that its decision might be affected by conditions which might arise between now and the next session. On the other hand, it recognized that not less than one-third of the required revenue should be raised during the fiscal year 1937.

Mr. Chairman, a great deal was said about those who opposed in our hearings the tax measure, but the hearings will disclose the fact that most of this opposition arose from a misunderstanding that we were going to reenact the processing tax, and a misunderstanding of what we were going to do with the windfall tax; but after they found out what our policy would be, most of them, or many of them, seemed satisfied.

To fulfill this need, your committee has recommended that the capital stock tax be continued for 1 year at one-half the rate provided in the Revenue Act of 1935, and that a "windfall" tax be enacted to put a special levy on the unjust enrichment arising as a result of the collection from the public of excise taxes which the taxpayers upon whom they were laid did not pay into the Federal Treasury. As appears from the committee's report, it is estimated that this procedure will result in additional revenue from the capital stock tax of $83,000,000 and from the "windfall" tax of $100,000,000. This gives a total of additional revenue for the next fiscal year of $183,000,000, an amount $10,000,000 in excess of that requested by the President.

The reasonableness of the so-called "windfall" tax, in my opinion, is beyond question, and great care has been exercised in its drafting to insure that its burden shall not rest upon income or taxpayers to which it is not justly applicable. Nevertheless, there has been considerable misapprehension in respect to the nature and purposes of the proposed tax. Perhaps this can best be cleared up by stating first what it is not. It is not a tax upon the amount of any impounded taxes, nor is it an attempt to collect processing taxes which have been invalidated by the Supreme Court. The tax is an income tax imposed on unjust enrichment accruing to any person from shifting to others the burden of Federal excise taxes. The tax applies to two classes of persons, (1) those who were supposed to be liable for the tax and shifted this burden to others, but who did not pay the tax, or who paid it and obtained a refund; and (2) dealers who included the amount of Federal excise tax in the price of goods sold by them, but who were subsequently reimbursed by their vendors for the amount of the tax. It is proposed that the tax be applicable to any taxable year ending with January 1935, or at any time thereafter. The tax is thus sufficiently retroactive to cover the unjust enrichment accruing as a result of the impoundment and nonpayment of processing taxes during 1935.

As I have stated, the tax has been carefully drafted from the point of view of equity, even to the extent of risking some of the revenue which the measure is designed to produce. To this end provision has been made against double taxation of the unjust enrichment income through the means of appropriate credits for the regular Federal income and the excess-profits taxes which such income may have borne. Thus, in effect, the total tax on the unjust enrichment is only the 80 percent provided for under title III of the bill.

The bill also makes appropriate provision for refunds under the Agricultural Adjustment Act and for floor stocks adjustment. These relate largely to refunds on exports and in connection with deliveries for charitable distribution or use, and to the treatment of floor stocks on hand at the time of the invalidation of the Agricultural Adjustment Act substantially as though the tax had been terminated by order of the Secretary of Agriculture under the provisions of said act. The provisions of this title relate more or less to technical matters which will be discussed by Mr. HILL.

My good friend from Pennsylvania, Mr. RICH, an ardent and able Member of the House, often asks, when we propose some measure that will require some expenditure, "Where are we going to get the money?" I will tell the gentleman where we are going to get it. We are going to get it from those who are best able to pay, and from a source where we will impose no unjust burden on anyone.

I come now to a consideration of the measure proposed to meet the permanent needs for additional revenue, estimated to amount to $620,000,000 annually. The President suggested consideration of some form of undistributed profits tax. In its report the committee has recognized the fact that the greatest defect in our present system of taxation is the fact that surtaxes on individuals are avoided by impounding income in corporate surpluses. It has recommended, therefore, a plan of taxation which taxes a corporation on the net income, but which fixes the rate in accordance with the proportion of the net income undistributed. In form title I

of the bill, as reported, is a restatement of the existing income-tax law with the changes necessary to effectuate the imposition of a tax on corporations at a rate which will depend on the ratio of the undistributed net income to the entire net income; or, stated in another way, on the ratio of dividends paid to the net income. Title II of the bill contains the necessary amendments in respect to the capital-stock and excess-profits tax. These taxes will be referred to again in connection with my discussion of the permanent tax proposal.

The President, in his tax message, invited the attention of Congress to the circumstances that the form of tax which you now have under consideration—

> Would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in the present surtaxes.

Stated another way, the measure is designed to provide a more equitable system of taxation, while at the same time producing the required additional revenue. The proposal is not new, nor was it adopted without serious and earnest consideration of all available sources of revenue. Taxation is a practical matter and must be governed largely by practical considerations. It lays a heavy hand upon our citizens, and it is unfortunately true that, no matter what tax may be devised, in its ultimate effect the tax must be paid by individuals, whether they be shareholders or wage earners. However, in selecting a form of taxation, we should be careful not to impose burdens upon those who are already carrying too heavy a tax load. So far as possible, we should follow the sound principle of ability to pay. We must also bear in mind that, apart from the levy on capital, taxes can only be paid from one of four principal sources: The first is receipts from business profits; the second, wages and salaries; the third, receipts from rents; and the fourth is receipts from interest.

The preliminary questions which were debated when the need for new revenue arose were, Where ought we to look for the added money and what form ought the tax to assume? This latter question was considered especially important, since the form and character of any additional tax would determine, in a large measure, which of the several income groups of our population will chiefly bear the burden. Among the possibilities were the following: (1) A general manufacturers' sales tax. Such a tax, although productive, would fall heaviest on the members of the lower income groups. In addition, the fact that some 61 percent of the total revenue for 1935 was obtained from consumption and similar excises weighed heavily against the recommendation of additional excises; (2) reduction in personal exemptions and increase in the normal tax rate. This was not recommended, because it was felt that no increases in the existing income-tax rates should be considered unless and until we were quite sure that all important sources of tax evasion or of tax avoidance in existing income-tax laws had been eliminated; (3) a drastic increase in the corporation tax or some other plan for imposing on corporate profits a fair tax burden.

We were impressed by the figures on corporate profits, because such figures as there are indicate that there has been no corresponding great increase during the years 1934–35 in rents, farm income, and factory pay rolls. These facts persuaded us that, if we were to raise the required revenue with any proper regard to equity, it would probably have to come from corporation profits. However, the decision did not rest upon revenue considerations alone, or even in the main upon such considerations. The decision was governed primarily by considerations of equity and by the fact that through applying this principle we could raise the required revenue from sources which so far have failed to carry their proportionate share of the tax load. This was clearly stated in that part of the President's tax message to which I have already referred.

The primary purposes of the proposal to substitute for our present corporation income, capital stock, and excess-profits taxes a corporation income tax based upon the corporate earnings retained by the corporation are, first, to eliminate the present inequalities of our taxation of business profits as between incorporated and unincorporated businesses; second, to remove a very important source of tax avoidance that inheres in our present income-tax laws; and third, as a consequence of the elimination of inequalities and sources of tax avoidance, to increase the Federal revenues to the extent necessary to balance the regular Budget—that is, to balance all Federal expenditures other than those made for purposes of relief.

As already stated, the committee proposal, in accordance with the substance of the President's suggestion, proposes to accomplish these purposes by substituting for the existing corporation taxes a graduated tax on corporation incomes, the graduation being based, first, on the size of the corporation income, and second, and more fundamentally, upon the portion of the corporation's net earnings that are retained in the business.

When distributed to stockholders, corporation earnings become a part of the incomes of the individual stockholders and are subject to the graduated surtaxes. Corporation earnings which are not currently distributed in dividends now escape the surtaxes for long periods, or altogether, thereby creating an unfair discrimination. All earnings of a partnership or an enterprise owned by a single individual, whether reinvested or not, are now currently subject to surtaxes.

The earnings withheld by corporations add no less to the wealth of the shareholders than the earnings distributed in dividends; for the reinvestment of corporate earnings becomes reflected in the stockholder's share of the net worth of the corporation and in increased earning power. It is worthy of note that the process of reinvestment of earnings frequently results in very large capital gains that escape capital-gains taxes. The accrued capital gains of a lifetime, if obtained through the retention and automatic reinvestment of corporate earnings, escape all capital-gains taxation, because the law does not provide any tax on the increment between cost and market value at the time of death, the entire estate being subject only to the ordinary estate taxes, on the market value, that are paid by all estates. Thus no special compensation is received by the Federal Government for the loss in revenues suffered during the lifetime of the owner by reason of his use of the corporate form.

Shareholders in corporations that pursue liberal dividend policies are now discriminated against, because they are not permitted to reinvest tax-free the corporate earnings that they receive as dividends; whereas the stockholders in corporations that retain the bulk of their earnings are permitted under the present law to reinvest their share of the corporate earnings, in effect, without payment of individual income taxes thereon.

Further, the present ability of the controlling stockholders of corporations to choose the timing of dividend distributions without any effect upon the corporation's tax liability and without reference to current earnings is resulting in tremendous losses of revenue to the Federal Government through an unjust avoidance of taxation by stockholders of large personal incomes. The earnings withheld by a corporation would, if distributed, materially raise the surtax brackets of many stockholders, thereby putting the stockholders in the surtax brackets where they really belong. When withheld for a time and then paid out in years when the other income of important stockholders is smaller such earnings escape the higher rates to which they would have been subject. Individual businessmen and partnerships possess no corresponding choice for the timing of the distribution of earnings for income-tax purposes.

The present law discriminates against stockholders with small incomes. The corporation earnings are subject to the graduated 12½- to 15-percent corporation income tax, as well as to capital-stock and excess-profits taxes. As against these rates of 12½ to 15 percent taken out of earnings, plus the capital-stock and excess-profits taxes, amounting on the average to about an additional percent, the stockholders' dividend receipts are exempted only from the 4-percent normal tax. Under the pending bill it would be impossible

for a corporation to avoid income taxes altogether, and the small stockholder would pay only the normal tax of 4 percent on his dividends or no tax at all, according to his total income, instead of in effect the present corporation income, capital-stock, and excess-profits taxes.

On the other hand, the present law sometimes favors the partnership as against the small corporation. There are many corporations whose earnings, if wholly distributed among the shareholders, would not be subject to individual income taxes averaging from 12½ to 15 percent, because the shareholders of those corporations do not fall into sufficiently high surtax brackets. The corporate form of business organization is, nevertheless, desired by numerous small and medium-sized enterprises for reasons of convenience, flexibility, limitation of liability, and the like. Discrimination in taxation against the corporate form of business enterprise, as well as discrimination in its favor, would be removed by the present proposal.

In substance, two major results would be accomplished by the proposed measure: First, all business, whether incorporated or not, would be placed on substantially the same basis for income-tax purposes; second, we would apply throughout our income-tax law the principle of taxation according to ability to pay.

In final analysis, ability to pay rests with the individual, and not with the corporation. When we tax the corporation itself we are really taxing an artificial entity representing an aggregate of individuals in almost every degree of economic condition and owning all the way from a few shares of stock to blocks representing hundreds of thousands of shares. Obviously, then, no tax (with the exception, perhaps, of a withholding tax which would be administratively very difficult) could be devised, which collected from the corporation, would equalize the tax burden with the ability of the individual shareholder to pay. This being true, we can never have equitable taxation of business income so long as we ignore the real ownership of the corporate income and continue to tax the corporation as an entity very much as if it were an individual. Ability to pay rests with the individual and the individual should be the basis, so far as possible, on which income taxation is applied.

That the proposed measure will carry out the principle of ability to pay is apparent from the fact that these additional revenues will come mainly from the real owners of business income now avoiding the surtaxes thereon. Studies supplied to the committee indicate that if corporations were to distribute to their shareholders all of their 1936 earnings, the taxable income of individuals would be increased by approximately $4,000,000,000. Of this large sum, more than 71 percent would be received by individuals with net incomes of more than $25,000 a year, and about 45 percent by individuals with net incomes in excess of $100,000 a year—individuals, in other words, who are subject to the higher surtax rates in our income-tax schedule. To the extent that corporations do not disburse their current earnings, the additional revenues will be obtained from higher corporation income taxes, corresponding as near as may be on the average to the rates that would have been paid by their shareholders if corporate earnings were fully distributed. At this time I ask that there be inserted in the record an estimated distribution of individual income as prepared by the Treasury Department.

The minority says that this will undermine business. We have taken all of the pains possible that we could, with any degree of equity and justice, to provide for corporations that may be in distress or in debt or that may need larger surpluses. I will ask the gentleman from Washington how many corporations can retain up to 40 percent of their net earnings and pass it on to surplus without paying any more or as much tax as they pay today?

Mr. SAMUEL B. HILL. Two hundred and fourteen thousand out of a total of 257,000—214,000 having an income of $10,000 or less, out of a total number of 257,000.

Mr. DOUGHTON. So those with smaller earnings will pay less tax under our plan than under the present law?

Mr. SAMUEL B. HILL. That is correct.

Mr. DOUGHTON. In the drafting of this measure great care has been taken to make ample provision for the practical requirements of corporate business. Indeed, as I have stated in another connection, practical considerations have been governing throughout our consideration of this and the other tax proposals. There is no intention or desire whatever to interfere with the internal management of business enterprises. The object of this revenue measure is not to tell corporate managements what proportion of earnings they shall distribute and what proportion they shall retain. The object is rather to see that, whatever the decisions of corporate managements, the Federal Government shall not be unreasonably and inequitably deprived of necessary revenues and that the tax burden is equitably distributed. Likewise, it is not the policy of Congress to dictate whether business shall be carried on as individual enterprises or partnerships, on the one hand, or as corporations on the other hand. The present laws go a long way toward doing so by making the use of the corporate form unduly expensive for the little fellow and by offering a source of tax avoidance for the big fellow. It is proposed to remove this inequality.

Some fear has been expressed that the effect of this proposal will be to perpetuate the existing set-up of industry, so that the big will stay big and the little will stay little. This seems to imply that under the present system of corporate taxation the small corporations have equal opportunity to grow into competitive strength with the larger corporations. This would be interesting if true. The fact is that the existing method of taxation has a tendency to increase the competitive advantages of the larger corporations, of which advantages, our experience shows, they have not failed to avail themselves. We do not pretend that this tax measure will remove all inequalities. However, we do claim that it will remove two major inequalities of our tax system while at the same time removing an important source of tax avoidance.

In concluding, I desire to emphasize that the proposed new method of taxing corporation incomes provides a basis for an excellent and productive permanent revenue measure. Its merits are clear: First, it will remove great existing inequalities in the taxation of incorporated and unincorporated businesses; second, it will permit a nearer approach to establishing taxation on the basis of ability to pay; third, it will increase the Federal revenues mainly by removing important sources of tax avoidance rather than by increasing existing tax rates or imposing new taxes; and, finally, this proposal appears to be greatly superior to all alternative proposals that have been suggested. [Applause.]

Before I conclude I should like to read one statement made by Mr. Helvering, Commissioner of Internal Revenue, which shows very clearly the inequality and injustice that exists now in many cases under our present corporation-tax laws. This is from the top of page 20 of the hearings:

> If, for example, a partnership composed of four equal partners earned $1,000,000, the Federal Government would receive $517,136 of those earnings in individual income taxes, assuming that the partners were single men and had no other taxable income. If these same men conducted their business as a corporation and paid themselves salaries of $25,000 each but no dividends, the Federal Government would receive only $145,656 in income taxes—a difference of $371,480. Even if this corporation distributed 50 percent of its earnings, after the payment of $100,000 in salaries, in dividends, the Federal Government would still receive $174,400 less in taxes than it would receive if the business were conducted as a partnership.

Now, if anyone can justify a system of taxation that discriminates to such a degree among its citizens engaged in business, those engaged in business as a corporation and those engaged in business as a partnership, he has a mind that works entirely different to mine. There is no equality, there is no justification whatever for a system of taxation of that kind. This needed reform has been postponed entirely too long.

In conclusion, there are two primary purposes in this bill: First, to raise needed additional revenue. We all admit that. No one will deny that it is needed.

Mr. COOPER of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman may proceed to the conclusion of his statement.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOUGHTON. Thank you. I will be through shortly.

The second purpose is to so arrange our corporate-tax laws that the Government will occupy a neutral position as between the taxpayers, or between those who pay taxes as corporations and those who pay taxes as individuals or as partnerships. In other words, the secondary purpose is to bring about a condition of fundamental equality. Moreover, in raising this additional revenue to finance the farm program and to take care of the additional expense placed on the Government by the passage of the soldiers' adjusted-service-certificate act the revenue will be raised where it will impose the least hardship and the least burden. Those are the two fundamentally sound reasons, in my judgment, why this bill should not only commend itself to every fair-minded Member of this House but to every taxpayer. We are striving for the same objective; that is, honest, efficient government as far as possible under existing conditions. I say you cannot challenge the statement truthfully and successfully that this bill is based on fundamental justice, and that any burdens imposed by this law will be placed where they will impose the least hardship.

I thank you all for your most courteous and careful consideration. [Applause.]

I had expected to refer to one other statement contained in the minority report during the limited time at my disposal, so will do so under the leave granted me to extend my remarks.

The minority report, in referring to the opponents of the President's suggestions and the report of the subcommittee during the hearings, states:

> This opposition was based wholly on the vicious character of the proposal, and not on any selfish effort to shift the burden of increased taxes to other groups.
>
> Among those conspicuously absent were the really big-business interests of the country who, by reason of their adequate existing surpluses, view the proposal with equanimity because it will relieve them of their present tax burden and at the same time crush their smaller competitors.

Being a Democrat, I must admit that I have not had the close contact with "the really big business of the country", so I cannot qualify as an expert on what constitutes bigness, and am at a little disadvantage in taking issue with my Republican friends.

During the hearings the committee was favored with the presence of several familiar faces who in the past have always appeared in opposition to practically every tax proposal advanced. Among them were the representatives of the National Association of Manufacturers and the United States Chamber of Commerce, whose representatives appeared in the role of spokesmen for the small businessmen of the country and as stanch opponents of monopoly. They, as usual, told us that the President's suggestions were economically unsound and unworkable and that they would drive the small corporations and businessmen out of business and create and breed monopoly. It was indeed a dismal and tragic picture they painted as to the future of those they represented.

During the testimony of Mr. Sargent, secretary of the Manufacturers' Association, it developed that their board of directors had arrived at their decision to oppose the President's suggestions prior to the printing of the subcommittee's report, they having met in New York on March 25. The directors present at that meeting reads like a membership list of the American Liberty League, whose financial angel was also one of those determining the attitude of the United States Chamber of Commerce, and who, incidentally, has just recently been identified as the financial angel of a so-called grass-roots convention recently held down in Georgia, and whose main activity to date has been the distribution of literature designed to arouse racial prejudices and hatreds.

Only 29 of the 69 members of their board of directors were present at this meeting, and who, according to the last edition of Poor's Register of Directors, are either officers or directors of 164 corporations. Seventeen of those present, according to the report to Congress on corporate salaries in excess of $15,000, received salaries and bonuses ranging from $21,000 to $125,219.92, or a combined total of $905,176.08, an average of $53,245.65 plus, and one of the companies thus represented paid its president $364,432.20. These are the small businessmen whose welfare our Republican friends place over and above the men who till the soil.

The other group of small businessmen, the United States Chamber of Commerce, after taking about 16 days to make up their minds, finally sent representatives to the hearings. They were, as usual, positive and emphatic in their opposition on the ground that the proposals were economically unsound and unworkable, and that the same would drive small corporations out of business and breed monopoly.

Before referring to the personnel of the chamber's finance committee who determined the policy and attitude of the United States Chamber of Commerce, it might be well to refer to a recent article appearing in the Washington Herald in the copyrighted article daily appearing under the heading of "The Washington Merry-Go-Round", by Drew Pearson and Robert S. Allen. This article quoted Harper Sibley, president of the United States Chamber of Commerce, as having said, in connection with the question as to whether or not Secretary of Commerce, Mr. Roper, would be invited to address their annual meeting to be held in the near future. Mr. Sibley was quoted as saying:

> I'm in the middle between two camps. One group, the ultra-hardshell Tories, are opposed to any overtures to the administration. The other, made up chiefly of small businessmen, are on the whole for friendly relations. But it is the first group that controls the chamber.

The finance committee of the United States Chamber of Commerce is as follows:

Fred H. Clausen, of Horicon, Wis., manager of the Van Brunt Manufacturing Co., one of 17 subsidiaries of Deere & Co.

Ellsworth C. Alvord, of the law firm of Alvord & Alvord, Washington, D. C., and former special assistant to Andrew W. Mellon, former Secretary of the Treasury.

Raymond H. Berry, of the law firm of Berry & Stevens, and chairman of the tax committee of the Detroit Board of Commerce.

W. Dale Clark, president, National Bank of Omaha, Omaha, Nebr.

Roy C. Osgood, vice president, First National Bank, Chicago, Ill.

Fred R. Fairchild, professor of political economy, Yale University.

H. B. Fernald, senior member of accounting firm of Loomis, Suffern & Fernald, New York.

Edwin G. Merrill, chairman of board, Bank of New York & Trust Co.

H. S. Wherrett, president, Pittsburgh Plate Glass Co., one of the Mellon interests; and

Lammot Du Pont, president of E. I. du Pont de Nemours & Co., and chairman of board of General Motors Corporation, as well as the financial angel of the American Liberty League and the Talmadge-Kirby Grass Roots Convention.

Six of the above are identified, according to Poor's Register of Directors, with approximately 130 corporations, including their subsidiaries and affiliated companies, 5 of this committee, according to the report to Congress on corporate salaries in excess of $15,000, received salaries and bonuses ranging from $18,900 to $100,219.96, or an average of $52,065.65 plus, and 2 corporations represented by this group paid out in salary and bonus the sum of $8,211,853.74 to 216 persons. This group indirectly represent approximately 71 additional corporations, exclusive of subsidiaries, in which the members of the Du Pont and Mellon families are either officers or directors. A complete list of the corporate connections of those spokesmen for the smaller businessmen of the country say they will be driven out of business through

their inability to cope with monopoly, which they say will be created if the provisions of the pending measure are enacted into law is as follows.

These spokesmen were loud in their denunciation of the President's suggestions during the hearings, but were woefully weak in offering any constructive suggestions or alternatives. One of the witnesses appearing for the chamber of commerce in reply to a question as to where additional revenue receipts could be secured suggested that Congress should require semiannual returns instead of only a single return each year. The net result of such a ridiculous proposal, if carried out, would only bring added administrative difficulties and expense and not result in any increased revenue. Another advocated the reenactment of some form of processing taxes, at reduced rates, but stipulated that only such taxes as would be paid by the consuming public should be considered. The representative of the Manufacturers Association, who was so positive in his declaration that the President's suggestions were economically unsound, when asked what in his opinion was a sound corporate tax, gave the committee none.

Many other witnesses appeared during the hearings, among whom was former Representative Fort, of New Jersey, who I am fearful will be read into the Communist Party by my friend from Massachusetts, since he was far more in accord with the various suggestions contained in the subcommittee's report than the witness alluded to by the Republicans in their minority views.

Directors of National Association of Manufacturers attending meeting in New York, Mar. 25, 1936

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
C. M. Chester	New York	$84,380.00		
Chairman of board, General Foods Corporation				$842,172.51
Director:				
Putnam Trust Co				
Zonite Products Co				16,200.00
Pack and 45th St. Corporation				
Manning, Maxwell & Moore				41,559.96
Central Hanover Bank & Trust Co				768,041.69
Lehigh Valley Railroad				154,337.00
Robert L. Lund	St. Louis	48,000.00		
Executive vice president, Lambert Pharmacal Co				137,000.00
W. Gibson Carey, Jr	New York	23,597.17		
President, The Yale & Towne Manufacturing Co				60,312.33
C. L. Bardo	New York	31,500.04		
President and director, New York Shipbuilding Co				57,578.91
Director, Allis-Chalmers Manufacturing Co				60,031.28
Thomas E. Wilson	Chicago	81,258.40		
Chairman of board and director, Wilson & Co., Inc				123,803.40
F. N. Bard	Chicago	30,050.00		
President and director:				
Barco Manufacturing Co			1	30,050.00
Argyle Railway Supply Co				
Chibar Corporation				
Russell Watson	New Brunswick			
Vice president, Johnson & Johnson				
Walter Harnischfeger	Milwaukee			
President and director, Harnischfeger Corporation				
Harry A. Bullis	Minneapolis			
Vice President and director:				
General Mills, Inc				
Washburn Crosby Co				
Red Star Milling Co				
Larrowe Milling Co				
Oklahoma City Mill & Elevator Co				
Wichita Mill & Elevator Co				
Sperry Flour Co				
El Reno Mill & Elevator Co				
Frontier Elevator Co				
General Grain Co				
Gold Medal Flour Co. of Oklahoma				
Gold Medal Flour Co. of Texas				
Gold Medal Foods, Inc				
Great West Mill & Elevator Co				
Kalispell Flour Mill Co				
Kell Mill & Elevator Co				
Pacific Coast Elevator Co				
Perry Mill & Elevator Co				
Rocky Mountain Elevator Co				
Royal Milling Co				
Star Grain Co				
Coupon Services, Inc				
Washburn Crosby Co. Ltd				
Washburn Crosby Milling Co				
Frontier Mill Co				
American Research Products, Inc				
Howard Grain Co				
Red Bank Co., Inc				
Star and Crescent Milling Co				
President and director, Farm Service Stores, Inc				
F. B. Davis	New York	125,219.92		
President and director:				
United States Rubber Co			9	366,166.98
Sampson Corporation				
United States Rubber Products, Inc				
Director:				
Columbus Rubber Co. of Montreal, Ltd				
Hollandsch Amerikaanzche Plantage Maabschappij				
Rubber Regenerating Co., Ltd				
E. I. du Pont de Nemours				3,141,191.29
General Rubber Co				
General Rubber Co., Ltd				
Rubber Manufacturers Association				
Malayan American Plantations, Ltd				
Meyer Rubber Co				
Si Pare Pare Rubber Matschappij				
United States Rubber plantations				25,512.16
Chairman of board and director:				
Dominion Rubber Co., Ltd				
Sampson Tire and Rubber Co				
Executive committee and trustee, New York Trust Co				442,950.00

Directors of National Association of Manufacturers attending meeting in New York, Mar. 25, 1936—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
F. W. Lovejoy	Rochester	$90,903.90		
President, general manager, and director, Eastman Kodak Co				$773,635.02
Director, Security Trust Co				36,000.00
Kemp P. Lewis	Durham, N. C	49,762.70		
President and director:				
Erwin Cotton Mills Co			3	83,262.70
Erwin Yarn Co				
Bank of Harnett				
Director:				
Durham Cotton Manufacturing Co				
Fidelity Bank, Durham, N. C			1	16,200.00
Durham & Southern Ry			1	16,656.59
Locke Cotton Mills				
John J. Watson	New York			
President and director:				
International Agricultural Corporation				
Florida Mining Co				
Prairie Pebble Phosphate Co				
Director:				
Fidelity-Phenix Fire Insurance Co			2	44,341.13
Lawyers Title Corporation				
Phosphate Recovery Corporation				
Chairman of board and director:				
Republic Rubber Co				
Lee Rubber & Tire Co				
Henry Abbott	New York			
President and director, Calculagraph Co				
E. J. Barcalo	Buffalo			
President and director:				
Barcalo Manufacturing Co				
Six-Way Corporation				
Director:				
Buffalo, Niagara & Eastern Power Corporation				
Lake Erie Trading Corporation				
Trustee: Erie County Savings Bank				
Otto Ernest Braitmayer	New York	60,000.00		
Vice President and director, International Business Machines Corporation				627,432.20
Director, Weston Electrical Instrument Corporation			2	44,191.25
Harry L. Derby	New York			
President and director:				
American Cyanamid & Chemical Corporation				
Arizona Chemical Co				
Vice president and director, American Cyanamid Co				
Charles F. Stone	Atlanta, Ga			
President and director, Atlantic Steel Co				
Hollie B. McCormac	Winchester, Va			
President and director:				
Virginia Woolen Co				
Union Bank of Winchester				
Director:				
Berkeley Woolen Co				
Virginia Manufacturers Association				
Winchester Credit Corporation				
Southern Industrial Council				
Walter D. Fuller	Philadelphia	46,894.18		
President and director, Curtis Publishing Co			14	453,519.18
Director:				
John F. Clement Co			4	98,150.00
First National Bank of Philadelphia			8	230,600.00
Trustee, Penn Mutual Life Insurance Co				
George H. Houston	Philadelphia	81,740.00		
President and director:				
Baldwin Locomotive Works			8	288,180.00
Standard Steel Works Co			1	21,000.00
Baldwin-Southwark Corporation			1	20,400.00
Whitcomb Locomotive Co				
De La Vergne Engine Co				
I. P. Morris & De La Vergne, Inc				
Federal Steel Foundry Co				
Baldwin Locomotive Works of Cuba				
Baldwin Locomotive Works of Brazil				
Philadelphia Locomotive Works				
Chairman, executive committee, and director:				
Midvale Co			3	75,330.00
General Steel Castings Corporation			2	54,340.00
Cramp Brass and Iron Foundries, Corporation				
Pelton Water Wheel Co				
Director, Flannery Bolt Co			1	19,410.79
Evarts C. Stevens	Meriden, Conn			
Vice president and director:				
International Silver Co			1	20,000.00
Dime Savings Bank, Wallingford, Conn				
International Silver Co. of Canada, Ltd				
Director, Manning-Bowman & Co				
George F. Lang	Baltimore	27,627.31		
President and director, Carr-Lowery Glass Co			4	98,652.25
Director, National Central Bank				
Secretary, Dover Building & Loan Association				
William R. Webster	Bridgeport, Conn			
President and director, Automatic Machine Co				
Chairman of board and director, Bridgeport Brass Co			2	51,826.53
Trustee, Bridgeport-Peoples Savings Bank				
Edward C. Heidrich, Jr	Peoria, Ill			
Vice president and manager, Peoria Cordage Co				
Vice president and director, Peoria Finance & Thrift Co				
Director, Lincoln Fire Insurance Co. of New York				
Vincent Bendix	Chicago	45,129.55		
President and director:				
Bendix Aviation Corporation			1	22,629.55
Bendix Brake Co				
Pioneer Instrument Co				
Scintilla Magneto Co				

Directors of National Association of Manufacturers attending meeting in New York, Mar. 25, 1936—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
Vincent Bendix—Continued.				
President and Director—Continued.				
Bendix-Stromberg Carburetor Co				
Bendix-Westinghouse Automotive Air Brake Co				
Charles Cory Corporation				
Bendix Products Corporation			2	$47,250.00
Chairman of board and director, Automatic Products Co				
Director:				
First Bank & Trust Co., South Bend, Ind				
Hydraulic Brake Co				
Eclipse Machine Co				
Bendix-Cowdrey Brake Tester, Inc				
Delco Aviation Corporation				
Eclipse Aviation Corporation				
American Propeller Co				
Bragg-Kliesrath Corporation				
Eclipse Textile Devices, Inc				
Permutit Co				
Bendix-Eclipse of Canada				
Julius P. Friez & Sons				
Malcolm Muir	New York	$22,112.91		
President and director, McGraw-Hill Publishing Co				
Director:				
Business Publishers International				
McGraw-Hill Book Co				
Howard Coffin		36,000.00		
President and director, Sulflo Corporation				
Vice president, Turnsignal Corporation				
Chairman of board and director:				
Sea Island Co				
Southeastern Cottons, Inc				
Richard Harte	Easton, Mass	21,000.00		
President and director:				
Ames, Baldwin, Wyoming Shovel Co			1	21,000.00
Ames Shovel & Tool Co				
Director:				
State Street Trust Co			4	90,839.98
Atlantic Precision Instrument Co				
Chicago, Wilmington & Franklin Coal Co			1	20,000.00
First National Bank of Easton				
Waypoyset Manufacturing Co				

Members of finance committee, United States Chamber of Commerce

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
Lammot Du Pont	Wilmington, Del	$100,219.96		
President and director E. I. du Pont de Nemours			80	$3,141,191.29
Subsidiaries and affiliates:				
Canadian Industries				
Compania Mexicana de Explosives				
Compania Sud-Americana de Explosives				
Dupont Building Co				
Grasseli Chemical Co			9	338,355.26
American Zinc Products Co. of Indiana				
Dupont Film Manufacturing Corporation				
Dupont Securities Co				
Du Pont Cellophane Co				
Du Pont Rayon Co			13	463,557.93
Du Pont S. A. (Mexico)				
Du Pont Visculoid Co			5	118,202.43
Celastic Corporation				
Remington Arms Co., Inc			4	93,540.00
Remington Arms Union Metallic Cartridge Co				
Peters Cartridge Co				
Bayer-Semesan Co., Inc				
Nobel Chemical Finishes, Ltd				
Leathercloth Proprietary, Ltd				
Rokeby Realty Co				
Societi Francaise Duco S. A				
Societi Francaise Fabrikoid S. A				
National Ammonia Co				
American Glycerin Co				
International Freighting Co				
Old Hickory Chemical Co				
Kinetic Chemicals, Inc				
Pacific R. & H. Chemicals Corporation				
Krebs Pigment & Color Corporation				
S. A. du Pont do Brasil				
Chairman of board and director, General Motors Corporation			136	5,070,662.45
Subsidiaries and affiliates:				
Yellow Truck & Coach Manufacturing Co				
Ethyl Gasoline Corporation			9	273,094.56
Vauxhall Motors, Ltd				
Adam Opel, A. G				
Bendix Aviation Corporation			1	22,780.00
North American Aviation, Inc				
General Aviation Corporation				
Kinetic Chemicals, Inc				
National Bank of Detroit				
General Motors Acceptance Corporation				
Director:				
General Motors Acceptance Corporation				
Chemical Bank & Trust Co				
Wilmington Trust Co				

Members of finance committee, United States Chamber of Commerce—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
Wilbur Dale Clark	Omaha, Nebr	$18,900.00		
President and director, Omaha National Bank				
Fred H. Clausen	Horicon, Wis			
Manager, Van Brunt Manufacturing Co. (subsidiary of Deere & Co.)				
Deere & Co. subsidiaries:				
Fort Smith Timber & Land Co				
Syracuse Chilled Plow Co				
Van Brunt Manufacturing Co				
John Deere Tractor Co., Waterloo, Iowa				
Dain Manufacturing Co. of Iowa				
John Deere Plow Co. of Moline				
John Deere Plow Co. of Syracuse				
John Deere Plow Co. of Kansas City				
John Deere Plow Co. of St. Louis				
John Deere Plow Co. of Lansing				
John Deere Plow Co. of Indianapolis				
John Deere Plow Co. of Columbus				
John Deere Plow Co., Ltd. of Winnipeg				
John Deere Plow Co. of Saskatchewan, Ltd				
John Deere Plow Co. of Calgary				
Deere & Webber Co., Minneapolis				
John Deere Manufacturing Co., Ltd., Welland, Ontario				
Roy C. Osgood	Chicago	27,208.33		
Vice president, First National Bank of Chicago			28	$672,104.07
Treasurer and director, Albert Schwill & Co			1	19,975.11
President and director, Upper Avenue Safe Deposit Co				
Chairman of board and director, Upper Avenue Bank				
Director:				
American Food Products Co				
United States Cold Storage Co				
National Safe Deposit Co				
St. Louis National Stockyards				
Edwin C. Merrill	New York	51,000.00		
Chairman of board, Bank of New York & Trust Co			11	288,900.00
Director:				
Atlas Assurance Co., Ltd			1	20,585.83
Atlanta & Charlotte Air Line				
Electric Bond & Share Co			24	820,650.00
Globe & Rutgers Fire Insurance Co				
Patriotic Insurance Co				
State Mutual Life Assurance Co			2	55,000.00
Sun Indemnity Co. of New York				
Detroit & Mackinac Ry				
Sun Underwriters Insurance Co. of New York				
Western Union Telegraph Co				
Virginia Iron, Coal & Coke Co				
Subsidiaries:				
New York & Virginia Mining & Mineral Co				
Doe Mountain Mining & Improvement Co				
Doe Valley Association				
Colony Coal & Coke Corporation				
Vicco Fuel Corporation				
Member, board of finance of Caledonian Insurance Co. of Edinburgh				
Vice president and trustee, Greenwich Savings Bank				
H. S. Wherrett	Pittsburgh	63,000.00		
President and director:				
Pittsburgh Plate Glass Co. (Mellon interest)			18	548,612.50
Duplate Corporation				
Plate Glass Manufacturers Association				
Vice president:				
Southern Alkali Corporation (subsidiary of American Cyanamid Co.)			2	38,625.00
Other subsidiaries of American Cyanamid Co.:				
Amalgamated Phosphate Co				
American Cyanamid & Chemical Co				
The Calco Chemical Co				
Chemical Construction Corporation				
Davis & Geek, Inc				
Dillons-Klipstein, Ltd				
Lederle Laboratories				
North American Cyanamid Ltd				
Rezyl Corporation				
Director:				
Columbia Alkali Corporation			1	39,500.00
Ditzler Color Co				
Pittsburgh branch, Federal Reserve Bank of Cleveland				
Westinghouse Electric & Manufacturing Co			16	435,386.42
Westinghouse Electric & Manufacturing Co., subsidiaries (wholly owned):				
Westinghouse Lamp Co			4	104,062.75
The Bryant Electric Co				
Westinghouse Electric Elevator Co				
Westinghouse X-Ray Co				
Westinghouse Electric Supply Co				
Westinghouse Electric International Co			3	51,244.85
Interborough Improvement Co				
Laurentide Mica Co., Ltd				
Turtle Creek & Allegheny River R. R				
Westinghouse Inter-Works Ry. Co				
Electric Equipment Corporation				
Westinghouse Acceptance Corporation				
Westinghouse Gear & Dynamometer Co				
A S National Industri S A				
Australian Westinghouse Electric Co., Ltd				
Cia Electrica Westinghouse de Chile				
Cia Westinghouse Electric de Cuba				
Cia Westinghouse Electric International S A				
Westinghouse Electric Co. of Japan				
Westinghouse Electric Co. of South Africa, Ltd				
Westinghouse Electric Co. of India, Ltd				
Westinghouse Electric Products, Inc				
Broadcasting stations:				
KDKA, Pittsburgh				
KYW, Philadelphia				
WBZA, Springfield, Mass				

Members of finance committee, United States Chamber of Commerce—Continued

Name	Address	Salary and bonus received in 1934	Salaries paid in excess of $15,000	
			Number	Total amount paid
H. S. Wherrett—Continued.				
Director—Continued.				
Westinghouse Electric & Manufacturing Co., subsidiaries (wholly owned)—Continued.				
Broadcasting stations—Continued.				
WBZ, Boston				
W8XK, Pittsburgh				
W1XK, Boston				
Subsidiaries (majority controlled):				
East Pittsburgh and Wilmerding Coal Co				
Laboratorio Elettrotecnico Ing Luigi Magrini				
Ellsworth C. Alvord, attorney, firm of Alvord & Alvord, Munsey Building, former special assistant to former Secretary of the Treasury, Andrew W. Mellon.	Washington, D. C.			
Raymond H. Berry, member of law firm of Berry & Stevens, Penobscot Building, and member of Detroit Board of Commerce and chairman of its tax committee.	Detroit, Mich			
Fred R. Fairchild, professor of political economy, Yale University				
H. B. Fernald, senior member of firm of Loomis, Suffern & Fernald (certified public accountants)	80 Broad St., New York, N. Y.			
Mellon family:				
Mellon National Bank			5	$130,000.04
Westinghouse Air Brake Co			4	92,000.00
Union Trust Co			6	229,687.50
Aluminum Co. of America			10	361,623.20
Koppers Co			4	148,599.96
Forbes National Bank, Pittsburgh				
Carborundum Co			3	83,593.32
Pullman, Inc			9	215,045.92
Milbank Corporation				
Pan-American Airways			3	48,550.00
Pittsburgh Aviation Industries, Inc				
Standard Securities Co				
Union Switch & Signal Co			2	47,700.00
Gulf Oil Corporation				
Pennsylvania R. R			26	671,327.13
National Union Fire Insurance Co			3	60,120.00
Pennsylvania Water Co				
Eastern Gulf Oil Co				
South American Oil Co				
Venezuela Gulf Oil Co			4	81,000.00
Gulf Pipe Line Co			1	21,500.00
Gulf Pipe Line Co. of Oklahoma				
Gulf Production Co			6	158,333.33
Gulf Refining Co			17	448,210.81
Gulf Refining Co. of Louisiana			1	25,000.00
Gypsy Oil Co			4	71,500.00
Westinghouse Electric & Manufacturing Co			16	435,386.42
Westinghouse Electric International Co			3	51,244.85
Monongahela Light & Power Co				
Monongahela Street Ry				
Pittsburgh & Birmingham Traction Co				
Ligonier Valley R. R				
Union Savings Bank			1	25,000.00
Philadelphia Co				
Union Spring & Manufacturing Co				
Western Gulf Oil Co			1	25,000.00
Standard Car Finance Co				
Osgood-Bradley Securities Co				
Columbian Petroleum Co				
Delaware Gulf Oil Co				
Gulf Building Co				
Gulf Pipe Line Co. of Pennsylvania				
Union Fidelity Title Insurance Co				
Gulf Exploration Co				
Mexican Gulf Oil Co				
Tidewater Oil Co			8	194,512.47
Pittsburgh Coal Co			6	199,798.50
Du Pont family:				
Florida National Bank of Jacksonville				
Almous Securities, Inc			3	250,000.00
Florida National Bank & Trust Co				
Gulf Coast Properties, Inc				
Indian Acceptance Co				
Du Pont Motors				
U. S. F. Powder Co				
Atlas Powder Co			4	103,509.00
Delaware Trust Co				
Greenacres Properties Co				
Traction Bus Co				
Francis I. du Pont & Co				
Membership New York Stock Exchange				
Equitable Office Building Co			2	30,690.00
Equitable Trust Co				
Empire Trust Co			5	218,490.00
Continental American Life Insurance Co			1	23,716.11
Sarawins Inc				
Prudential Investors, Inc				
T. W. A., Inc				
Reading Co			9	231,868.00
Ethyl Gasoline Corporation			9	273,094.56
Philadelphia National Bank			10	304,662.00

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] has consumed 1 hour and 1 minute.

The gentleman from Massachusetts [Mr. TREADWAY] is recognized for 1 hour.

Mr. TREADWAY. Mr. Chairman, I desire not to be interrupted. Will the Chairman be kind enough to notify me when I have consumed 20 minutes?

Mr. Chairman, there is an old adage which runs, "Least said, soonest mended."

This was never more truthful than as applied to the proposed tax measure.

I do not intend to discuss the demerits of this legislation at this time but will do so later on during the debate. Anyone who can analyze the drastic changes in our tax system

proposed by the bill, which has been public for only 48 hours, or who can intelligently discuss all of its complications and ramifications, has mental capacity that entitles him to be rated as a superman. Not only the complications involved but the lack of information provided, the inaccurate estimates, and the adverse testimony, all could be discussed indefinitely.

The majority, with the aid of all the Government officials and experts at their command, offer only a synopsis of the bill itself. I therefore urge both sides of the House to read the minority report in comparison. While our discussion was necessarily confined to the general principles involved, we invite Members to decide for themselves which report actually tells anything about the operation and effect of the law.

Let me call attention to a few quotations.

The President, in his tax message, said, among other things:

> Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation.

Unfortunately the President has suggested—he evidently no longer orders, as previously—has suggested a tax measure for simplification, reform, and revenue. Last year he also spoke of a "breathing spell."

In addition to this reference from the President, let me quote the following from the majority's report on the bill:

> * * * This will take care of the President's request until the next session of Congress, which can then act more intelligently in the light of then existing conditions.

I think there is no question but what the next Congress will act more intelligently than the present Congress, because it will be a Republican Congress. Possibly the Democratic majority have this in mind. But there is another reason. They want to put off as much of the tax burden as they can until after the election.

The next Republican Congress may have to levy increased taxes to pay for Democratic extravagance, but there is a possibility we can get along with the present taxes after Democratic waste has been eliminated.

What a great thing "simplification" is as today exemplified by this measure. I most heartily commend to the careful attention of the membership of this House and to the people of the country the contents of schedules I, II, and III of section 13. If this is simplification, give me complication!

This complicated legislation was originally worked out with algebraic formulas. The present tables of rates will prove to be more Greek than algebra to the unfortunate taxpayers. The only beneficiaries under this bill, aside from the large monopolistic corporations who will have their tax burden lifted by the bill, will be the high-priced lawyers and accountants who will be obliged to lead their clients through the maze which the subservient Democratic majority have created to further harass business and the taxpayer.

We pass to the word "reform", which is defined in the dictionary as meaning to "change from bad to good." No one can conceive of a greater contrast from actual definition and actual fact than in the statement that this measure is a change from bad to good. It has no good in it; it is all bad. We now have a tax system that has been built up and constantly improved over a period of 23 years. It may be slightly complicated, and possibly it could be still further improved, but certainly the bill presented to the House at this time falls short of any improvement, and falsifies the well-established definition of the word "reform." Any businessman examining its provisions will see how splendidly the "reform" is working in his behalf.

So far as revenues are concerned it must be admitted that the bill is disappointing. Not only are we giving up a certainty in the way of revenue for an uncertainty, but even the arbitrary estimates made by the majority in their report are admittedly a distinct reduction from the President's expectations. I call attention to the fact that the Treasury itself has not furnished a definite estimate of what the bill is expected to produce in the way of revenue, and even if it did the estimate would be no more than a guess. The Federal revenue is actually jeopardized by the bill when it abandons an assured collection of $1,132,000,000 from corporations in favor of a yield which at most is pure conjecture and which will undoubtedly be disappointing in amount.

The distinguished chairman of the committee has just presented this House with a forced explanation of the bill. I realize that he and his associates must on the surface appear to be wholeheartedly for this bill so that they may be enabled to keep their record intact of being administration "rubber stamps." They are, of course, "on the spot." If the truth were known we would find the gentlemen on the majority side of the House as violently opposed to this bill as we on this side. At least one of our Democratic colleagues on the committee, the gentleman from Ohio [Mr. LAMNECK], has the courage of his convictions and refuses to play "follow the leader" on this bill. He knows it is unsound and is going to vote accordingly. Why cannot the rest of you Democrats vote your convictions as well? The President made you enact his pet graduated income tax on corporations last year, and now he has left you "holding the bag" by abandoning the scheme even before it went into operation. How do you know he will not abandon this unsound scheme before adjournment and suggest some other experiment?

I could elaborate indefinitely on these matters, but I wish to direct the attention of the House and the country to the manner in which this bill was prepared.

In January we had the President's message saying, "No new taxes."

In March we had another message from the President requesting new taxes and suggesting certain methods of raising them. His major suggestion had to do with the proposal to revolutionize the corporate tax system and experiment with a new scheme.

The taxation subcommittee of the Ways and Means Committee immediately began a study of the President's suggestions. No bill had been prepared which could be considered. All the subcommittee had before it was the President's message and several professors from the Treasury Department, including Professor Oliphant, Professor Kent, and Professor Haas.

The reason no bill had been prepared was that these impractical and theoretical professors did not know how to work out a bill. They merely gave birth to the idea which the President left on the doorstep of Congress.

After laboring for nearly a month the subcommittee was unable to prepare a bill and simply submitted a list of recommendations to the full committee based on the proposals made by the Treasury officials.

I want to add that in my humble judgment, if it were not for the expert knowledge of the legislative drafting service and the expert tax adviser of Congress, Mr. Parker, you would not have a bill before you today embodying these ideas. They are the men who drafted the language of the bill. You had to wait until you went into private, executive Democratic subcommittee session with them before you could put a line of this bill on paper. I respect very greatly the tax knowledge of my colleagues on the committee, able men that they are, but when it comes to their getting up the phraseology and language in italics in this measure, give me Mr. Beeman and Mr. Parker. These gentlemen, of course, have nothing to say about what goes in the bill; they simply take orders from the majority. At a later time I propose to refer to Mr. Parker's views on the general theory of this kind of tax, to which he is on record as being opposed.

After the subcommittee submitted its report, hearings were then conducted by the full committee on the subcommittee's recommendations, with no bill before it.

I want to emphasize that there never was a meeting of the full committee until the bill was submitted to the full committee on Tuesday morning at 9 o'clock. It was reported out the same day. Did any of you Members, either Republican or Democratic, ever hear of an important piece of legislation coming onto this floor in such a manner? It is rubber-stamping, regimentation, autocratic control, and all

the rest of it run riot. We have seen a lot of it in the last 3 years, but the present procedure beats all the rest to a frazzle. There was never anything like it.

Outside of Treasury officials, only three witnesses appeared in favor of the proposed scheme—not bill—scheme—no bill, understand. Who were they? One was a young attorney who had a few theories of his own regarding taxation; one was a Government attorney for the Communications Commission, whom the Treasury "invited" to appear; and the other was a spokesman for the Communist Party.

Every other witness opposed the bill. Those in opposition were practically all businessmen, with experience and not theory to back up their judgment.

The Secretary of the Treasury was conspicuous by his absence. He became suddenly ill just before the hearings opened and, by recuperating at a fashionable southern resort, was able to return to the city, quite by coincidence, just as the hearings closed. It will be interesting to find out whether he will appear before the Finance Committee in the other body. Possibly he will have a relapse about the time they start their hearings. Humph! [Laughter and applause.]

The hearings were conducted by the majority in such a way as to frighten self-respecting people from appearing. Every witness who opposed the bill was browbeaten, and the majority even resorted to quoting from the salary report, sent up by the Treasury which was taken from the income-tax returns.

They were going around snooping. I used this word once before, and I am going to use it again. In the Ways and Means Committee room they went snooping around, instructing their clerks to find out the salaries being paid to men appearing before the committee. This is a fine way to treat people appearing, and it is a splendid way to induce witnesses not to appear. If this sort of procedure keeps up, the only way we will ever get any witnesses will be by subpena; they will not come voluntarily if this is the way they are to be treated by what is supposed to be one of the leading committees. Humph! [Laughter.]

It was apparent from the beginning that the majority had made up their minds to draft a bill along the lines of the President's suggestions; so there was no use for anyone to waste his time by appearing.

What effect does this bill have on the "breathing spell" we were told about? Well, good heavens! The taxpayers of the country will be all out of breath before there ever comes any breathing spell. That is about as near as we can depend on any promise coming from the other end of Pennsylvania Avenue. Breathing spell! Why, I would rather run up Capitol Hill and expect to have any breath left than to believe the business people of the country will have any breath left under the "breathing spell" that is being pushed on them.

We were told today that this bill is not sufficient, that we will have another measure next year. Thank God, though, it will be under Republican guidance. [Applause and laughter.]

Now, let us give a little further consideration to this matter of the preparation of the bill. We are asked to talk on the bill; yes. In the first place you cannot talk on its merits, it has not got any; and its demerits are so many that 8 hours of debate on this side is not sufficient time in which to begin to touch them. Let us, therefore, vary the program just a little. Two hundred and thirty-six pages!

Mr. VINSON of Kentucky. That is pretty close.

Mr. TREADWAY. I am mistaken; 249 pages. I am modest. I beg the gentleman's pardon. I am sorry I did not make it large enough. I will make it larger if it will help the gentleman any. This was available to the membership of this House 48 hours ago; still you gentlemen will be asked next week to cast your vote in behalf of your constituents with your honest judgment backing a study you are supposed to have made of this complicated measure.

Simplicity! Well, look over any page and any italics there and see how simple it is. Look at these schedules and tables and see how easy it is going to be for the experienced tax-expert lawyer to collect mighty heavy fees for keeping you men out of jail when you present your income-tax reports.

The CHAIRMAN. The gentleman from Massachusetts has consumed 20 minutes.

Mr. TREADWAY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, it is the most complicated language which was ever presented to this House on a most complicated subject. Now, that statement stands. I shall be glad to take off my hat to any Democrat, and I will include my colleagues on the Republican side, who can stand on this floor and explain how you are going to make up your income-tax return when this bill goes into effect.

Let us, however, go back a little. We received from the President of the United States a message on March 3. The Subcommittee on Taxation of the Ways and Means Committee at once started to study the President's recommendation. The recommendation is in the RECORD before you, suggestions only, even going so far as to say "I would not venture to tell you wise legislators how to write a tax bill covering my views." That is what the President told us, and the reason no bill was prepared was the inexperienced and impractical theorists who suggested the plan to the President were not able to write it themselves. That is the reason no bill has been before you gentlemen. The very theorists who suggested this complicated bill could not put it into language. They had to come up here and get Mr. Beaman to write it for them. I am glad we have such a man able to carry on this task, but he has grown old in the last two weeks trying to put together any kind of language that would fit into the suggestions offered by the President on March 3.

We have criticized the White House and the theorists who assisted the White House for submitting ready-prepared measures in the past. They have not done so in this case purely on account of total lack of knowledge. They recognized that they could not draft this measure, and they knew but one man in the country who could do it and he was up here. So the President dumped these ideas into the lap of Congress and said, "We have the thought. You work it out."

Well, that is very kind of him and his theoretical professors or professional assistants, but it does not get us anywhere so far as legislation is concerned.

The system has never been tried in this country in the past. Similar suggestions have been made for the past 20 years, but never put into effect. It is more drastic and revolutionary than any system heretofore proposed. There is no precedent to go by, which makes the more difficult the drafting of a measure.

The subcommittee sat with the Treasury experts to study the plan outlined. I say "Treasury experts." I am passing out a very large boquet when I call them experts. Who are they? First, there is Professor Oliphant, to whom I referred previously. But I should like to quote from a statement that appears in the record. This occurred in a colloquy between Professor Oliphant and myself and shows just what kind of expert he is:

> Mr. TREADWAY. You say as a private lawyer you have not had very much experience in the administration of tax laws?
> Mr. OLIPHANT. That is right.
> Mr. TREADWAY. But as a professor you have had a good deal?
> Mr. OLIPHANT. Yes; I have worked on tax problems a good deal.
> Mr. TREADWAY. In order to disseminate your knowledge to the students in your classes?
> Mr. OLIPHANT. That is right.

Then I asked Professor Oliphant to furnish the committee with a memorandum covering the constitutionality of the windfall and corporation taxes. This colloquy will be found on page 622 of the hearings. He said:

> Yes; I shall be glad to submit a memorandum on that.

It will be noted that no memorandum is inserted in the hearings, nor has any been submitted since the hearings, so far as I know.

Mr. Chairman, I think there is a mighty good reason for the absence of that memorandum on the constitutionality of this act. Neither he nor any of his assistants in the Treasury Department are able to prepare such a statement.

You would think that if the proponents had carried out the whole theory of the thing they would have at least studied its constitutionality before submitting the plan to the President to put into a message to Congress.

The colloquy referred to between Mr. Oliphant and myself occurred on April 6, and with all the white-collared, high-salaried attorneys that the Government seems to be employing nowadays, I think if there was any opportunity or any kind of excuse that could be made to call this constitutional they would have submitted it by this time. At any rate, Professor Oliphant did not keep his word when he promised to submit the memorandum.

One of our chief aides was the general counsel for the Bureau of Internal Revenue, Professor Kent. I had a somewhat similar interview with him. He admitted he was a high-grade college professor out in Chicago. The amount of his court experience was evidently a cipher. He never told us.

Our economist was another professor, Professor Haas.

The best witness we had was one of our former colleagues, the Commissioner of Internal Revenue, Mr. Helvering. I sometimes think it is well worth having served in Congress, because once in a while even the Democrats pick up a good ex-Congressman to put into a job because he belongs to their party, not because of his knowledge of tax matters. That is not expected.

Then we had a very skillful statistician, Mr. McLeod. If you asked him a question about his statistical figures or his maps, or anything else, he stated he had not looked up that particular point. His stock answer right along was that he had not looked into that detail. So far as what he prepared was concerned, if he understood it, that was more than the rest of the members did.

On top of that, of course, there is nothing back of his figures. There was absolutely no evidence submitted to the committee that his figures were in any way accurate. That completes the list of experts. Nevertheless, the Democrats went ahead under instructions and carried out the wishes of the administration.

After this hearing was closed the Democratic members had secret executive sessions, to which the Republican members were not invited and from which we were excluded. There has been something said—and I want to correct the statement—about the subcommittee having hearings and preparing this bill. The subcommittee consisted of four Democrats and three Republicans. The services of the three Republicans were not needed, so that statement ought to be "the Democratic members of the subcommittee" and not the subcommittee. We do not vouch for this bill one particle. Anything in italics in that print has the unanimous condemnation of the Republican members of the Ways and Means Committee.

Further than that, I want to criticize most severely the members of my committee, as much as I respect them, for the way in which they tried to bulldoze every witness that did not agree with them. No wonder we have a basketful of letters from people refusing to come to the hearings. There are respectable, high-grade businessmen who oppose this bill, but they will not attend a hearing and stand for this type of ridicule and the kind of inquiries that were poked at the various witnesses by the star interrogator of the committee, the gentleman from Kentucky [Mr. VINSON].

Mr. Chairman, my remarks today have been confined entirely to the method of preparation of this bill. At a later time during the debate I shall discuss the demerits of the bill itself, including its application and effect.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, when the President's message first came out requesting additional revenue, those of us who represent dairy districts met and consulted in order to see if there might not be some method by which we could protect the dairy interests of this country.

The executive committee of the dairy group, of which I happen to be chairman, after several discussions, passed a unanimous resolution that an effort should be made to place excise taxes on oleomargarine and on foreign fats and oils in this measure in order to protect the dairy farmers of the United States.

In accordance with this resolution I presented a request in writing to Mr. DOUGHTON, as chairman of the Ways and Means Committee. I shall not read this communication, but I ask unanimous consent, Mr. Chairman, to place it in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The letter referred to follows:

MARCH 30, 1936.

Hon. ROBERT DOUGHTON,
Chairman, Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR MR. DOUGHTON: At a meeting of the executive committee of the dairy group, comprising members of every political party represented in the House, it was voted that I should make certain requests in writing of your honorable committee.

On behalf of these Congressmen who have cooperated with the American Farm Bureau Federation, the National Grange, the National Cooperative Milk Producers' Federation, and the National Dairy Union, I desire to present certain requests before the Ways and Means Committee for their consideration in connection with a proposed tax bill.

The dairy farmers of this country feel that they are entitled to some consideration in this session of Congress, and the tax herein proposed would be of material benefit to dairy farmers and at the same time it would add to the revenues of the United States Government.

Dairy farmers are paying a substantial portion of the State and Federal tax burdens of this country. Oleomargarine manufacturers are paying no such tax and the tax which we propose would at least have the effect of equalizing in some degree the tax burden of this country as between dairy farmers and oleomargarine manufacturers.

(1) We desire to have incorporated into the tax bill a section which will levy a tax of 5 cents per pound on all oleomargarine manufactured in the United States wholly from domestic fats and oils and a tax of 7½ cents per pound on all oleomargarine manufactured in the United States in which any foreign ingredients are used. These taxes are to be in addition to all existing taxes on oleomargarine.

(2) We further request the imposition of a 4½-cent import tax (a) on perilla oil, tung oil, hempseed oil, and olive oil (sulphured and inedible). We request these taxes because these oils are in competition with American fats and oils, and the 4½-cent rate will make these oils pay the same import tax that is now levied on linseed oil. There should also be an equivalent rate of duty placed on these seeds and nuts from which these oils are extracted.

(3) In the Revenue Act of 1934 an excise tax of 3 cents per pound was placed upon the first domestic processing of coconut oil, palm oil, palm-kernel oil, sunflower oil, and sesame oil, with an additional 2 cents per pound on all coconut oil which does not come from the Philippines. We request that the tax on these fats and oils be increased to 5 cents per pound, and that there be added to this list kapok oil, babassu oil, and cohune oil. These last three oils are competitive with the oils already covered by taxes and they should be covered the same way as the oils in the 1934 act. All of these oils are directly competitive with domestic oils and fats, and despite the 3-cent tax imposed by the Revenue Act of 1934 imports of these oils continue to pour into this country at an alarming rate, thereby depriving the American farmer of a substantial market for his fats and oils.

The reciprocal-trade agreement with the Netherlands has bound the processing tax on palm oil at 3 cents per pound for the life of the agreement, and the reciprocal-trade agreement with Brazil not only binds babassu oil and nuts on the free list but also agrees that Congress will not impose any internal tax on this oil. In addition, the State Department has made substantial reductions in the tariff structure on dairy products, particularly on various types of cheese produced in this country. The dairy farmers of this country and representatives from dairy States are entirely out of sympathy with the activities of the State Department in carrying out the reciprocal-trade-agreement law.

In the light of the above actions on the part of the State Department we further request, on behalf of the dairy farmers of this country, that there be included in the proposed tax bill a section repealing immediately the Reciprocal Trade Agreement Act of 1934.

We would appreciate your committee designating a time during the hearings on the tax bill when we may appear and give testimony on the various items covered in this letter, so that your

committee may be fully advised on the present needs of American dairy farmers and of the economic principles behind the requests for legislation contained in this letter.

Very truly yours,

HARRY SAUTHOFF,
As Chairman of the Executive Committee.

Mr. SAUTHOFF. Briefly stated, this communication requests that an additional tax of 5 cents a pound be placed on oleomargarine manufactured from domestic fats and oils and a 7½-cent additional tax be placed on all oleomargarine manufactured from foreign fats and oils.

The committee ruled that any discussion on such a proposal was not germane to this particular measure, because it dealt with excise taxes, and no such provision was contained in the bill.

It is our hope now, and we are studying the matter carefully, to see if there is some method we can devise by which this bill may be amended so as to include such protection for our dairy farmers.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield.

Mr. TREADWAY. Will the gentleman be kind enough to state what the vote in the committee was and what motion was made as a substitute?

Mr. SAUTHOFF. Well, I do not want to be involved in a dispute between the Democratic and Republican Parties, not being a member of either of those parties, but the motion was made by Mr. TREADWAY that we be given an opportunity to be heard on this subject. The motion was voted down, the Democratic members voting against the motion and the Republican members voting for it.

Now, what is the situation in regard to foreign fats and oils at the present time? There are various foreign fats and oils that are making heavy inroads on the dairy industry, particularly in the manufacture of butter. There are other oils also which are invading other fields of agriculture. Perilla oil, tung oil, hempseed oil, and olive oil—sulphured and inedible—are quick-drying oils, most of which are generally used in the paint trade, but they compete in the American market with linseed oil, which is produced from American-grown flaxseed.

There is a tariff of 4½ cents on linseed oil, and in order to protect the domestic flax farmer against the rising flood of these paint oils, as well as giving the American fisherman protection against such oils, because fish oils are likewise used in the paint trade, an excise tax of 4½ cents should be put on perilla, tung, hempseed, and olive oil. There should also be an equivalent rate of duty placed on the seeds and nuts from which these oils are extracted.

During the year 1935 the following amounts of these oils were imported into the United States:

Perilla oil, 72,328,000 pounds in 1935, as against 25,164,000 in 1934, an increase of nearly 200 percent.

Tung oil, 120,059,000 pounds in 1935, as against 110,000,000 pounds in 1934.

Hempseed, from which hempseed oil is extracted, 12,443,131 pounds, a slight decrease from 1934 with 12,981,949 pounds.

Olive oil—inedible—19,743,452 pounds in 1935, as against 9,670,342 pounds in 1934.

Olive oil—sulphured—33,797,218 pounds, a slight decrease from 36,165,879 pounds imported in 1934.

Insofar as the tax on the oils used in oleomargarine and in soap making is concerned, we now have an excise tax of 3 cents a pound on coconut, palm, palm-kernel, sunflower, and sesame oil, with an additional 2 cents per pound on all coconut oil which does not come from the Philippines. There is also a 3-cent tariff on cottonseed oil.

This tax has increased prices received by American producers of fats and oils by at least $100,000,000. The excise tax, however, has not acted as an embargo, as indicated by the following imports of these oils in 1935, which has particularly affected the dairy farmer adversely:

Cottonseed oil: 166,687,000 pounds were imported in 1935, as against an almost negligible quantity in 1934.

Three hundred and fifty-three million three hundred and ninety-six thousand pounds of coconut oil, which was imported as oil and does not include copra, were imported in 1935, as against 314,802,000 pounds in 1934.

Copra imported in 1935 amounted to 454,134,000 pounds, which yielded 286,104,000 pounds of coconut oil.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. Pardon me; I want to finish this statement and I have only a few minutes.

Two hundred and ninety-six million five hundred and two thousand pounds of palm oil were imported into the United States in 1935, as against 155,531,000 pounds imported in 1934.

[Here the gavel fell.]

Mr. BACHARACH. I yield to the gentleman 2 minutes more.

Mr. SAUTHOFF. Kapok oil, which competes with these other oils, and upon which the 3-cent tax is not imposed, accounted for imports in the form of seed of 12,655,000 pounds in 1935; babassu oil, which has just recently come into use in the oleomargarine field as a substitute for coconut oil and is imported duty free from Brazil, cannot be accurately given because it comes in the form of seed and is not separately classified by the Department of Commerce. The oleomargarine manufacturers began to use it, however, in October 1935, and in the 3 months of October, November, and December they used 1,838,000 pounds of this oil.

We feel that the tax on the paint oils, as has heretofore been stated, should all be fixed at 4½ cents per pound, in order to be compensatory with the present rate on linseed oil.

We feel that the tax on other oils used in oleomargarine and soap making should be placed at 5 cents per pound.

Since the agreement with the Netherlands has bound the processing tax on palm oil at 3 cents per pound, the tax should be placed at 5 cents and should be made effective as soon as the agreement with the Netherlands is terminated, because if a tax of 5 cents were placed on the other oils and palm oil was bound at 3 cents, it would simply mean a shift from the consumption of all other oils over to palm oil. The tax on babassu oil should be placed at 5 cents per pound, to take effect as soon as the reciprocal agreement with Brazil is terminated. Babassu oil comes from the nut of a tree. [Applause.]

It is estimated that there are at least 1,500,000,000 trees of nut-bearing age now available, and no doubt far greater numbers of these trees farther inland, to which roads have not yet been built. This nut yields 63 percent oil and is admitted duty-free.

Babassu oil is quoted at 6⅞ cents per pound at New York, and is three-eighths of a cent less, when processed, than coconut oil. Cohune oil is now coming in from Central America. It is made from the palm nut and is very cheap and comes into this country duty-free.

TOTAL OILS

The total amount of oil, both animal and vegetable, in this country in 1935, derived from all sources, was 10,274,000,000 pounds; the total consumption during the same year was 8,073,000,000 pounds, which leaves a surplus of over 2,000,000,000 pounds as a threat to menace the price structure of American butter. This oil carry-over can break the butter market any time that it is released in any quantity, and serves the oleomargarine interests in good stead.

DAIRY TAXES

A survey of New York State, which has just been completed, discloses that the dairy farmer of that State pays a tax of 6½ cents per pound on every pound of butterfat that he produces, which means a tax of 5.2 cents per pound on every pound of butter that the New York dairy farmer produces. No doubt the dairy farmer in my State of Wisconsin pays a similar tax. And yet, in spite of this contribution to the support and welfare of our Nation, our dairy farmers must face the competition of oleomargarine and other butter substitutes made from cheap oils brought in from foreign countries with only a slight tariff or perhaps none at all. How can this treatment of our dairy farmer be justified?

WISCONSIN'S LOSS

I have heard it said on the floor of this House that we are not suffering, but I want to point out to you what has already happened in Wisconsin. When the Canadian reciprocal-trade agreement went into effect the price of Wisconsin cheese dropped 2 cents per pound. That was on January 1, 1936, the very day that this treaty went into effect. Since that day it has dropped another cent per pound, making a total loss to the Wisconsin dairy farmer of 3 cents per pound since the first day of this year. In money it means a loss of $9,000,000, in round figures. Only this morning I read an editorial in the Wisconsin State Journal, a daily newspaper published in my home city of Madison, which paper has been waging an earnest and consistent fight for our dairy farmers, pointing out the drop in butter. I quote:

BUTTER NOW SLUMPS

Slumping in the price of butter is a cause of alarm to the dairy farmers of Wisconsin.

A fall of 4 cents in the price of butter since last week means a large loss to the milk producers of this State. Cheese prices are already low, and a dropping in the butter prices also cannot but have an eventual effect on the fluid-milk market.

Milk is Wisconsin's largest industry, and it behooves Wisconsin officials, not only Federal but State, to do all in their power to reestablish better prices for the farmers, whose milk is being sold in the butter and cheese market.

OUR PROPOSAL

It is the proposal of the dairy group in the House, whom I have the honor to represent, to protect the dairy farmer with additional tariffs on these cheap oils. We propose to raise the tax on oleomargarine 5 cents per pound, and we also propose to raise the tariff on foreign fats and oils 7½ cents per pound, which will make a total of 10½ cents per pound. We firmly believe that the home markets should be preserved for our farmers.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. FARLEY].

Mr. FARLEY. Mr. Chairman and Members of the Committee, we have been hearing some criticisms from the minority side of the House—that when this tax bill becomes a law business will be suspended throughout the country.

As a matter of truth the opposite is the fact. I have just returned from a highly developed industrial district, and I found that every branch of business is forging ahead in a way that it has not done for many years. They are experiencing the difficulty in obtaining the skilled workmen that they will need in the industry.

Taxes, to be sure, are not popular. They never have been from the beginning of time.

What information I have of this tax bill, I think we are to be complimented in having a group of men that can bring in such a measure. I am certain in the future the members of the committee, including those opposed to it now, will be happy that they had a part in the Revenue Act of 1936.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein an address I made in my home town of Auburn, Ind., on the 20th of this month.

The CHAIRMAN. Without objection, it is so ordered.

The address referred to is as follows:

Again I come before the people of the Fourth Congressional District to render an account of my stewardship as your Representative in the National Congress. The framers of our Constitution were wise in that the Representatives of the people in that lawmaking body should have to give an accounting of their acts every 2 years. In so doing, it will never be necessary in this land of the Stars and Stripes to resort to a change of government by force, as on any of the even years by the ballot box in a peaceable and intelligent manner the whole form can be changed. It is this question that I want to talk to you about.

We but have to look back to March 1933 when industry was paralyzed, multitudes were out of employment, and panic stricken, not knowing where their next meal was coming from, nor whether the morrow would bring the sheriff with eviction papers that would throw them out of their homes, and the breadwinner, together with his wife and children, would have to seek shelter and food from some charitable organization. Then in this awful crisis a leader arose, who by the help of a friendly Congress would lead the people of the United States from that panic-stricken wilderness of hunger, unemployment, and despair, back to the land promised by and purchased with the blood of our forefathers, to a state of certainty, employment, and happiness.

It was on this platform, with that great leader Franklin D. Roosevelt, that I was elected to the Congress of the United States in November 1932.

When I assumed the new duties as your Representative in Congress, I took seriously this pledge of cooperating in every detail to fulfill that promise and obligation. When the strong opposition press and cunning agents of special interest beckoned astray and took me to the mountaintops showing the rich valleys below if I would forsake the humanitarian principles of our President and serve them, I stood fast to my obligations and promise to my people to do everything within my power to bring back peace of mind and prosperity to our country. If you defeat me because of this, I shall leave to my children the heritage and name that I kept the faith.

It is true that the last 4 years have been most strenuous upon our President and Members of Congress; and having been carried into the torture chambers of the situation as it existed, we the Members of this Congress have had very little time to play politics, if we were to carry through the program that was necessary to reestablish confidence and happiness in America.

This was no easy job, as there were hundreds of plans submitted and it took hours and hours of deliberation to take from the plans that which was best and discard that which was not, to arrive at a plan for the general welfare of all the people of this country. After having arrived at a solution of this situation the battle had just begun as those who had gained most and profited the greatest through the sufferings and misery of the people during this depression, having grown wealthy on selling America short, were actively opposed to any measure of recovery, and immediately vast sums of money were used by that crowd to scatter propaganda to resist this program. You have but to read the CONGRESSIONAL RECORD to find that each and every recovery measure placed on the statute books of America was only placed there after a hard fight and after many long hours of debate and against the paid lobbyists of the depression profiteers actively against our forces. As time passes I shall have the peace and satisfaction of mind that I did not yield to the profiteers of misery, but gave the best I had in me, not only my vote but my heartiest support to those measures which would bring us back to that peace and state of mind that are so necessary to make us useful American citizens, and that the spirit of 1776 would again reign.

Even though you should see fit to transplant me with a record of sustaining those things and sacrifice me with a record of certainly by past performance for one untried and whose record in legislative matters is unknown, I today have the satisfaction of seeing those measures bear fruit. As I travel between Washington and home, it is with a great deal of pleasure that I feel I had a part in helping clean the cobwebs and bat nests from the smokestacks of industry, that again those furnaces and industrial plants which were laying in rust and idleness, are today belching forth smoke, that the rust of the machinery has been cleared away, and that willing hands are again employed and earning a living rather than suffering the embarrassment of daily begging their bread and shelter from some relief agency.

The task is not yet done. There is still a large army out of employment, and the work must be carried on. Those experiments which have been bad must be discarded, and other things done so that eventually we will be back to where depression and unemployment will be history.

You trusted me to begin this job, and I have conscientiously and faithfully given and devoted my entire time to the recovery measures which our President thought best to bring about recovery. I want to return to Congress and have a part in finishing the job, and inasmuch as I have kept the faith, and know the struggles of the American people and its problems from the beginning down to the present time, I do not believe you will forsake me. I do not believe, after the 4 years of education that I have received in congressional matters, and after 4 years of studying these problems, that the Fourth District will want to be represented by one unfamiliar with them, and one who, however earnest his intent may be at the present time, after a study of the situation might not be in accord with the programs inaugurated, and one who may fall a prey to the smooth-tongued lobbyists and the fiendish, pernicious propaganda circulated against the recovery measures.

I was able to withstand all of these temptations and was able to ignore the signposts at every cross road intended to lead us from the straight road. I will continue on that road, and the shining face and honest heart of Franklin D. Roosevelt shall be my guide, shall follow him in his recovery measures through to a complete success.

If you do not want the President sustained, but want to give him a Congress that will not follow his leadership, then you had better defeat me; but if you want one who has continually followed and will not upset the order of recovery, I ask that you return me to the Congress of the United States.

The early years of my life were given to build myself up in the business world and to the rearing of a family of five children, of whom I am very proud, with the hope always in mind that as I grew older I could devote the remaining years of my life to the services of the people and to my country.

Possibly I have made many mistakes with reference to the petty politics of the office, but I do not understand that I was elected for such purpose, and felt it would not be necessary to devote time to the petty politics of this office. Knowing the intelligence of the people of the Fourth District as I do, thought you wanted efficiency in office, a thorough study of Government, and a right

to vote on economic measures, and felt that if I devoted my time to this my people would be satisfied. I had rather be defeated attempting to do this than be returned to office by forsaking my obligations.

When Mr. Roosevelt was a candidate and nominated, and was later elected, it could not have been foreseen that the administration would be compelled to take the burden which was unloaded on it after he assumed office.

Local governments, including States, counties, cities, and regularly organized charitable institutions, had exhausted their resources. The load was heavier than ever before. Unusual means had to be taken to relieve this distressed situation. Many good and outstanding measures have been passed leading to this end.

When Franklin D. Roosevelt assumed office, nearly a million homes were on the verge of foreclosure. The Home Owners' Loan Corporation was organized and this distressed situation greatly relieved. This touched the modest home owner and saved the shelter for himself and family. Building trades and heavy industries, producing what are known as durable goods, were at a low ebb.

The Federal Housing Administration set up at the request of the President has greatly relieved that situation.

The commercial credit of America had nearly dried up when he took the oath of office. The Reconstruction Finance Corporation functions were enlarged to include almost all corporate enterprises, public and private, and since its organization up to and including December 31, 1935, this agency has distributed more than $10,000,000,000 for relief of American industry. One billion two hundred million were loans on farm products. There has been no more valuable and inspiring activity on the part of this administration than the work of these organizations.

From the start of this administration the outstanding attempt has been to improve general business conditions. Notwithstanding opposition statements that we are enemies of business, the opposite has been the rule and fact. As evidence witness the extension of the Reconstruction Finance Corporation authority, the Banking Acts of 1933 and 1935, the Home Owners' Loan Act, federal housing, and kindred measures. I have had a part in them, cooperated with the committee and with the Congress.

It is on my record as a Congressman and my promise of continued support of the policies of President Roosevelt and his administration that I ask for renomination to carry the banner for Democracy in this district in the fall election of 1936.

Mr. BACHARACH. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein two tables that I have prepared myself.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Chairman, it is alleged that the bill before us will produce in taxes $630,000,000. No one is cognizant more than I of the necessity that this Government shall balance its Budget, but when we have had an opportunity to cut down on our expenses, and have failed to do so, I can see absolutely no jurisdiction and no excuse for a tax bill? I shall not myself be in the position of imposing additional taxes on the people when the Congress of the United States has not done its duty in cutting down expenditures. If I had the time, I should like to go into the merits of the taxes that are proposed to be carried in the bill, but I am going to leave that to others who have had more opportunity to study the bill itself. I shall develop my case along the line of the proposition that I first declared.

What is the situation with reference to appropriations that we have made in this Congress? When we came here, after about a week, the President of the United States set before us his Budget estimate calling for appropriations, including $1,000,000,000 for relief, which he said was a proximate figure, and which he said he would send up later, amounting to $6,649,000,000. It was the President's estimate that the expenditures for the next fiscal year would run approximately $7,752,000,000, including a little over $2,000,000,000 already appropriated and in his hands and available for expenditures for relief. What is the situation that we have before us at the moment? I have here a table for appropriations for the Seventy-fourth Congress, second session, and it is this. I shall not read the thousands and hundreds of dollars, because I shall put them in the table:

Independent offices appropriation bill, including reappropriations, $2,334,000,000.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield at that point?

Mr. TABER. I shall yield when I have finished the table.

Supplemental deficiency, $368,000,000.

Legislative appropriation bill, $23,000,000; Agriculture, as it passed the House, $165,000,000; District of Columbia, as it passed the House, $42,000,000; Interior, as it passed the House, $81,000,000; State, Justice, Commerce, and Labor, as it passed the House, $115,000,000; Treasury-Post Office Departments, as it passed the House, $989,000,000; War, as it passed the House, $545,000,000; Navy, according to the Budget estimate—the bill has not yet been reported by the Committee on Appropriations—$549,000,000; deficiency, according to estimates that have been submitted by the Budget—that is, by the President through the Budget—$2,500,000,000; a total of $8,315,000,000. I figure that the least we can expect is we will probably have to surrender about one-half of the Senate's proposed increases. One-half will be about as follows: Agriculture, $16,000,000; Interior, $31,000,000; War, $33,000,000; with several items which I have not been able to go into in the State, Justice, Commerce, and Labor, prospective with reference to these and a number of others, making a total of $8,395,000,000. I imagine that the gentleman from Virginia [Mr. WOODRUM] was going to ask me a question with reference to the independent offices appropriation bill, and I imagine that his question was going to be whether there was not included within that something over $1,300,000,000 for the veterans' bonus—I have forgotten the exact amount.

Mr. BIERMANN. One billion seven hundred and thirty million dollars.

Mr. TABER. That was not the figure in the bill. That might have been the estimate. I do not think the figure was as large as that. Then there was $440,000,000 for soil conservation. It is true those items were not in the bill as it came out of the House, but they were required as a result of votes and Budget estimates sent here by the President. That means that with the appropriations that are in sight and probably will be a burden on the taxpayers, $8,395,000,000 as against the Budget estimates of $6,649,000,000, according to the original Budget. Every one of these items that are here practically has a Budget estimate at the present time. That means $1,750,000,000 more than the President's original idea when the Congress convened. You can see the way we have progressed, and you can see what a mere bagatelle $630,000,000 estimated to be raised by the present tax bill is toward meeting $1,750,000,000. It does not get anywhere, it does not get to first base.

The table in detail to which I have referred is as follows:

Appropriations Seventy-fourth Congress, second session

Independent offices	$2,889,751,905.00
Independent offices—reappropriations	45,000,000.00
Supplemental deficiency	368,234,514.10
Legislative	23,314,428.00
Agriculture	165,873,147.00
District of Columbia	42,573,283.00
Interior	81,221,330.05
State, Justice, Commerce, and Labor	115,012,400.00
Treasury-Post Office	989,673,829.00
War	545,226,318.00
Navy (Budget estimates, as bill is not yet reported)	549,591,299.00
Deficiency (Budget estimates, as bill is not yet reported	2,500,000,000.00
Subtotal	8,315,472,453.15
Plus one-half the Senate increases:	
Agriculture	16,000,000.00
Interior	31,000,000.00
War	33,000,000.00
Total	8,395,472,453.15

Many of the items in the above unquestionably could have been saved if this Congress had been as alert as it should have been. Take the fake soil-conservation bill, designed to force people in other parts of the country into the dairying business and put out of business those dairying farmers in the North and East who have been trying to earn a living through all this depression without any Federal aid. That amounts to $440,000,000. We could have saved that, and nobody would have been hurt, but the whole country would have been benefited. I believe that the independent offices appropriation bill, with the Federal Trade Commission, the Securities Exchange Commission, and the Labor Board, could have been cut down, together with a whole lot of other activities which

are absolutely beyond all reason and which are more destructive than constructive, because their overhead is so tremendous that it destroys the very purpose for which they were created. They are spending, many of them, double and treble what similar activities ever spent before. Three million dollars would be a very conservative saving out of that group. That would be $443,735,000 on that bill.

In the Interior Department bill there is the Guffey Coal Commission, $240,000, an unjustified increase for the Department's operation during the fiscal year 1937, an increase over the fiscal year of 1936 of $4,179,000, absolutely ridiculous and indefensible.

There are Senate increases which you are going to be called upon to vote for or against, amounting to $62,000,000 for reclamation projects, to increase the productivity of the soil, at the same time when our Department of Agriculture is paying farmers for keeping land out of production. Have you ever heard of such a ridiculous and such a silly operation?

In the Department of Agriculture bill we could save at least $10,000,000 by cutting down on some of these tremendous increases for many of these projects which do not have any merit at all.

In the War Department bill we could save $90,000,000 by reducing the river and harbor item from $150,000,000 as it is in the bill as it passed the Senate, down to $60,000,000, which was the normal amount for that bill to carry in the days when I served on that War Department appropriation bill a few years ago. That is plenty of money for the development of legitimate harbor activities. It is not money to go ahead with the development of rivers which cannot be made navigable or the development of other things that the country does not need, but it is plenty to keep the rivers and harbors in decent shape.

On the War Department bill I do not believe we have any business considering an increase in the Army beyond the figure at which it passed the House. We do not even have respectable housing to put those men in. It is absolutely ridiculous, to my mind, to increase the Army and not have any place to put them and have to put them in tents all over the country. Then, down at the War Department they have a departmental overhead that I believe can be cut $10,000,000 without injuring a single efficient operation of the Government. That makes $125,000,000 that can be saved in that bill. That alone is 25 percent of this tax bill.

In the State, Justice, Commerce, and Labor Departments bill we could get rid of a lot of activities. Among other things, we could get rid of the International Boundary Commission performance, costing $2,800,000. We could get rid of other unnecessary departmental expense and could easily save $4,900,000.

The Treasury Department appropriation bill has been built up and loaded up until it is tremendously top-heavy. At the present time there are upward of 400 lawyers down in the Treasury Department, many of whom never tried a case—let me go a little further—most of whom never tried a case. They are performing other functions and receiving a lawyer's pay. We could save $15,000,000 without turning a hair in that Department.

In the Navy Department, if we could reduce the top-heavy departmental expense and the navy-yard waste, we could save at least $15,000,000. Then we have these W. P. A. estimates and C. C. C. estimates. I believe we could save, and be very conservative in our saving, $550,000,000 on those things.

Now, if the Congress wants this country to recover it is not going to go on with this sort of thing and put a tremendous tax on the people without any possibility of recovery coming. Recovery cannot come that way. If an honest attempt were being made to cut down expenditures, to stop this foolish demoralizing of our people through such operations as the W. P. A. teaching men, instead of their usual customary habits of work, supporting themselves on their shovels, a lot of foolish and childish things, we would be pointing in some way toward recovery. Nothing in the world has been so demoralizing as the way in which these funds that we have turned over to the President without let or hindrance as to his allotment have been expended. Nothing in the world has been so demoralizing to our people, has done so much to prevent recovery, to prevent there being available sufficient skilled personnel to man the factories when they get started as that sort of thing. If people are going to work in factories, if they are going to learn to be skilled, if they are going to learn to be efficient—and that is the way folks always have succeeded in the past in America—they must be taught habits of thrift and of industry and not the demoralizing, destructive propositions such as this so-called made work.

It would be an easy job to cut off from these tremendous appropriations $1,230,000,000.

Under my leave to extend my remarks, Mr. Chairman, I am going to insert that table in the RECORD.

(The table referred to is as follows:)

	APRIL 20, 1936.
Independent offices:	
Fake soil conservation	$440,000,000
Labor Board	735,000
Unnecessary departmental expenses	3,000,000
	443,735,000
Interior bill:	
Guffey coal	240,000
Unjustified increases	4,179,000
Senate increases	62,000,000
	66,419,000
Agriculture bill:	
Forest	1,000,000
Agricultural extension work	4,000,000
Save one-half increase on account useless departmental increase	5,000,000
	10,000,000
War bill:	
Rivers and harbors, reduce to normal (was $60,000,000)	90,000,000
Could reduce $25,000,000 on military	25,000,000
Useless departmental expense	10,000,000
	125,000,000
State, Justice, Commerce, and Labor:	
Coast and Geodetic Survey	100,000
International Boundary Commission	2,800,000
Reduce unnecessary departmental expense	2,000,000
	4,900,000
Treasury: Reduce unnecessary top-heavy overhead	15,000,000
Navy: Reduce top-heavy departmental expenses and navy-yard waste	15,000,000
Deficiency bills:	
C. C. C. camps	50,000,000
W. P. A. estimates	500,000,000
	550,000,000
Total	1,230,054,000

Mr. TABER. It is absolutely ridiculous, when we have gone entirely out of control in passing appropriations, to come here with a tax bill providing for $630,000,000. I do not see how we can keep faith with the country, with the taxpayers, or with the workingmen who want to be restored to the jobs they had before, where an ordinary laborer was getting from $20 to $25 a week with steady work, instead of continuing on the dole or at made work at from $10 or $11 to $13 a week, as at present, unless we stop this extravagant spending. The workingman is not the man that the fellow back of this tax bill says he is shooting at, but the workingman is the man who is going to be hit. That is where the bullet is aimed. I, for one, do not propose to join in what I believe to be the passage of an unsound tax bill, which is bad for the whole country, and at the same time refuse to honestly cut down the ridiculous expenditures of the Federal Government. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, we are, of course, indebted to the gentleman from New York who has just taken his seat for his illumination of the pending tax bill, which he barely mentioned. We are also indebted to the gentleman from Massachusetts for his remarks. He made a statement to which I desire to make brief reply, not in my own language but in the language of one of the high priests in the Sanhedrin of the elect of this country, the president of the United States Chamber of Commerce.

The gentleman from New York says we will never get out of this depression and that there is no way to make any advance or take any steps toward recovery under the present regime and under the present program of this administration.

This same United States Chamber of Commerce was not only the chief critic of the provisions of this bill before the committee but through its wide membership and fine publicity arrangements has been the chief antagonist of the whole program of the New Deal. Now, what does this same Mr. Sibley, the president of the United States Chamber of Commerce, say within the last 24 hours with reference to our progress and recovery? Here is what he says in an interview, or statement, given out for this morning's paper—and particularly I want the attention of the gentleman from New York and the gentleman from Massachusetts. This is not my language, this is not the language of the advocate of the New Deal who is standing here in a humble capacity undertaking to represent its interests; this is a deliberate observation and statement of the president of the United States Chamber of Commerce. Without objection, I will read what he says.

Mr. Sibley said he observed very definite signs of active business recovery on a series of trips through the country in behalf of the chamber. I am just wondering what character of report this same Mr. Sibley could have made if he had made an extensive tour of the country along about the 1st of January 1933 with reference to the prosperity of this country when Mr. Hoover's administration was in charge of the affairs of the Government. He said:

A year ago the iron-ore mines of Michigan and Minnesota were struggling along on a part-time basis. Now they are working day and night crews.

I am sure this is very sad news to the gentleman from Massachusetts and the gentleman from New York—working extra shifts, working at nighttime! So great is this wave of prosperity that is sweeping over the country taking us out of the morass of the depression into which we were led by 12 years of Republican rule in this country. Remember, I am quoting Mr. Sibley, the president of the United States Chamber of Commerce.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. In a moment I may yield to my very distinguished friend from Pennsylvania.

Mr. Chairman, these are Mr. Sibley's words I am quoting. He said:

That sort of thing is happening all over the country—

This double-shift business he just referred to, reemployment of laboring men.

The gentleman from New York [Mr. TABER] said that the laboring man was the man we were shooting at in this tax bill. I am wondering if those laboring men who were out of employment under the Hoover administration, men we had to take care of under our relief system, are now complaining that under the progress of the recovery of this administration they have back not only their day jobs but also their night jobs in Minnesota, Michigan, and all over the country?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Alabama.

Mr. BANKHEAD. "Particularly encouraging," says Mr. Sibley, the president of the United States Chamber of Commerce—

Is the fact that there has been a very definite comeback in the industries which were operating on the lowest basis, such as steel.

Mr. Chairman, all economists of the United States tell us there is no finer barometer of business activity and stability in this country than the production of steel and steel ingots, one of the very basic and paramount industries of the country.

America's machine-tool plants are operating at capacity today.

Not half time, not part time, but full capacity under the present Democratic administration, although we are levying a little additional tax upon those people most able to pay it to help carry on the burdens of relief and the other legitimate agencies of recovery.

Particularly is it encouraging, he says, about the steel industry in American machine plants. He stated further:

Recent developments in the field of chemistry have resulted in vast orders—

Not trifling orders, not mere bagatelles, Mr. Chairman, but vast orders. This, I am sure, is very pleasing to the business friends of the gentleman from Massachusetts—not little orders but vast orders. For what?—

Soy beans and other farm products by industry for extraction of their oils and fibers.

Not only are we helping steel, mining, and machine tools, but, says Mr. Sibley, the president of this great United States Chamber of Commerce, these benefits are extending out into the field of agriculture, and the farmers of this country are also enjoying the beneficent profits of this restored prosperity which has been brought to them under the wise leadership of a great President and with the cooperation of a fairly decent Congress. [Applause and laughter.]

Mr. RICH. Will the gentleman yield?

Mr. BANKHEAD. I shall yield to the gentleman from Pennsylvania with one proviso.

Mr. RICH. Do not make any proviso.

Mr. BANKHEAD. I may get a little more time to answer the gentleman. But I want to lay a predicate before I yield to the gentleman. He has impaled me here for several weeks by the great inquiry as to where are we going to get the money? I thought I might have in a measure answered that question by saying to him that if he and his associates would restore to the Treasury of the United States six and one-quarter billion dollars that Mr. Hoover left as a deficit when the present administration took charge of the Government, our burden would not now be so great. The gentleman has not seen fit to answer that statement.

Mr. RICH. I will answer that right now, and I would be glad to answer it.

Mr. BANKHEAD. Now I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. I would be glad to answer the gentleman's question, but I will not do it now. He would not give me the time. I will do so later.

Mr. BANKHEAD. I do not think the gentleman will ever be able to answer it.

Mr. RICH. I want to ask a real pertinent question of the leader of the House of Representatives.

Mr. BANKHEAD. Does the gentleman think he can ask a pertinent question?

Mr. RICH. If I interpreted the remarks of the gentleman from New York correctly, he was more desirous of trying to cut down Government expense to the extent of $1,200,000,000, believing this would be of greater interest to the people of the country than to place a tax bill involving six or eight hundred million dollars upon the people of the United States.

Mr. BANKHEAD. I thank the gentleman for his question.

Mr. RICH. Does the majority leader think that we ought to try to keep the expenses of government down to a minimum?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BANKHEAD. Mr. Chairman, I may say to the gentleman from Pennsylvania that my nights have been sleepless and I have suffered somewhat from what might be called a species of fiscal insomnia, trying to go along with the mind of the gentleman from Pennsylvania with reference to the

economical administration of the affairs of the Government. Now, the gentleman from Pennsylvania, I think, has at least tried to be serious in his question, and I will undertake to answer it.

Mr. RICH. I tried to ask a sensible, serious question.

Mr. BANKHEAD. And, if the gentleman will be seated, I will try to answer him.

In the first place, we ought to be thoroughly candid about the expenses of government under recent conditions. I am not going to remind the gentlemen on that side of the aisle of the burden that we had to assume when we came into power in this country. Everybody knows about that. No man who had a heart in him or the vestige of humanity in his soul would have been content to allow the great Federal Government to fail in its attempt to afford some adequate measure of relief for the destitute, the suffering, the unhappy, and the hopeless people of America when the local authorities were unable to cope with the situation. This administration, mind you, was not responsible in any way for these conditions; so, in order to meet what our party and our administration thought was a paramount and impelling duty arising from a purely humanitarian standpoint, we did provide ways and means to take care of the people. I am not one of those, I may say to my friend, who will stand on this floor and say no mistakes have been made in our relief program.

Mr. RICH. I congratulate the gentleman on that statement.

Mr. BANKHEAD. I think we ought to discuss these matters fairly and lay the cards on the table. I do not make the claim that the President of the United States is infallible in his judgment any more so than are the Members of the Congress of the United States; but we have done the very best we could under the terrifying circumstances to meet the problems bravely and possibly extravagantly.

Mr. Chairman, our hope is that when this great wave of prosperity reaches its maximum, now indicated and prophesied by the president of the United States Chamber of Commerce, that the national income will be greatly increased from revenues and other business derivatives and, therefore, the money in the United States Treasury will be greatly augmented. We further hope that perhaps some of these temporary and emergency measures have served their usefulness, and I shall advocate that as soon as possible they shall be removed from the public service; but it has been impossible, I may say to the gentleman, to escape our responsibility as the representatives of our people.

Mr. Chairman, from the standpoint of our national debt, this country is not near the danger line, although I do not advocate any further governmental indebtedness nor any more than we can get along with as a minimum. When the tax rate in this country is compared to that of England, which was published a few days ago, it will be seen that the people of America are escaping with practically no taxation as compared to the situation existing in some of the governments in Europe. Although I am not the spokesman of this administration, the policy with reference to this matter shows that the time is approaching when we will be out from under the direful and distressing situation caused by the depression, at which time we may conservatively and prudently restore the Government to a more conservative and a more economical basis. I pray to God that the time may soon come, but until it does come, as one unit in the administration now in power, I am willing to go ahead and appropriate such money and to lay such taxes, to be legitimately levied, as will meet the necessities of this hour. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 1 hour to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, I had assumed that the gentleman from Massachusetts [Mr. TREADWAY] would make some specific criticism of this bill that might require an answer as to the merits of the proposed legislation. You could forget all he said in his remarks and you would be in the same status as to information about the bill that you were before he spoke. He did make some remarks about the procedure, about the employment of theorists in the study and framing of the bill, but even in those statements he was largely wrong.

It has been the practice of the Ways and Means Committee as far back as I know anything of its procedure, first to get the information through study and through hearings, and then write the bill. I recall in 1932, or probably we began in December 1931, with hearings on a tax bill before the Ways and Means Committee, which was then under the control of the party now in control, so far as the House was concerned, but so far as the national administration or the executive branch was concerned, it was under the control of the party of the gentleman from Massachusetts. Mr. Ogden Mills, the then Secretary of the Treasury, came as the representative of the executive department and advised the Ways and Means Committee of the need of additional revenues. He did not bring any bill. He brought suggestions as to where we could get the money. The Ways and Means Committee, regardless of partisanship, undertook to meet the revenue requirements as outlined by the then Secretary of the Treasury. Not only did the Secretary of the Treasury not bring a bill already prepared for the Ways and Means Committee but he came back repeatedly revising his estimates and asking for more money and asking the Committee on Ways and Means to find sources of additional revenue.

In every revenue bill since that time the same procedure has been followed. I am advised that the same procedure was followed prior to that time. I recall very distinctly that in 1929 and 1930, when a tariff bill was written, hearings were had before the bill was written, and until after the hearings were completed, the Republican members of the committee, who were then in control, excluded the Democrats and sat behind closed doors and wrote that bill.

When the bill was finally completed the entire committee was called into session, the bill consisting of a volume about as large as the hearings on the present bill. They laid this volume down on the table and said to the Democratic members of the committee, "Here is the bill." The ranking member of the committee moved that it be favorably reported by the committee, and it was not even read, and no opportunity given at all for examining it. It was passed in a few minutes—a tariff bill containing schedules running the entire gamut of the import duties of the country.

I am not criticizing them for this, but simply pointing out this is the practice of the Republican Members when they are in control and it is the practice of the Democratic Members when they are in control, especially when they have been forewarned that the minority Members are opposed to every part of the measure and every part of the proposed legislation.

So there is no significance in the statement that no bill was prepared before the hearings were held. Criticism of the method of preparing the bill was also made by the gentleman from Massachusetts. It is true that we rely upon the experts, including the drafting service; and we have, I think, as able men in this service as can be found, and we are glad to rely upon them. This is one good thing that we inherited, if I may use that term in connection with these noble men, from the regime which preceded us. They are experts.

They drafted the social security bill and all other highly technical bills that have been before Congress in the last two sessions.

I am somewhat surprised that the gentleman from Massachusetts should fall upon that particular item as a basis for his criticism. Of course, we rely on these men; we are glad to have them to rely upon. We determine the policy and they formulate the language.

Now, the gentleman from Massachusetts says that the proposal before us is the product of theory. He says that no practical man would ever have advanced the idea. The fact is this principle of taxation which we are embodying in this present bill is not a new principle. It did not originate with this administration. It did not originate with the Ways and Means Committee as at present constituted.

Back in 1861, or between 1861 and 1872, during the Civil War and immediately following the Civil War the Government was under the control of the party with which the

gentleman from Massachusetts is affiliated. Then Congress provided that the gains and profits of corporations should be included in the annual gain, profit, or income of any person entitled to the same whether divided or otherwise.

I now read from pages 23 and 24 of the hearings.

Shortly before and while the Revenue Act of 1921 was under consideration a proposal identical in principle with that incorporated in the subcommittee's report received the widespread attention of representatives of organized business, Members of Congress, and the Treasury staff.

In a somewhat modified form it was incorporated in a bill passed by the Senate in 1924.

If you will reflect, the Senate at that time was in control of the party with which the gentleman from Massachusetts [Mr. TREADWAY] is affiliated.

So eminent a taxation authority as the late Prof. T. S. Adams, of Yale University, former chairman of the Advisory Tax Board in the Bureau of Internal Revenue, and for many years a Treasury advisor, went on record in 1918 and subsequently in favor of the taxation of undivided profits at the rates that would apply if such profits were distributed to the shareholders.

That in principle is the same as the proposal in this tax bill.

Dr. Adams is quoted as saying—

Fiscal necessity—and personally I believe logic as well—requires the taxation of all profits whether reinvested or not. A similar recommendation was made by Secretary of the Treasury Houston in his annual report for the year 1920.

The gentleman from Wisconsin [Mr. SAUTHOFF] presented here a plea for protection to the dairy farmers. It is true that we declined to incorporate in this bill and open the hearings to the excise taxes which he desired to propose. There is not a single excise tax in the bill. The President suggested that certain kinds of processing taxes might afford a source of additional revenue, but they were omitted from the bill after the committee had thoroughly canvassed the situation and found there was such great opposition to it that in the opinion of the committee the House would not acquiesce in that type of tax. So we left off the suggested processing tax, and we are confining the bill for revenue in the main to the corporation-income tax. It is true that by a vote of the committee to determine whether the suggestion of Mr. SAUTHOFF should be received by the committee, the members of the minority of the committee voted in favor of such suggestion and the Democrats voted against it, but it is evident what the purpose of the minority members was in voting for that suggestion. They wanted to get excise taxes into the bill so that it would make it in order to introduce as an amendment before the committee and possibly before the House a general sales tax as a substitute for the provisions contained in the present bill. It is no new thing that those having large incomes and who are in the high surtax brackets favor a general sales tax over an income tax. It is also a matter of general knowledge that even though it should not be a complete substitute, those interests favoring a general sales tax feel that if they can once get that tax into the tax structure of the country, it will result in reducing the taxes on incomes. That was the obvious purpose of the minority members in voting to put these excise taxes in the hearings. Our purpose in voting against the suggestion was to keep excise taxes out and not open the entire field to excises and to import duties in the guise of excises.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. VINSON of Kentucky. Was it not suggested by the gentleman from Wisconsin [Mr. SAUTHOFF] that while he favored certain excise taxes to which he referred, he was in opposition to other excise taxes upon farm commodities that had been suggested?

Mr. SAMUEL B. HILL. I do not recall personally what Mr. SAUTHOFF said about that, but he certainly was not there advocating these other excise taxes that the President suggested in his message.

Mr. VINSON of Kentucky. And he stated specifically that he opposed the excise taxes that we sometimes commonly refer to as processing taxes upon agricultural commodities, just as other members of the committee opposed them, and because of which opposition they are not in the bill.

Mr. SAMUEL B. HILL. I am sure the gentleman's statement is correct. The gentleman from Massachusetts [Mr. TREADWAY] says that only three persons outside of the Treasury officials came before the committee to advocate this character of tax legislation. There is nothing new in that. Taxpayers do not come before the Committee on Ways and Means as a rule advocating an increase in taxes. In all of the tax legislation in which I have participated, the hearings develop into a kind of a protest meeting. Only those whose pocketbooks are affected appear showing, in their opinion, why such taxes should not be levied upon them, and, of course, we must rely upon the Government officials, who have the expert knowledge, to come before the committee and give us the necessary data as a basis for tax legislation. The gentleman from Massachusetts said that only three outside of those officials came advocating the tax bill, and he made particular reference to a Communist, a gentleman named Bedacht.

That man did not support the bill. He was in favor of a number of things that we had especially excluded, and was opposed to some things in the bill. Just to keep the record straight, I shall read a few excerpts from his testimony:

Mr. REED. Is this recommendation in your platform? Was it in your party platform of 1932?

Mr. BEDACHT. No. The recommendations are embodied in five proposals. If you wish to review them, I can give them now.

Mr. REED. In your party platform did you advocate this principle—in your party platform?

Mr. BEDACHT. No; we did not.

Mr. WOODRUFF. To tax corporation surpluses?

Mr. BEDACHT. No; we did not.

Then later on in his testimony Mr. VINSON asked him some questions as follows:

Mr. VINSON. Then did I understand you to say that you were against abolishing the present corporation taxes?

Mr. BEDACHT. Yes.

We are abolishing the present corporate taxes and substituting the proposals in this bill. He said he was opposed to that.

Mr. VINSON. Well, you are against that anyhow?

Mr. BEDACHT. Yes.

Mr. VINSON. Are you against abolishing the capital-stock tax?

Mr. BEDACHT. We are against——

Mr. VINSON. That is the present tax that is on the capital stock of corporations.

Mr. BEDACHT. Yes.

We abolish the capital-stock tax under the provisions of this bill.

Mr. VINSON. $1.40 a thousand?

Mr. BEDACHT. Yes.

Mr. VINSON. Are you against the repeal or abolishing of the excess-profit taxes?

Mr. BEDACHT. Yes.

Mr. VINSON. Now, you say that this bill ought to tax present surpluses?

Mr. BEDACHT. Surpluses accumulated up to now; yes.

Mr. VINSON. The accumulated surpluses?

Mr. BEDACHT. Yes.

Mr. VINSON. And you think that they ought to be taxed?

Mr. BEDACHT. Yes.

Mr. VINSON. And I believe you say that you ought to tax tax-exempt securities?

Mr. BEDACHT. Yes.

On that particular point he was certainly in harmony with the gentleman from Massachusetts, but on these other points he was opposed to the provisions in the bill, and advocated some that were not in it.

Mr. DOUGHTON. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. DOUGHTON. I wonder if the gentleman from Massachusetts [Mr. TREADWAY] will abandon his position with respect to tax-exempt securities now, since he has found himself in company with a Communist? The gentleman accuses us of being in bad company. I wonder if he will abandon his position with reference to tax-exempt securities now that he finds himself in company with a Communist?

Mr. SAMUEL B. HILL. I think I will let the gentleman from Massachusetts answer that.

Now, I want to take up this bill and at least give you an outline of what is in it; but before I proceed with that I wish to say that for the fiscal year 1935, 61 percent of all the revenues received by the Federal Treasury came from consumption or excise taxes. We are now taxing heavily through the form of excises for the revenues of the Government 61 percent of the total amount of revenues coming from that source. We find that in the income-tax field there is an opportunity for raising additional revenue and at the same time equalizing the tax burden as between corporations and corporations, as between corporations and individuals, and as between corporations and members of partnerships.

This bill is divided into four titles. Title I deals with income taxes. It reenacts the individual income-tax schedules with the necessary changes therein to include the amendments which this bill makes upon the Revenue Act of 1934. It reenacts the corporation income taxes on the basis of taxing the net income bracketed according to the amount of retained net income withheld from distribution.

Title II amends the 1935 Revenue Act by reducing capital-stock tax from $1.40 per thousand on the declared value to 70 cents per thousand. It further amends the 1935 act by discontinuing the capital-stock tax after July 1, 1936, and by discontinuing the excess-profits tax after the close of the income-tax taxable year beginning in 1936 and not later than June 30, 1936.

Title III levies what is called windfall taxes, the tax on unjust enrichment.

Title IV provides for refunds in accordance with certain provisions of the Agricultural Adjustment Act which was invalidated by the decision of the Supreme Court, and also provides for refunds of taxes on floor stocks on hand on January 6, 1936, the date of such decision by the Supreme Court. The refund of taxes on floor stocks, however, does not apply to claims of processors for refunds on account of floor stocks still in their possession. Those refunds are taken care of in section 21 (d) of the Agricultural Adjustment Act, as amended, and we do not include it in this bill.

The most important part of this bill that we are presenting here today is that which is embraced in title I. We propose in that title to repeal all existing corporation taxes after December 31, 1935, and substitute for those taxes a plan of taxation based upon the net income of the corporation, measured by the amount of adjusted net income of the corporation withheld from distribution through dividends. We repeal the capital-stock and excess-profits tax under title II, so that corporation taxes, including corporation income taxes as now existing, and capital-stock and excess-profits taxes now upon corporations, are all repealed. We leave the individual income taxes as they are in the law today, except that, instead of exempting dividends from corporations in the hands of individual taxpayers from the normal tax, we impose the normal tax of 4 percent on dividends from corporations as well as upon income from other sources.

I now invite your attention to section 13, on page 13 of the bill, which makes this change from the existing corporation taxes to the new plan proposed in this bill. Section 13, at the bottom of page 13, shows the new plan of taxation on corporations.

We have classified corporations into two classes for the purposes of the imposition of this new tax. We have classified them into corporations having a net income of $10,000 or less in one class and corporations having a net income of more than $10,000 in the second class. We have prepared two schedules of rates, one for class 1 and another schedule of rates for class 2.

If you will turn to page 15 of the bill, you will find a table under schedule I entitled "Adjusted net income $10,000 or less." If you will read the paragraph immediately above the table and then follow it through the table, you will find just exactly how to compute the tax under schedule I, table 1, on all corporate net incomes of $10,000 or less, provided that the percentage retained or withheld from distribution is an even percentage.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. While the gentleman is on that subject, I wish he would explain the wording of the provision both before and after the table on page 16.

Mr. SAMUEL B. HILL. I will read the provision just above the table:

> If the undistributed net income equals a percentage of the adjusted net income shown in column 1 of the following table, then the tax shall be the percentage of the adjusted net income shown opposite in column 2.

Perhaps I had better give an example. Let us take a corporation having a net income of $10,000, and the corporation wishes to retain in its surplus $3,000, or 30 percent. Just bear those figures in mind—$10,000 income and the undistributed part of the net income $3,000. Now we will read:

> If the undistributed net income—$3,000—equals a percentage of the adjusted net income—$10,000—shown in column 1 of the following table—

Now go down in column 1 to the figure "30"—

> then the tax shall be the percentage of the adjusted net income shown opposite in column 2

That is the rate of tax. Multiply the $10,000 by 7.5 percent and you will get the amount of the tax.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. And that would be $750 as compared to a minimum tax of $1,290 under existing law?

Mr. SAMUEL B. HILL. Yes; it would probably be $1,300 under existing law.

Mr. VINSON of Kentucky. The corporation would have to pay a minimum tax at the rate of 12½ percent on the first $2,000 and 13 percent on the next $8,000, totaling $1,290 tax. Then a capital-stock tax and perhaps an excess-profits tax.

Mr. SAMUEL B. HILL. Yes; that is true. Under this plan if the corporation wants to retain only $3,000 out of the $10,000, or 30 percent, from distribution, it will pay a tax of $750, and that will come out of the $7,000, not the $3,000. Under present law there would be a tax of 12½ percent on the first $2,000, 13 percent on $8,000, making total tax $1,290.

Mr. VINSON of Kentucky. Plus a capital-stock tax.

Mr. SAMUEL B. HILL. Plus a capital-stock tax of $1.40 per $1,000 on the declared value, and excess-profits taxes, if any.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield further?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. I wanted the gentleman to point out just how we are going to raise this money we have in mind under the provisions of this bill.

Mr. SAMUEL B. HILL. I will try to get to that.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. BIERMANN. I quote from page 19 of the minority report. Referring to the present corporate taxes, the report says:

> It abandons an assured revenue of $1,100,000,000 annually for one purely speculative and uncertain and which promises to be most disappointing in amount, thereby jeopardizing Federal revenue.

Can the gentleman inform us how much the corporate-tax provision of the new bill will yield in comparison with the present law?

Mr. SAMUEL B. HILL. Yes; I will try to get to that, but let me make this statement first: One reading the minority report, having heard the witnesses from the Chamber of Commerce of the United States and the National Association of Manufacturers, would think there was a very close relationship between the compilers of the minority report and the advocates representing those two organizations.

Mr. BIERMANN. Yes; that is true.

Mr. SAMUEL B. HILL. They would not have been before the committee had they thought this plan would not get the money. That is what they are afraid of. They do not want it to get the money, but they know it will.

Mr. BIERMANN. I am thoroughly in sympathy with the gentleman, and think he is accurate, but has the gentleman any information as to how much this bill will yield in place of the present corporate tax?

Mr. SAMUEL B. HILL. Yes, I have; we are not going around here blindly. If we repeal the present corporation taxes, including the capital-stock and excess-profits tax, we will lose $168,000,000 from the capital-stock and excess-profits tax and we will lose $964,000,000 from the corporate income tax, making a total of $1,132,000,000 we will lose by repealing these taxes if we did not substitute something for them.

Under this bill on the basis of 30-percent retention of net income of the corporation as an undistributed part of the income the corporations would pay under the new bill $1,065,000,000 as against $1,132,000,000 we would lose by repealing present corporation taxes.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes; I yield.

Mr. VINSON of Kentucky. It might be well to point out that, allowing a 30-percent retention, there will be paid out in additional dividends for the taxable year 1936 $3,360,000,000, which, of course, would be subject to the normal tax as well as the surtaxes in the hands of the individual holders.

Mr. SAMUEL B. HILL. I thank the gentleman for his contribution. That is where we are going to get the increase.

While we lose on the corporate tax we gain on the individual income tax. Under existing law it is estimated that for 1936 we will get $1,153,000,000 of individual income taxes. Under the proposed law we will get $1,811,000,000 in individual income taxes, gaining by this operation $658,000,000. We lose $67,000,000 on corporation taxes; so, subtracting this from $658,000,000 gives us a net gain of $591,000,000 from the change in the corporate tax plan. I shall have some more figures to submit later in another connection. This $591,000,000 is the net gain in revenue under the proposed plan over the existing plan, without taking into consideration the additional revenues which I will refer to later and which amount to a total of $223,000,000.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. ROBERTSON. Touching corporate incomes of $10,000 or less, is there any provision respecting amounts paid on debts?

Mr. SAMUEL B. HILL. We have a provision touching that. I will reach that a little later.

Mr. ROBERTSON. That is in another section?

Mr. SAMUEL B. HILL. Yes.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MASSINGALE. The gentleman took as one of his illustrations a corporate income of $10,000, of which $7,000 is distributed and $3,000 undistributed. Will the gentleman explain the taxable status of the $3,000?

Mr. SAMUEL B. HILL. There is not $7,000 distributed, because the tax comes out of the $7,000.

Mr. MASSINGALE. I understand that.

Mr. SAMUEL B. HILL. What is the gentleman's question again?

Mr. MASSINGALE. What is the taxable status of the $3,000 which is held in reserve?

Mr. SAMUEL B. HILL. The tax has been paid on the basis of reserving $3,000 and not distributing it in the form of dividends. That may be laid aside to surplus. If at some subsequent time this $3,000 or some part of it is paid out in dividends, then it will become taxable in the hands of the distributees.

Mr. MASSINGALE. It becomes taxable at a subsequent time?

Mr. SAMUEL B. HILL. Yes; when it is distributed. The amount of the retention determines the amount of tax that the corporation itself shall pay. If it retains only 10 percent, it would pay a tax of 1 percent on its net income, or $100.

Mr. TAYLOR of South Carolina. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from South Carolina.

Mr. TAYLOR of South Carolina. Referring to that $3,000, as long as it remains dormant in the corporation is it forever afterward immune from taxation?

Mr. SAMUEL B. HILL. As a corporation tax, yes. It is immune to a further corporation tax.

Mr. TAYLOR of South Carolina. What other tax would it have to pay?

Mr. SAMUEL B. HILL. If in the next year or subsequent years it should be paid out in dividends, then in the hands of a stockholder or stockholders, the man who receives the dividend, it would become taxable.

Mr. TAYLOR of South Carolina. Yes; I concede that, but what part will it play in succeeding years in figuring income?

Mr. SAMUEL B. HILL. None at all. Each year stands on its own current earnings.

Mr. TAYLOR of South Carolina. Whatever they retain after paying their taxes and so forth remains separate and apart from any future calculations?

Mr. SAMUEL B. HILL. It has nothing to do with the net income in any year except the year in which it was earned and for which the tax is being computed.

Mr. VINSON of Kentucky. It might be well to suggest at this point in connection with corporations having a net income of $10,000 or less, that 42 percent of their distributed net income may be retained and remain undistributed without the imposition of any tax in excess of existing law.

Mr. REILLY. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Wisconsin.

Mr. REILLY. Under this bill the corporations will pay a less tax and the stockholders more?

Mr. SAMUEL B. HILL. The gentleman is correct.

Mr. CASTELLOW. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from Georgia.

Mr. CASTELLOW. Is it the opinion of the committee that 30 percent would represent the average retention by corporations?

Mr. SAMUEL B. HILL. The information on that is it would range from 25 to 30 percent.

Mr. VINSON of Kentucky. Over a period of 15 years, if I may suggest, the average was 25 percent. Over the past 10 years it is 30 percent.

Mr. CASTELLOW. If it was less than that, would the revenue which the Government would receive be increased or decreased?

Mr. SAMUEL B. HILL. If the retention is less, the corporation would pay less, but the individual taxpayer would pay more.

Mr. CASTELLOW. What would be the effect on the Treasury? Would the individuals pay as much or more than would be paid by the corporation?

Mr. SAMUEL B. HILL. That is the pivot upon which this plan is balanced. You get it either out of the individual taxpayer or you get it out of the corporation at an increased rate if the corporation holds back more than the average, we will say, which may be necessary for surplus in carrying on the business.

Mr. CASTELLOW. Suppose the corporation only retains upon an average 20 percent, would that increase or decrease the revenue which would be provided by this bill?

Mr. SAMUEL B. HILL. Under this bill as the rates now stand we will get more money on the distribution.

Mr. CASTELLOW. If it was decreased to 20 percent the Government would receive more revenue from the operation of the bill?

Mr. SAMUEL B. HILL. Yes; we would get more money in the surtax brackets.

Mr. WADSWORTH. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield to the gentleman from New York.

Mr. WADSWORTH. My concern, which is purely sentimental for the moment, has to do with small corporations which are just commencing business and with respect to which it is essential that they retain a very large proportion of their profits in the first 2 or 3 years after starting business in order to get themselves on a safe basis. May I ask the gentleman from Washington, because I cannot figure it out arithmetically from the bill, how much tax a corporation would have to pay with a net income of $10,000, we will say, if it wanted to retain the whole $10,000 for surplus?

Mr. SAMUEL B. HILL. It would pay a tax of 29.5 percent.

Mr. WADSWORTH. That is the maximum?

Mr. SAMUEL B. HILL. That is; a corporation with a surplus of $10,000 or less.

Mr. WADSWORTH. That is the maximum?

Mr. SAMUEL B. HILL. Yes.

Mr. WADSWORTH. May I ask another question?

Mr. SAMUEL B. HILL. Certainly.

Mr. WADSWORTH. The gentleman has stated that the Government will collect from the individual shareholder in the way of an individual-income tax which he will pay when these surpluses are distributed in the form of dividends. Did the committee ascertain the average holdings of the stockholders in all the corporations of the United States before it made this estimate?

Mr. SAMUEL B. HILL. Yes. Mr. McLeod, the statistician and Actuary of the Treasury Department gave us that information. I do not recall what page it appears on in the hearings. His testimony starts on page 26. If the gentleman will turn to Mr. McLeod's testimony in the hearings he will find some tables there together with the information he is requesting with reference to the number of shareholders in the $100,000 or more brackets, or less, and so forth.

Mr. VINSON of Kentucky. Pages 27 and 28.

Mr. WADSWORTH. I assume then, if the gentleman will be patient for a moment, that the gentleman will admit that this bill, applicable to corporations with a net income of $10,000 or less, will make it much more difficult for a brand new corporation to start out and build up a surplus than under the old law, in that such a new corporation would pay a tax as high as 29½ percent of its profits as compared with 13 percent today.

Mr. SAMUEL B. HILL. If it withholds all of its net income. However, a newly formed corporation usually has enough capitalization to finance its operations to begin with, and under this plan it can reserve 40 percent of net income each year without paying more tax than now.

Mr. WADSWORTH. Of course, and many of them have to do that.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. Is the gentleman from New York referring particularly to a closely held corporation?

Mr. WADSWORTH. No; any sort of corporation.

Mr. SAMUEL B. HILL. A so-called personal-holding company, in other words.

Mr. VINSON of Kentucky. Or does the gentleman mean the ordinary small corporations where you have a few stockholders?

Mr. WADSWORTH. Any sort of corporation that starts on a small basis, as most of them do.

Mr. VINSON of Kentucky. Undoubtedly the closely held corporation can get the money back into its working capital without any trouble whatever under this bill.

Mr. WADSWORTH. Without paying the 29.5-percent tax?

Mr. VINSON of Kentucky. Yes; they can distribute the profit 100 percent, and if it is closely held, they can lend the money back to the corporation.

Mr. WADSWORTH. A method of evasion?

Mr. VINSON of Kentucky. No; the money goes through the tax mill. In other words, in the hands of the individual shareholder the Federal Government is paid the normal tax and the surtax.

Mr. WADSWORTH. Very well; the gentleman states they can lend the money back to the corporation, and that would mean the corporation would have an additional interest charge to carry.

Mr. VINSON of Kentucky. And they deduct the interest charge on next year's return.

Mr. WADSWORTH. Nevertheless, it has to be added to the price of their product.

Mr. VINSON of Kentucky. But they have the working capital and do not pay the 29.5-percent tax.

Mr. WADSWORTH. The gentleman from Washington indicates he is not certain the gentleman from Kentucky is right about that.

Mr. SAMUEL B. HILL. I was not following the gentleman and I am not sure I heard what the gentleman from Kentucky stated.

Mr. VINSON of Kentucky. I said they could lend the money back and thereby avoid paying the 29.5-percent tax. They would get the money at 6 or 7 percent, or whatever the stockholder is willing to take for his money.

Mr. SAMUEL B. HILL. Surely, that is correct. If they pay out all of the earnings, there is no tax at all to the corporation.

Mr. WADSWORTH. Assuming, of course, that the stockholders have the money to lend.

Mr. VINSON of Kentucky. The gentleman from New York certainly knows that when the money is paid in dividends by the corporation to the stockholder the stockholder has the same money less tax.

Mr. WADSWORTH. Then he is not to spend it; he is to put it back in the business.

Mr. VINSON of Kentucky. I am saying that if the business needs it and it is closely held corporation and they want to put their money into the working capital, they can do it without paying the 29.5-percent tax.

Mr. SAMUEL B. HILL. And there will be no tax evasion, because the distributee would pay his individual tax.

Mr. WADSWORTH. Depending, of course, on whether he is a taxable person.

Mr. SAMUEL B. HILL. Of course, depending on whether he comes within the taxable brackets; and while this measure will bring a great many additional persons within the taxable brackets, there will be some who will not be in the taxpaying brackets.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. COOPER of Tennessee. Further inviting the attention of the gentleman from New York [Mr. WADSWORTH], what happens now, in the case of an individual or partnership, if the individual or partnership now makes $10,000? What do they do?

Mr. WADSWORTH. They pay on it.

Mr. COOPER of Tennessee. This bill simply provides that the corporation pay a tax; that is all.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman from Washington permit a question?

Mr. SAMUEL B. HILL. Yes.

Mr. MARTIN of Colorado. As I understand it, the present accumulated surpluses are untouched and the tax operates in future.

Mr. SAMUEL B. HILL. That is correct.

Mr. MARTIN of Colorado. I have heard the objection made that this will penalize newly formed corporations in that they will not be enabled to accumulate surpluses.

Mr. SAMUEL B. HILL. Well, when a newly formed corporation can reserve 40 percent of its net earnings without paying any greater tax than it pays now, I think a very

liberal provision has been made for the building up of a surplus or reserve, and in addition to this, while I did not expect to go into this matter just now, all corporations have the same privilege as they have under existing law to build up a reserve for depreciation, depletion, and so forth, and such reserves amount to a rather staggering sum of money. That you may know just what these reserves amount to I will read from page 22 of the hearings an excerpt from the testimony of the Commissioner of Internal Revenue, as follows:

The proposal does not at all affect the liberal provisions of present laws for the deduction of ordinary operating reserves, such as those for depreciation, depletion, obsolescence, bad debts, and the like, from taxable income. All such reserve allowances will be deductible as at present from the taxable incomes of corporations.

Many people do not realize how important these deductible reserves are. Between 1926 and 1929, inclusive, the aggregate deductions from taxable income for depreciation and depletion reported by all corporations amounted to sixteen and two-tenths billions. During the succeeding 4 years, 1930–33, inclusive, the deductions for depreciation and depletion reported by all corporations aggregated sixteen and four-tenths billions. Taking the aggregate figures only for corporations reporting net incomes during these two 4-year periods, we find that between 1926 and 1929, inclusive, the aggregate deductions from taxable net income for depreciation and depletion amounted to a sum equal to 31.2 percent of the aggregate statutory net income reported. For the years 1930–33, inclusive, such deductions amounted to a sum equal to 49.9 percent of the aggregate statutory net income reported. In other words, the liberal provisions of the law with respect to deductions for depreciation and depletion—provisions which would be retained under the new plan—already permit very substantial operating reserves free from taxation.

The table on page 15, which I shall call table 1, approaches the question from the standpoint of how much the corporation wants to withhold from distribution, or how much it wants to put into reserve.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McLAUGHLIN. On the question the gentleman was just speaking of, can the gentleman give us any idea how much net revenue a $10,000 income corporation could retain without paying tax upon it, taking the 40 percent that is allowed under the bill and adding depreciation, depletion, obsolescence, and the like? How much of the net revenue could be retained without paying taxes?

Mr. SAMUEL B. HILL. Of course, the depreciation and depletion allowance depend upon the character of the plant which the corporation has; that is, the buildings, and so forth, or whether it is a mine or a business institution.

Mr. McLAUGHLIN. The gentleman stated he thought he would give us something on that later.

Mr. SAMUEL B. HILL. I have given it as to the total of such reserves over a representative period of time.

I can refer the gentleman to the chart and the various rates, but you must have the facts in the individual cases to give exact information as to such individual cases.

If you will turn to page 17 you will find another table, table 1–a, which approaches the question from the dividend end of the subject; in other words, if a corporation says it wants to pay out so much money in dividends and have, whatever is left to build a reserve, you can take the figures in table 1–a and get exactly the rate of tax on the net income that will produce the revenue that the Government will get out of the corporation at any percentage of the amount paid out in dividends to the adjusted net income.

Following each of these tables is what they call the interpolation provisions which tells you exactly how to calculate or compute the tax on any fraction of percentage.

So the tables are as plain as the English language can make them, and just as understandable as any provision can possibly be made.

The gentleman from Massachusetts dwelt upon the point that the bill was so complex in its language that nobody could understand it, and said it was more complicated than any provision in a tax law of the past.

Back in 1924, and you know under whose regime that was, they passed a reorganization plan for corporations whereby they could evade the tax. It was couched in language so complex that without the arbitrary construction by the Treasury Department no man could tell what it meant.

We have been trying to simplify the language and eliminate that part of it.

Mr. CARPENTER. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. CARPENTER. Will the gentleman from Washington give us an example under the table he has referred to?

Mr. SAMUEL B. HILL. Table 1–a?

Mr. CARPENTER. Yes.

Mr. SAMUEL B. HILL. Suppose you take a corporation with $10,000 annual income. What percentage do you want to pay out in dividends? I will let the gentleman select it.

Mr. CARPENTER. Thirty percent.

Mr. SAMUEL B. HILL. Well, look at column 1 and you find the figures "30." Opposite to that in column 2 you find "19.0323." You multiply $10,000 by that percentage and you get the tax.

That disposes of schedule I for corporations of $10,000 or less. Now, we come to schedule II for corporations with an income of more than $10,000. The rates are different in that schedule from those in schedule I.

On page 20 you will find the computation under schedule II. Then, if you will follow down column 1 to the figure immediately opposite, you will find the percentage retained or withheld from distribution, and just what the rate of tax is of the adjusted net income. There cannot be any possible mistake, because those rates are there. I now ask you to turn back in your bill to the first part of it, where you have the individual income-tax schedules, and compare those with this and see which is the simplest. I say this language is reduced to the simplest possible form, and anyone who can read and understand the English language can work out his tax rates. If you can get it in simpler language than that, you will do more than our committee could do.

Table 2–a corresponds to table 1–a in schedule I, and gives you the rate of tax based upon the amount of dividend distributed instead of upon the amount withheld from distribution. So you have the table here for your convenience and for the convenience of the taxpayer. If he wants to compute the tax from the point of view of the amount withheld from distribution, you have table 1 or 2, and if you want to compute the tax from the viewpoint of the amount of dividend distributed, you use table 1–a or 2–a, and the interpolations follow in each instance. We have then what we call the merger table, to take care of the transition between schedules I and II. For instance, if you have a corporation with a net income of $10,000, it pays at the rate, we will say, from 1 percent to 29½ percent depending upon whether you are retaining 10 percent or 100 percent. If another corporation has a net income of $10,001, that would come under schedule II and would immediately be taken out of schedule I and put under schedule II where the tax rate is 4 percent for 10 percent retained, and so to make the transition between these two there is schedule III, to make an even graduation between the rates in schedule I and schedule II.

That also is easily computed. If you will turn to the report of the committee you will find examples given there on page 6 of the report.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. Yes.

Mr. COOPER of Tennessee. It might also help to point out, for instance, that if a corporation had $10,001 net income, if schedule III were not employed and provided here, it would immediately go into schedule II, and the lowest rate would be 4 percent, while if it was just $10,000 the rate would start at 1 percent.

Mr. SAMUEL B. HILL. I have just been explaining that.

I am going to take example 3 in the committee's report on page 6, because it is all set out there. This will illustrate the merger between schedule I and schedule II, so that the

taxpayer will not be unjustly taxed by reason of the sudden change in the rates from 1 to 4 percent. We will say that 10 percent is retained. Example 3 is at the bottom of the page: A corporation has an adjusted net income of $20,000, which is under schedule II. It has as yet declared no dividends, but it decides that it wishes to retain $2,000 net in surplus, in undistributed net income. The percentage of undistributed net income to adjusted net income is, therefore, 10 percent. In such a case a corporation computes a tax under schedule II and under schedule III, and is subject to whichever tax is the lesser. It shows you there exactly how they compute it. The schedule II tax is readily determined from the rate table included in that schedule. The rate for an undistributed net income of 10 percent of the adjusted net income is 4 percent. That would be $800, 4 percent of $20,000. Therefore the dividend credit is $17,200. That is the amount that you would have for distribution.

A tax is now computed under schedule III. A tax is first computed under schedule I on the whole $20,000 of adjusted net income. With 10 percent retained, the rate is 1 percent and the tax is $200. To this tax is added a tax under schedule II computed on the amount by which the adjusted net income ($20,000 in this case) exceeds $10,000. This excess is $10,000, and the rate under schedule II for a 10-percent retention is 4 percent. Then this added tax is $400. The total tax under schedule III is, therefore, $200 plus $400, or $600. But the tax under schedule II alone was $800. Therefore, the taxpayer will have his tax computed under schedule III since that tax is the lesser—$600 as compared with $800. The effect of taking the tax computed under schedule III is to permit the $200 tax saving to be retained as a surplus free of tax. That makes a saving to the taxpayer of $200 in the case given.

Section 14 is one of the so-called cushions. It takes care of the deficit cases. Where a corporation is in the red, where it has exhausted its accumulated earnings and profits and has gone into its capital structure to the extent of $100—in other words, $100 in the red—and makes a net earning in the present current year of $500, then you add the minus $100 and the $500 net income, which leaves you $400, so that under this provision in order to enable the corporation to make up this deficit and apply $100 of its net earnings to the deficit, we tax the corporation on that $100, 22½ percent, and then put the other $400 under the general plan in this bill as a new base, under schedules I or II, as the case may be.

Mr. WADSWORTH. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. WADSWORTH. Do I understand the gentleman, in effect, to explain that this bill imposes a tax upon the payment of a debt?

Mr. SAMUEL B. HILL. No. It imposes a tax upon net income.

Mr. WADSWORTH. Upon net income used in the payment of a debt?

Mr. SAMEUL B. HILL. Yes. It does that now.

Mr. WADSWORTH. With corporations?

Mr. SAMUEL B. HILL. Yes. We have not changed the principle. We changed the rate from 15 to 22½.

Mr. WADSWORTH. That is very different.

Mr. SAMUEL B. HILL. But we have not changed the principle, but we give them a flat rate of 22½ on that part which is necessary to make up the deficit.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. VINSON of Kentucky. It might be well to call attention to the fact that 22½ percent of the amount that would go to make up the deficit might be very materially less than 15 or 16 percent of the total net income.

Mr. WADSWORTH. That might be so, but I prefer to discuss that in my own time. I have no right to impose upon the gentleman from Washington. It is a new idea to me.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield on the question just now under debate?

Mr. SAMUEL B. HILL. I yield.

Mr. CRAWFORD. Assume that a corporation at December 31, 1935, had an indebtedness of $500,000 and an accumulated surplus, not included in the 1935 profits of $200,000, which means to say there would be an excess of debt over accumulated surplus of $300,000, which the taxpayer desired to pay off over a period of 5 years; now, let us assume that the profits for 1935, the adjusted net income, is $160,000, could the gentleman give us an application of that problem to the tax bill, showing what would be taxed at 22½ percent?

Mr. VINSON of Kentucky. While we have not yet reached that point, $60,000 would be subject to the 22½-percent rate. In other words, the debt is $300,000, if it comes within the definition of "debt." The $300,000 is to be amortized in 5 years. Consequently with an adjusted net income of $160,000 you could put $60,000 to that debt of 22½ percent. Then after you reduced your $100,000 base by reduction of the tax, you would get a new base for the tax under the plan.

Mr. CRAWFORD. If on the $60,000 you paid a tax of $13,500 or 22½ percent, then the $13,500 would be deducted from the remaining $100,000?

Mr. VINSON of Kentucky. And you would have a new base of $86,500.

Mr. CRAWFORD. And that would be taxed under section 13?

Mr. VINSON of Kentucky. Yes; and if you made distribution of that, the corporation would not have any taxes other than the 22½ percent on the $60,000, or $13,500. Under existing law in such a case the present tax would be more than $24,000.

Mr. SAMUEL B. HILL. Now, that takes care of section 16 which we had not yet reached, but I am now going to call attention to section 15, which deals with contracts not to pay dividends. If a corporation as of March 3, 1936, finds itself in a position, by reason of a contract entered into with its creditors, not to pay dividends until it has paid its creditor his debt or has established a sinking fund, or otherwise provided means of paying the obligation, if it is under that handicap by reason of a written contract, then we allow the corporation a 22½-percent flat rate on that portion of the net income which it is unable to pay out, by reason of this contract, in dividends. Then you get a new base for the tax on the remainder under the general plan.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. HEALEY. Will that same principle apply in the case of a mortgage, where a corporation is paying off a mortgage on its property or a bond issue?

Mr. SAMUEL B. HILL. Provision 16, "debts", would probably take care of that situation, but this applies only in the case where, by reason of having entered into a contract not to pay dividends, a corporation is not in a position to pay dividends. These contracts must be in existence as of March 3, 1936.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. SAMUEL B. HILL. I yield.

Mr. CRAWFORD. Would the gentleman briefly tell us the difference between the taxable year and the dividend year, and show how they mesh in together?

Mr. SAMUEL B. HILL. The taxable year we have not changed. In most cases it is the calendar year.

Mr. CRAWFORD. But you have brought into this new law a technical definition of the dividend year.

Mr. SAMUEL B. HILL. The dividend year commences 2½ months after the taxable year begins, and extends 2½ months beyond the end of the taxable year.

Mr. CRAWFORD. So that any distribution made during that dividend year out of the income of the taxable year would be exempt from taxation?

Mr. SAMUEL B. HILL. It would have a dividend credit; yes.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. BIERMANN. What is the idea of having a different taxable year from the dividend year?

Mr. SAMUEL B. HILL. It takes the corporation some time to cast up its accounts and determine just how much its net income is and how much it wants to distribute and how much it wants to withhold from distribution. If you make the dividend year coincide with the taxable year, they would have to have this all figured out before the end of the taxable year.

We have other provisions in the bill, but I will not have time to take them up in such a detailed way as I have been doing. I have, however, covered the most important features of this bill and, I think, the features in which the House is mostly interested.

We have dealt with some corporations such as trust companies, banks, and insurance companies on a different basis from those under the general plan. For instance, we leave out of the general plan banks, trust companies, and all insurance companies, both domestic and foreign, and put them on a straight 15-percent flat-rate basis; and we put on the straight 15-percent flat-rate basis corporations in receivership because the board of directors of the corporation has lost control and it is in the hands of the court.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. Why is a separate rate made for banks, trust companies, and insurance companies?

Mr. SAMUEL B. HILL. Their business is largely that of keeping great amounts of reserves for the protection of their depositors and fiduciaries.

Mr. McFARLANE. This other question, if the gentleman will permit, how does the rate in the proposed bill compare with existing law?

Mr. SAMUEL B. HILL. We are making them pay 15 percent flat, and any dividends such corporations receive from other corporations goes in as part of their net income.

Mr. McFARLANE. And the present rate on them is what?

Mr. SAMUEL B. HILL. The present rate is from 12½ to 15 percent.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. DOUGHTON. There is this additional fact to be borne in mind, that under the proposed plan dividends will be subject to the normal tax, whereas under existing law they are not.

Mr. SAMUEL B. HILL. That is, dividends paid out by banks will be subject to the normal tax as well as dividends paid out by all other corporations.

We have placed under the 22½-percent rate, foreign corporations having a place of business in this country, and we have placed foreign corporations having no place of business here and not engaged in trade or business in the United States, on a flat 15-percent rate to be withheld at the source. We have placed a flat tax of 10 percent on nonresident aliens, that is, people not citizens of the United States and not residing in the United States; and this 10-percent tax is withheld at the source. We expect to get considerably more revenue out of both nonresident aliens and foreign corporations having no place of business or not engaged in trade or business in this country, than we have been getting under the present plan, because we are going to withhold it at the source, and not take a chance on their making a report of it, or having to send our representatives to some foreign country to find what their net income is, and seek to induce them to pay their tax. This 10-percent tax and this withholding of the 10-percent tax on nonresident aliens applies in all cases except as to dividends to a nonresident alien stockholder of a foreign corporation, which foreign corporation is doing business in the United States, and receives less than 75 percent of its income from sources within the United States. The tax so levied and withheld is on that part of the income allocable to sources within the United States. In case such corporation receives 75 percent or more of its income from sources within the United States we withhold the 10-percent tax on dividends to nonresident aliens. But in no other case do we withhold the tax on nonresident aliens as to dividends received from foreign corporations. Do not confuse foreign corporations with domestic corporations, because we withhold the tax on dividends which domestic corporations pay to nonresident aliens.

I think you understand the "windfall" tax pretty well. We call it a tax on unjust enrichment. Under the processing taxes, which the Supreme Court invalidated, a burden was placed upon commodities which the processor either did not pay or had refunded to him, but at the same time passed the burden on to his customer. This is an unjust enrichment, a straight-out bonus, and we propose to tax that 80 percent after allowing certain deductions necessary to be allowed to arrive at a proper net basis.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MARTIN of Colorado. Is this going to involve a lot of lawsuits?

Mr. SAMUEL B. HILL. We have a lot of them anyway, so I do not think it will further complicate the matter.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. McFARLANE. I am wondering why we do not tax these "windfalls" 100 percent; why do we not take it all?

Mr. SAMUEL B. HILL. Does the gentleman think he could defend a tax which took all? I remember the gentleman at one time advocated a tax of 99½ percent, saying he did not want it thought he wanted to take all.

Mr. McFARLANE. That is right on the higher brackets, on incomes over $50,000. I think we ought to have a ceiling on personal-income tax where no individual under present circumstances will receive over $1,000 per week.

Mr. SAMUEL B. HILL. If the tax is 100 percent, we take all. Through the plan proposed we do not take all.

Mr. McFARLANE. I think we should take more than 80 percent. Why not take at least 90 percent; these processors are not entitled to keep 20 percent of this money they secured under A. A. A.

Mr. SAMUEL B. HILL. Title IV refers to refunds under certain provisions of the Agricultural Adjustment Act.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Washington 5 additional minutes.

Mr. SAMUEL B. HILL. Title IV provides also for the refund of taxes on floor stocks, but I am not going to take time to go into this, Mr. Chairman, for I think the Committee understand pretty well what it is.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. MARTIN of Colorado. Is this money in the hands of the court, the Government; or is this going to induce a lot of lawsuits?

Mr. SAMUEL B. HILL. The money that was paid has been refunded to the processor who paid the tax; they got the money.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. TAYLOR of South Carolina. In computing the net benefits derived under this unjust enrichment they will, of course, be allowed to show, if it be the fact, that they have passed the refund on to somebody else, will they not?

In other words, they would be allowed to show that the tax which was collected had been refunded on down the line?

Mr. SAMUEL B. HILL. Do you mean the Government would be allowed to show that?

Mr. TAYLOR of South Carolina. No; the individual or the manufacturer, for instance.

Mr. SAMUEL B. HILL. If the manufacturer has not paid the tax but has passed it on, of course he is the one we are

after. If he has paid the tax and absorbed it himself or refunded it we do not want to molest him.

Mr. TAYLOR of South Carolina. In other words, after this matter went into court, my information is that before a jobber or manufacturer could sell a contract he had to stipulate that if the tax were refunded to him he would in turn pass the refund on. If I am incorrect, the gentleman may correct me.

Mr. SAMUEL B. HILL. Does the gentleman mean the refund?

Mr. TAYLOR of South Carolina. Yes. That would enter into the computation?

Mr. SAMUEL B. HILL. Yes.

Now, Mr. Chairman, I want to call attention to the revenues which this bill will produce in addition to the $591,000,000 from the tax on the corporate and individual incomes heretofore mentioned. For instance, the so-called "windfall" tax is estimated to yield $100,000,000; the continuance of the capital-stock and excess-profits taxes for the period of the present fiscal year and present income-tax taxable year, respectively, is estimated to yield $83,000,000; and then there is a provision in this bill providing that corporations may liquidate within the next 2 years and have their capital gains computed under the graduated capital gains plan of the Revenue Act of 1934. From this provision it is estimated we will get $40,000,000 the first year, and $30,000,000 the second year. Hence, there should be added to the $591,000,000 the total of the last three items, $223,000,000, making the estimate of revenue which this bill will produce the sum of $814,000,000 the first year. [Applause.]

Under permission to extend my remarks, I incorporate an excerpt from the testimony of Hon. Guy T. Helvering, the Commissioner of Internal Revenue, at pages 20 and 21 of the hearings on this bill. This statement expresses admirably the philosophy and objectives of this legislation.

The excerpt is as follows:

When distributed to stockholders, corporation earnings become a part of the incomes of the individual stockholders and are subject to the graduated surtaxes. Corporate earnings which are not currently distributed in dividends now escape these surtaxes for long periods or altogether, thereby creating an unfair discrimination. All the earnings of a partnership or of an enterprise owned by a single individual, whether reinvested or not, are now subject to our income surtaxes.

If, for example, a partnership composed of four equal partners earned $1,000,000, the Federal Government would receive $517,136 of those earnings in individual income taxes, assuming that the partners were single men and had no other taxable income. If these same men conducted their business as a corporation and paid themselves salaries of $25,000 each but no dividends, the Federal Government would receive only $145,656 in income taxes—a difference of $371,480. Even if this corporation distributed 50 percent of its earnings, after the payment of $100,000 in salaries, in dividends, the Federal Government would still receive $174,400 less in taxes than it would receive if the business were conducted as a partnership.

The earnings withheld by corporations add no less to the wealth of the shareholders than the earnings distributed in dividends; for the reinvestment of corporate earnings becomes reflected in the stockholder's share of the net worth of the corporation and in increased earning power. It is worthy of note that the process of reinvestment of earnings frequently results in very large capital gains that escape capital gains taxes. The accrued capital gains of a lifetime, if obtained through the retention and automatic reinvestment of corporate earnings, escape all capital gains taxation because the law does not provide any tax on the increment between cost and market value at the time of death; the entire estate being subject only to the ordinary estate taxes, on the market value, that are paid by all estates. Thus, no special compensation is received by the Federal Government for the loss in revenues suffered during the lifetime of the owner by reason of his use of the corporate form.

Shareholders in corporations that pursue liberal dividend policies are now discriminated against because they are not permitted to reinvest tax-free the corporate earnings that they receive as dividends; whereas the stockholders in corporations that retain the bulk of their earnings are permitted under the present law to reinvest their share of the corporate earnings, in effect, without payment of individual income taxes thereon.

Further, the present ability of corporations and of their controlling stockholders to choose the timing of dividend distributions, without any effect upon the corporation's tax liability and without reference to current earnings, often results in a loss of revenue to the Federal Government and an unjust avoidance of taxation by stockholders of large personal incomes. The earnings withheld by a corporation would often, if distributed, raise the surtax brackets of stockholders, thereby putting the stockholders in the surtax brackets where they really belong. When withheld for a time, and then paid out in years when the other income of important stockholders is smaller, such earnings escape the higher rates to which they would have been subject. Individual businessmen and partnerships possess no corresponding choice for the timing of the distribution of earnings for income-tax purposes.

The present law also discriminates against stockholders with small incomes. The corporation earnings are subject to the 12½ to 15 percent corporation-income tax, as well as to capital-stock and excess-profits taxes. As against these rates of 12½ to 15 percent taken out of earnings, plus the capital-stock and excess-profits taxes, amounting on the average to about an additional percent, the stockholders' dividend receipts are exempted only from the 4-percent normal tax. Under the President's proposal, it would be possible for a corporation to avoid income taxes altogether, and the small stockholder would pay only the normal tax of 4 percent on his dividends or no tax at all, according to his total income, instead of paying the present corporation-income, capital-stock, and excess-profits taxes.

A further discrimination in favor of incorporated as contrasted with unincorporated business in the present law is to be found in the fact that an individual who reinvests in his business the large profits of 1 year, and subsequently experiences losses, is nevertheless subject in full to the income tax on the profits of his good year; whereas the stockholders of a corporation that similarly reinvest the large earnings of 1 year, and subsequently suffer losses, escape individual income taxes on the profits of the good years which have been wiped out.

On the other hand, the present law sometimes favors the partnership as against the small corporation. There are many corporations whose earnings, if wholly distributed among the shareholders, would not be subject to individual income taxes averagaing from 12½ to 15 percent, because the shareholders of those corporations do not fall into sufficiently high surtax brackets. The corporate form of business organization is, nevertheless, desired by numerous small- and medium-sized enterprises for reasons of convenience, flexibility, and the like. Discrimination in taxation against the corporate form of business enterprise, as well as discrimination in its favor, would be removed by the present proposal.

In substance, a major result of the proposed measure would be to place all business, whether incorporated or not, on substantially the same basis for income-tax purposes.

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I am opposed to this tax bill because I think it is so very complicated that few can understand it, and in the second place, the way to balance the Budget is not to pass a new tax bill but cut out unnecessary expenditures.

Mr. Chairman, I wanted this time for another purpose, and I hope no one will make a point of order, because I will be through in a minute. I have had an honor thrust on me that properly belongs to the gentleman from Indiana [Mr. PETTENGILL], one of our able, hard workers. I am credited in a dispatch appearing in a newspaper under date of April 19 with being the author of H. R. 3263.

This newspaper article also states that "five representatives of railroad brotherhoods will meet in St. Paul Monday with Senator BURTON K. WHEELER, of Montana, to urge his support in the Senate of the Pittenger bill to modify the long- and short-haul clause of the Interstate Commerce Commission."

I want the newspapers to get this, please.

Then they say further:

The Pittenger bill, sponsored by WILLIAM A. PITTENGER, of Duluth, already has passed the House and is pending in Senator WHEELER'S committee in the Senate. The measure would amend the Interstate Commerce Act to permit railroads, in order to meet water competition, to charge lower freight rates over a long haul than over a short haul on the same line. The act at present forbids this.

As a matter of fact, the reference should be to H. R. 3263, the Pettengill long- and short-haul bill. I am very glad to say that I cooperated with the able Representative from the Hoosier State in getting that bill through the House.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to include a short letter that the gentleman from Indiana [Mr. PETTENGILL] wrote me in connection with this measure.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The letter referred to follows:

Hon. WILLIAM A. PITTENGER,
Member of Congress, House Office Building.

DEAR PITTENGER: I want to thank you for the splendid support which you gave to the long- and short-haul bill. In doing so you gave distinguished public service, not only to railway workers and those engaged in the production of railway equipment but also to the business and shipping interests of the district and State which you so ably represent.

So far as I am aware, this is the first bill since 1887 designed to place railways on terms of competitive equality with other carriers and reduce freight rates and distribution costs between producers and the great consuming centers of America.

Again with appreciation,

Sincerely yours,

SAMUEL B. PETTENGILL,
Member of Congress.

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, this bill is to me the most revolutionary step which this country has taken, from the standpoint of an economic program or economic procedure, since the creation of the corporate entity. I enjoy working with and working on technical data and technical regulations, and this bill is technical. Simplicity was forgotten when this bill was drawn. It has complicated the making of corporate tax returns beyond the wildest dreams. I feel that this tax bill is the answer to the prayers of technicians in law, in tax procedure, in accounting, and in finance. As I read the bill and try to understand it, the corporation managements of the country will from now on, so long as this bill is in force, have to depend upon learned men in those fields I have just mentioned to assist them in managing the affairs of their corporations, whether large or small.

Everyone knows that the Members on both sides of the House have had very little time to analyze and comprehend what this bill covers; therefore, any statement that any Member not on the committee may make is subject to question until verified by careful research and study or by some Member of the committee. If any statements I make seem out of line, I hope some Member of the committee will correct me; and if I am thinking in the wrong direction, I hope someone will change my line of thought.

In going back and attempting to find where the philosophy of this bill originated, I found this book I hold in my hand, and which I secured in 1933 shortly after its publication. The name of the book is The Industrial Discipline, by Rexford Guy Tugwell. On page 208 I find three short paragraphs which, I think, deal specifically with this bill. Mr. Tugwell is here discussing the question of the allocation of capital and says:

To meet this problem it is frequently suggested that a tax be imposed on funds, over and above replacement, which are kept for expansion purposes. If taxation forced these funds into distribution as dividends, they would have to seek reinvestment through the regular channels, and a concern's plans for expansion would be subject to check in the investment market. It might be said incidentally also that a salutary check upon present practices in issuing stock dividends and concealing earnings for manipulative purposes would follow. Once all funds were forced into the investment market, however, some other means of supervising their uses would be needed. This might be done through the Federal incorporations of businesses. For new capital issues, then, revision of original charters would be necessary.

If funds were thus forced into the open investment market, and if there were control of new capital issues, the problem would be as adequately met as seems necessary to the advocate of the general idea. For funds from the other sources we have mentioned—individual savings, investment trusts, insurance companies, savings institutions, etc.—would come into the investment market in any case. There is no danger from self-allocation in these. The revenues of the Government are also normally subject to public supervision for expenditure. They might be better used than they have been in the past, to regularize industrial activity; but this is not a question of breaking ground for a new policy. It will be seen, then, that the control of investment is not so complex a matter, at least in principle, as it might at first seem. The principles involved would be only two: the forcing of all investment funds into an open market and the regulating of new capital issues. Neither of these seems impossible if we grant (1) the substitution of Federal for State incorporation, and (2) the correctness of using the taxing power to force surpluses into the market. The scheme is recommended as eminently practical by those who put it forward; certainly it would have far-reaching effects; it rests, however, upon an extension of Federal authority upon which we have, until now, been unwilling to venture.

Now, in my own simple way I take this statement from Mr. Tugwell's book as the basis for H. R. 12395, because, as I read this bill, questions of this type come into my mind. Why was the modern corporation created? How was it created? What motivating influence was back of its creation? Why did our people accept it? What caused its rapid growth? Is it responsible for the American standard of living or level of individual possessions having risen above that of any other race of people in the history of the world? What part does the creation of the modern corporation have in causing you or me in our desire to be in a liquid state or condition financially to take our savings and invest them in the bonds and stocks and debentures of the modern corporations which are listed on the stock and bond exchanges of the country and is it good that we thus invest our funds?

This tax bill, as I see it, strikes directly at the economic procedure and the industrial practices which have grown up in this country as a result, and by and through the modern corporation. This tax bill leads me into this realm. I take and check the amount of our estimated national wealth which we have invested in bank deposits or credits, which we have invested in stocks and bonds and debentures of corporations listed on our stock exchanges, and which we have invested in cash-surrender values of our life-insurance policies, and I add these things up and find that we have from 25 to 40 percent of our total estimated national wealth invested in what might be termed liquid assets, which in theory can be reduced to cash at any given time.

Now, I cannot take my interest in a farm and place it on the stock exchange and sell it by calling up my broker and saying, "Sell so many shares in such and such a farm." If I put my money in a farm, I am nonliquid. If I put it in the stock of the American Telephone & Telegraph Co., I am liquid. If I have it in bank credits and I can get my money on demand, I am liquid. If I have it represented by the cash-surrender value of an insurance policy, I am liquid. But if I have it invested in something for which there has been no mechanical means of liquidity created, I am nonliquid.

So, as I reason this thing out, I find that the American people have come to the support of the modern corporation, because if it is properly organized and safely managed, its stocks can be listed on the stock exchanges of this country and therefore the owner of shares of stock can at any time he so desires, in the absence of a panic or an economic washout, make himself liquid, insofar as his investment in that modern corporation goes.

Then, going on with this bill, I tried to see what effect, if any, good or bad, this bill will have on the operations of the modern corporation, the stocks and bonds of which are held by the people of this country who desire to be in a liquid position, and I get into a study something like I have here very quickly and roughly illustrated by the chart which I now present. If I had had more time I would have had these charts completed and they would have been much more intelligible than they are, but the chart I have will illustrate my point.

We will take the United States Steel Corporation, and we find that at December 31, 1934, it had a surplus of $528,000,000. At December 31, 1935, it had a surplus of only $252,000,000. Its operations for 1934 resulted in a deficit of $21,667,000. Its income in 1935 was $1,146,000.

I find that it paid dividends to the full amount in 1934, and to the full amount in 1935.

I very much desired to extend this study to show what happened in this particular corporation between 1929 and 1935, with reference to increase or decrease in surplus, incomes or deficits, dividends paid, and the debt structure, because as I read this bill it strikes directly, and deeply, into all operations which have to do with the financial management of corporations, whether with incomes of $10,000 or

less or $10,000 or more. So, as an illustration, here within 1 year a corporation's surplus shifts, and without carefully analyzing the report, wherein an accountant could easily dig out the cause of this, within 1 year the surplus shifts from $528,000,000 to $252,000,000, which no doubt is caused by a cleaning up of corporation adversities which took place between the beginning of the economic washout of 1929 and what happened at the time they started out of the deficit period.

Any sound management, if they are dealing with bankers, are very reluctant in a period of depression to debit their surplus accounts with extraordinary losses, because if they do that the banker says, "Well, we cannot handle your paper", or the investor says, "Well, I cannot take that paper unless you double the interest rates." So it would be very interesting to extend the figures on this chart for a number of years and explore into what might have happened to the United States Steel Corporation's operations for the period 1929 to 1935, both inclusive. Taking this tax proposal and applying its provisions to the operating results of corporations like United States Steel, the American Sugar Refining Co., the Great Western Sugar Co., the General Foods, General Mills, American Telephone & Telegraph, would all lead us into most interesting discussions with regard to this staggering program which we are about to adopt.

Mr. Chairman, after taking this tax proposal and applying it to actual results of operations of these larger American corporations, it would be just as enlightening to make an application to the operating results of the 43,000 other corporations which return net income in excess of $10,000 annually. Admitting that I have had very little time in which to explore the bill and make applications, I am sure that in scores of cases the direct result of the administration of this bill in its present form will be the financial death of scores of these corporations and thus move us more swiftly and completely toward a greater monopolistic control of American industry and commerce. A reference to the several volumes of Moody's Industrial Reports, which I have here on the table, will furnish numerous examples, I am confident, of the exactness and correctness of my statements. With the varying industrial, financial, geographical, seasonal, and credit conditions which exist throughout this land, how anyone familiar with the operating problems of the modern corporation can come to the conclusion that a "strait jacket" in the form of this tax bill is good for the "general welfare" is more than I can understand. It is my firm opinion this tax measure cannot be adapted to these corporate problems without creating havoc in fabrication, transportation, marketing, and financing.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VINSON of Kentucky. Before the gentleman leaves the first pages of the charts it is evident—the gentleman's figures being correct, and I assume them to be—that in 1934 the Steel Co. paid no income tax under existing law.

Mr. CRAWFORD. That is right.

Mr. VINSON of Kentucky. And in 1935 if the proposed law were in effect they would pay no income tax?

Mr. CRAWFORD. That is correct.

Mr. VINSON of Kentucky. In other words, paying out in dividends more than the net income there would be no corporate tax?

Mr. CRAWFORD. That is correct.

(The time of Mr. CRAWFORD having expired, he was given 5 minutes more.)

Mr. BACHARACH. Will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BACHARACH. It is true, as the gentleman from Kentucky says, but the persons receiving the dividends would have to pay the tax on their dividends.

Mr. VINSON of Kentucky. Under the existing law, if they are in the surtax brackets they pay taxes. Under the proposed plan they would pay the normal tax in addition thereto.

Mr. BACHARACH. We are not talking about "ifs", but I say that every person under the proposed law would have to pay the tax.

Mr. CRAWFORD. Now, the $7,205,000 came out of the surplus which was accumulated in prior years, while, in my opinion, this tax law will have more to do in preventing the accumulation of a surplus than anything that has ever been done to corporations in the way of Federal legislation. In this I may be mistaken; but if so, I trust the debate following will show wherein I am in error.

Now, let us take the American Sugar Refining Co. In 1911 their surplus was $21,000,000 and the income $14,000,000. In 1915 their surplus was $16,000,000 and the income $6,000,000. In 1921 there was a deficit of $586,390. In 1932 the income was $11,354,000, while in 1935 the income was $5,258,000, and my objective in showing these figures is to illustrate the great variation of operating results; to show the ebb and flow of earnings and losses; to show the increase and decrease of debt as we see it here rise from $3,415,000 in 1911 to $4,000,000 in 1915, and then to $35,470,000 in 1921. At that high point it was necessary for the corporation to make arrangements for new financing, but before accomplishing that the debt rose to $40,710,000 in 1922, and we find then a bond issue of $30,000,000 reflected in the balance sheet. That means bankers had to be consulted. Investors had to be found who would take the bonds. Interest rates had to be agreed upon. Commissions had to be paid. Prospective earnings had to be projected and a general tightening of belts all the way around was necessary. Often in such cases new managements are brought into the seats of the corporation. At such a time it would, no doubt, be absolutely disastrous if the corporation had to deal with a tax measure such as we are here considering in addition to all the other problems which such a situation would present.

In 1936 the outstanding corporations which paid dividends—I mean corporations which have 1,000 to 10,000 stockholders, the difference between 247,000 corporations and the 214,000 corporations.

Mr. COOPER of Tennessee. If the gentleman will allow me, that was a misprint. It should be 257,000 corporations, and those were the ones making an income-tax return.

Mr. CRAWFORD. Two hundred and fifty-seven thousand corporations making tax returns with an income subject to tax. Then there are 214,000 which have incomes of $10,000 or less. So the difference between the 214,000 corporations and the 257,000 corporations making returns is a small group made up largely of representative corporations that have thousands of stockholders, and here is a situation where you get the picture. What happens? Dividends drop to $3,000,000. The debt in 1911 is $3,000,000; in 1915, $3,999,000; in 1921 it jumps to $35,000,000; in 1935 it was paid down to $5,000,000. Where would that debt be today if a bill of this kind had been in operation, and how could they have liquidated this indebtedness that accumulated in 1920, 1921, and 1922? Within the short period of only 3 years a staggering debt increase of, roughly, $37,000,000 is built up simply because the corporation ran into an economic storm no management could foresee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. VINSON of Kentucky. In regard to your 1935 year, see if I have the figures correct. Your income is $5,000,000 plus and your dividends $4,000,000 plus. Under the proposed plan I submit to the gentleman that the rate of tax would be 6 percent upon the income of $5,000,000 plus, or $300,000, whereas under existing law the tax would be substantially $800,000.

Mr. CRAWFORD. Yes; but the point I am bringing out is during the great fluctuations in income and losses great cushions are needed in the way of accumulated reserves. I grant the tax would be about $300,000, instead of $800,000 under the present law, but in order to accomplish that result you must pay out in dividends 80 percent of your earnings. You are whipped into a living torment as you gaze at the percentage table, and this leads you into the unsound and de-

structive practice of dissipating all earnings in the form of dividends and leaves you without a cushion when the rainy day comes, and that is very bad. To escape the tax penalty you comply, and in that compliance you commit economic suicide.

Mr. VINSON of Kentucky. The gentleman must recognize, however, that when we take the difference in the tax under existing law, $800,000 plus, and the tax under the proposed plan of $300,000, you have a difference of $500,000 less tax for the year 1935, which can be added to surplus—$500,000 more than under existing law.

Mr. CRAWFORD. But the thing I have in mind all the time is where these large corporations have large incomes over and above their dividend payments, 57½ percent of that is going to be put into the tax box, and if it goes into the tax box you cannot build up corporate resources to take care of wash-outs.

Let us go to another sugar company. Here is something that will be interesting to the gentleman from Colorado. These figures are not confidential, because I take them out of Moody's industrial books, and they are public information. Here is a company that has a liquid surplus in 1930 of $30,000,000, in 1935 of $25,000,000. Income in 1933 of $2,500,000, in 1934 of $6,414,000, and in 1935 of $5,761,000. Dividends were paid every year. There is a debt, $823,303, in 1933, and in 1934 a debt of $936,788, and in 1935 a debt of $861,939. The running debt runs about constant, because all funded debt of every nature is absent on account of the liquid surplus. The management would be foolish to carry a debt with such a reserve of liquid assets. It does not carry a debt except running normal expenses. On the same street in the same town there is another company engaged in a similar line of business. They have a debt structure in the form of bonds, debentures, and acceptances several times the amount of their surplus. This second corporation is not blessed with a soft cushion in the form of a large surplus in liquid form. Before its management is the rocky road of the new tax proposal. Over it they must travel, and as they build that surplus or reserve sufficiently to meet a great operating problem such as they have just worked out of, staggering taxes must be paid on the portion to be carried to surplus. Corporation no. 2 gathers its raw material from the same State no. 1 draws its from. No. 2 sells its finished product in the same geographical territory, and its operating conditions in field and in factory are very similar to those of corporation no. 1. In the event of a series of bad years, it does not require two guesses to draw a conclusion as to what will happen to corporation no. 2. A tax proposal which imposes such burdens upon corporation no. 2 drives directly into a greater and greater control of American industry by the monopolistic tactics of strongly entrenched capital structures and corporate managements. Such a program can only lead to a heavy mortality among those corporations which at the beginning of this new type of race are not blessed with a reserve cushion in behalf of which they have not been heavily taxed.

In my opinion, this tax bill will certainly drive one company to bankruptcy and thereby turn the entire situation over to this strongly entrenched company, which has heretofore accumulated its surplus and is today in a liquid position, with all dividends paid and no debts of consequence. So I say that this bill is an indirect support of the creation of greater and greater monopolies and a direct death-dealing blow to corporations with debt structure and with nonliquid surpluses, in spite of the fact that it does give some relief from tax when debts are amortized.

I have many other figures here. Take the American Telephone & Telegraph Co. I was very anxious to go into that. I make some reference to it. As an illustration, in 1934 the dividends which the American Telephone & Telegraph Co. paid were $167,000,000, while its earnings were only $121,000,000. In 1935 the earnings were $125,000,000, while the dividends paid amounted to $167,000,000. Surpluses in each year being reduced by excess of outgo over income. And yet, Mr. Chairman, the claim is too often made that the large corporations withhold dividends from their stockholders. Too, the claim has been made that this bill is necessary to force large corporate enterprises to pay dividends. I do not believe the record will support such arguments. Granted, there are a few closely controlled corporations which attempt to circumvent or evade or avoid payment of taxes. But I ask, Is it necessary to pass such a destructive tax law simply in an attempt to make those few corporations conform; and especially do I ask why we should take a step like this before first reducing expenditures to the very minimum, and thus attempt to encourage industry and savings and bring the expenditures of Federal Government within the present national income derived under present tax laws?

So these are the reasons why I made the first observation that, in my opinion, this tax bill is the most revolutionary corporate taxing step we have taken in this country since the creation of the corporate entity, and my prediction is that it will bring about great dislocation of investments. It will greatly embarrass those who are now in charge of corporations; it will prevent others from going into business, creating industry and giving employment.

Mr. Chairman, the bill, in my opinion, tends to defeat the objective of all legitimate business enterprise. The Nation's business structure is not prepared for this blow at this time.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has again expired.

Mr. BACHARACH. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I realize that the hour is getting late. It is now 4:30 and probably only 40 Members of the House of Representatives are present, one-tenth of our number. I presume the membership of the House is well acquainted with this bill and it is not necessary for most of them to spend a lot of time trying to digest it. That is not the case with me. The bill is just off the press, but I rise at this time primarily, Mr. Chairman, to answer the question of the majority leader [Mr. BANKHEAD], propounded earlier this afternoon. If I have time then I want to make some statements with reference to the tax bill.

The first defense of this tax bill was given to us this afternoon by the chairman of the Committee on Ways and Means [Mr. DOUGHTON] when he said the object of the present tax bill was to try to equalize taxes, giving an illustration of a partnership, wherein they would have to pay such great taxes under the present law, and there was such an injustice to them in comparison to a corporation. I want to say to the gentleman from North Carolina that I was a member of a copartnership up until 1930, and I realized the inequality and the injustice in taxation, so there was only one thing for us to do and that was to incorporate our business so that we could have the same manner of justice that corporations enjoyed.

I would suggest to the gentleman from North Carolina that if anyone who is in a partnership feels that there is an injustice to his business because of the fact that he is engaged in a copartnership, there is one thing he can do to get relief, and that is to incorporate his business. There is no reason why any business, regardless of what it may be, legal or any other manner of business, that cannot be incorporated, it would be a poor lawyer who would not so advise his client.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I am not going to yield now, because I only have 15 minutes, and I probably cannot get any more time. It is hard for me to get time. There is no one in this House for whom I have greater respect than the gentleman from North Carolina, and I should gladly yield if I had time.

I am going to refer now to the statements made this afternoon by the majority leader [Mr. BANKHEAD]. I asked him a question about the operation of Government, and whether it would not be wiser for us, as Members of Congress, to cut down greatly our exorbitant expenditures of Government funds, running this Government into the greatest debt it has ever known in all time, rather than to be imposing this tax bill. Always the gentleman from Alabama is evasive. He does not want to answer, and the

membership of this House does not seem to want to answer. Where are you going to get the money? I think when the gentleman from New York [Mr. TABER] gave us information this afternoon, which he did, and which information is authentic, that we could cut $1,200,000,000 from our present appropriation, there is no reason, in my judgment, why the gentleman from Alabama should not make some effort on the part of the House of Representatives to cut down these expenses, and that he and the majority party should help do that, rather than to spend Government funds, much of it foolishly. It is one of the most important points that I want to make right now. I told the gentleman from Alabama [Mr. BANKHEAD] that I would answer his question later on, and this is the answer.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I want to yield to the gentleman, but if I finish my statement I will yield. If they will give me a little time, second to the gentleman from North Carolina [Mr. DOUGHTON], I will yield to the gentleman from Alabama. I said I would yield to the gentleman from North Carolina first.

Mr. BANKHEAD. I only had 15 minutes, and I yielded to the gentleman from Pennsylvania.

Mr. RICH. Let me finish my statement and I will certainly yield to the gentleman from Alabama. The gentleman from Alabama then went on with the statement that is made so many times in the House of Representatives, as if we on the Republican side were only trying to conserve money and put it into the hands of a few people and let the great mass of people go hungry. Now, God forbid that we on the Republican side would have such hearts of stone. I do not know that the gentlemen on the Democratic side of the House are more desirous of trying to take care of the needy in this country than myself and the other Members on the Republican side. I believe in humanitarian principles. I believe in the Golden Rule and try to practice it. I do not think we could pass a more equitable tax law than one based on the proposition that the more a man makes the more he ought to pay. I am in sympathy with that principle, and no one will do more to put it into effect than I will. So when we hear that the great expenditure of Government funds has all been to take care of the needy, after we hear so much about the great extravagances under the W. P. A. and the P. W. A. and other agencies set up by Executive order, I wonder whether it is all made to give bread to the starving and clothing to those who are cold, or whether it might have sometimes a tinge of politics?

He quoted the president of the United States Chamber of Commerce as saying that business is good. In some lines of business this is so, and a lot of people are back to work. Thank goodness, it is so; but I wonder whether it has been brought about because of the laws passed in the last 3 years or because of the decisions rendered by the Supreme Court. Remember, I do not say this with any desire of trying to tramp on the Democratic administration; I say it because I am honestly convinced that many of the unconstitutional laws should never have been enacted, and I believe now the majority of the Members on the Democratic side of the House agree with me in this statement.

I shall quote now a statement not from the president of the United States Chamber of Commerce, but from the President of the United States, Mr. Roosevelt, in a speech made in Pittsburgh on October 19, 1932. I quote:

> Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in the idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets seeking jobs in vain. Our workers may never see a tax bill, but they pay in reduction from wages in increased cost of what they buy or, as now, in broad cessation of employment. There is not an unemployed man, there is not a struggling farmer whose interest in this subject is not direct and vital.

I thought those words were sound when they were uttered by the President, and I think they are just as sound today. I congratulate the President on making that statement, and I do hope he will take to heart today these words he uttered in 1932. What has been the result? He says one thing and does another.

We know the operation of this Government is going to be successful only insofar as we operate it for the benefit of the people and operate it economically. It is a business, a great business, the biggest business in all the world. How much thought and how much time are we giving to the fundamental principles of Government operation? Are we thinking of the application of real, true business principles to the operation of the Government, or are we thinking of trying to operate the Government only from the political standpoint? If we are trying to operate the Government from the political standpoint only, then possibly you are making a success of it; but I cannot agree that we are applying sound business principles to the operation of Government and operating it for the good of the American people. When the Democrats took hold of the Government in 1932 there were 61 major departments the taxpayers were supporting. Since that time 41 new major operations of Government have been added, notwithstanding your promise to cut them down in number and consolidate departments. Now, get this point, that every time we increase our functions of Government they become larger and larger and each succeeding year it is more difficult for us to cut down expenses. Expenses always increase, because we add new enterprises and adopt new thoughts and new ideas, and these new activities and the people running them ask Congress for greater appropriations each year. It is like a snowball rolling down the mountain, it gets larger and larger the farther it goes.

So with the Government departments; they become greater and greater as time goes on, require larger personnel and greater annual expenses. It was shown here this afternoon by the gentleman from New York [Mr. TABER] that before the annual appropriation bills are finally passed by the House of Representatives the departmental estimates are going to be increased by almost $1,000,000,000 over what was granted them a year ago. Why, it is an astounding figure! Mr. Chairman, we ought to give as much time trying to cut down the expenses of government—more time, I should say—as the 4 or 5 days we shall sit here trying to raise six or seven hundred million dollars. When the conference reports come up for consideration, however, the leaders of the House say to us: "Here is the conference report; now you must agree to this conference report. This is what we want to enact into law." And recently without any consideration beyond a probable 5 or 10 minutes you voted to add sixty or seventy millions of dollars to an appropriation bill already passed by the House. Is this a sensible, sane thing for us to do? Think it over and call the Members of this House together and give them an opportunity when these conference reports come in to cut down these great expenses.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 3 additional minutes to the gentleman from Pennsylvania.

Mr. RICH. I see I shall not have time to talk on the tax bill very much, although I should like to. It has been said here this afternoon that this tax bill is simple. I read from page 16, beginning in line 3, and then shall ask if any of you know what it means, even after you study the chart and all:

> If the undistributed net income is a percentage of the adjusted net income which is more than 10 and less than 20 (and such percentage is not shown in the foregoing table), the tax shall be a percentage of the adjusted net income equal to the sum of 1, plus one-fourth of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10.

It is my opinion that if I were to ask each of the 435 Members of this House when they figure out their corporate income if they know what it is all about, they would not. I have studied it, I have thought about it, and I do not know whether I know what it is about, I must confess. Do you?

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. RICH. Not now.

Mr. VINSON of Kentucky. I want to help the gentleman out of his embarrassment.

Mr. RICH. Mr. Chairman, I decline to yield.

Mr. Chairman, I am not going to have time to talk at great length on the merits or demerits of the bill; but before I yield the floor permit me to say that I cannot see the difference between a banking institution or insurance company which you permit to be exempt from the taxes you now propose and the manufacturing concern. The difference, as I see it, is that the banker looks after the depositor's money and then tries to make some money to pay to the stockholders of the institution. If anything happens to that bank, you Members who wrote this tax bill know that not only the stockholders of the bank but the depositors also are going to lose.

The depositor is an individual who has accumulated something by thrift, by saving, and through hard work. God knows we ought to protect him if possible. It is decided now in order to protect him we are going to let the banking institutions create a surplus.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. RICH. Mr. Chairman, the Congress wants to protect the banks now. The difference between a bank and a manufacturing establishment is that the manufacturing establishment gives employment to labor. If we are going to wreck the manufacturing establishment because it cannot create a surplus, we are going to wreck the employers of labor. I know this tax bill is going to do away with surpluses, insofar as people can get away from paying taxes, because nobody likes to pay a tax, but if we wreck the business institutions of this country then we wreck the business establishments that provide jobs to labor, which creates earning power for the people to live on, we kill some of the great institutions that made this country.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 3 additional minutes, if he will yield to me.

Mr. RICH. Mr. Chairman, we kill industry and we take away the jobs, the very things we want to create. The Department of Labor states that there are at the present time 12,000,000 men out of work. If you want to regulate industry today, govern mass production, and those 12,000,000 people will go back to work, and we will not have this national deficit. The gentleman from Alabama [Mr. BANKHEAD] asked me this afternoon about the six and a quarter billion dollars spent during the Hoover administration. That was the spending that turned the tide of the depression.

In the past 3 years the present administration has spent $12,000,000,000, more than twice as much. It may be said that it is only ten billion, but there are $2,000,000,000 not shown on the financial statement that I hold in my hand, issued by the Treasury Department; therefore the present administration is $12,000,000,000 in the red. Mr. BANKHEAD, you see you were twice as extravagant. More than 100 percent; think of it.

Mr. Chairman, I now yield to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. The gentleman is aware of the fact that those doing business in the form of corporations have the advantage, so far as tax matters are concerned, over those who do business as partnerships. They can obtain relief through incorporation. But how about the individual, what would the gentleman do with him?

Mr. RICH. Let him take his wife and daughter and the three people organize a corporation. That is all that it is necessary for him to do under our laws, and we must obey the laws.

Mr. DOUGHTON. Where are you going to get the money? The gentleman wants more money, yet, under the plan he suggests, we would get less money, so he contradicts himself coming and going.

Mr. RICH. Oh, no; I do not.

Mr. DOUGHTON. They pay more as partnerships. The gentleman wants to know where they are going to get the money.

Mr. RICH. I was only trying to help the gentleman to satisfy the other fellow that is in the hole.

Mr. DOUGHTON. I am already out.

Mr. RICH. I say stop spending money! That is the place to raise the money, and if we do that we will be doing a good job, and you should help us stop our extravagant spending.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, our rehabilitation expenses have been staggering in their proportions. They were brought about not by choice but through crucial necessity. I have heard the gentleman from Pennsylvania say many times, "Stop spending money", just as he has today. Then I have heard him ask for more money for flood relief in his region. I have heard other gentlemen on the other side say, "We can reduce expenditures by so many millions here and so many millions there", but not one of them tells us what to discontinue or what to stop. On the other hand they have asked for an increase of expenditures for their emergencies. Again the gentleman from Pennsylvania [Mr. RICH] asks repeatedly, "Where are we going to get the money?" This tax bill is his answer. Of course, he does not like the answer. Nor do I. However, we have something to be thankful for. We find missing in this bill the processing taxes that were heralded. I have no quarrel with the windfall tax because no one should unjustly enrich himself. But I do not favor the corporate surplus income tax because it is unnecessary.

Mr. Chairman, I hesitate to approve of the Government extending a heavy hand—a heavy tax hand—upon the business of the country. When the Government goes to business for its revenues, it ought to extend its hand lightly and not heavily, because when the Government intervenes in business inordinately it becomes a burden upon business and the country generally.

The gentleman from Pennsylvania in the course of his remarks said he believes in the principle that the man who makes the most should pay the most. That is not refuted; but the principle has been superseded by the practice during late years of the men who make the most paying the least or nothing at all. So the Congress undertook by a tax bill that is still young to cure that situation and to make all pay more—individuals, corporations, everyone.

You say the tax revenue from this bill is not enough. New exigencies arose, and now we have brought in here again another tax bill, this bill designed primarily to reach corporate surpluses. Even while it is in the making it is said this bill will not be sufficient to raise the amount of money that it is intended to raise; that next year we may expect another tax bill.

Oh, how long will this Congress continue to reach out and tap—and when you tap you sap the economic resources of this country. None of us want to dry up the resources, the bulwarks of our institutions. Neither do we wish to discourage employment. Better for business to employ our people than have our Government do it. Business can do it more satisfactorily and to better advantage. What effect the bill will have on employment is uncertain. But if we are to have the bill, then we ought to make it attractive for business to absorb the unemployed. To this end I would propose an amendment to section 23 of the bill granting an exemption from the taxes to be imposed of such corporate surplus income as should be the equivalent of all money paid out to new employees engaged on and after the date of the passage of the bill, with a limitation that the exemption not exceed 20 percent of the current pay roll and that the production of the plant be not increased over 5 percent.

If the House will harken to me, Mr. Chairman, the membership cannot help but feel with me that this tax bill is not at all necessary. The object of it is to raise approximately $1,000,000,000. It is for the Committee on Ways and Means

and this House to say how we shall raise it. We can raise the money without resort to taxation. We can get the money from contributions—voluntary contributions—from all the people without hardship on anyone. We can strike out the enacting clause of this bill abandoning this corporation surplus income-tax measure and take up and pass my bill for a national lottery, which will give us the billion we seek.

With triple loads of National, State, and local taxes bearing down on our people, why do we not consider the efficacy of the lottery? Why do we not go back to the period before we had any tax system of our own?

Take, for instance, the time when we were engaged in the great Revolutionary War. When money was scarce and hard to get and insufficient to carry on the war George Washington fostered the lottery as a means to the end that we might become a free and independent people. He prevailed when the Continental Congress, in November 1776, adopted its historic resolution providing that the funds for the next campaign should be raised by lottery to be drawn in the city of Philadelphia.

When the war was won Alexander Hamilton, the first Secretary of the Treasury, proclaimed that having won our political independence we should forthwith establish our economic independence. As his contribution he proposed that we instruct our people in useful manufactures and pass effective legislation in their aid. His objectives were to supply the domestic market by means of a protective tariff and to follow through with a bid for world trade. Interesting important men of that time, he selected the northern part of my State as the center of industry of our country, causing to be incorporated under the laws of the State of New Jersey the Society for Useful Manufactures, a corporation which is still in existence, proposing for it the power to conduct a lottery to raise not over $100,000 in any one year. Hamilton, in referring to his plan, said the lottery would give a ready command of money—and there is no question about that from our present-day experiences—and would make up for first unproductive efforts—deficits.

Our experts now are engaged to provide against deficits, and if we ponder sufficiently we shall find that the aristocrat of all deficiency measures, all emergency measures, has been and still is the lottery, for the lottery, when conducted by the Government, is nothing more nor less than a voluntary contribution on the part of the great body of the people ready and willing to make a gift to their Government in an emergency, and the emergency of a huge national debt and annual outlay is still with us. A national lottery in this country will make unnecessary any harm that may come from the enactment of this bill, and no tax bill can be passed which will not work hardship on some.

Of course, it might not be amiss to tax great surpluses that make our business houses gigantic banks, but the process will in some degree clamp down and crack down on the backbone of the country's ordinary business, placing a burden upon business and the Nation.

Let me now remind this Congress, Mr. Chairman, that when the First Congress was called into session it had no meeting place. In the public dilemma the city of New York hospitably invited the Members to meet in the metropolis. So that they might have suitable arrangements and accommodations, the city improved and remodeled the city hall. As a result the city was faced with a deficit of £13,000, a huge amount of money in those days, and far beyond its power to pay. It could not be raised from ordinary sources, so the city went to the State legislature and secured permission for the operation of a lottery, which it conducted, and from its proceeds quickly paid its bill.

Again, when it was undertaken to construct the first buildings in the District of Columbia, this Congress gave the city of Washington the power to conduct a lottery for the purpose. That was in 1795. Washington was President and John Adams was Secretary of State. When the buildings were dedicated in 1800, John Adams, then President, praised in glowing terms the virtues of the citizens of the country who by their lottery participation had made possible the nucleus of this great Capital.

O Mr. Chairman, do you know that at the present time our people are participating in lotteries more than ever before in the history of the Nation. Between three and six billion dollars a year flow into channels that do not come within our economic realm, and if we are going to tap and harness any funds to meet our expenses, let us go beyond the economic sources, already strained, and harness and garner the moneys that are being lost to our country, our Government, and legitimate business, and make them serve our economic purposes.

Our lottery moneys are now going into the hands of racketeers and organized criminals at home or are finding their way to foreign countries. Billions are involved—billions. Let us reflect, too, on the fact that every form of government in the world has in operation a lottery conducted by or under the auspices of the government for worthy and needed purposes.

Yet we are standing idly by failing to take cognizance of the large, huge amounts of money that are passing from us when they are so necessary for the welfare of our own people.

The people of this country are ready and willing, as in all crises, to contribute small amounts of money which will aggregate a billion net to the Government for the purpose of surging forward on the road of sound economic recovery.

Business has gone ahead. It is ready to make further strides. We must not load it down with excessive taxation. Let us rather lighten the load. We have made great progress. Business is cooperating more and more every day. This cooperation is slowly but surely lifting the load of the Government. Let us give business another hand; let us reach out for the huge treasure of lottery moneys to help with the burden; let us recommit this bill and vote the national lottery bill, and thus raise the revenue sought by this bill, bringing into the economic realm the billions of dollars lost to us yearly to be employed for the economic use and welfare of our people. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

COINAGE OF 50-CENT PIECES FOR GREAT LAKES EXPOSITION

Mr. COCHRAN. Mr. Speaker, I reported a bill from the Committee on Coinage, Weights, and Measures authorizing the coinage of 50-cent pieces for the commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition. It is an emergency measure, and I ask for its immediate consideration.

The SPEAKER. The Clerk will report the title.

The Clerk read the title as follows:

S. 4335

An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, I would like to ask my colleague from Missouri how many of these new coinage bills are going to be brought into the House, and why do not they get together a dozen and put them on one bill?

Mr. COCHRAN. If the gentleman will agree to it, as far as I am concerned I would be very glad. Members on both sides of the aisle ask that these bills be reported out, and we have reported them. This exposition is to be held this year, and the gentleman from Ohio [Mr. CROSSER] says that if we do not get the authority to print the coins now it will be useless.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the centennial anniversary in 1936 of the city of Cleveland, Ohio, to be known as

the Great Lakes Exposition, and to commemorate Cleveland's contribution to the industrial progress of the United States for the past 100 years, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 50,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the treasurer of the Cleveland Centennial Commemorative Coin Association upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Cleveland Centennial Commemorative Coin Association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

With the following committee amendments:

Page 1, line 9, after the word "not", insert "less than 25,000 and not."

Page 2, line 12, strike out the word "five" and insert "twenty-five."

The committee amendments were agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

There was no objection.

THE FARM-TENANCY SITUATION

Mr. UTTERBACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the farm-tenancy situation.

The SPEAKER. Is there objection?

There was no objection.

Mr. UTTERBACK. Mr. Speaker, I want to call your attention to one of the most serious problems confronting American agriculture today. It is the problem of farm tenancy. According to the 1935 Census of Agriculture about 42 percent of all the farms in the United States were operated by tenants, and, in addition, approximately 10 percent more of all farmers in the country rented a part of the land which they farmed. When we total up the figures we find that more than half of our farmers rent all or part of their land, and almost half of all the farm land in the country is operated under lease. Agriculture has long been considered to be one line of endeavor in which the ownership of the land and capital was in the hands of the man running the business, but, as these figures clearly show, this situation is no longer true in America. The number of absentee owners of farms has become practically as large as the number of owner-operators.

This situation is not a thing that has developed during the depression; it is not a new or an emergency development. However, it is true that farm tenancy has been increased by the low farm prices and incomes of the last few years, and that some of the most undesirable features of the farm-tenancy situation have come to light during the depression. On the whole, however, the gradual increase of farm tenancy has been with us for many decades. In 1880, which is the first year in which census data became available showing the number of farm tenants in this country, we find that slightly more than 25 percent of all our farmers were tenants. With the passing of each decade since then there has been an increase in the number of farms operated by tenants, and, as the figures which I have mentioned above plainly show, we have now reached the stage where almost half of our farmers are operating without owning the land which they farm. In 1880 there were 4,008,907 farmers in this country. Today there are 6,812,350. In other words, we have had an increase in the number of farms during this period of 70 percent. In contrast to these figures, we find that in 1880 there were 1,025,000 tenant farmers in this country. In 1935 there were 2,865,000 tenants, or an increase in the number of tenant farmers since 1880 of 180 percent.

My colleagues, I want you to hold the following two figures in mind and give them your careful consideration. During the 55-year period from 1880 to 1935, the number of farms increased 70 percent, where during the same period the number of farms operated by tenants increased 180 percent. The tremendous gain in the number of tenant-operated farms as compared with the number of owner-operated farms clearly shows that America is fast becoming a Nation of absentee landowners, with its food and fiber being produced by tenants or landless farmers. This, Mr. Speaker, is in a country known the world over for its great natural resources, for its energetic population, and for its democratic form of government. As I have said, the problem is not a new one, but it has now reached staggering proportions. At the turn of the century 35 percent of all our farmers were tenants, and in 1920, immediately after the prosperous war period, and before the crash which came in the fall of that year, we find that 38 percent of all farmers were tenants, and today over 42 percent are tenants. Obviously this general problem is an important one.

Neither is the problem of farm tenancy a sectional or regional one; it is of Nation-wide significance. Some tenancy is found in every State of the Union. It ranges from 7 or 8 percent in New England to 45 or 50 percent in many areas of the Corn Belt and up to as high as 70 or even 75 percent in certain areas of the South. What is even more important than the present percentage of tenancy is the rate of change in the number of tenant farmers during the past few years. When we turn our attention to the changes in the proportion of farmers who are tenants we find that the increases have been greatest in the Corn and Wheat Belts of the Middle West and in the Mountain and Pacific States in the far West. Let me give you some illustrations of recent changes in the tenancy picture for the general area of the country with which I am not familiar. In my home State of Iowa, for instance, we find from published reports of the census that 42 percent of all farmers were tenants in 1930; 10 years later 47 percent of all the farmers were tenants; and today 50 percent of all Iowa farms are operated by persons who rent all of the land. In the adjoining State of South Dakota 45 percent of all farmers were tenants in 1930, and in 1935 the figure was 49 percent. In Nebraska 49 percent of all the farms are tenant operated. In Kansas and Illinois 44 farmers out of each 100 are tenants. In every one of these States there has been a substantial increase in tenancy during the last 3 or 4 decades.

If we turn our attention to the States farther west, we find there again that tenancy has been increasing. For instance, in Montana only 11 percent of the farmers were tenants in 1920; by 1930 the number had increased to 24 percent of all farmers; and there was a further increase between 1930 and 1935, so that now about 28 percent of all farms in Montana are operated by tenants. In Idaho 29 percent of all farmers are tenants, and there was a very substantial increase between 1930 and 1935. In Colorado 39 percent of all the farms are operated by tenants, whereas 15 years ago only 23 percent of all the farmers in the State were tenants.

I do not want to burden you with more of these figures. These are enough illustrations to show conclusively that tenancy is important in the North and West, and that it is rapidly increasing in these areas. The South has long been recognized as a section where tenant farming is predominant. If we take the average for the 16 Southern States, we find that 54 percent of all the farmers are tenants.

Although there was some slight tendency for the percentage of tenancy in the South to decrease during the 5 years between 1930 and 1935, there are now more tenants in absolute numbers in the Southern States than ever before in the history of the country.

I think I have given you enough figures now to show that farm tenancy is significant and important; that it is found in practically all areas of the country; and that it is rapidly increasing in most of the rich agricultural regions of the United States.

However, merely to show that almost half of our farmers are tenants and that the number and proportion of tenant farmers are rapidly increasing may not be an indication of the real significance of this problem. In other words, to show that something is important does not necessarily indicate that it is bad or undesirable. I believe, however, that I can bring before you a few facts which will convince you that this tremendous increase in farm tenancy is a very serious and undesirable situation for the future of American agriculture. Some people will ask: "Well, what if tenancy is increasing? What if half of our farmers are tenants? What difference does it make? Why is it not all right for one man to own the land and another man to furnish the capital and labor for operating the farm?" These questions are perfectly legitimate ones and deserve some very careful discussion. Each and every one of them has a perfect answer. From practically every aspect the answers indicate that tenant farming is undesirable, and that this country will have a decidedly different rural civilization from what it has ever known before if the rapid increase in farm tenancy continues.

I cannot take the time to discuss each of these questions as it should be considered, but, nevertheless, I can give you, in a very short time, facts of such a nature as to indicate that the leadership of this country had better awaken itself to the increasing trend in farm tenancy.

One of the important evils of our tenancy system is that it leads to a very high degree of specialization in cash-crop farming, which in turn has a tendency to decrease the fertility of the soil through heavy-cropping practices and to encourage erosion. At the same time it adds to the burdensome market surpluses of a few cash crops without giving us a well-balanced and diversified system of farming.

My attention has recently been called to a very splendid article in the Southern Agriculturist by Senator JOSEPH T. ROBINSON, of Arkansas. In this article Senator ROBINSON shows from studies that have been made by agricultural economists of various southern experiment stations that the ordinary farm tenant is much more of a one-crop specialist than is the farming owner. For instance, Senator ROBINSON reports the findings of a study made by the experiment station in his home State of Arkansas of a small cotton-growing community in the northeastern part of that State. This survey indicated that the average farm operated by its owners in that local community had 44 percent of its cropland in cotton, whereas tenant farms lying side by side with the owner-operated farms had 63 percent of their cropland in cotton. He quotes other studies made by the experiment stations in Mississippi, Georgia, and other Southern States, and shows that in every instance the tenant farmer has a greater proportion of his cropland in cotton than does the owner-operator on the same size and type of farm in the same local community.

I do not have the figures at hand to show that this high specialization in cash-crop farming by tenants is true all over the United States, but I am convinced from my observation throughout the Middle West that the situation holds there. In other words, in Iowa and other States of the Corn Belt, the tenant farmer turns his attention primarily to the production of corn. He mines the soil year after year with this one cash crop, and he helps add to the unbalanced condition of agriculture by specializing in this cash-crop production.

There is a good reason, my colleagues, for the tenant farmer being a one-crop man, and this reason is that he has no security—no assurance that he can remain on the farm for longer than the crop-growing season. For instance, a recent bulletin published by the agricultural experiment station of my home State reports on a survey of farms in the southern part of Iowa. This bulletin says in part:

> Of the 59 tenant farms surveyed, 48 of them, or 81 percent, are leased under a 1 year contract without any provision for extension or renewal.

Anyone can readily understand why a tenant farmer, who has no assurance from the landlord that he may stay on the farm for longer than 1 year, will not go into the production of livestock, hay crops, or enterprises other than those which can be planted, cultivated, and harvested during the 1-year period.

The length of time which a farmer expects to stay on the farm is very important in influencing his decisions about his farming practices and also his living conditions. Permanent conservation and the general maintenance of farm buildings, fences, and other structures requires that the occupant of the farm have some stability and security in his tenure. Yet the tenant farmer in this country positively does not have security of occupancy. The latest census figures which are available on the subject of farm occupancy are those from the 1930 census. They show that 51 percent of all the farm tenants in the United States in 1930 had occupied the farm they were on at the time the census was taken for less than 2 years. Almost a third of all the tenants had been on their farm for less than 1 year on April 1, 1930, which was the date of that census.

Now, we have heard a lot during the past year about the plight of the southern sharecropper, and it has been repeatedly stressed in many of the press articles about sharecroppers in the South that they have no security and that they are constantly moving from farm to farm. This may be true, but the fact I want to impress upon your minds is that this insecurity, and this great shifting about from farm to farm by the tenants of this country is not limited only to the sharecropper class of the South. According to the 1930 census, 39 percent of all the tenant farmers in the Northern States had been on the farms which they were occupying when that census was taken for less than 2 years, and almost 25 percent of the tenants in the North had been on their farms for less than 1 year.

Although instability may be a little worse in some areas of the South than it is in other areas of the country, it is not limited geographically, and I know from observation that it is a serious problem in Iowa. Let me quote again from bulletin no. 333, which I mentioned a few minutes ago as having been published by the agricultural experiment station in my home State, pertaining to this survey of farms in southern Iowa. The bulletin says:

> On farms operated for 1 to 2 years by the same man, 42 percent of crop land in corn and an erosion rating of 4.3 are found, as compared with 30 percent in corn and an erosion rating of 2.8 on farms for 3 or more years under the same operator. * * * This illustrates the notorious relationship between a rapidly shifting tenancy and a highly exploitive farming system.

This same bulletin lists 10 main economic and social factors which are obstructive to erosion-control work. Five out of the ten are directly connected with this general problem of farm tenancy. If America is going to conserve its soil, if it is going to have a well-balanced system of agriculture so that the individual farmer is not so highly specialized in the production of a single cash crop that he goes bankrupt with the least decline of prices, then we have got to have more stability and security for our farm operators than can possibly be obtained under our present system of farm tenancy.

The constant shifting about from farm to farm, which is so characteristic of our tenants, and the constant fear on the part of the tenant that he will be forced to move at the landlord's desire, or that his rent will be raised so that he cannot profitably continue his operations, is not only a very serious situation which is detrimental to bringing about the conservation of our soil resources, but it is also very detrimental to the formation of a closely knit social life in the community. Studies by the United States Department of Agriculture and by various State experiment stations have

repeatedly shown that the number of tenants moving from farm to farm tends to prevent the development of good schools, good churches, and cooperative associations. For instance, Dr. L. C. Gray, who is now Assistant Administrator of the Resettlement Administration, in his testimony before a subcommittee on agriculture in the Senate which was holding hearings on the Bankhead-Jones farm-tenancy bill during the last session of Congress, said:

> A study in Oklahoma showed that 40 percent of the moves by tenants resulted in a change of school, 43 percent in a change of church, and 39 percent in a change of trade center.

He also referred to a study in the tobacco area of Kentucky, which indicated that the number of pupils leaving grade schools during the year was equivalent to 43 percent of the average net enrollment, and that 56 percent of the children who left school did so during the usual tenant-moving period, which in that area is about the middle of the school year.

I have tried to picture to you in a very brief way some of the major reasons why we should be concerned about the rapidly increasing number of farm tenants in this country. I have said that farm tenancy tends to bring about a mining of the soil by a one-crop system of farming; that it tends to add to the already heavy marketable surpluses of a few cash crops; and that, consequently, it does not give us a well-balanced and permanent agriculture. Moreover, I pointed out that the great insecurity and instability of farm occupancy which result from our system of farm tenancy are important factors in holding back the development of desirable rural communities with good schools, churches, libraries, and similar cooperative institutions.

But these are not all of the evils of farm tenancy in this country. Although I will not have time to discuss many more, I do want to call your attention to one which I consider to be of tremendous importance. Since its very inception, this country has been a model to all the world for its democratic principles and procedures. America has been the world's stronghold of democracy, and the farmers of this country have been one of the most important groups to have consistently fought for and maintained that democracy. Mr. Speaker, I am convinced that our democratic institutions will be seriously threatened if America continues to pile up a greater and greater proportion of landless farmers. It was one of the cardinal teachings of Thomas Jefferson that democracy could, would, and should flourish in a land where individual farms are operated by their owners, but that it would wither and die if the soil of the country fell into the hands of absentee owners with the result that the real operators of the farms had nothing more than a transitory interest or contractual right in the soil. If we want to see our democracy flourish and grow stronger, let us give these landless farmers of our country an opportunity to become owners. If we want to see our democracy decay, let us sit idly by while our best farm lands fall into the hands of absentee owners and an increasing percent of our farming classes fall into the status of tenants or farm laborers. This question of maintaining a democracy by promoting farm ownership is not one about which to make eloquent speeches and forget. It is a problem which demands action and leadership of a statesmanlike character.

When I was a boy growing up and working on my father's farm we never thought much about the tenancy situation, because at that day and time tenancy was a transitory step for most men toward farm ownership. I know many farm boys in my home community who started out as day laborers, and after a few years time had accumulated enough funds so that they could buy their own livestock and equipment and become tenants. Then, after working as tenants for a few years, they were able to become farm owners and take their place in the community as some of its leading farmers and citizens. In other words, tenancy for those men was a stepping-stone toward farm ownership. As long as it continued to be this, and as long as the period which a man had to remain as a tenant was not unreasonable, farm tenancy was not a serious problem. Today, however, the situation is different. And I believe that if you will look around you in your home communities you will agree with me when I say that during the past score or more of years there have been hundreds of thousands of capable, energetic farm boys who worked themselves from the status of a hired man into that of a tenant, but have never been able to go any farther and reach that goal of farm ownership which they had in mind when they started farming. The very fact that tenancy has been increasing so rapidly during the past decades is proof enough that thousands and thousands of farm boys have been unable to rise above the status of a man who rents his land. The 1935 census does not give us figures showing the age of tenant farmers. However, in 1930 at least half of the farmers between 35 and 44 years of age were tenants in Illinois, Iowa, and Nebraska. For the country as a whole there were 373,900 farm tenants who were over 55 years of age. These were men who had labored virtually all their lives hoping to become farm owners and yet have not accumulated 1 acre of land. If you will compare the census figures for 1910, 1920, and 1930, you will find that there has been an increasing number of farmers in the older age groups who remain as tenants, who, in other words, have not been able to become owners. If this situation continues, I say to you again that it represents a serious threat to democracy. When the young farmers of this country really wake up to the fact that a major portion of them are due to remain as day laborers and tenants throughout most of their lives, they will have much less respect for their Government, and may, in fact, become militant supporters of communism, fascism, or some other foreign system of government.

In closing, I want to point out that there are several methods which Congress might consider in seeking the best way to improve our tenancy situation; but the best way, it seems to me, is to promote the owner-operation of individual family-sized farms. Now, it is conceivable that we might follow the ideal principles laid down by Henry George or the principles laid down by the Socialists or the Communists, in which case we would have the Government take over the land and rent it out to the individual farmers. Under such a situation every man would be a tenant, but he would be a tenant of the Government, not of a private landlord. Another thing which might be done would be to set up a detailed system of regulations such as that being tried in England and Scotland and in other countries, in which a tenant is guaranteed continual security of tenure and compensation for any improvements which he makes to the farm, so that some of the evils of the tenant system have been done away with. We have tried regulating public utilities in this country, but we have never tried regulating the owning and renting of farm land. You can readily see the difficulties that would arise and that such a plan could not be instituted without numerous and uniform changes in the constitutions of our States and without amendment to our Federal Constitution.

Instead of searching for foreign ways to improve the tenancy situation in this country, I commend to you a better and an American way, namely, the promotion of individual farm ownership by the man who operates the land, and a continuing protection of that ownership so that the farm lands of this country will not fall into the hands of absentee landlords.

During the last session of this Congress the Senate passed the Bankhead-Jones farm tenancy bill, S. 2367, which proposes to face this situation that I have described to you, and to bring about a solution of the tenancy problem by a long-time program aimed at promoting the owner operation of family-sized farms. That bill was referred to the Committee on Agriculture in the House, which committee I understand will probably file a report in the near future. It is my sincere hope that we may have an opportunity during this session of Congress to discuss the measure here on the floor of the House. It is a measure aimed at solving one of the most important and most fundamental problems facing American agriculture, and moreover, it proposes to face this problem in a true democratic and American way. If this Congress will enact this law, it will have added to the other laws enacted in the interest of agriculture another great statute which will go down in history as one of the really important agricultural

measures of basic importance to our new national agricultural policy.

It has been my privilege and pleasure to support 100 percent the agricultural program of this administration. I am sure the measures enacted have been helpful and beneficial not only to those engaged directly in agricultural pursuits, but to labor and industry throughout the Nation. The tenancy problem is of great importance and should be given careful consideration at this session. I believe the growth of farm tenancy can be checked. We should try to check it. Then let us act on a farm tenancy bill this session.

JAMES BUCHANAN'S GREAT SPEECH ON FREE SPEECH AND PRESS AND INDEPENDENT BAR

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by my colleague [Mr. HAINES.]

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address recently delivered by my colleague from Pennsylvania [Mr. HAINES]:

This is the one hundred and forty-fifth anniversary of the birth of James Buchanan, of Pennsylvania, the fifteenth President of the United States (1857–61).

It is fitting that we celebrate one of the great achievements of Buchanan—his memorable fight in 1831 against judicial tyranny, which threatened free speech, free press, and the independence of the bar. It is conceded today that Thomas Jefferson's destruction of the alien and sedition laws is the only battle for free speech and free press of more importance than that led by Buchanan in 1831.

IMPEACHMENT OF JUDGE PECK

Federal Judge James H. Peck, of Missouri, had imprisoned for 24 hours an attorney named Luke Lawless and disbarred him for 18 months because he had criticized an opinion of the judge in the newspapers. The House of Representatives voted to impeach the Federal judge solely for this conduct by a vote of 123 to 49, with the latter admitting his conduct deserved censure. James Buchanan led the fight to impeach this judge and was one of the managers of the House in prosecuting the impeachment charges in the Senate trial. However, the Senate voted 21 to 22 to sustain the impeachment charges, with certain Senators not voting and due to pleas for mercy for the judge who had then become old and blind and due also to complications caused by Missouri, national, and senatorial politics. It is worth noting, however, that three men who became Presidents of the Nation voted for the impeachment of the Federal judge—Buchanan, of Pennsylvania; Polk, of Tennessee; and Tyler, of Virginia; as well as two men who shortly afterward became Justices of the United States Supreme Court—Woodbury, of New Hampshire, and McKinley, of Alabama; while the father of Chief Justice White, of this Court, also voted to impeach as a Member of the House.

BUCHANAN DRAFTS ACT OF MARCH 2, 1831

The result of this fight was the drafting by Buchanan of the famous act of March 2, 1831 (4 Stat. 487), which followed the language of the eleventh amendment in defining the constitutional and jurisdictional limits of Federal courts and declared the law, past, present, and future, to permit summary punishment only of direct contempts which actually obstructed justice and which prevented any interference with the right to criticize such Federal judges by citizens, newspapermen, and lawyers. The act is still in effect, the first section being now cited as Twenty-eighth United States Code, section 385, and the second section being in the criminal code. It was adopted practically unanimously, as the slightest opposition would have caused its rejection in the closing days of the session, and Buchanan's speech about 1 month before in the impeachment trial of Judge Peck is considered the historical interpretation of the act which he drafted and is a great summary of the constitutional limitations which protect the citizen, the editor, and the attorney from summary power of Federal courts to punish them for criticisms of such courts and a splendid vindication of free speech, free press, and the independence of the bar. The impeachment trial had awakened the whole Nation to the importance of protecting such rights from judicial invasions and nearly all of the States immediately passed acts which were based on Buchanan's Act of 1831.

It is an appropriate way to celebrate Buchanan's anniversary, therefore, to call attention to excerpts from his great arguments in favor of the constitutional rights to free press, free speech, and the independence of the bar, and to remember that even though these rights are continually under assault in some Federal and State courts that such assaults are illegal, unconstitutional, and constitute impeachable offenses.

MR. BUCHANAN'S ARGUMENT IN TRIAL OF JAMES H. PECK

"I shall now proceed to prove that the power claimed and exercised by the respondent is in direct violation of the letter and spirit of the Constitution. In order to demonstrate this proposition it is only necessary to contrast the provisions of the Constitution with the proceedings of the judge against Mr. Lawless. The Constitution declares that 'in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury.' What does this mean? Does it not extend to all criminal prosecutions? And is it not established that the prosecution of a libel as a contempt is a criminal prosecution? In criminal prosecutions the rights of a citizen are never to be taken away without a trial by an impartial jury. Impartiality is the attribute peculiarly required. But what does the law of contempts, as administered by Judge Peck, declare? That the dearest rights of a citizen may be taken away without any trial by jury, and by the sole authority of an angry, offended, and therefore partial judge. Need I add another word?

"Again, the Constitution provides that 'no person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces', etc. In England, where the power of punishing libels against judges as contempts came to the King's Bench from the Star Chamber, a man may be prosecuted criminally upon a mere information filed by the law officers of the Crown. But the Constitution of the United States explodes this doctrine, except in cases arising in the land and naval service. In all other cases a grand jury must pass upon the accused before he can be brought to trial. So careful has the Constitution been of the liberty of the citizen that it has blotted out forever the proceeding by information; although before any punishment can be inflicted, even by this mode, a petit jury must first have found the accused to be guilty. But what is the process in the case of contempts? Without either an information or an indictment, but merely on a simple rule to show cause, drawn up in any form the judge may think proper, a man is put upon his trial for an infamous offense, involving in its punishment the loss both of liberty and property. He is deprived both of petit jury and grand jury and is tried by an angry adversary prepared to sacrifice him and his rights on the altar of his own vengeance.

"The Constitution declares, 'that no person shall be compelled, in any criminal case, to be a witness against himself.' But I ask, Can the English language furnish plainer words than these? Did not the respondent know when he called upon Mr. Lawless to answer interrogatories upon oath, and on his refusal inflicted an additional punishment, that the Constitution protected him against any such inquisition? If the Constitution does not apply to a case of this kind, in the name of Heaven, when or where will it apply? By the common law of England the refusal to answer interrogatories is itself 'a high and repeated contempt, to be punished at the discretion of the court', and so thought Judge Peck; but the Constitution interposes its protection and secures the citizen against being called upon to answer. Even the courtly Blackstone, the apologist of every abuse under the British Government, declares 'that this method of making the defendant answer upon oath to a criminal charge is not agreeable to the genius of the common law in any other instance' (4 Com. 287). Now, I verily believe that when the framers of that sacred instrument inserted in it the provision 'that no person shall be compelled, in any criminal case, to be a witness against himself', they had this very case of contempt full in their view. The power which they have forbidden did in this case exist in England; but even there it 'is not agreeable to the genius of the common law in any other instance.' What case so proper could they have had in view when they inserted this clause? They could never have intended that notwithstanding the provision, unless the accused would humbly crouch at the foot of judicial power and swear that he had no intention to give the slightest offense to the judge, he should be liable to be severely punished. Such a doctrine would be repugnant to every feeling of a freeman.

"Even the miserable pretext which existed for exercising this power in Pennsylvania and Tennessee, that the constitutions of these respective States had sanctioned a preexisting 'law of the land', which prostrated the barriers erected by these very constitutions for the protection of civil liberty, has no existence here. No law of the land for the United States existed previous to the adoption of the Federal Constitution. It declares that no man shall be compelled to bear witness against himself on a criminal charge; and I put the question home to each member of this high and honorable Court, whether the language must not be construed to extend to cases of this nature. Is there anything else to which the provision can apply? This odious inquisition must certainly have been intended, as there is no other criminal accusation on which a man can, even by the common law, be required to bear witness against himself.

"Let me here bring into the view of the Senate a fact on which I shall comment hereafter. The counsel has told us that at first Judge Peck only intended to suspend Mr. Lawless; but in consequence of his refusal to have interrogatories filed, and answer questions upon oath, which might require him to bear witness against himself, and of his reading a paper to the court in the character of a protest or bill of exceptions, his punishment was aggravated by the disgrace of imprisonment.

"(Mr. WIRT. I spoke from the evidence.)

"Yes, sir. With this constitutional charter in his hand, the judge has branded Mr. Lawless with infamy (so far as his sentence of imprisonment could do so) for refusing to give evidence against himself. But I shall treat more fully of this point hereafter.

"The Constitution further provides that no person for the same offense shall be twice put in jeopardy of life or limb. But by the law of contempts, after a judge has first wreaked his own vengeance on the accused for the offense, considered as a contempt of

court, the unhappy victim may afterward be indicted for a libel, and thus again punished for the same offense.

"The Constitution of the United States does not contain the provision, which is to be found in almost every State constitution in the Union, that upon prosecutions for a libel, the truth may be given in evidence. The reason of this omission doubtless was that as this instrument did not confer upon Congress any power to punish libels there was no necessity for the introduction of such a clause. If the power exercised by the respondent does exist in the courts of the United States, I presume no man will be hardy enough to contend that the truth of an accusation against a judge cannot be given in evidence in a summary prosecution for a contempt. What a spectacle would then be presented on such a trial! For example, I believe that a judge has in a certain cause decided absurdly (and such a thing we know may happen). I review his decision in one of the public journals and prove that he has shown himself to be a weak man; or I charge him with having been wicked and partial. If such be the fact, I have a right to establish it anywhere, and the truth everywhere ought to protect me from punishment.

"I am called before this very judge, charged with a contempt of court, and the only issue to be tried by him is whether he himself is not weak or is not wicked, whether he has not made an absurd or a partial decision. What an exhibition would this be in a land of liberty. Could it ever have been intended to confer a power so absurd and so dangerous upon an American court of justice?

"I now advance a little further in this argument (although it is astonishing to me that any argument on such a subject can be necessary). That sacred aegis—the liberty of the press—a right which Congress, if they would, could not, and if they could, dare not infringe—shields every citizen of this land from the blow of such judicial tyranny. No free government can long exist without a free press. Power is constantly stealing on. One implication involves another, until liberty may be lost before the people know it is in danger. To preserve this invaluable boon, it ought to be watched with greater jealousy than ever was excited by the fabled guardian of the Hesperian fruit. Its safest protector is a free press, and the Constitution of the United States has therefore declared that 'Congress shall make no law abridging the freedom of speech or of the press.'

"What was the intention of this provision? The framers of the Constitution well knew that under the laws of each of the States composing this Union libels were punishable. They therefore left the character of the officers created under the Constitution and laws of the United States to be protected by the laws of the several States. They were afraid to give this Government any authority over the subject of libels, lest its colossal power might be wielded against the liberty of the press. They have guarded it with a wholesome and commendable jealousy.

"In open violation of this provision, the sedition law was passed in 1798. This law, after having destroyed its authors, expired in March 1801 by its own limitation. The gentleman who first addressed the Court in behalf of the respondent has mistaken the argument of the managers in relation to this law. None of us ever contended that it was cruel and unjust in its provisions. It was more equitable than the common law, because in all cases it made an indictment necessary, and it permitted the truth to be given in evidence. The popular odium which attended this law was not excited by its particular provisions, but by the fact that any law upon the subject was a violation of the Constitution. Congress had no power to pass any law of the kind, good or bad. It is now, I believe, freely admitted by every person—I, at least, have not for several years conversed with any man who had a contrary opinion—that Congress, in passing this act, had transcended their powers. I have no doubt that the motives of many of those who passed it were perfectly pure, but yet if any principle has been established beyond a doubt by the almost unanimous opinion of the people of the United States, it is that the sedition law was unconstitutional. Such is the strong and universal feeling upon this subject that if any attempt were now made to revive it, the authors would probably meet a similar fate with those deluded and desperate men in another country who have themselves fallen victims upon the same altar on which they had determined to sacrifice the liberty of the press.

"Well, sir, and what then? It is contended by the respondent that although Congress could not bestow upon the courts of the United States the power of trying and punishing libels, yet that by implication he may exercise this authority and dominion over all men who may dare to discuss his pretensions in the public newspapers. That power which the legislature who created him could not confer upon him by express grant he exercises by implication.

"Shall, then, a petty judge—a petty provincial judge (if it be lawful to use such language after the rebuke my colleague received), although Congress itself dare not pass a law for the punishment of libelers against its own Members or the President of the United States, be permitted to sit as the sole judge in his own cause, and, in palpable violation of the Constitution, fine and imprison at his own pleasure the author of a libel against himself? When the express power cannot be delegated, shall he take it by implication? Shall courts of justice exercise a power as a bare incident vastly beyond what their creators could confer upon them?

"If all courts do possess this authority, it may be wielded with vast power as an engine for the destruction of our liberties. We have always had in this country, and I suppose we shall always continue to have, angry political discussions. It would seem that such storms are necessary to purify the political atmosphere of the Republic (though they are sometimes much more violent than agreeable). Let me illustrate my views by putting a case in reference to the so much agitated question of our relations with the Southern Indians. This question has awakened intense feeling throughout the Union, and I doubt not has given birth to much honest difference of opinion. Some believe the President to be right in his views upon the subject, and others that he is entirely wrong. It would not become me here to express any opinion. But suppose the President of the United States were to institute suits against some one of the editors who have attacked his character and assailed his motives, in relation to his conduct on the Indian question, what might be the consequence? The question then to be settled by such a suit would be, are these attacks true or false? Now, you could not take up a paper in the District of Columbia which would not contain one or more articles discussing the general question, and having a direct bearing upon the public mind in relation to the cause pending. These publications upon the principles on which Judge Peck acted would all be contempts of court. You might as well attempt to stop the flowing tide, lest it might overwhelm the temporary hut of the fisherman upon the shore, as to arrest the march of public opinion in this country, because in its course it might incidentally affect the merits of a cause depending between individuals.

"Sir, is this a fancy picture? When a man, so distinguished as to be a prominent candidate before the people of the United States for the highest office in the country undertakes to redress his wrongs by an action for a libel, he attaches to himself the whole politics of the country, and thus all the publications in the papers of the United States on the subject out of which the suit arose and converted into contempts against the court in which it is pending.

"I know something about a Governor's election in New York and Pennsylvania. The liberty of the press is on such occasions carried to its utmost limits. Charges are very freely made and very freely urged against the opposing candidates, and all the people of the State are deeply interested in knowing their truth or falsehood. The candidate who fears the public discussion of any charge made against him has nothing to do but bring a suit, and then according to the doctrine of contempts now asserted, all future publications upon that subject become contempts of court, and may be punished with severity by the judges before whom the action is depending. The current of public opinion must be stopped—the merits or demerits of the candidate must not be discussed—there must be an awful pause to await the event of a little libel cause in an inferior court. Such a doctrine cannot exist in this country. Carry it out to its practicable consequences and it becomes appalling. By a politic application of it, every judge in the land may become the tool of Executive power, or the instrument of preventing all attacks against his political favorites who may be candidates for office. These are not mere fanciful cases. They may occur in practice, and if the power should be sanctioned and established by the decision of this Court, the day may arrive when it will be resorted to for the most dangerous purposes. The time may come when it shall be considered very necessary and proper to shield some future President from public discussion by the exercise of this power.

"Why, sir, at this very time, from one end of the Union to the other, we find the public papers of a particular complexion ringing with attacks on the character and conduct of the Chief Justice of the United States, in relation to the Indian question now pending before the Supreme Court. I think these attacks are unjust, but to check them, would you silence the public press? Would you say that the Supreme Court ought to drag before it every editor in the country, and thus put an end to the discussion? I know that even if the Court possessed this power it would never be invoked by the present Chief Justice—a man upon whom any eulogy of mine would be lost. But if he resembled a Scroggs or a Jefferies (and such men may yet hold that office) he would never rest content until he had inflicted vengeance, through the agency of this power, upon those who dared to attack his judicial character.

"I have been considering the consequence of this power in regard to cases pending; but it would be infinitely worse in its application to cases which have been decided. The Supreme Court of the United States is vested with power, in the last resort, to construe the Constitution. Constitutional questions are brought before it almost every term, involving great and extensive interests, and in some cases the rights of sovereign States. Its jurisdiction is coextensive with the Union, and from the very nature of things its decisions must agitate and inflame large masses of the people of this country. Judgment is pronounced, and the reasons for it go forth to the world in the form of an opinion. Is not this opinion as fair a subject of criticism as any other public paper? And will not and ought not such opinions to be freely criticized as long as liberty shall endure in this country? And yet upon the principles which governed the respondent's conduct, the Supreme Court possesses the power to bring all the editors throughout the Union before them who have dared to impute errors to their opinions, and punish them by fine and imprisonment at their pleasure. The bare attempt to exercise such a power would convulse the people of this country.

"I recollect a case in my own State which may serve to illustrate the absurdity of this claim of power. The chief justice of Pennsylvania delivered an opinion that the supreme court of that State had no right to declare a State law unconstitutional. A United States judge took up this opinion, and in one of the periodicals of the day handled it very severely; more so, beyond all comparison, than Mr. Lawless criticized the opinion of Judge Peck.

If such a power had existed, here was a case for its exercise. The supreme court might have brought the district judge of the United States before them on an attachment and sentenced him to fine and imprisonment for scandalizing the chief justice, and endeavoring to bring him into odiom and disgrace before the people.

"If a judge be corrupt or partial in his judicial conduct, or should chance to be a fool (a case which sometimes happens) it is not only the right but the bounden duty of his fellow citizens to expose his errors. If a man should be notoriously incompetent for the judicial station which he occupies, though this may be no ground for an impeachment, yet it is a state of things on which the force of public opinion may rightfully be exerted for the purpose of driving him from the bench. I admit that the case ought to be an extreme one to justify such a resort. But then, if this power to punish libels does exist, a judge may decide as he pleases without regard either to honesty or law; and then silence the public press in relation to his conduct by denouncing fine and imprisonment against all those, who shall dare to expose the errors of his opinion. In such a case, upon the hearing before the judge, the greater the truth the greater would be the libel. A weak judge, when his capacity is called in question, would always be the most cruel and oppressive.

"As I have already referred to the Supreme Court of the United States, let me do it again. That illustrious tribunal, in the honest and fearless discharge of its duties, has come into collision with many of the States of this Union—with Pennsylvania, with Virginia, with Georgia, with Massachusetts, with New York, and with Kentucky. It has been abused and vilified from one end of the continent to the other. This has been its history since the foundation of the Federal Government. Has any man ever heard that the judges of this Court claimed the power of punishing these revilers in a summary manner by fine and imprisonment? Have we at any period of its history heard the slightest intimation to that effect from any of these men? Not one. That Court has often been in the storm. It has been assailed by the winds and the waves of popular opinion, but it has gone on in an honest and fearless course and trusted for a safe deliverance to the good sense and patriotism of the American people. That tribunal needs no such power as has been claimed by this judge in Missouri and has never thought of resorting to the arbitrary and vindictive conduct which has brought him to your bar.

"I trust I have now succeeded in proving that the courts of the United States can neither derive this power from the common law nor from the Judiciary Act of 1789 nor from necessity, and that its exercise is in direct violation of the Constitution of the United States. Another question now presents itself, on which it may be proper to make some additional remarks.

"Had Judge Peck power in this case to suspend Mr. Lawless from practicing his profession? It is of importance to us who belong to the bar to know whether or not—and to have the decision of this Court upon the question. If he had, the members of a profession which has ever stood foremost in this country in the defense of civil liberty are themselves the veriest slaves in existence. I believe that I have as good a right to the exercise of my profession as the mechanic has to follow his trade or the merchant to engage in the pursuits of commerce. I want them to know whether henceforward I must humble myself and become the sycophant of a judge, whom I may despise, under the penalty of being deprived of the right to practice my profession before him. If a judge be weak, or if he be wicked, his judicial conduct is as fair a subject of discussion among lawyers as among any other class of citizens; and for exercising this right they incur no punishment which cannot be inflicted on any other person. If this proposition be not true, they become the mere creatures of the court. Instead of being the firm and fearless asserters of their clients' rights, often in opposition to the preconceived opinions of the bench, they must cringe and assent to any and every intimation of the judge at the risk of their ruin. The public have almost as deep an interest in the independence of the bar as of the bench. The rights of the citizens, under the complex systems of modern times, can only be asserted and maintained through the agency of the profession.

"Members of the profession may forfeit their right to practice, but this can only be done by the commission of some professional offense, or some crime of so black a character as shows them to be wholly unworthy to be trusted. For other offenses they are subjected to the same punishments as their fellow citizens. Their official and their private acts are entirely distinct from each other. To show that Judge Peck had no right to suspend Mr. Lawless, I need not go further than Second Petersdorff's Abridgement, 615, the book cited by the judge himself. It proves conclusively that the high prerogative of striking an attorney from the rolls has never been exercised, even in England, except for grossly dishonest professional misbehavior, or on a conviction of felony or other infamous crimes. This power has never been resorted to except in extreme cases. I admit that if, in this country, where the two professions of attorney and counsellor are generally united in the same person, an attorney in open court will manifest by his conduct a total want of respect for the judges and will pursue a course tending to obstruct the public business before the court, they must from necessity possess the power of suspending him from practice. But it is not pretended that Mr. Lawless has brought himself within this rule. Was it ever heard of in England, that an attorney was stricken from the rolls of the court for writing and publishing strictures no matter how severe upon the opinion of a judge? The research of the learned gentleman has not furnished us with a single case from the English books, nor a single dictum to that effect. If I write and publish an article, which a judge may choose to consider as a libel upon himself, is it not enough that he may appeal like other citizens to the laws of his country for redress, and have me fined and imprisoned for the offense? Shall he be permitted to take the law into his own hands and add to this punishment a forfeiture of my means of subsistence, by taking away from me my profession? Even the punishment of a libel as a contempt, by fine and imprisonment, would be mercy when compared with this power.

"The judge, in the same rule against Mr. Lawless, has embraced two things of an entirely different character. No two subjects can be more distanct in their nature than a rule to show cause why an attachment should not issue for a contempt, and a rule against an attorney to show cause why he should not be stricken from the rolls. In the first case the court must proceed without delay. Its process or its lawful command must be obeyed immediately, otherwise the progress of public business is arrested. If the order of the court be obeyed, either there is no punishment at all inflicted or it is generally very slight. The suspension of an attorney from practice is of another character. The question then to be decided is, Has his conduct been of such a character as to require his expulsion from the bar? This is a question which need not be determined in a day or in a month. The spirit which dictated that provision of the common law—that the tools of an artificer shall not be distrained—ought to prevail upon such an occasion. When a man's all is at stake, or rather the means by which his all is acquired, there ought to be no haste in the proceeding when no haste is necessary. But here this infuriated judge had decided, from the very first moment, that Mr. Lawless should be suspended; and it has been alleged that it was not till after his refusal to answer interrogatories that he determined to add the ignominous punishment of imprisonment.

"And now we come to the case of Judge Conkling, of which so much has been said. The eloquent counsel seemed to take so much pleasure in referring to the report of the Judiciary Committee, in this case, and to look at me with such significant glances that I had not the heart to interrupt his pleasure by letting him know that I had nothing to do with that report, having been absent from the city when it was made. I never saw the report until this morning, and till then was entirely ignorant of the principles on which it was founded. The gentleman on my left (Mr. Storrs) was also absent, as I am informed, having declined sitting upon the committee for personal reasons.

"But I shall not leave this report of the Judiciary Committee here. The case now on trial before the Senate, and that of Judge Conkling, are totally dissimilar. The good lady, Mrs. Bradstreet, or rather Mr. Tillinghast (I cannot tell which), charged Judge Conkling, before the House of Representatives, with no less than 38 judicial offenses. If we had brought such a list before this Court, and each of them were to consume as much time as the single charge against Judge Peck has done, we might be occupied for years in the trial. The Judiciary Committee were unanimous in rejecting 36 of these charges. Concerning the two which remained, relating to Mr. Tillinghast's suspension, there was a difference of opinion.

"It seems that Mr. Tillinghast, in open court, upon the trial of a cause, had drawn a most odious and revolting picture of a judge, which was intended by him, and understood by others, to be a delineation of the judge upon the bench. This was a direct and palpable insult publicly uttered to his face. The judge, however, either did not understand it as it was meant or determined to disregard it and suffer in silence. Tillinghast, some time after the session of the court had terminated, in a private conversation with the clerk, acknowledged that he meant the picture for Judge Conkling, and confessed the intentional indecorum of his language. The clerk warned him against using such expressions; but notwithstanding, he requested the clerk to tell this conversation to Judge Conkling. On an affidavit of these facts, Mr. Tillinghast was brought before the judge, and on refusing to make an apology was stricken from the rolls. For what? Was it for what he had said to the clerk out of court? No; but it was for the character which he had drawn in open court, in connection with the acknowledgment he had made to the clerk that it was intended as an insult to the judge. Though a majority of the committee expressed no opinion as to the legality of the judge's conduct, I am now willing to do so, and to declare that, in my judgment, it was illegal. If the picture when drawn was not so distinct in its features as to be recognized by the judge, or if he, perceiving the intended resemblance, chose to overlook the insult during the whole term at which it was committed, the time had passed by and the liberty of speech protected the offending attorney. The judge could not at a future term institute proceedings and strike him from the rolls in consequence of any private conversation he might have had with the clerk after the adjournment of the court. This is my opinion; but I never should have voted for an impeachment in such a case. Thirty-six of the charges were so frivolous as to be rejected unanimously by the committee, and the remaining two arose out of conduct well calculated to irritate and wound the feelings of the judge and to induce him unconsciously to pass the doubtful limits of the law in the punishment of the offender. From the circumstances of the case, I could not have supposed that an intention to transgress the law was so clearly established as to justify this tribunal in convicting the judge. Yet I believe that he acted improperly, and such should have been my report. In justice to myself I will also observe that I entirely dissent from most of the reasoning contained

in the opinion which he delivered at the time the name of Mr. Tillinghast was ordered to be stricken from the roll.

"A case has been cited from New Hampshire, and I would hope that there must have been some mistake in the report of it which has been read to the Senate. As stated, it presents a case of arbitrary oppression toward a member of the bar, unequaled even in English history. The judge I know to have been a very respectable man, and is therefore the more extraordinary. It seems that an attorney, whose name was Freeman, in a conversation at a public tavern, observed that Judge Livermore was very arbitrary, and that he abused the lawyers, the parties, and the witnesses. He also inquired whether the judge ever studied, and expressed a belief that he did not read his books. This was a mere idle, loose conversation. For this language, which was carried by some tale bearer to Judge Livermore, he struck the attorney from the rolls. Sir, what have we come to? In what state of society do we live when such an act as this is cited before the highest tribunal of the Nation in justification of the conduct of a judge of one of the district courts of the United States?

"I never had the pleasure of exchanging a word with the concluding counsel for the respondent before the commencement of the trial, but I think I might venture to ask him whether he had never, in familiar conversation, expressed opinions quite as derogatory to the character and attainments of judges as those uttered by Mr. Freeman in relation to Judge Livermore. And who would endure it, that for such a conversation the country should lose the distinguished professional services of that gentleman, and his family be deprived of his exertions for their support (if they depend on those exertions, which I hope they do not)? Yet this case has been gravely cited to prove that Judge Peck had a right to punish Mr. Lawless by suspension.

"As to the case from Tennessee, it probably arose from some misapprehension of the nature of the proceeding against Mr. Darby. The supreme court of that State, in their opinion, contend that according to the doctrine of the English books he had been guilty of a contempt in publishing a libel against them; but, instead of inflicting upon him fine and imprisonment, the only appropriate punishment for a contempt, they ordered his name to be stricken from the roll of attorneys.

"(Mr. Grundy said there was no proceeding in that case as for a contempt. Mr. Darby was stricken from the roll on motion.)

"Yes, sir; but the court placed it on the ground of a contempt. I understand that in that State the law gives to courts the express power to strike attorneys from the rolls; but whether in this case they exercised it properly, I neither know nor care. It can have no influence upon the present trial.

"What was the character of the libel against the court does not appear from the report of the case; but, from what I have heard, I entertain no doubt it was of a very aggravated nature.

"It is worthy of remark that the court rested their power upon a provision in the constitution of Tennessee similar to that contained in the constitution of Pennsylvania, which was used to shield C. J. McKean and the other judges in the case of Passmore. The bill of rights in both States declares that the accused shall not 'be deprived of his life, liberty, or property, but by the judgment of his peers or the law of the land.'

"But in concluding this part of my argument I would again observe that not a single case has been produced from England (and if the counsel could have found one they certainly would have urged it) in which the court of King's Bench or any other court of that country ever attempted to strike an attorney from the rolls for publishing anything derogatory to the court.

"Having thus shown that the respondent has violated the Constitution and laws of the country, I shall now proceed to discuss my second general proposition, which was that he has done so with a criminal intention. This necessarily leads me into a discussion of all the material facts and circumstances of the case as they have appeared in evidence."

THE PASSAMAQUODDY PROJECT—WHAT IT IS AND WHY—BY PASSAMAQUODDY PUBLIC RELATIONS ASSOCIATION

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to incorporate therein a short article dealing with the Passamaquoddy project.

The SPEAKER. Is there objection?

There was no objection.

Mr. BREWSTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by the Passamaquoddy Public Service Relations Association, dealing with the Passamaquoddy project:

The public relations board of the Passamaquoddy power project appreciates very much this opportunity to talk to you frankly about Quoddy. It means opportunity to state some true facts about the project—opportunity to offset certain widely circulated publicity that is both unfair and incorrect. Throughout we will try to confine ourselves to actual facts, to statements unbiased either by overenthusiasm or resentment.

In the last few months Quoddy seems to have been made the target for every sort of comment, ranging from careless ridicule to downright hostility. From one angle, at least, all this is rather encouraging. Looking back through history you will find that every new and amazing feat of human ingenuity that contributed vastly to human progress has passed through just this same phase of doubt, scorn, and ridicule. For example, the first locomotive, the flying machine, the talking machine. As to engineering projects, recall Niagara, the Union Pacific Railroad, the Panama Canal. All these in the early days of their development aroused storms of doubt and ridicule. The day after its completion the trans-Atlantic cable drew this editorial comment from one of the country's leading dailies: "Now that it's completed, what are they going to do with it?"

In a moment we'll get down to Quoddy facts. But first let's give a recent instance of such publicity on Quoddy.

Within the last 2 weeks a certain periodical published in Washington, and holding evident appeal to the rural sections, carried an article on Quoddy that tied it in to milking cows by the moon. It carried a map of Quoddy, claimed to be the magazine's own special map, showing for the first time the exact set-up of the Passamaquoddy power project. The map bore very little resemblance to the project, either in layout or in working principle. For instance, it showed a strange power-house dam 4 miles long that simply does not exist. The map's outline was incorrect. It showed a lake never heard of. The bulk of statements in the article itself showed not only complete lack of information about Quoddy history or background but of simple international geography.

Before we go on, let us outline, briefly as possible, the main points of Quoddy history. Quoddy was originated by Dexter P. Cooper. His brother, Col. Hugh Cooper, is probably the foremost hydroelectric engineer in the world. Together with his brother, Dexter P. Cooper has been connected with some of the biggest hydroelectric developments known—Niagara, Keokuk on the Mississippi, Muscle Shoals, the Dneiperstroy in Russia. Quoddy is over 10 years old. Begun as an international project, it involved waters on both sides the international boundary. Its State of Maine charter was granted in 1925, its Canadian charter about the same time. A few years later the job was reengineered to involve American waters only. Since then Quoddy has been an all-American project, with provision made, however, to extend this into the original international plan, if this later became possible. Work was progressing steadily under the all-American plan, when came the stock crash of 1929. This, with the ensuing depression, resulted in laying Quoddy temporarily aside.

In 1933 Quoddy's founder was in Russia supervising completion of the Dneiperstroy, the Russian project referred to. This completed, he returned to America and took up the matter of Quoddy with P. W. A. P. W. A. admitted its engineering, but did not see it as a private-interest venture. It was later offered to the Government as a reconstruction feature, slanted mainly at relief. The administration sent Secretary Ickes to Eastport to investigate. Secretary Ickes expressed himself as much impressed both with the project and the Quoddy country. He volunteered legal and technical assistance from Washington. He told the people not to give up their fight for Quoddy. Quoddy was finally approved in connection with the four-billion relief bill. Its allotment was officially announced in May 1935. Work was begun immediately.

Now, let's clear up Quoddy's status to there.

First, its founder's standing in international engineering should at least entitle this project of harnessing the tides to respectful consideration. This man achieved what the engineers of centuries had been trying to do without success. In those early years the project drew interest and support from the entire world. England had been working out a similar scheme on the River Severn; France on the Britanny coast. Passamaquoddy tides represented far more gigantic possibilities than either. Representatives of both these projects have said to the founder of Quoddy: "You lead, we will follow."

Now let's take the State of Maine's attitude. The people of Maine were wholeheartedly behind Quoddy. They are now. Quoddy's initial charter was referred to the people. In direct referendum the people of Maine put Quoddy's charter over by a vote of 10 to 1. Right here please mark this fact: That charter granted Quoddy full authority to ship power out of the State. Quoddy is the only power company in Maine holding that privilege. Quoddy can ship power to other States, and to Canada.

As to who was behind Quoddy in those days—we come now to one of the most convincing arguments in all Quoddy history. In those days Quoddy was sponsored and was being built by four of the leading power interests in America, if not in the world. Now, please don't underestimate that—the biggest names in American power. These interests entered upon the project only after a long period of exhaustive investigation covering its every phase. They were actually building the job. They had bought abutment and land options along the entire 20 miles of its course. A small army of engineers were at work on the preliminaries for over a year. A half million dollars had been spent on the job up to 1929, and depression. Now, why were they building it? Was it not solely because they found in Quoddy the possibility of developing cheap power on a huge scale? In other words, did it not look to them like a feasible and profitable investment?

Now, a brief statement of what has been done since Quoddy was actually begun. Then we'll take up its definite arguments, engineering, cost of power, sale of power, T. V. A., etc.

Quoddy was started in June of last year. A first problem was the matter of housing. A community of 120 houses was built for the housing of the small army of engineers and administrative force. Much has been said and printed about this feature of the project. This movement, however, was absolutely necessary.

Eastport itself had no possible means of caring for a population more than doubled. The building of these houses represented an actual economic investment. Rentals from employees will almost pay the cost of construction by the time the job is finished. Approximately $100,000 has actually been collected for these rentals to date.

And now, is it necessary to mention love seats and grandfather clocks? Press report on this has been absurd and unfair. As a bit of publicity we'll admit that grandfather clocks and love seats in connection with Quoddy were fatally irresistible. Actually, there were two tall clocks, cheap clocks, in one of the dormitories. Privately, just between you and me, you wouldn't really suffer to own one. And that goes for the simple maple settees, that were "love seats" only in the catalogs. The paintings of Old Masters cost 25 cents, $1.04 framed. Both buildings and furnishings of Quoddy village represent simplicity almost to bareness. Come and see for yourself.

At present Quoddy is going ahead briskly and actively. Two smaller dams are practically completed. Initial work on the great dams, involving railroad spurs, docks, excavations, rock fills, are well under way.

All right, now we come to the main points of Quoddy argument, over which there has been so much controversy.

First, Quoddy's engineering: It has been reported widely that the whole scheme of Quoddy was indefensible from an engineering standpoint. As a matter of fact, in all Quoddy history we can find no actual official doubt as to its soundness. Quoddy engineering has been subjected to the most exhaustive investigation all along the line. Years ago the War Department of the United States passed on its engineering. Two years ago, even P. W. A. conceded its engineering. If Dexter P. Cooper's own standing as an engineer holds no weight, may we offer one final argument along this line that must be convincing to everyone? It is this: Can it reasonably be supposed that the War Department of the United States, which has constructed some of the outstanding engineering jobs of American history, would undertake to build any project of which the engineering was doubtful or unsound?

Next: Cost of power.

The great question from power sources is, What is to be the cost of power? This we cannot answer. Now, just a minute. We cannot answer this question simply because it cannot be answered by anyone at the present stage of things. Due to many reasons, chiefly reasons of economy, the details of Quoddy construction changed somewhat from original plans. Certain details of final construction are still under discussion. Cost of power depends on cost of construction. For this reason it is not possible for anyone to definitely say at present just what will be the kilowatt cost of power.

Also, in the case of Quoddy, other elements enter into the cost of power. It has been intimated that part of Quoddy's construction cost would be charged to relief, part to defense, part to power. If this is so, the eventual cost of power can only be determined when the job is done—and by higher authorities than can be approached on the subject. One answer, however, can be made definitely here and now. Even with everything considered, Quoddy power will be cheaper than Eastport power. In connection with industrial development at source of supply, this is paramount.

Now, the sale of power.

The one great question hurled at Quoddy since the beginning is, What are they going to do with the power? In reply to this question let us make some brief statements which are facts. Mr. Cooper is a member of the National Power Policy Committee. He and his staff have been constituted a department to look up sale for power. Mr. Cooper states that in the last few weeks he has interested big industry in all the power the project would have to dispose of under present plans. The bulk of this has been negotiated for by big chemical interests alone located in three different sections of the country. In passing, this same interest of big industry happened when Quoddy was active before. Scouts of big industry from far and wide came to look up details as to possible location. Given competitive-priced power, the concerns mentioned are attracted to the Quoddy section by advantages of low-priced lands, attractive labor conditions, and more than all by the great advantages of salt-water transportation. These statements may not be discredited.

T. V. A.

The question has been asked, What bearing has T. V. A. on Quoddy? The answer is: none whatever. T. V. A. is a federally controlled project. Quoddy is intended as a State project. The intent of the administration was to loan to the State of Maine the necessary money to build—the project, on completion, to be operated by a Maine authority. The principle involved would be in the manner of a lease—the State to make certain returns to the Government only when the project should be self-sustaining to that extent. The State of Maine is not and would not be obligated for the repayment of funds in any way.

At present a new bill has been drafted by representatives of the Government itself for presentation at the next session of legislature. The provisions of this bill are so drafted as to safeguard every best interest of the people of Maine, with provisions so drawn as to be entirely satisfactory to the existing Maine power companies. In this connection Quoddy will not and cannot invade the rights or territory of existing power companies to their detriment. Quoddy is prevented from this by every restriction, legal and otherwise. For this reason, no single stockholder in any existing power company will lose a penny because of Quoddy.

Some interested inquirer has asked: "Why no mention of transmission lines for Quoddy?" Answer: Under present plans—covering industrial development at the source of supply, and also sale to existing public utility lines—extensive transmission lines may not be necessary, at least for some time.

Now may we offer some interesting data of our own.

There are 38 Federal dams in the United States. All the others are on rivers. Consequently their power output is affected by floods and droughts. Quoddy, damming the tides, can estimate its actual power output with absolute accuracy 10, 20, 100 years from any given hour. All the other 37 dams are designed for sectional development of the country. It is the opinion of high authority that Quoddy would be on a self-sustaining basis far earlier than some of the great dams in the West. Why leave Quoddy out?

Here are some of the other advantages held by Quoddy. Quoddy is located on tidewater on one of the three finest harbors in the country, open all the year round. Eastport is nearer to Europe than any other town in the United States. So located, it is easily and cheaply accessible to the basic raw materials of the world. Thus it holds great advantages over Niagara in this respect.

Quoddy is designed to achieve the permanent rehabilitation of eastern Maine. Already it has meant a wonderful benefit along the line of Maine relief. Upward of 5,000 workers were employed. These workers were reported to have sent their money home almost to a man. In fact, the bulk of Quoddy money goes out of Eastport itself, goes all over New England in fact. The local post office reports an average of $2,000 in money orders daily. Figures secured from headquarters show that Quoddy has paid to the city of Bangor, for instance, almost half a million dollars in labor and supplies. The city of Portland section, including outside contracts, has profited by almost a million. In the city of Boston, to 171 concerns Quoddy has paid $847,287.29 up to March 30. Accounts not yet paid will bring this to over a million. All this exclusive of labor, exclusive of huge outside contracts.

In closing, here's an odd one—we hope you get all it means: The question has been asked in withering accusation, "Why doesn't this project of Quoddy come out in the open?" The answer is so simple as to be staggering: Quoddy—didn't—have—the—gate money. By the open is meant publicity. To get into the press with favorable publicity Quoddy must run the gantlet of politics and power. Direct publicity costs money. Quoddy, of itself, the last 2 or 3 years has had no money. Naturally the Federal Government makes no provision for such activity. What favorable publicity on Quoddy has leaked through into the open, has been wrung out of the situation by a group of local individuals, men who were compelled to pass the hat for gas, stamps, and printer's ink.

And so we have tried to give you the true facts about Quoddy. In return, why not be fair? Eastern Maine has been licked—badly. Boulder Dam, Grand Coulee, all the other big projects are designed to rehabilitate their own sections, the same as Quoddy. But none of these has been attacked and ridiculed like the Quoddy project. Why not be fair?

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3531. An act to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928; to the Committee on Flood Control.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 12037. An act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright; and

S. 929. An act for the relief of the Southern Products Co.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ANDREW of Massachusetts, indefinitely, on account of illness.

To Mr. BOILEAU, for the balance of the week, on account of illness.

To Mr. HARTLEY, for the balance of this week, on account of illness.

To Mrs. JENCKES of Indiana, for 2 weeks, on account of official business.

To Mr. UTTERBACK, for 8 days, on account of important official business.

THE LATE REPRESENTATIVE JOHN T. BUCKBEE

Mr. REED of Illinois. Mr. Speaker, word has just been received of the death this afternoon of our colleague, JOHN T. BUCKBEE, of Illinois. I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 495

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN T. BUCKBEE, a Representative from the State of Illinois.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER. The Chair will appoint the committee in the morning.

The Clerk will report the remaining part of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 6 minutes p. m.), in accordance with the order heretofore made, the House adjourned until tomorrow, Friday, April 24, 1936, at 11 a. m.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet at 10 a. m. tomorrow, Friday, April 24, 1936, to consider the bill (H. R. 7086) to establish Mount Olympus National Park in State of Washington, and for other purposes. The hearing to be considered in the caucus room of old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

809. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Woodmont Harbor, Conn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

810. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Crooked and Indian Rivers, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

811. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Trask, Miami, Kilchis, and Wilson Rivers, Oreg., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

812. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Delaware River, between Easton and Stroudsburg, Pa., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

813. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 20, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Winter Harbor, Va., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

814. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Savannah River at Augusta, Ga., with a view of extending the present revetment work to the top of the levee and prevent erosion interfering with the navigation of the improved channel, authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

815. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 22, 1936, submitting a report, together with accompanying papers, on a preliminary examination of lower Altamaha River and Darien Harbor, Ga., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MURDOCK: Committee on Indian Affairs. H. R. 11218. A bill to provide for the disposition of tribal funds now on deposit or later placed to the credit of the Crow Tribe of Indians, Montana, and for other purposes; without amendment (Rept. No. 2482). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 12162. A bill to create an additional division of the United States District Court for the Southern District of Mississippi to be known as the Hattiesburg division; without amendment (Rept. No. 2483). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. H. R. 11926. A bill to provide for a term of court at Durham, N. C.; without amendment (Rept. No. 2484). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. S. 2849. An act to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; without amendment (Rept. No. 2485). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school building to be available for Indian children; without amendment (Rept. No. 2486). Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Committee on Naval Affairs. H. R. 10129. A bill authorizing an appropriation for the development of a naval air base at Tongue Point, Oreg.; with amendment (Rept. No. 2488). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 11369. A bill to authorize the construction of certain auxiliary vessels for the Navy; with amendment (Rept. No. 2489). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 12397. A bill to authorize the coinage of 50-cent pieces in commemoration of the completion of the bridges in the San Francisco Bay area; without amendment (Rept. No. 2490). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 190. A bill granting authority to the Secretary of War to license the use of a certain parcel of land situated in Fort Brady Military Reservation to Ira D. MacLachlan Post, No. 3, the American Legion, for 15 years; with amendment (Rept. No. 2487). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. S. 158. An act authorizing the President to present a medal in the name of Congress to Johannes F. Jensen; without amendment (Rept. No. 2491). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. S. 2517. An act to provide for the advancement on the retired list of the Navy of Walter M. Graesser, a lieutenant (junior grade), United States Navy, retired; without amendment (Rept. No. 2492). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. S. 3581. An act for the relief of Henry Thornton Meriwether; without amendment (Rept. No. 2493). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 12383) granting an increase of pension to Virgil O. Adams, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS: A bill (H. R. 12443) to authorize the coinage of 50-cent silver pieces in commemoration of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. GREEVER: A bill (H. R. 12444) to amend section 5, as amended, of the act entitled "An act to provide for the admission of the State of Wyoming into the Union, and for other purposes", approved July 10, 1890; to the Committee on the Territories.

By Mr. MORAN: A bill (H. R. 12445) to provide for the establishment of a Coast Guard station on the coast of Maine, at or near Isle au Haut, Knox County; to the Committee on Merchant Marine and Fisheries.

By Mr. DOXEY: A bill (H. R. 12446) to promote sustained yield forest management, in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 12447) to amend certain provisions of the banking laws relating to the administrative powers of the Comptroller of the Currency, the conversion of State banks into national banks, the payment of dividends on common stock of national banks, and the election and duties of shareholders' agents, and for other purposes; to the Committee on Banking and Currency.

By Mr. DICKSTEIN: Resolution (H. Res. 492) to provide 1 legislative day for consideration of certain bills reported from the Committee on Immigration and Naturalization; to the Committee on Rules.

By Mr. McLEOD: Resolution (H. Res. 493) requesting the President of the United States to transmit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as New York City Administrator of the Works Progress Administration; to the Committee on Expenditures in the Executive Departments.

By Mr. GILCHRIST: Resolution (H. Res. 494) providing for the consideration of H. R. 10101; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHANDLER: A bill (H. R. 12448) for the relief of Burton P. Cordle; to the Committee on Claims.

By Mr. COOLEY: A bill (H. R. 12449) for the relief of Melvin Andrews; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12450) for the relief of Lt. David E. Carlson, United States Navy; to the Committee on Naval Affairs.

By Mr. DRIVER: A bill (H. R. 12451) for the relief of the dependents of W. R. Dyess; to the Committee on Claims.

By Mr. SAMUEL B. HILL: A bill (H. R. 12452) granting an increase of pension to Felix Shaser; to the Committee on Pensions.

By Mr. GREEVER: A bill (H. R. 12453) for the relief of Francesco Kovach, alias Frank Kovach, alias Joe Kalister; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10768. By Mr. SISSON: Petition of residents of New York City and vicinity, urging passage of House bill 9216, the National Income and Credit Act; to the Committee on Banking and Currency.

10769. By the SPEAKER: Petition of the Daughters of the American Revolution; to the Committee on Appropriations.

SENATE

FRIDAY, APRIL 24, 1936

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose creative spirit is the source of all our aspirations, the guardian of our destinies: We thank Thee for the glory of this, another day, and as we set our faces toward our work, deepen, we pray Thee, our sense of oneness with Thee, that we may rejoice alike in the richness of our corporate life and in the sternness of our personal responsibility.

Grant unto these, Thy servants, insight, that instrument by which high spirits call the future from its cradle and the past out of its grave, that this day may be fruitful in permanent achievement for the welfare of our country.

Do Thou release all those whom a heavy weight of years hath chained and bound and raise up those who fall upon the thorns of life, that Thy children everywhere may be renewed by joyous thoughts of immortality which sometimes sleep but cannot die, as they are folded within their own eternity.

And when the sun is set at eventide and we go to our long home to meet Thy face, grant that this may be our requiem: "Peace, peace! He is not dead, he doth not sleep. He hath but wakened from the dream of life."

We ask it in the name and for the sake of Him who is the resurrection and the life, Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Thursday, April 23, 1936, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 713. An act granting jurisdiction to the Court of Claims to hear the case of David A. Wright;