

NOMINATIONS

Executive nominations received by the Senate June 4 (legislative day of June 1), 1932

UNITED STATES ATTORNEY

Frank C. Patton, of North Carolina, to be United States attorney, western district of North Carolina, to succeed Charles A. Jonas.

UNITED STATES MARSHAL

Harry A. Weiss, of West Virginia, to be United States marshal, northern district of West Virginia. He is now serving in this position under an appointment which expired January 11, 1932.

PUBLIC HEALTH SERVICE

The following-named assistant dental surgeons to be passed assistant dental surgeons, with the grade of passed assistant surgeon, in the Public Health Service, to rank as such from the dates set opposite their names:

John A. Hammer, June 20, 1932.

Fritz R. Jackson, July 10, 1932.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 4, 1932

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we draw to Thee, not unto One who is an avenging God but unto One who is as a high priest, touched with a feeling of our infirmities. We rejoice that in Thee all humankind shall find rest. Let Thy blessing come upon all who are perplexed, upon all who are borne with care and anxiety; direct for them the way. Do Thou show us the higher revelation of Thy nature, which is paternal. Be a merciful Providence unto the poor and rich, unto the bond and the free. Reveal unto us Thy heart with its noblest moods—where love suffers and smiles as it suffers and where mercy blesses those who deserve no mercy. Lead us to temperance in all things, to purity of thought, to a fine sense of justice, and to unselfish ambitions. Above all, our Father, may we achieve successfully our tasks for the sake of the other man. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendment of the House to a bill of the Senate of the following title:

S. 326. An act for the relief of Abram G. O'Bleness.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 811) entitled "An act for the relief of Sophia A. Beers," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOWELL, Mr. STEIWER, and Mr. LOGAN to be the conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution:

Resolved, That the House of Representatives be requested to return to the Senate the bill (S. 2458) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

SECTIONS 304 AND 305, H. R. 12353

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement I have obtained from the Post Office Department relative to cost and upkeep of public buildings in the Postal Service.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following analysis of sections 304 and 305 of the Garner-Rainey bill, showing the population, postal receipts, and rent now paid for

leased post offices in towns included in the above sections of the bill.

The following table gives the population, postal receipts, and rent now paid for leased post-office buildings of the towns included in section 304 of H. R. 12353. The approximate average cost of buildings contemplated by this section will be a little over \$70,000 per building.

H. R. 12353, sec. on 304

City	Population	Postal receipts	Rent, etc.
ALABAMA			
Alexander City	4,519	\$15,107.00	\$900.00
Bay Minette	1,545	11,342.00	1,284.00
Atmore	3,035	14,104.00	2,500.00
Brewton	2,818	10,112.00	1,200.00
Carbon Hill	2,519	10,456.00	900.00
Clanton	1,847	12,638.00	2,500.00
Enterprise	3,702	10,560.00	1,175.00
Evergreen	2,007	15,046.00	1,500.00
Fairhope	1,549	10,152.00	630.00
Fayette	2,109	13,043.00	1,450.00
Fert Payne	3,375	15,877.00	905.00
Guntersville	2,823	10,019.00	1,200.00
Hartselle	2,204	10,056.00	900.00
Marion	2,141	13,440.00	1,200.00
Ozark	3,103	10,845.00	930.00
Roanoke	4,373	14,222.00	1,500.00
Russellville	3,146	13,521.00	660.00
Scottsboro	2,304	13,465.00	960.00
Tuscumbia	4,533	12,894.00	1,800.00
Tuskegee	3,314	12,978.00	900.00
Wetumpka	2,357	11,173.00	2,400.00
ARIZONA			
Glendale	3,655	14,710.00	1,125.00
Safford	1,705	11,808.00	850.00
Tempe	2,435	11,875.00	1,000.00
Williams	2,166	11,110.00	1,200.00
ARKANSAS			
Benton	3,454	12,050.00	996.00
Bentonville	2,203	12,672.00	600.00
Clarksville	3,031	15,528.00	1,000.00
De Queen	2,938	15,112.00	1,450.00
Lake Village	1,582	10,035.00	910.00
McGehee	3,488	15,715.00	1,200.00
Magnolia	3,008	15,579.00	1,470.00
Malvern	5,115	17,884.00	1,290.00
Monticello	3,076	15,120.00	900.00
Morrilton	4,043	14,635.00	1,410.00
Nashville	2,469	14,612.00	1,200.00
Oseola	2,573	12,219.00	431.00
Paris	3,234	10,567.00	1,200.00
Siloam Springs	2,378	16,501.00	1,350.00
Smackover	2,544	13,051.00	878.00
Springdale	2,763	12,449.00	2,000.00
Van Buren	5,182	14,885.00	1,161.00
Walnut Ridge	2,007	11,713.00	1,280.00
Warren	2,523	18,067.00	1,080.00
Wynne	3,505	11,385.00	918.00
CALIFORNIA			
Alturas	2,338	16,237.00	1,425.00
Antioch	3,583	16,481.00	1,190.00
Arcadia	5,216	17,387.00	1,124.00
Arcata	1,709	18,494.00	954.00
Arlington	—	11,456.00	580.00
Atascadero	—	15,118.00	1,200.00
Avalon	1,897	23,812.00	1,950.00
Azusa	4,803	15,058.00	600.00
Banning	2,752	14,705.00	720.00
Bellflower	—	16,410.00	10
Benicia	2,913	10,399.00	1,172.00
Chula Vista	3,869	16,797.00	1,320.00
Coalinga	2,851	20,705.00	1,200.00
Colusa	2,116	18,482.00	1,500.00
Corcoran	1,768	12,252.00	1,095.00
Crescent City	1,720	13,580.00	1,009.00
Crockett	—	13,421.00	1,140.00
Delano	2,632	16,084.00	1,200.00
Dinuba	2,968	16,577.00	1,050.00
Downey	—	15,885.00	1,200.00
Dunsmuir	2,610	16,305.00	1,800.00
El Segundo	3,503	11,033.00	1,090.00
Exeter	2,685	16,648.00	1,320.00
Fillmore	2,803	15,291.00	1,350.00
Fort Bragg	3,022	16,039.00	1,500.00
Gardena	15,989	14,670.00	1,140.00
Glendora	2,761	13,673.00	903.00
Gridley	1,941	14,062.00	1,410.00
Hawthorne	6,596	15,195.00	1,000.00
Healdsburg	2,296	18,305.00	1,335.00
Hermosa Beach	4,796	16,664.00	1,800.00
Holtville	1,758	12,681.00	1,245.00
Jackson	2,005	13,966.00	825.00
La Habra	2,273	11,185.00	300.00
Laguna Beach	1,981	16,607.00	1,140.00
La Mesa	2,513	15,092.00	900.00
Lincoln	2,094	10,165.00	840.00
Lompoc	2,845	19,444.00	900.00
Los Banos	1,875	14,679.00	1,500.00
Lynwood	7,323	16,321.00	1,160.00
Manteca	1,614	13,309.00	1,200.00

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
CALIFORNIA—continued.			
Menlo Park	2,254	\$15,674.00	\$600.00
Mill Valley	4,164	18,762.00	1,890.00
National City	7,301	18,107.00	1,200.00
Needles	5,144	14,327.00	900.00
Nevada City	1,701	12,933.00	1,200.00
Norwalk		10,839.00	1,270.00
Oakdale	2,112	14,878.00	1,440.00
Placerville	2,322	18,265.00	1,388.00
Reedley	2,589	18,225.00	1,680.00
St. Helena	1,582	12,925.00	1,128.00
San Anselmo	4,650	18,141.00	1,720.00
Sanger	2,967	12,731.00	1,632.00
Sausalito	3,667	16,534.00	1,325.00
Selma	3,047	17,657.00	1,605.00
Sierra Madre	3,550	14,574.00	1,440.00
Sonoma	2,278	18,692.00	1,565.00
Sunnyvale	3,094	10,830.00	660.00
Taft	3,442	49,308.00	2,800.00
Tujunga	2,311	10,810.00	1,130.00
Vacaville	1,556	13,955.00	1,320.00
Weed		12,185.00	900.00
Westwood		20,053.00	2,220.00
COLORADO			
Brighton	3,394	17,041.00	1,620.00
Brush	2,312	13,707.00	976.00
Englewood	7,960	19,762.00	1,785.00
Florence	2,475	13,015.00	1,600.00
Fort Lupton	1,578	10,580.00	1,104.00
Golden	2,426	17,727.00	1,300.00
Las Animas	2,517	16,659.00	1,200.00
Wray	1,785	12,534.00	1,380.00
CONNECTICUT			
Bethel		53,161.00	1,500.00
Chester		10,333.00	900.00
Coscob		12,294.00	840.00
Darien		19,717.00	1,340.00
East Hampton		15,159.00	1,470.00
Essex		13,732.00	800.00
Forestville		13,220.00	1,176.00
Glastonbury		21,497.00	1,200.00
Guilford	1,880	11,573.00	800.00
Jewett City	4,436	14,273.00	1,380.00
Kensington		12,437.00	850.00
Lakeville		11,948.00	950.00
Madison		11,042.00	1,000.00
Ridgefield		18,313.00	1,400.00
Salisbury		26,643.00	1,700.00
Simsbury		26,643.00	1,036.00
Stafford Springs	3,492	13,049.00	1,740.00
Stonington	2,006	12,084.00	1,266.00
Terryville		14,382.00	1,800.00
Watertown		17,349.00	1,600.00
Windsor		14,462.00	1,200.00
Windsor Locks		12,916.00	1,500.00
FLORIDA			
Avon Park	3,355	11,150.00	900.00
Cocoa	2,614	16,170.00	2,340.00
Dade City	1,811	10,123.00	875.00
De Funiak Springs	2,636	14,475.00	1,800.00
Delray Beach	2,333	11,924.00	2,400.00
Eustis	2,835	19,157.00	1,800.00
Haines City	3,037	11,115.00	1,200.00
Madison	2,189	12,134.00	1,200.00
Melbourne	2,677	14,495.00	1,000.00
Monticello	1,901	10,625.00	720.00
Mount Dora	1,613	10,831.00	1,550.00
New Smyrna	4,149	15,616.00	1,850.00
Panama City	5,402	14,005.00	1,550.00
Perry	2,744	13,533.00	990.00
Punta Gorda	1,833	11,037.00	2,000.00
St. Cloud	1,863	10,317.00	1,210.00
Sebring	2,912	16,383.00	1,800.00
Stuart	1,924	15,314.00	1,300.00
Tarpon Springs	3,414	13,443.00	1,500.00
Titusville	2,089	10,490.00	2,404.00
Wauchula	2,574	12,094.00	1,000.00
GEORGIA			
Barley	2,122	12,841.00	1,200.00
Buford	3,357	10,489.00	1,200.00
Calhoun	2,371	10,679.00	900.00
College Park	6,604	14,126.00	684.00
Commerce	3,002	11,450.00	990.00
Covington	3,203	13,274.00	900.00
Cuthbert	3,235	11,180.00	1,200.00
Eastman	3,022	12,443.00	1,030.00
Montezuma	2,284	10,488.00	1,340.00
Peiharn	2,762	10,059.00	600.00
Vidalia	3,585	12,686.00	1,140.00
Winder	3,283	17,399.00	900.00
HAWAII			
Lihue		13,369.00	1,650.00
Waikuku		18,203.00	1,620.00
IDAHO			
Buhl	1,183	17,003.00	1,400.00
Emmett	2,763	16,022.00	1,140.00
Gooding	1,592	12,809.00	800.00

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
IDAHO—continued.			
Jerome	1,976	\$16,606.00	\$1,350.00
Kellogg	4,124	24,503.00	2,100.00
Montpelier	2,436	12,640.00	1,120.00
Preston	3,381	12,128.00	800.00
Rexburg	3,048	15,108.00	900.00
Rupert	2,250	15,847.00	1,300.00
St. Anthony	2,778	14,095.00	1,370.00
St. Maries	1,996	13,242.00	1,400.00
ILLINOIS			
Argo		18,708.00	1,680.00
Arlington Heights	4,997	18,538.00	1,680.00
Bellwood	4,991	13,639.00	1,480.00
Bradley	3,048	16,074.00	1,000.00
Bushnell	2,850	17,605.00	2,000.00
Calumet City	12,298	16,607.00	2,400.00
Carlyle	2,078	10,294.00	780.00
Carmi	2,932	13,402.00	1,400.00
Casey	2,200	10,468.00	1,260.00
Chester	3,922	18,352.00	1,000.00
Chillicothe	1,978	11,200.00	1,000.00
Coal City	1,637	15,453.00	480.00
Christopher	4,244	12,781.00	960.00
Deerfield	1,852	10,208.00	660.00
Dundee		15,908.00	1,115.00
Dwight	2,534	18,102.00	1,500.00
Eureka	1,534	10,638.00	1,075.00
Fairbury	2,310	11,670.00	1,284.00
Flora	4,393	15,561.00	1,260.00
Gibson City	2,163	14,127.00	1,500.00
Gillespie	5,111	15,019.00	1,400.00
Hamilton	1,687	12,101.00	1,068.00
Henry	1,658	10,068.00	720.00
Highwood	3,590	12,593.00	1,800.00
Homewood	3,227	10,227.00	750.00
Kenilworth	2,501	14,528.00	1,896.00
Lewistown	2,249	11,340.00	900.00
Lockport	3,383	16,611.00	720.00
McLeansboro	2,162	10,805.00	1,300.00
Madison	7,661	12,965.00	1,500.00
Marengo	1,948	15,176.00	960.00
Marseilles	4,292	10,853.00	960.00
Marshall	2,368	13,761.00	900.00
Mason City	1,941	17,281.00	1,612.00
Mokenco	2,236	13,069.00	900.00
Morton	1,501	16,602.00	1,188.00
Mount Carroll	1,775	11,608.00	1,200.00
Mount Morris	1,902	388,866.00	1,800.00
Nashville	2,243	10,314.00	871.00
Newton	7,076	12,602.00	1,200.00
Niles Center	5,007	10,498.00	810.00
Nokomis	2,454	10,979.00	1,200.00
Oregon	2,376	14,579.00	1,200.00
Palatine	2,118	10,879.00	1,300.00
Petersburg	2,319	11,553.00	1,220.00
Pinckneyville	3,046	10,575.00	780.00
Pittsfield	2,356	18,136.00	1,120.00
Plano	1,785	14,118.00	936.00
Polo	1,871	12,227.00	1,200.00
Rantoul	1,555	12,089.00	970.00
Rushville	2,388	12,767.00	1,372.00
Salem	4,420	18,469.00	1,500.00
Sandwich	2,611	16,499.00	1,700.00
Sparta	3,385	12,758.00	1,400.00
Staunton	4,618	12,500.00	1,340.00
Sullivan	2,339	13,492.00	1,200.00
Tuscola	2,569	16,611.00	1,140.00
Washington	1,741	11,969.00	760.00
Waterloo	2,239	13,363.00	950.00
West Chicago	3,477	13,962.00	1,740.00
Western Springs	3,894	12,110.00	1,200.00
White Hall	2,928	11,589.00	1,260.00
INDIANA			
Alexandria	4,408	16,466.00	1,037.00
Attica	3,700	16,005.00	2,100.00
Batesville	2,838	18,098.00	995.00
Bicknell	5,212	10,629.00	1,020.00
Bloomfield	2,298	18,349.00	1,200.00
Boonville	4,208	15,592.00	900.00
Brookville	2,148	10,629.00	1,600.00
Butler	1,643	11,811.00	1,080.00
Cambridge City	2,113	10,510.00	1,250.00
Cannelton	2,295	10,063.00	600.00
Corydon	2,009	11,982.00	1,500.00
Danville	1,930	11,650.00	1,260.00
Delphi	1,929	12,411.00	1,140.00
Fowler	1,564	15,815.00	1,200.00
Hobart	5,787	11,335.00	720.00
Huntingburg	3,440	13,964.00	1,300.00
Jasper	3,905	16,692.00	1,075.00
Knightstown	2,209	11,661.00	816.00
Knox	1,815	15,147.00	960.00
Lagrange	1,640	10,567.00	1,400.00
Mitchell	3,226	11,598.00	1,200.00
Monticello	2,331	17,409.00	2,200.00
Oakland City	2,842	15,105.00	1,055.00
Petersburg	2,609	10,774.00	1,380.00
Rensselaer	2,798	16,424.00	2,400.00
Rockville	1,832	11,475.00	900.00
Scottsburg	1,702	12,108.00	1,000.00
Sheridan	1,763	10,877.00	1,200.00
Tell City	4,873	19,489.00	1,080.00
Winamac	4,487	25,043.00	1,500.00



H. R. 12353, section 304—Continued

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
IOWA			
Adel	1,669	\$11,267.00	\$340.00
Anamoss	3,579	18,761.00	1,350.00
Audubon	2,255	12,810.00	1,100.00
Belle Plaine	3,239	12,118.00	1,140.00
Bloomfield	2,226	10,822.00	1,160.00
Belmond	1,733	10,011.00	1,200.00
Britt	1,593	10,569.00	1,410.00
Clarion	2,678	15,068.00	1,155.00
Clear Lake	3,066	14,656.00	1,426.00
Corning	2,026	14,349.00	1,080.00
Cresco	3,069	19,708.00	1,650.00
Dewitt	2,041	15,293.00	1,325.00
Eagle Grove	4,071	15,574.00	1,200.00
Eldora	3,200	18,288.00	1,200.00
Emmetsburg	2,865	18,963.00	1,500.00
Forest City	2,016	14,385.00	1,320.00
Greenfield	1,837	10,630.00	1,200.00
Grundy Center	1,793	10,047.00	990.00
Hamburg	2,104	13,373.00	720.00
Hawarden	2,459	12,814.00	1,325.00
Humboldt	2,251	15,264.00	1,500.00
Idagrove	2,206	14,357.00	1,215.00
Jefferson	3,431	19,731.00	1,500.00
Lamoni	1,739	12,027.00	900.00
Leon	2,006	12,452.00	923.00
Logan	1,654	14,171.00	1,200.00
Manning	1,817	11,073.00	1,080.00
Marion	4,348	13,357.00	1,500.00
Missouri Valley	4,230	15,288.00	1,500.00
Monticello	2,259	18,133.00	1,440.00
Mount Ayr	1,704	12,085.00	1,120.00
New Hampton	2,458	17,133.00	1,054.00
Onawa	2,538	14,292.00	1,816.00
Orange City	1,727	12,212.00	1,200.00
Osceola	2,871	15,817.00	900.00
Rock Rapids	2,221	14,655.00	1,400.00
Rockwell City	2,108	14,586.00	1,500.00
Sibley	1,870	12,478.00	1,130.00
Sigourney	2,262	12,185.00	875.00
Spirit Lake	1,778	16,907.00	1,400.00
Tama	2,626	11,658.00	1,380.00
Tipton	2,145	12,668.00	1,200.00
Toledo	1,825	12,262.00	860.00
Valley Junction	4,280	11,180.00	1,068.82
Villisca	2,032	10,692.00	880.00
Waukon	2,526	15,075.00	1,100.00
West Union	2,056	14,002.00	900.00
KANSAS			
Anthony	2,947	19,844.00	1,200.00
Augusta	4,033	18,044.00	2,220.00
Belleville	2,383	18,459.00	1,675.00
Burlington	2,273	14,127.00	1,100.00
Caldwell	2,046	10,152.00	1,000.00
Caney	2,794	11,594.00	800.00
Colby	2,153	18,175.00	1,270.00
Council Grove	2,898	15,270.00	1,200.00
Ellsworth	2,072	15,077.00	1,200.00
Galena	4,738	11,134.00	950.00
Garnett	2,768	15,534.00	1,368.00
Hoisington	3,001	13,431.00	1,530.00
Horton	4,049	14,407.00	1,355.00
Humboldt	2,558	11,555.00	670.00
Kingman	2,752	15,032.00	1,465.00
Kinsley	2,270	14,592.00	1,440.00
Lincoln	1,732	10,822.00	678.00
Lindsborg	2,016	13,894.00	1,200.00
Marion	1,959	15,660.00	1,300.00
Medicine Lodge	1,655	12,384.00	1,200.00
Neddesha	3,381	16,910.00	870.00
Ness City	1,509	10,061.00	1,000.00
Osawatimie	4,440	16,612.00	1,380.00
Osborne	1,881	12,932.00	1,200.00
Oswego	1,845	13,755.00	1,560.00
Phillipsburg	1,543	10,976.00	1,020.00
Russell	2,352	15,544.00	1,200.00
Sabetha	2,332	15,641.00	1,725.00
Scott City	1,544	10,941.00	1,150.00
Sedan	1,776	10,250.00	1,150.00
Seneca	1,864	11,448.00	1,450.00
Smith Center	1,736	13,469.00	1,310.00
Sterling	1,868	12,493.00	1,030.00
Warrego	1,647	11,049.00	980.00
Yates Center	2,013	11,258.00	950.00
KENTUCKY			
Campbellsville	1,923	13,008.00	1,220.00
Corbin	8,036	10,280.00	936.00
Franklin	3,056	12,944.00	1,100.00
Greenville	2,451	11,667.00	1,400.00
Lynch		12,524.00	1,500.00
Morganfield	2,551	10,769.00	1,200.00
Russellville	3,297	15,189.00	1,485.00
Saint Mathews		11,157.00	900.00
LOUISIANA			
Abbeville	4,356	15,427.00	1,200.00
Amite	2,536	12,380.00	768.00
Bunkie	2,464	14,494.00	1,135.00
Covington	3,208	15,323.00	600.00
De Ridder	3,747	17,883.00	840.00
Donaldsonville	3,788	14,445.00	1,380.00
Eunice	3,597	10,165.00	1,020.00

City	Population	Postal receipts	Rent, etc.
LOUISIANA—continued			
Gretna	9,584	\$10,458.00	\$900.00
Haynesville	2,541	13,837.00	2,360.00
Homer	2,909	13,849.00	2,850.00
Lake Providence	2,867	11,259.00	1,305.00
Leesville	3,291	13,060.00	1,769.00
Oakdale	3,188	11,963.00	720.00
Ponchatoula	2,898	10,034.00	1.00
Rayne	3,710	10,177.00	900.00
Rayville	2,076	11,479.00	900.00
Tallulah	3,332	13,694.00	112.00
Winnfield	3,721	13,050.00	1,035.00
Winnsboro	1,965	10,934.00	690.00
MAINE			
Boothbay Harbor		14,972.00	1,700.00
Bridgton	1,625	11,163.00	850.00
Bucksport		13,261.00	900.00
Dexter		17,454.00	2,250.00
Dover-Foxcroft		16,032.00	1,800.00
Fairfield	3,529	10,897.00	1,120.00
Fort Kent	2,245	10,393.00	1,400.00
Kennebunk		12,522.00	1,000.00
Livermore Falls		10,908.00	1,100.00
Madison	3,036	12,324.00	1,120.00
Millinocket		16,068.00	1,325.00
Norway	2,446	17,705.00	1,600.00
Old Orchard Beach		16,251.00	1,375.00
Pittsfield	2,075	13,334.00	1,756.20
South Burwick		12,886.00	600.00
South Paris	1,961	13,543.00	837.00
Springvale		10,325.00	1,200.00
Winthrop		10,951.00	1,365.00
MARYLAND			
Denton	1,604	14,937.00	1,350.00
Havre de Grace	3,985	16,592.00	1,975.00
Hyattsville	4,264	15,214.00	1,200.00
Laurel	2,532	10,190.00	1,445.00
Pocomoke City	2,609	18,074.00	1,950.00
Oakland	1,583	13,850.00	1,900.00
Rockville	1,422	15,229.00	1,360.00
Snow Hill	1,604	10,998.00	1,145.00
MASSACHUSETTS			
Ashland		19,839.00	1,300.00
Ayer	3,060	18,386.00	1,300.00
Bedford		10,213.00	1,048.40
Chatham		13,066.00	1,725.00
Cohasset		11,594.00	1,324.00
East Pepperell		10,867.00	640.00
Falmouth		22,170.00	2,350.00
Foxboro		26,844.00	1,900.00
Hingham	6,657	19,721.00	2,175.00
Holliston		10,767.00	1,202.00
Hopedale	2,973	13,453.00	1,000.00
Ipswich	5,599	18,243.00	1,739.00
Lee	4,061	15,112.00	2,663.37
Lenox		13,716.00	1,000.00
Manchester		30,033.00	2,520.00
Maynard	7,156	15,303.00	1,607.00
Millbury	6,957	16,043.00	1,200.00
Millers Falls		13,599.00	1,325.00
Millis		11,703.00	600.00
North Brookfield		12,496.00	912.00
North Easton		10,875.00	1,600.00
Randolph	6,553	11,178.00	1,140.00
Rockport	3,630	14,224.00	1,600.00
Sharon		11,306.00	950.00
Shelburne Falls		19,359.00	1,400.00
South Hadley	6,773	18,097.00	1,400.00
Stockbridge		12,023.00	1,135.00
Uxbridge	6,285	15,803.00	1,400.00
Vineyard Haven		16,937.00	780.00
Wareham		18,061.00	2,100.00
Westboro		18,669.00	1,700.00
Wrentham		10,496.00	635.00
MICHIGAN			
Algonac	1,736	14,325.00	600.00
Belding	4,140	15,821.00	1,330.00
Bessemer	4,035	12,891.00	1,200.00
Bronson	1,651	14,063.00	780.00
Buchanan	3,922	17,091.00	1,930.00
Caro	2,554	15,516.00	1,800.00
Charlevoix	2,247	17,119.00	1,450.00
Chelsea	2,268	10,120.00	1,080.00
Crystal Falls	2,995	15,370.00	1,580.00
Durand	3,081	10,495.00	1,350.00
East Detroit	5,965	11,692.00	1.00
Eaton Rapids	2,822	17,010.00	2,950.00
Fenton	3,171	12,454.00	1,600.00
Grand Ledge	3,572	15,609.00	1,500.00
Harbor Beach	1,892	10,783.00	1,500.00
Hart	1,690	11,372.00	1,572.00
Holly	2,252	12,110.00	1,500.00
Ithaca	1,780	12,724.00	1,800.00
L'Anse	2,421	10,331.00	900.00
Laurium	4,916	13,433.00	900.00
Lowell	1,919	13,152.00	1,200.00
Manistique	6,198	19,908.00	1,500.00

H. R. 12353, section 304—Continued

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
MICHIGAN—continued			
Marine City	3,462	\$12,094.00	\$900.00
Mason	2,575	13,771.00	1,200.00
Munising	3,956	15,697.00	1,000.00
Newberry	2,465	15,612.00	960.00
Northville	2,566	15,770.00	1,890.00
Norway	4,016	11,004.00	1,200.00
Otsego	3,245	11,024.00	1,550.00
Plainwell	2,279	12,943.00	1,080.00
Reed City	1,792	12,028.00	1,350.00
Rochester	3,554	15,018.00	652.00
Rockford	1,613	31,490.00	1,200.00
Rogers City	3,278	10,865.00	1,125.00
Romeo	2,283	11,070.00	660.00
St. Clair	3,389	19,382.00	1,640.00
St. Ignace	2,109	10,322.00	820.00
St. Louis	2,494	12,455.00	1,200.00
Tecumseh	2,455	12,232.00	1,275.00
Wayne	3,423	20,607.00	180.00
MINNESOTA			
Aitkin	1,545	16,260.00	1,380.00
Appleton	1,625	11,294.00	1,040.00
Benson	2,095	17,419.00	1,040.00
Blue Earth	2,884	17,065.00	1,800.00
Breckenridge	2,264	11,607.00	1,380.00
Caledonia	1,554	10,425.00	720.00
Canby	1,735	15,705.00	1,560.00
Chisholm	8,308	18,955.00	2,400.00
Crosby	3,451	10,378.00	900.00
East Grand Forks	2,922	12,691.00	1,600.00
Ely	6,156	17,528.00	1,800.00
Glencoe	1,925	12,553.00	1,200.00
Glenwood	2,220	15,006.00	1,600.00
Grand Rapids	3,206	19,792.00	1,690.00
Granite Falls	1,791	12,625.00	1,400.00
Jackson	2,206	13,577.00	1,400.00
Le Sueur	1,897	13,772.00	1,080.00
Luverne	2,644	17,551.00	1,500.00
Madison	1,916	14,493.00	1,230.00
Morris	2,474	19,220.00	1,625.00
New Prague	1,543	15,840.00	1,080.00
Ortonville	2,017	13,760.00	1,450.00
Park Rapids	2,081	13,619.00	1,525.00
Princeton	1,636	11,620.00	1,425.00
Redwood Falls	2,552	18,081.00	1,440.00
Robbinsdale	4,427	14,226.00	1,560.00
St. James	2,808	16,865.00	1,500.00
Sauk Center	2,716	17,375.00	1,500.00
Shakopee	2,023	10,310.00	850.00
Sleepy Eye	2,576	18,396.00	1,400.00
Springfield	2,049	16,463.00	1,100.00
Spring Valley	1,712	12,194.00	1,200.00
Staples	2,667	12,465.00	1,120.00
Tracy	2,570	14,752.00	1,470.00
Two Harbors	4,425	15,302.00	2,400.00
Wabasha	2,212	11,140.00	1,200.00
Wells	1,795	12,898.00	1,081.00
White Bear Lake	2,600	12,053.00	1,320.00
Windom	2,123	16,193.00	1,500.00
MISSISSIPPI			
Amory	3,214	14,598.00	1,182.00
Bay St. Louis	3,724	15,185.00	1,002.00
Belzoni	2,735	13,954.00	1,350.00
Booneville	1,703	11,155.00	1,000.00
Crystal Springs	2,257	10,845.00	1,063.00
Hazlehurst	2,447	14,409.00	840.00
Indianapolis	3,116	16,111.00	1,200.00
Leland	2,426	12,091.00	1,450.00
Lexington	2,590	14,068.00	1,200.00
Louisville	3,013	15,850.00	1,200.00
Macon	2,198	12,725.00	1,540.00
New Albany	3,187	14,036.00	1,540.00
Newton	2,011	10,899.00	1,260.00
Pascagoula	4,339	12,213.00	1,200.00
Philadelphia	2,560	15,039.00	420.00
Picayune	4,698	15,012.00	780.00
Pontotoc	2,018	10,064.00	914.00
Starkville	3,612	15,783.00	780.00
MISSOURI			
Albany	1,858	10,266.00	1,380.00
Bethany	2,209	12,282.00	1,140.00
Bolivar	2,256	12,441.00	1,294.00
California	2,384	12,795.00	1,200.00
Canton	2,044	11,014.00	900.00
Charleston	3,357	12,152.00	1,600.00
Dexter	2,714	11,142.00	1,200.00
Edina	1,532	10,740.00	1,400.00
Eldon	3,171	16,876.00	1,050.00
Festus	4,065	11,362.00	1,140.00
Flat River		13,517.00	1,200.00
Fredericktown	2,954	10,418.00	960.00
Hermann	2,063	10,403.00	865.00
Higginsville	3,339	14,581.00	1,200.00
Jackson	2,465	10,390.00	960.00
Kennett	4,128	13,709.00	1,451.00
Lees Summit	2,035	10,921.00	1,080.00
Marceline	3,555	11,241.00	1,000.00
Palmyra	1,967	10,018.00	1,320.00
Rich Hill	2,118	13,553.00	930.00

City	Population	Postal receipts	Rent, etc.
MISSOURI—continued			
Richmond	4,129	\$13,854.00	\$1,658.00
Salem	2,230	10,826.00	1,467.50
Salisbury	1,768	10,393.00	1,080.00
Savannah	1,088	11,415.00	1,200.00
Slater	3,478	11,172.00	1,080.00
South St. Joseph		42,437.00	1,440.00
Tarkio	2,016	11,224.00	1,200.00
Vandalia	2,450	10,243.00	1,108.00
Versailles	1,052	11,145.00	660.00
MONTANA			
Forsyth	1,591	12,880.00	1,200.00
Glasgow	2,216	17,091.00	1,500.00
Hamilton	1,839	15,100.00	1,020.00
Libby	1,752	11,454.00	480.00
Red Lodge	3,026	13,860.00	1,380.00
Roundup	2,577	17,204.00	960.00
Shelby	2,004	18,110.00	1,100.00
Sidney	2,010	16,684.00	1,200.00
Whitefish	2,803	13,188.00	1,500.00
Wolf Point	1,539	12,394.00	1,090.00
NEBRASKA			
Albion	2,172	16,534.00	1,860.00
Auburn	3,068	16,923.00	1,896.00
Cozad	1,813	10,750.00	1,272.00
Crawford	1,703	17,155.00	1,200.00
Fullerton	1,680	11,191.00	1,440.00
Geneva	1,662	15,056.00	1,410.00
Gering	2,531	10,691.00	998.00
Gordon	1,958	13,419.00	1,320.00
Gothenberg	2,322	12,294.00	1,344.00
Hartington	1,568	11,413.00	1,400.00
Hebron	1,804	11,503.00	1,350.00
Kimball	1,711	14,007.00	1,500.00
Madison	1,842	12,412.00	1,440.00
Minden	1,716	18,850.00	1,420.00
Mitchell	2,058	10,001.00	1,600.00
Neigh	1,649	10,932.00	1,342.00
Ogallala	1,631	13,404.00	1,000.00
O'Neill	2,019	17,303.00	1,600.00
Ord	2,226	15,638.00	1,176.00
Pawnee City	1,573	11,182.00	1,100.00
Ravenna	1,659	11,003.00	1,075.00
Red Cloud	1,519	10,670.00	1,053.00
St. Paul	1,621	11,431.00	1,440.00
Schuyler	2,588	13,564.00	1,300.00
Tecumseh	1,829	10,657.00	960.00
Tekamah	1,804	12,039.00	900.00
Valentine	1,672	12,662.00	1,550.00
Westpoint	2,225	14,160.00	1,800.00
NEVADA			
Sparks	4,508	11,388.00	1,130.00
Tonopah		14,867.00	1,160.00
NEW HAMPSHIRE			
Colebrook		10,434.00	860.00
Derry	5,131	19,217.00	1,600.00
Hillsboro		11,066.00	900.00
Lisbon	7,073	23,191.00	1,300.00
Meredith		11,593.00	900.00
Milford	4,068	16,801.00	1,400.00
Pittsfield		10,156.00	1,125.00
Tilton		15,100.00	1,200.00
Whitefield		10,660.00	960.00
Wolfboro		15,755.00	880.00
NEW JERSEY			
Atlantic Highlands	2,000	17,322.00	1,650.00
Belvidere	2,073	10,190.00	1,200.00
Bernardsville	3,336	16,432.00	1,130.00
Beverly	2,864	15,746.00	960.00
Bordentown	4,405	16,185.00	1,610.00
Butler	3,392	15,063.00	630.00
Chatbam	3,869	16,157.00	1,842.00
Clayton	2,351	10,655.00	1,200.00
Closter	2,502	13,048.00	1,580.00
Dumont	5,861	12,001.00	1,000.00
Fair Lawn	5,990	10,608.00	306.00
Fort Lee	8,759	14,166.00	1,700.00
Glassboro	4,709	15,938.00	1,000.00
Grantwood		14,236.00	840.00
Haddon Heights	5,394	17,013.00	1,760.00
High Bridge	1,860	12,638.00	780.00
Hillsdale	2,959	11,150.00	750.00
Keansburg	2,190	14,193.00	1,600.00
Lambertville	4,518	16,304.00	1,700.00
Manasquan	2,320	15,782.00	1,950.00
Milburn		19,099.00	1,800.00
Morris Plains	1,713	18,612.00	690.00
Oradell	2,360	13,181.00	1,200.00
Palisades Park	7,065	19,032.00	2,100.00
Palmyra	4,968	17,927.00	1,400.00
Park Ridge	2,229	12,585.00	960.00
Paulsboro	7,121	17,151.00	1,440.00
Point Pleasant	2,058	19,598.00	2,000.00
Prompton Lakes	3,104	18,867.00	1,350.00
Ramsey	3,258	13,242.00	1,080.00
Rochelle Park		12,063.00	1,075.00
Rockaway	3,132	12,069.00	1,450.00
Rumson	2,073	10,562.00	400.00



H. R. 12353, section 304—Continued

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
<b>NEW JERSEY—continued</b>			
South Amboy	8,476	\$16,705.00	\$1,164.00
Swedesboro	2,133	11,130.00	1,000.00
Union		15,095.00	1,200.00
West Englewood		14,663.00	1,600.00
Westville	3,462	11,370.00	780.00
Woodstown	1,832	11,327.00	1,600.00
<b>NEW MEXICO</b>			
Alamogordo	3,095	11,742.00	600.00
Artesia	2,427	15,825.00	1,408.00
Clayton	2,518	16,933.00	2,100.00
Deming	3,377	19,112.00	1,350.00
Portales	2,519	13,472.00	900.00
Tucumcari	4,143	19,783.00	1,800.00
<b>NEW YORK</b>			
Adams	1,613	65,599.00	1,800.00
Alexandria Bay	1,952	14,113.00	2,000.00
Arcade	1,643	15,099.00	1,100.00
Attica	2,212	13,281.00	1,280.00
Avon	2,403	12,793.00	1,400.00
Baldwinsville	3,845	17,122.00	1,200.00
Bedford Hills		10,493.00	1,420.00
Bellmore		13,055.00	1,375.00
Bolivar	1,725	12,017.00	1,400.00
Brairecliff Manor	1,794	10,717.00	960.00
Brockport	3,511	16,652.00	1,600.00
Cambridge	1,762	18,561.00	1,150.00
Camden	1,912	13,005.00	1,300.00
Canajoharie	2,519	65,262.00	2,520.00
Canistota	2,548	11,291.00	1,200.00
Cazenovia	1,788	16,303.00	1,600.00
Chatham	2,424	16,816.00	1,950.00
Clayton	1,940	13,742.00	1,365.00
Clifton Springs	1,819	14,685.00	1,450.00
Clyde	2,374	12,418.00	1,032.00
Cornwall on the Hudson		10,751.00	1,100.00
Croton on Hudson	2,447	12,057.00	1,080.00
Delhi	1,840	16,680.00	1,500.00
Depew	6,536	16,948.00	1,700.00
Deposit	1,887	12,954.00	1,350.00
Elmsford	2,935	10,419.00	660.00
Fairport	4,694	17,457.00	1,360.00
Farmingdale	3,373	18,853.00	1,800.00
Fayetteville	2,053	12,911.00	1,140.00
Fort Edward	3,850	11,429.00	1,147.00
Frankfort	4,203	12,044.00	1,200.00
Franklinville	2,021	13,213.00	1,200.00
Greenwich	2,290	15,336.00	1,240.00
Groton	2,004	10,312.00	1,280.00
Harrison		18,533.00	1,600.00
Highland		13,555.00	1,030.00
Highland Falls	2,910	12,711.00	1,800.00
Homer	3,195	15,872.00	1,200.00
Horseheads	2,430	11,482.00	800.00
Islip		15,033.00	1,375.00
Lawrence	2,041	15,780.00	1,500.00
Lindenhurst	4,040	15,096.00	2,250.00
Livingston Manor		13,091.00	1,575.00
Malverne	2,258	10,323.00	600.00
Manlius	1,533	10,393.00	1,224.00
Merrick		14,595.00	1,600.00
Middleport	1,596	11,761.00	900.00
Monroe	1,621	17,379.00	1,600.00
Mount Morris	3,238	12,806.00	1,500.00
New Hartford	1,885	19,186.00	1,416.00
Oakfield	1,919	10,473.00	1,600.00
Painted Post	2,328	14,664.00	1,350.00
Philmont	1,868	10,127.00	1,100.00
Port Henry	2,040	12,596.00	1,500.00
Port Jefferson		16,769.00	1,200.00
Pulaski	2,046	19,106.00	1,500.00
Rhinebeck	1,569	17,956.00	800.00
Roosevelt		13,499.00	700.00
Roslyn		13,639.00	1,530.00
Sag Harbor	2,773	15,740.00	1,435.00
Saint Johnsville	2,273	11,630.00	1,260.00
Sea Cliff	3,456	15,653.00	1,200.00
Sherrill	2,150	29,241.00	1,450.00
Sidney	2,444	18,076.00	1,800.00
Skaneateles	1,882	12,849.00	1,200.00
Tupper Lake	5,271	15,464.00	1,674.00
Tuxedo Park		14,040.00	1,810.00
Wappingers Falls	3,336	11,483.00	800.00
Warrensburg		12,069.00	1,375.00
Warwick	2,443	17,236.00	1,966.00
Waterford	2,921	13,037.00	1,500.00
Wayland	1,814	10,800.00	1,293.00
Webster	1,552	10,455.00	1,195.00
Whitehall	5,191	15,467.00	1,640.00
Whitesboro	3,375	14,890.00	1,350.00
Williamsville	3,119	18,768.00	900.00
<b>NORTH CAROLINA</b>			
Ahoskie	1,940	10,721.00	1,080.00
Beaufort	2,957	10,812.00	1,500.00
Belmont	4,121	10,358.00	1,195.00
Brevard	2,339	11,654.00	1,080.00
Canton	5,117	16,198.00	1,400.00
Clinton	2,712	14,132.00	1,800.00
Elkin	2,357	10,301.00	1,063.00
Forest City	4,069	10,245.00	1,600.00
Hamlet	4,801	17,303.00	2,000.00

City	Population	Postal receipts	Rent, etc.
<b>NORTH CAROLINA—continued</b>			
Kannapolis		\$33,312.00	\$1,800.00
Kings Mountain		11,169.00	1,080.00
Laurinburg	5,632	15,101.00	1,800.00
Leaksville	3,312	12,574.00	1,630.00
Lincolnton	1,814	15,204.00	1,200.00
Louisburg	3,781	10,418.00	1,500.00
Marion	2,182	19,144.00	1,800.00
Mooreville	2,467	13,659.00	1,650.00
Morehead City	5,619	10,452.00	1,680.00
Newton	3,483	16,899.00	1,920.00
Roxboro	4,394	14,429.00	1,200.00
Smithfield	3,657	13,921.00	1,600.00
Spencer	2,543	15,367.00	1,320.00
Tryon	3,128	12,480.00	1,720.00
Wake Forest	1,670	10,189.00	1,380.00
Weldon	1,536	11,207.00	1,600.00
Whiteville	2,323	13,285.00	1,500.00
Williamston	2,203	11,148.00	1,430.00
2,731			
<b>NORTH DAKOTA</b>			
Harvey	2,157	14,011.00	1,600.00
Lisbon	1,650	12,916.00	1,400.00
New Rockford	2,195	12,963.00	1,600.00
Rugby	1,512	13,789.00	1,695.00
<b>OHIO</b>			
Ada	2,499	18,048.00	1,600.00
Amherst	2,844	10,313.00	1,200.00
Blanchester	1,597	10,124.00	1,150.00
Bluffton	2,035	14,534.00	1,080.00
Cadiz	2,597	16,237.00	1,200.00
Caldwell	1,778	11,011.00	1,150.00
Campbell	14,673	10,095.00	1,440.00
Carey	2,722	10,505.00	900.00
Carrollton	2,285	13,390.00	1,500.00
Chagrin Falls	2,739	17,332.00	2,500.00
Charlton	1,818	12,023.00	1,200.00
Clyde	3,159	15,662.00	1,200.00
Coldwater	1,787	23,087.00	1,000.00
Columbiana	2,485	13,027.00	900.00
Crestline	4,425	18,306.00	1,135.00
Crooksville	3,251	11,415.00	1,200.00
Dennison	4,529	12,649.00	1,290.00
East Palestine	5,215	18,039.00	1,100.00
Eaton	3,947	19,203.00	1,600.00
Gibsonburg	2,129	11,644.00	1,200.00
Hicksville	2,445	10,355.00	1,203.00
Jefferson	1,601	11,404.00	1,600.00
Leetonia	2,332	11,866.00	800.00
Leipsic	1,571	11,348.00	1,404.00
Loudonville	2,058	14,193.00	1,000.00
Louisville	3,130	11,475.00	950.00
McConnellsville	1,754	10,187.00	1,300.00
Maumee	4,688	11,340.00	441.00
Mentor	1,639	13,769.00	1,700.00
Miamisburg	5,518	16,226.00	1,680.00
Middleport	3,505	10,186.00	1,200.00
Mogadore	1,502	15,838.00	1,560.00
Montpelier	3,677	13,749.00	1,080.00
Mount Gilead	1,871	17,624.00	900.00
Nelsonville	5,322	15,275.00	1,700.00
Newcomerstown	4,265	14,416.00	1,260.00
New Lexington	3,901	14,235.00	1,800.00
New London	1,527	19,375.00	1,750.00
Newton Falls	3,458	11,654.00	1,500.00
Ottawa	2,169	15,752.00	1,400.00
Pomeroy	3,563	17,419.00	1,800.00
St. Clairsville	2,440	15,276.00	1,660.00
St. Marys	5,433	21,272.00	2,500.00
South Euclid	4,399	11,292.00	1,500.00
Struthers	11,249	13,355.00	1,500.00
Swanton	1,505	11,885.00	1,320.00
Sylvania	2,106	10,891.00	1,260.00
Toronto	7,044	15,231.00	1,200.00
Wanuseon	2,889	17,391.00	1,500.00
Wellington	1,186	13,378.00	1,200.00
Wellston	5,319	12,793.00	1,475.00
Wellsville	7,956	15,296.00	1,800.00
West Carrollton	2,101	10,827.00	552.00
Wickliffe	2,491	14,073.00	1,400.00
Woodsfield	2,317	12,795.00	650.00
<b>OKLAHOMA</b>			
Anadarko	5,036	19,751.00	900.00
Cherokee	2,236	15,047.00	1,320.00
Cleveland	2,959	13,148.00	888.00
Cordell	2,936	12,610.00	960.00
Earlsboro	1,950	11,576.00	1,115.00
Edmond	3,576	18,050.00	1,290.00
Erick	2,231	10,755.00	515.00
Fairview	1,887	10,311.00	1,125.00
Guymon	2,181	15,779.00	1,545.00
Healdton	2,017	10,203.00	1,120.00
Hollis	2,914	12,886.00	1,230.00
Hominy	3,485	14,311.00	840.00
Idabel	2,581	13,158.00	815.00
Marlow	3,084	11,595.00	980.00
Maud	4,326	18,754.00	1,430.00
Newkirk	2,135	12,377.00	1,177.00
Nowata	3,531	17,010.00	950.00
Pawnee	2,562	13,253.00	1,500.00
Picher	7,773	12,830.00	1,400.00
Poteau	3,169	14,033.00	1,150.00

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
OKLAHOMA—continued			
Fryor	1,828	\$10,463.00	\$970.00
Purcell	2,817	11,227.00	1,500.00
Sayre	3,157	16,871.00	2,400.00
Seminole	11,459	66,354.00	2,400.00
Sulphur	4,242	13,752.00	1,200.00
Tablequah	2,496	13,098.00	698.00
Tonkawa	3,311	13,107.00	2,100.00
Wagoner	2,994	10,226.00	645.00
Watonga	2,228	11,399.00	840.00
Waurika	2,368	10,361.00	1,350.00
Weatherford	2,417	14,574.00	900.00
Yale	1,734	12,220.00	1,140.00
OREGON			
Burns	2,599	16,514.00	710.00
Coquille	2,732	15,088.00	867.00
Cottage Grove	2,473	12,495.00	750.00
Dallas	2,975	13,180.00	1,080.00
Forest Grove	1,859	17,543.00	600.00
Gresham	1,635	12,606.00	896.00
Lakeview	1,799	13,087.00	1,385.00
Lebanon	1,851	11,184.00	900.00
Newberg	2,951	17,462.00	1,000.00
North Bend	4,012	14,047.00	1,320.00
North Portland		20,434.00	900.00
Ontario	1,941	19,763.00	1,200.00
St. Helens	3,994	17,325.00	1,350.00
Seaside	1,565	12,067.00	1,200.00
Silverton	2,462	15,577.00	1,080.00
Toledo	2,137	11,386.00	750.00
PENNSYLVANIA			
Anncville		10,882.00	1,420.00
Apollo	3,406	15,412.00	1,685.00
Ashland	7,164	18,821.00	1,920.00
Athens	4,372	15,883.00	1,400.00
Barnesboro	3,506	13,060.00	2,400.00
Belle Vernon	2,489	12,512.00	1,500.00
Birdsboro	3,542	19,948.00	1,000.00
Blawnox	2,186	17,272.00	1,200.00
Bridgeville	3,530	14,029.00	1,500.00
Brockway	2,690	11,873.00	1,226.00
California	2,362	12,380.00	1,450.00
Cambridge Springs	1,665	12,259.00	1,800.00
Camp Hill	3,111	14,421.00	1,500.00
Canton	1,904	17,105.00	1,800.00
Clarks Summit	2,604	12,355.00	1,130.00
Clifton Heights	5,057	18,763.00	1,920.00
Coudersport	2,740	18,971.00	1,545.89
Cresson	2,317	18,520.00	1,380.00
Curwensville	3,140	11,386.00	675.00
Derry	3,046	10,438.00	1,440.00
Downington	4,548	18,443.00	1,800.00
Elizabeth	2,939	10,361.00	1,200.00
Emaus	6,419	14,241.00	900.00
Evans City	1,561	15,408.00	1,100.00
Everett	1,874	13,543.00	1,500.00
Ford City	6,127	19,351.00	1,675.00
Frackville	8,034	13,281.00	1,200.00
Freedom	3,227	15,848.00	1,140.00
Freeland	7,098	17,348.00	1,800.00
Girard	1,554	13,443.00	980.00
Glassport	8,390	17,753.00	1,125.00
Glen Olden	4,482	12,615.00	1,250.00
Greencastle	2,557	12,267.00	1,300.00
Hamburg	3,637	18,961.00	1,233.00
Hatboro	2,651	15,398.00	1,000.00
Hawley	1,811	10,267.00	984.00
Hershey		20,021.00	1,650.00
Johnsonburg	4,737	14,569.00	1,500.00
Lechburg	4,489	17,035.00	2,068.00
Lemoyne	4,171	11,880.00	1,080.00
Ligonier	1,978	12,118.00	1,315.00
Littletown	2,001	11,986.00	900.00
Lykens	3,033	10,163.00	970.00
McDonald	3,281	12,299.00	1,500.00
Malvern	1,551	11,424.00	1,500.00
Mansfield	1,755	15,028.00	1,269.00
Marietta	1,969	12,737.00	960.00
Masonstown	3,873	10,727.00	1,380.00
Mercer	2,125	17,320.00	2,100.00
Mercersburg	1,634	12,564.00	900.00
Meyersdale	3,065	15,066.00	1,700.00
Midland	6,007	13,217.00	1,080.00
Mifflinburg	1,959	11,733.00	900.00
Minersville	9,392	16,798.00	924.00
Monaca	4,641	16,371.00	2,000.00
Montgomery	1,903	12,826.00	1,200.00
Montrose	1,909	17,099.00	1,500.00
Moores		12,888.00	1,200.00
Morrisville	5,368	15,133.00	1,350.00
Mount Union	4,892	15,135.00	1,934.00
Myerstown	2,593	14,699.00	1,020.00
New Bethlehem	1,590	16,017.00	1,000.00
New Cumberland	4,283	12,376.00	875.00
New Holland	1,725	14,248.00	1,200.00
Newport	1,891	12,351.00	1,320.00
Newtown	1,824	10,009.00	1,000.00
Northumberland	4,483	11,250.00	1,000.00
North Wales	2,393	15,434.00	1,393.00
Oakmont	6,027	18,463.00	1,320.00
Oxford	2,606	15,136.00	1,350.00
Palmerton	7,678	18,244.00	1,700.00
Palmyra	4,377	15,755.00	1,200.00

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
PENNSYLVANIA—continued			
Paoli		\$16,728.00	\$1,608.00
Patton	2,988	10,912.00	1,729.00
Pen Argyl	4,310	17,580.00	1,294.00
Perkasie	3,463	17,636.00	1,355.00
Pine Grove	2,257	11,634.00	1,038.00
Pitcairn	6,317	12,275.00	1,560.00
Point Marion	2,039	12,752.00	1,800.00
Portage	4,432	11,490.00	1,250.00
Port Alleghany	2,193	12,092.00	890.00
Renovo	3,947	15,319.00	2,100.00
Reynoldsville	3,480	12,391.00	1,325.00
Ridley Park	3,356	12,631.00	1,050.00
Selinsgrove	2,797	13,841.00	1,200.00
Sharon Hill	3,825	16,925.00	490.00
Sheffield		11,462.00	1,080.00
Shillington	4,401	11,716.00	820.00
Slatington	4,134	12,304.00	1,047.00
Smethport	1,733	12,773.00	1,060.00
Souderton	3,857	18,734.00	990.00
South Brownsville	5,314	13,588.00	1,500.00
Spring City	2,963	15,872.00	1,150.00
Susquehanna	3,202	15,088.00	1,875.00
Tunkhannock	1,973	16,003.00	1,255.00
Union City	3,788	17,807.00	1,635.00
Verona	4,376	15,779.00	1,200.00
West Newton	2,953	12,629.00	1,600.00
Willow Grove		15,914.00	900.00
Wyomissing	3,111	13,035.00	930.00
Zelienople	1,933	10,428.00	950.00
PUERTO RICO			
Aguadillo	10,952	10,284.00	840.00
Arecibo	12,863	15,436.00	2,000.00
Caguas	10,791	11,849.00	780.00
Rio Piedras	13,408	13,724.00	1,080.00
SOUTH CAROLINA			
Conway	3,011	14,710.00	1,200.00
Easley	4,886	10,024.00	1,080.00
Kingstree	2,392	11,398.00	700.00
Mullins	3,158	12,759.00	900.00
Seneca	1,929	11,215.00	815.00
Summerville	2,579	11,985.00	1,320.00
Walterboro	2,592	11,285.00	1,350.00
Ware Shoals		11,654.00	480.00
Winnsboro	2,344	11,182.00	1,250.00
SOUTH DAKOTA			
Canton	2,270	14,433.00	1,325.00
Flandreau	1,934	13,952.00	1,125.00
Lemmon	1,508	14,339.00	1,500.00
Sisseton	1,569	12,430.00	1,800.00
Spearsfish	1,577	11,072.00	780.00
Sturgis	1,747	12,535.00	1,320.00
Webster	1,805	18,107.00	1,350.00
TENNESSEE			
Dayton	2,006	15,520.00	1,000.00
Dickson	2,902	12,680.00	1,020.13
Etowah	4,209	12,392.00	1,260.00
Lawrenceburg	3,102	15,325.00	900.00
Lenoir City	4,470	14,349.00	1,700.00
Lewisburg	3,112	13,413.00	1,200.00
McKenzie	1,658	12,017.00	1,080.00
Milan	3,155	12,289.00	625.00
Newport	2,989	15,770.00	1,200.00
Ripley	2,330	12,720.00	1,000.00
Rockwood	3,868	14,558.00	1,500.00
Sparta	2,211	10,554.00	1,250.00
Sweetwater	2,271	12,384.00	1,088.00
Trenton	2,892	15,039.00	1,200.00
TEXAS			
Albany	2,422	12,231.00	1,134.00
Alice	4,239	15,087.00	780.00
Alpine	3,495	17,669.00	840.00
Alvin	1,511	13,756.00	720.00
Arlington	3,616	17,164.00	1,184.00
Ashterton	1,858	22,877.00	324.00
Baytown		12,321.00	525.00
Bellville	1,533	11,105.00	840.00
Brownfield	1,907	10,795.00	684.00
Burkburnett	3,281	16,877.00	2,056.20
Caldwell	1,724	11,252.00	1,075.00
Canadian	2,068	12,504.00	1,234.00
Canyon	2,821	17,583.00	1,080.00
Carrizo Springs	2,171	14,082.00	744.00
Center	2,510	13,633.00	1,500.00
Clarendon	2,756	16,523.00	1,300.00
Comros	2,457	11,390.00	1,080.00
Crystal City	6,609	14,132.00	1,000.00
Decatur	2,037	11,400.00	720.00
Donna	4,103	13,771.00	1,148.00
Dublin	2,271	11,860.00	930.00
El Campo	2,034	15,611.00	1,000.00
Electra	6,712	27,821.00	2,280.00
Elgin	1,823	10,858.00	1,152.00
Floydada	2,637	15,129.00	600.00
Fort Stockton	2,695	13,849.00	1,340.00
Fredericksburg	2,416	14,118.00	840.00
Freerport	3,162	12,547.00	1,200.00
Gatesville	2,601	16,495.00	1,145.00



H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
TEXAS—continued			
Goose Creek	5,208	\$19,210.00	\$1,832.00
Grand Saline	1,799	11,247.00	660.00
Hamilton	2,084	11,231.00	990.00
Hamlin	2,328	12,168.00	1,008.00
Haskell	2,632	10,606.00	1,440.00
Hearne	2,956	11,498.00	1,050.00
Hereford	2,458	16,709.00	1,060.00
Jasper	3,393	12,861.00	1,020.00
Kaufman	2,279	10,774.00	900.00
Kenedy	2,610	15,428.00	1,200.00
La Grange	2,354	16,479.00	630.00
Lampasas	2,709	16,458.00	780.00
Liberty	2,187	11,278.00	820.00
Littlefield	3,215	15,127.00	720.00
Marfa	3,909	17,020.00	900.00
Mart	2,853	10,916.00	895.00
McCamey	3,446	21,428.00	394.00
Mineola	3,304	14,362.00	1,300.50
Odessa	2,407	15,560.00	1,077.00
Olney	4,133	17,652.00	1,000.00
Paducah	2,802	11,021.00	1,080.00
Perryton	2,824	15,124.00	910.00
Post	1,663	10,234.00	1,530.00
Raymondville	2,050	14,926.00	660.00
Refugio	2,019	11,967.00	560.00
Robstown	4,183	15,626.00	1,725.00
Rockdale	2,204	12,365.00	1,080.00
Rosenberg	1,941	11,012.00	750.00
Rusk	3,859	11,566.00	670.00
San Saba	2,240	10,670.00	475.00
Schulenburg	1,604	11,221.00	600.00
Seymour	2,626	12,030.00	700.00
Sinton	1,852	10,315.00	1.00
Slaton	3,876	14,395.00	1.00
Smithville	3,296	11,531.00	1,850.00
Snyder	3,008	15,555.00	1,232.00
Spur	1,899	12,010.00	150.00
Sugar Land		13,809.00	392.00
Tahoka	1,620	10,202.00	863.00
Teague	3,509	13,937.00	1,240.00
Tulia	2,202	12,394.00	670.00
Wellington	3,570	16,459.00	1,600.00
Weslaco	4,879	19,841.00	700.00
Wills Point	2,023	10,943.00	1,050.00
Wink	3,953	20,975.00	900.00
Winters	2,423	12,412.00	1,620.00
UTAH			
Helper	2,707	10,552.00	1,500.00
VERMONT			
Brandon		15,252.00	1,350.00
Fair Haven	2,289	10,137.00	1,160.00
Hardwick	1,667	10,526.00	1,050.00
Lyndonville	1,559	18,333.00	1,650.00
Morrisville	1,822	11,833.00	1,300.00
Northfield	2,075	14,423.00	1,375.00
Poultney	1,570	12,020.00	960.00
Proctor	2,515	12,185.00	1,700.00
Procter	1,957	16,660.00	1,145.00
Randolph	1,957	16,660.00	1,145.00
Vergennes	1,705	11,467.00	1,300.00
Waterbury	1,776	13,356.00	1,480.00
VIRGINIA			
Altavista	2,367	14,497.00	1,100.00
Appalachia	3,595	12,949.00	1,680.00
Bassetts		10,571.00	580.00
Blackstone	1,772	17,712.00	1,410.00
Chase City	1,580	11,725.00	1,425.00
Christiansburg	1,970	12,537.00	1,080.00
Crewe	2,152	11,940.00	840.00
East Radford		17,787.00	1,605.00
Galax	2,544	19,160.00	1,080.00
Lawrenceville	1,629	13,797.00	1,450.00
North Emporia		10,629.00	1,450.00
Phoebus	2,956	10,294.00	1,400.00
Saltville	2,964	12,628.00	1,410.00
Strasburg	1,901	10,370.00	1,060.00
Virginia Beach	1,719	19,687.00	1,535.00
Williamsburg	3,778	27,150.00	1,920.00
WASHINGTON			
Camas	4,239	18,317.00	1,000.00
Clarkston	2,870	12,282.00	600.00
Colville	1,803	18,220.00	1,900.00
Dayton	2,528	11,000.00	720.00
Elma	1,545	11,199.00	840.00
Enumclaw	2,084	15,274.00	1,000.00
Kennewick	1,519	14,872.00	1,120.00
Kirkland	1,714	12,345.00	1,000.00
Lynden	1,564	12,843.00	1,020.00
Monroe	1,570	12,743.00	1,000.00
Okanogan	1,519	17,180.00	900.00
Omak	2,547	13,265.00	1,030.00
Prosser	1,569	15,276.00	1,300.00
Raymond	3,828	18,139.00	1,200.00
Ritzville	1,777	10,117.00	1,200.00
Sedro Wooley	2,719	15,239.00	1,600.00
Snobomish	2,688	15,780.00	840.00
South Bend	1,798	10,083.00	1,020.00
Sumner	1,967	14,232.00	775.00
Sunnyside	2,113	17,109.00	1,200.00
Toppenish	2,774	17,262.00	12.00

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
WEST VIRGINIA			
Cameron	2,281	\$10,539.00	\$1,500.00
Chester	3,701	10,546.00	1,000.00
Dunbar	4,189	13,418.00	790.00
Follansbee	4,841	12,317.00	1,725.00
Hallidays Cove	4,480	13,191.00	1,200.00
Kenova	3,680	10,682.00	1,140.00
Mannington	3,261	14,593.00	1,650.00
Marlinton	1,536	13,746.00	1,080.00
Mount Hope	2,361	10,301.00	730.00
Richwood	5,720	13,886.00	1,610.00
Ronceverte	2,254	13,794.00	1,650.00
St. Albans	3,254	13,184.00	1,400.00
St. Marys	2,182	11,442.00	1,125.00
Shinnston	2,802	10,153.00	1,325.00
Spencer	2,493	17,237.00	1,617.00
WISCONSIN			
Algoma	2,202	11,212.00	790.00
Barron	1,863	15,178.00	1,400.00
Black River Falls	1,950	16,211.00	1,600.00
Bloomer	1,865	10,870.00	1,200.00
Boscobel	1,762	13,020.00	1,080.00
Chilton	1,945	16,655.00	1,200.00
Columbus	2,514	14,881.00	1,080.00
Cornell	1,510	12,644.00	1,200.00
Cumberland	1,532	12,358.00	1,200.00
Darlington	1,764	11,325.00	1,000.00
De Pere	5,521	18,473.00	1,300.00
Dodgeville	1,937	12,008.00	1,800.00
Durand	1,500	11,577.00	1,200.00
Evansville	2,239	12,941.00	1,527.00
Horicon	2,214	10,542.00	1,050.00
Hudson	2,725	13,535.00	1,200.00
Kohler	1,748	40,086.00	1,800.00
Lake Mills	2,007	10,236.00	1,200.00
Lancaster	2,432	15,458.00	1,600.00
Manston	2,107	12,590.00	1,500.00
Mayville	2,521	13,183.00	1,200.00
Merford	1,918	18,933.00	1,800.00
Neillsville	2,118	17,973.00	1,200.00
New Richmond	2,112	15,511.00	1,440.00
Park Falls	3,036	16,027.00	1,600.00
Phillips	1,901	15,766.00	1,750.00
Prairie du Chien	3,943	19,723.00	1,320.00
River Falls	2,363	16,076.00	1,200.00
Sheboygan Falls	2,634	12,186.00	1,200.00
Spooner	2,426	12,509.00	1,650.00
Stanley	1,988	11,768.00	1,400.00
Tomahawk	2,919	14,116.00	1,565.00
Viroqua	2,792	17,770.00	2,000.00
Washburn	2,238	10,309.00	1,600.00
West De Pere		10,175.00	600.00
WYOMING			
Greybull	1,805	10,402.00	1,020.00
Midwest		10,457.00	1,380.00
Riverton	1,605	10,517.00	1,200.00
Grand total section 304			1,438,597.41

Estimated annual cost of maintenance of proposed Federal buildings, including interest, depreciation, and upkeep, \$7,478,100.

The total rent now paid for post-office quarters in all towns under section 304 is \$1,438,597.41. It is conservatively estimated that the annual cost of maintenance of the proposed Federal buildings, contemplated by this section, including interest, depreciation, and upkeep, will be \$7,478,100. The increased annual burden on the Federal Treasury will thus be \$5,989,502.59. Interest, depreciation, and upkeep for a building costing \$70,000 comes to about 9 per cent of the cost as an annual charge. It is subdivided as follows: Heat, \$230; light, \$400; supplies, \$170; custodial force, \$2,500; interest at 3 per cent, \$2,100; depreciation at 2 per cent, \$1,100; totaling \$6,500, or about 9 per cent of the cost of the building.

The following table gives the population, postal receipts, and rent now paid for the leased post-office buildings of the towns included in section 305 of H. R. 12353.

The approximate average cost of buildings contemplated by this section will be about \$55,000 per building.

H. R. 12353, section 305

City	Population	Postal receipts	Rent, etc.
ALABAMA			
Alabama City	8,544	\$9,102.00	\$1,440.00
Boaz	1,691	8,033.00	1,080.00
Eutaw	1,721	8,083.00	900.00
Greensboro	1,795	9,319.00	780.00

H. R. 12353, section 305—Continued

City	Population	Postal receipts	Rent, etc.
ALABAMA—continued			
Haleyville	2,115	\$9,565.00	\$960.00
Jackson	1,828	8,230.00	840.00
Lafayette	2,119	8,367.00	1,036.00
Opp	2,918	9,577.00	900.00
Phenix City	13,862	8,083.00	600.00
Prattville	2,331	8,865.00	840.00
Thomasville	1,504	8,468.00	1,000.00
York	1,796	8,027.00	900.00
ARIZONA			
Ajo		8,856.00	600.00
Clarkdale		8,382.00	1,080.00
Morenci		9,512.00	1,000.00
ARKANSAS			
Ashdown	1,607	8,057.00	1,080.00
Dardanelle	1,832	8,021.00	600.00
Dermott	2,942	9,641.00	720.00
Dewitt	1,853	8,772.00	564.00
England	2,180	9,219.00	750.00
Eudora	2,020	8,968.00	1,050.00
Gurdon	2,172	8,156.00	816.00
Hamburg	1,517	8,026.00	660.00
Piggott	1,885	8,033.00	900.00
Pocahontas	1,896	8,776.00	680.00
CALIFORNIA			
Barstow		10,621.00	900.00
Brea	2,435	8,537.00	900.00
Calipatria	1,554	8,387.00	1,000.00
Chino		9,692.00	1,295.00
Imperial	1,943	8,758.00	1,115.00
La Verne	2,860	8,767.00	877.00
Newport Beach	2,203	8,037.00	420.00
Niles		8,959.00	420.00
Placentia	1,606	8,323.00	1,200.00
Rosemead		8,664.00	420.00
San Bruno	3,610	8,456.00	980.00
San Dimas		8,241.00	660.00
Scotia		9,864.00	840.00
CONNECTICUT			
Cromwell		8,643.00	580.00
Deep River		9,123.00	900.00
Elmwood		8,307.00	315.00
Portland		8,235.00	900.00
Unionville	2,135	9,709.00	1,200.00
DELAWARE			
Harrington	1,812	9,229.00	1,400.00
FLORIDA			
Anburndale	1,849	8,219.00	540.00
Chipley	1,878	8,083.00	1,000.00
Fort Meade	1,981	8,025.00	900.00
Hialeah	2,600	9,000.00	2,000.00
Homestead	2,319	9,745.00	1,200.00
Palmetto	3,043	9,324.00	900.00
Winter Garden	2,023	8,039.00	1.00
GEORGIA			
Ashburn	2,073	8,626.00	1,200.00
Blackshear	1,817	9,052.00	1,000.00
Blakeley	2,106	9,690.00	1,020.00
Camilla	2,025	8,705.00	732.00
Cochran	2,267	8,301.00	960.00
Cornelia	1,542	9,420.00	900.00
Greensboro	2,125	8,115.00	660.00
Hapeville	4,224	5,757.00	770.96
Hartwell	2,048	8,284.00	717.00
Hawkinsville	2,484	9,664.00	1,000.00
Jessup	2,303	9,289.00	726.00
Lafayette	2,811	9,807.00	1,020.00
Millen	2,527	9,844.00	600.00
Monticello	1,593	8,012.00	480.00
Rockmart	3,264	8,102.00	612.00
Swainsboro	2,442	8,360.00	1,058.00
Sylvania	1,781	8,163.00	1,200.00
Sylvester	1,984	8,365.00	800.00
HAWAII			
Kahului		9,197.00	180.00
Lahaina		8,121.00	660.00
IDAHO			
Malad City	2,535	8,502.00	360.00
Potlatch		8,019.00	949.00
Rigby	1,531	9,785.00	840.00
ILLINOIS			
Albion	1,666	8,119.00	1,080.00
Amboy	1,972	9,879.00	1,125.00
Arcola	1,686	8,113.00	1,110.00
Bridgeport	2,315	8,613.00	840.00
Cartersville	2,866	8,638.00	1,065.00
El Paso	1,578	9,844.00	900.00
Farmer City	1,621	8,465.00	780.00
Farmington	2,269	8,383.00	800.00
Glenview	1,886	9,369.00	1,245.00

H. R. 12353, section 305—Continued

City	Population	Postal receipts	Rent, etc.
ILLINOIS—continued			
Johnston City	5,955	\$9,923.00	\$1,880.00
Lacon	1,548	9,605.00	570.00
Leroy	1,595	8,119.00	900.00
Minonk	1,910	9,157.00	540.00
Mount Olive	3,079	9,103.00	480.00
Mount Sterling	1,724	9,278.00	900.00
Roodhouse	2,621	8,496.00	1,100.00
Stockton	1,505	8,138.00	1,200.00
Virdeu	3,011	8,927.00	1,020.00
Warsaw	1,866	8,031.00	500.00
Winchester	1,532	8,762.00	1,140.00
Zigler	3,816	8,817.00	1,020.00
INDIANA			
Dunkirk	2,583	9,100.00	900.00
Edinburg	2,209	8,784.00	750.00
Fairmount	2,066	8,148.00	816.00
Gas City	3,087	9,629.00	700.00
Greenwood	2,377	9,598.00	900.00
Jasonville	3,536	8,927.00	1,200.00
Loogootee	2,203	9,589.00	1,200.00
Montpelier	1,859	9,607.00	1,000.00
Paoli	2,016	9,401.00	750.00
Pendleton	1,538	9,360.00	900.00
Rockport	2,396	9,799.00	900.00
IOWA			
Ackley	1,524	8,985.00	795.00
Avoca	1,673	8,245.00	1,100.00
Bellevue	1,717	8,449.00	720.00
Bettendorf	2,768	9,117.00	660.00
Colfax	2,213	9,315.00	1,085.00
Corydon	1,768	8,690.00	900.00
Dyersville	2,046	8,109.00	1,080.00
Duttonberg	1,918	9,386.00	1,000.00
Lake City	2,012	8,707.00	1,150.00
Madrid	2,061	9,498.00	1,080.00
Mapleton	1,622	8,948.00	940.00
Northwood	1,554	9,685.00	1,200.00
Stuart	1,626	9,006.00	1,020.00
Sumner	1,561	8,424.00	840.00
West Liberty	1,679	9,917.00	595.00
KANSAS			
Ellis	1,957	9,985.00	1,140.00
Kiowa	1,501	9,913.00	1,025.00
Meade	1,552	9,432.00	1,080.00
Minneapolis	1,741	9,523.00	800.00
St. John	1,552	9,960.00	1,000.00
Stafford	1,614	9,516.00	895.00
KENTUCKY			
Dawson Springs	2,311	8,438.00	900.00
Hickman	2,321	9,695.00	1,600.00
Irvine	3,640	8,257.00	888.00
Jenkins	8,465	8,165.00	1,200.00
Louisville	1,961	9,611.00	1,200.00
Nicholasville	3,128	9,795.00	1,800.00
Providence	4,742	8,402.00	1,200.00
Russell	2,084	8,927.00	1,200.00
Scott	1,867	9,707.00	1,500.00
Stanford	1,544	9,401.00	880.00
Sturgis	2,164	8,276.00	1,100.00
Williamsburg	1,826	9,293.00	900.00
LOUISIANA			
Arcadia	1,809	9,334.00	780.00
De Quincy	3,589	8,736.00	720.00
Ferriday	2,502	8,513.00	720.00
Jeannerette	2,228	9,009.00	740.00
Slidell	2,807	8,397.00	530.00
Vivian	1,646	8,651.00	900.00
MAINE			
Guilford		9,386.00	893.00
Lincoln	2,161	9,671.00	792.00
Milo		9,132.00	865.00
Newport		8,253.00	815.00
Oakland		9,297.00	1,134.00
Thomaston		8,739.00	840.00
Van Buren		9,167.00	1,350.00
Waldoboro		8,125.00	( <sup>1</sup> )
Yarmouth		9,439.00	736.00
MARYLAND			
Brunswick	3,671	9,634.00	1,450.00
Lonaconing	2,426	8,577.00	505.00
Mount Ranier	3,832	9,738.00	985.00
MASSACHUSETTS			
Monson		8,072.00	1,500.00
Shirley		9,753.00	550.00
Warren		8,017.00	924.00
West Concord		9,767.00	1,770.00
MICHIGAN			
Blissfield	2,103	9,241.00	1,000.00
Chessaning	1,564	8,692.00	1,020.00
<sup>1</sup> Federal building.			



H. R. 12353, section 305—Continued

H. R. 12353, section 305—Continued

City	Population	Postal receipts	Rent, etc.
MICHIGAN—continued.			
Decatur	1,582	\$9,220.00	\$900.00
East Jordan	1,523	8,046.00	750.00
Gaylord	1,627	9,631.00	1,080.00
Milan	1,947	9,856.00	1,000.00
Morenci	1,773	8,242.00	720.00
Ontonagon	1,937	9,681.00	1,000.00
Oxford	2,052	8,566.00	1,200.00
Portland	1,902	8,920.00	989.00
St. Clair Shores	6,745	9,030.00	330.00
Sparta	1,939	8,809.00	1,200.00
Trenton	4,022	9,588.00	1,250.00
Vicksburg	1,735	8,298.00	650.00
Wakefield	3,677	8,209.00	763.00
MINNESOTA			
Bayport	2,590	8,226.00	1,140.00
North St. Paul	2,915	9,019.00	860.00
Proctor		9,088.00	1,400.00
Winnebago	1,701	9,727.00	1,080.00
MISSISSIPPI			
Charleston	2,014	9,896.00	900.00
Durant	2,480	9,445.00	1,475.00
Forest	2,176	8,873.00	850.00
Magnolia	1,660	8,964.00	1,200.00
Ocean Springs	1,663	8,364.00	600.00
Okolona	2,235	8,890.00	1,200.00
Pass Christian	8,004	9,054.00	650.00
Port Gibson	1,861	8,723.00	900.00
Rosedale	2,117	8,070.00	900.00
Shelby	1,811	8,838.00	706.00
Union	1,705	8,443.00	520.00
MISSOURI			
Brunswick	1,715	8,320.00	720.00
Eldorado Springs	1,917	9,391.00	900.00
Gallatin	1,504	8,255.00	1,000.00
Holden	1,807	9,827.00	1,023.00
Kahoka	1,507	9,048.00	868.00
Nalden	2,025	8,293.00	1,023.00
Memphis	1,728	8,994.00	720.00
Milan	2,002	8,847.00	960.00
Monroe City	1,820	8,697.00	1,000.00
Mound City	1,525	8,737.00	896.00
Plattsburg	1,672	8,155.00	1,000.00
Robertson		8,568.00	240.00
Sainte Genevieve	2,662	9,780.00	1,060.00
Shelbina	1,826	8,222.00	720.00
Stanberry	2,029	8,223.00	720.00
Thayer	1,632	8,041.00	980.00
Union	2,143	8,701.00	780.00
Unionville	1,811	8,582.00	1,400.00
Wellsville	1,525	8,417.00	802.00
MONTANA			
Laurel	2,558	1,473.00	850.00
NEBRASKA			
Ashland	1,786	8,971.00	900.00
Bayard	1,559	8,272.00	935.00
Sutton	1,540	8,802.00	888.00
Wymore	2,680	9,744.00	840.00
NEVADA			
McGull		8,655.00	1,500.00
NEW HAMPSHIRE			
East Jaffrey		8,538.00	720.00
Farmington		9,408.00	970.00
Wilton		8,070.00	840.00
NEW JERSEY			
Absecon	2,158	9,728.00	1,200.00
Clementon	2,605	8,779.00	900.00
Fairview	9,067	8,061.00	840.00
Franklin	4,176	8,966.00	1,400.00
Highlands	1,877	8,082.00	975.00
Jamesburg	2,048	8,745.00	1,140.00
Maple Shade		8,013.00	900.00
Mays Landing		8,930.00	720.00
Milltown	2,994	9,593.00	1,300.00
Mountain Lakes	2,132	8,749.00	600.00
Ridgefield	4,671	8,959.00	1,230.00
Springfield		8,640.00	600.00
NEW MEXICO			
Belan	2,116	8,403.00	800.00
Nordsburg	2,069	8,833.00	960.00
NEW YORK			
Addison	1,538	8,221.00	900.00
Akron	2,188	9,531.00	1,176.00
Angola	1,543	9,802.00	1,020.00
Central Islip		9,482.00	700.00
Cold Springs	1,784	8,598.00	780.00
Cornwall	1,910	8,003.00	385.00
Keeseville	1,794	8,074.00	1,000.00
Mattituck		9,467.00	900.00
New Hyde Park	3,314	9,000.00	720.00

City	Population	Postal receipts	Rent, etc.
NEW YORK—continued.			
Niagara University		\$9,458.00	\$800.00
Oxford	1,601	9,808.00	1,140.00
Phoenix	1,758	8,195.00	1,164.00
Rooses Point	1,920	8,544.00	1,520.00
Roslyn Heights		9,650.00	1,230.00
Seaford		8,035.00	780.00
NORTH CAROLINA			
Enfield	2,234	9,140.00	1,050.00
Farmville	2,066	8,059.00	900.00
Graham	2,972	8,477.00	794.00
Hertford	1,914	8,056.00	1,325.00
Mebane	1,508	9,125.00	900.00
Murphy	1,612	8,998.00	708.00
Plymouth	2,139	8,215.00	1,200.00
Roanoke Rapids	3,404	8,960.00	835.00
Scotland Neck	2,339	8,791.00	1,500.00
Siler City	1,730	9,463.00	900.00
NORTH DAKOTA			
Enderlin	1,839	9,386.00	1,200.00
OHIO			
Covington	1,807	9,021.00	900.00
Delta	1,778	8,947.00	870.00
Glonster	2,903	8,696.00	1,460.00
Hubbard	4,050	9,938.00	1,500.00
Huron	1,699	8,426.00	600.00
Milford	1,915	8,620.00	1,020.00
Mingo Junction	5,030	9,650.00	1,900.00
North Baltimore	2,402	8,783.00	942.00
Forest City	5,209	9,479.00	1,360.00
Freaport	2,772	9,653.00	1,080.00
Galeton	2,200	9,545.00	1,438.00
Girardville	4,891	8,413.00	1,200.00
Homerville	2,004	8,161.00	1,080.00
Hummelstown	3,036	8,135.00	900.00
Montoursville	2,710	9,155.00	1,100.00
Natrona		8,349.00	400.00
Orwigsburg	2,031	8,400.00	503.00
Oseola Mills		8,124.00	1,150.00
Roaring Spring	2,724	9,836.00	960.00
St. Clair	7,296	9,659.00	1,500.00
Sharpsville	5,194	9,804.00	895.00
Sinking Spring	1,171	8,555.00	580.00
South Fork	3,227	8,402.00	700.00
Springdale	4,781	8,697.00	1,580.00
Villanova		9,872.00	1,300.00
Watsonstown	2,248	8,196.00	890.00
White Haven	1,537	8,155.00	810.00
Youngsville	1,907	8,162.00	1,120.00
Youngwood	2,783	8,165.00	660.00
PUERTO RICO			
Guayama	10,953	8,934.00	1,200.00
SOUTH CAROLINA			
Bainberg	2,450	8,028.00	1,296.00
Batesburg	2,839	9,642.00	900.00
Belton	1,765	8,055.00	675.00
Dishopville	2,249	8,628.00	1,500.00
Lake City	1,922	8,441.00	600.00
SOUTH DAKOTA			
Bell Rapids	1,657	8,491.00	1,100.00
Stephan		8,800.00	452.00
TENNESSEE			
Clinton	1,927	8,379.00	1,200.00
Henderson	1,503	8,216.00	900.00
Jefferson City	1,898	8,254.00	840.00
La Follette	2,637	9,645.00	1,160.00
Lexington	1,823	8,684.00	750.00
Livingston	1,526	8,110.00	1,060.00
Loudon	2,578	8,168.00	1,080.00
Mount Pleasant	3,010	9,307.00	1,200.00
Newbern	1,621	8,107.00	950.00
Oak Harbor	1,849	9,231.00	1,495.00
Paulding	1,904	8,925.00	840.00
Perrysburg	3,182	9,730.00	1,500.00
Rittman	2,785	8,638.00	1,217.65
Waverly	1,603	8,259.00	700.00
OKLAHOMA			
Atoka	1,856	8,310.00	1,020.00
Beggs	1,531	8,219.00	600.00
Barnsdall	2,001	8,792.00	1,020.00
Broken Arrow	1,964	9,064.00	972.00
Carnegie	2,063	9,998.00	960.00
Checotah	2,110	8,187.00	1,500.00
Coalgate	2,064	8,346.00	1,410.00
Dewey	2,098	8,281.00	780.00
Euftaula	2,073	8,690.00	1,205.00
Fairfax	2,134	8,915.00	970.00
Geary	1,892	8,437.00	900.00
Hartshorn	3,587	8,382.00	715.00
Heavener	2,269	8,047.00	360.00
Hooker	1,628	9,280.00	750.00
Konawa	2,070	8,525.00	600.00

H. R. 12353, section 305—Continued

City	Population	Postal receipts	Rent, etc.
OKLAHOMA—continued			
Lindsay	1,713	\$8,332.00	\$1,020.00
Madill	2,203	9,523.00	540.00
Marietta	1,505	8,077.00	1,230.00
Oilton	1,518	8,222.00	730.00
Sallisaw	1,785	8,097.00	900.00
Stigler	1,517	8,535.00	900.00
Stroud	1,894	8,529.00	1,020.00
Tecumseh	2,419	9,711.00	900.00
Walters	2,262	9,089.00	1,195.00
Weleetka	2,022	8,015.00	851.00
Wetumka	2,153	9,637.00	1,200.00
Wilson	2,517	9,809.00	755.00
Wynne Wood	1,820	8,307.00	1,062.00
OREGON			
Bandon	1,516	8,761.00	1,155.00
Springfield	2,364	8,089.00	600.00
Woodburn	1,675	9,299.00	660.00
Verona	1,625	8,698.00	815.00
PENNSYLVANIA			
Albion	1,681	8,035.00	1,020.00
Blossburg	1,696	8,761.00	970.00
Burgettstown	2,266	9,102.00	960.00
Catawissa	2,023	8,003.00	1,200.00
East Brady	1,563	8,023.00	900.00
Fleetwood	2,150	8,216.00	1,050.00
TEXAS			
Anson	2,093	9,697.00	918.00
Aransas Pass	2,482	8,211.00	800.00
Baird	1,965	8,143.00	720.00
Bartlett	1,873	9,727.00	1,400.00
Calvert	2,103	9,392.00	840.00
Carthage	1,651	8,026.00	720.00
Chillicothe	1,610	8,042.00	1,100.00
Columbus	2,054	8,500.00	1,390.00
Cooper	2,023	8,831.00	1,000.00
Cotulla	3,175	8,879.00	900.00
Crowell	1,946	8,129.00	725.00
De Leon	1,766	8,314.00	726.00
Eagle Lake	2,343	9,392.00	632.00
Edna	1,752	9,610.00	1,000.00
Floresville	1,581	8,633.00	500.00
Giddings	1,835	9,415.00	1,421.00
Groesbeck	2,059	9,634.00	1,476.00
Henrietta	2,020	9,345.00	850.00
Iowa Park	2,009	9,407.00	864.00
Itasca	1,665	8,056.00	873.00
Jacksboro	1,837	8,140.00	1,000.00
La Feria	1,594	9,432.00	728.00
Levelland	1,661	9,174.00	875.00
Llano	2,124	9,884.00	636.00
McGregor	2,041	9,487.00	850.00
McLean	1,521	8,545.00	1,075.00
Menard	1,969	8,447.00	850.00
Merkel	1,848	8,531.00	674.00
Panhandle	2,035	8,952.00	840.00
Rosebud	1,565	8,562.00	1,200.00
Rotan	1,632	8,138.00	600.00
Santa Anna	1,883	9,253.00	800.00
Sealy		8,113.00	1,080.00
Silsbee		8,435.00	300.00
Taft	1,792	8,303.00	600.00
Therber		9,691.00	288.55
Trinity	2,036	9,685.00	900.00
Whittenberg		8,609.00	300.00
Winnboro	1,905	9,588.00	1,440.00
Yorktown	1,882	9,980.00	900.00
UTAH			
Eureka	3,041	8,777.00	(1)
St. George	2,434	8,753.00	450.00
VERMONT			
Bethel		8,020.00	604.00
Essex Junction	1,621	8,639.00	850.00
Ludlow	1,642	9,149.00	1,450.00
Swanton	1,558	8,667.00	1,115.00
VIRGINIA			
Bluefield	3,906	9,121.00	690.00
Chincoteague Island	2,130	8,396.00	1,185.00
Emporia	2,144	8,213.00	635.00
Pocahontas	2,203	8,020.00	1,000.00
Victoria	1,568	8,022.00	800.00
WASHINGTON			
Blaine	1,642	8,748.00	600.00
Cle Elum	2,508	9,417.00	1,080.00
Pomeroy	1,600	9,638.00	600.00
WEST VIRGINIA			
Kingwood	1,709	8,222.00	1,200.00
Mullens	2,356	9,997.00	1,800.00
Oak Hill	2,076	9,682.00	820.00
Pennsboro	1,616	8,988.00	840.00
Piedmont	2,241	9,619.00	1,355.00
Salem	2,943	9,913.00	1,800.00

1 Federal building.

H. R. 12353, section 305—Continued

City	Population	Postal receipts	Rent, etc.
WISCONSIN			
Brodhead	1,533	\$9,573.00	\$1,000.00
Cedarburg	2,055	8,716.00	1,100.00
Crandon	1,679	8,132.00	1,000.00
Elroy	1,546	8,031.00	720.00
Hurley	3,264	9,829.00	1,680.00
Kiel	1,803	9,678.00	720.00
Mondovi	1,632	9,547.00	1,500.00
Oconto Falls	1,921	8,508.00	1,100.00
Peshigo	1,579	9,088.00	900.00
St. Francis		8,192.00	600.00
Grant total, sec. 305			397,700.16

Estimated annual cost of maintenance of proposed Federal buildings, including interest, depreciation, and upkeep, \$2,240,000.

The total rent now paid for post-office quarters in all towns under section 305 is \$397,700.16. It is estimated that the annual cost of maintenance of the proposed Federal buildings, contemplated by this section, including interest, depreciation, and upkeep, will be \$2,240,000. The increased annual burden on the Federal Treasury will thus be \$1,842,299.84. Including heat, light, supplies, interest at 3 per cent, and depreciation at 2 per cent, the annual cost will be over 10 per cent of the cost of the building if custodial force charges are included and about 9 per cent if they are not included.

THE TAX BILL

Mr. CRISP. Mr. Speaker, I call up the conference report on the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 15, 16, 35, 40, 41, 42, 45, 60, 61, 62, 63, 64, 65, 71, 72, 76, 113, 114, 115, 146, 174, 193, 207, 212, 214, 254, 257, 262, and 267.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 36, 37, 38, 39, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 66, 67, 68, 69, 70, 73, 74, 77, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 91, 94, 95, 96, 97, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 116, 117, 118, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 138, 139, 141, 142, 145, 147, 148, 149, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 169, 170, 171, 172, 173, 175, 176, 177, 178, 179, 181, 182, 183, 185, 188, 189, 190, 191, 192, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 208, 209, 210, 211, 213, 215, 216, 217, 218, 219, 221, 222, 223, 224, 226, 227, 228, 229, 230, 231, 232, 234, 237, 238, 239, 240, 241, 242, 243, 244, 245, 247, 248, 249, 250, 251, 252, 253, 255, 256, 258, 259, 260, and 261, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 2 of the Senate engrossed amendments, under the heading "Title V—Miscellaneous taxes" and the subheading "Part II—Admissions tax," strike out "Sec. 712. Admission to Olympic games"; and on page 3 of the Senate engrossed amendments, under the heading "Title VIII—



Postal rates," strike out "Sec. 1002. Adjustment of postal rates"; and on page 3 of the Senate engrossed amendments, under the heading "Title IX—Administrative and general provisions," strike out all after "Sec. 1106. Refunds of miscellaneous taxes," the remaining portion of the matter inserted by the Senate amendment, and in lieu thereof insert the following:

"Sec. 1107. Adjustments of carriers' liabilities to conform to recapture payments.

"Sec. 1108. Limitation on prosecutions for internal revenue offenses.

"Sec. 1109. Special disbursing agents of Treasury.

"Sec. 1110. Refund of taxes for taxable year 1918.

"Sec. 1111. Definitions.

"Sec. 1112. Separability clause.

"Sec. 1113. Effective date of act."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(r) Limitation on stock losses—

"(1) Losses from sales or exchanges of stocks and bonds (as defined in subsection (t) of this section) which are not capital assets (as defined in sec. 101) shall be allowed only to the extent of the gains from such sales or exchanges (including gains which may be derived by a taxpayer from the retirement of his own obligations).

"(2) Losses disallowed as a deduction by paragraph (1), computed without regard to any losses sustained during the preceding taxable year, shall, to an amount not in excess of the taxpayer's net income for the taxable year, be considered for the purposes of this title as losses sustained in the succeeding taxable year from sales or exchanges of stocks or bonds which are not capital assets.

"(3) This subsection shall not apply to a dealer in securities (as to stocks and bonds acquired for resale to customers) in respect of transactions in the ordinary course of his business, nor to a bank or trust company incorporated under the laws of the United States or of any State or Territory, nor to persons carrying on the banking business (where the receipt of deposits constitutes a major part of such business) in respect of transactions in the ordinary course of such banking business."

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: On the last line of page 19 of the Senate engrossed amendments, after the word "coal," insert "mines"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(a) Earned income from sources without United States.—In the case of an individual citizen of the United States, a bona fide nonresident of the United States for more than six months during the taxable year, amounts received from sources without the United States (except amounts paid by the United States or any agency thereof) if such amounts constitute earned income; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this subsection. As used in this subsection the term 'earned income' means wages, salaries, professional fees, and other

amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 per cent of his share of the net profits of such trade or business, shall be considered as earned income."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following: "; except that for the taxable years 1932 and 1933 there shall be added to the rate of tax prescribed by sections 13(a), 201(b), and 204(a), a rate of three-fourths of 1 per cent"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¼ per cent"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) The tax shall not apply to a transfer of property in trust where the power to revert in the donor title to such property is vested in the donor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such property or the income therefrom, but the relinquishment or termination of such



power (other than by the donor's death) shall be considered to be a transfer by the donor by gift of the property subject to such power, and any payment of the income therefrom to a beneficiary other than the donor shall be considered to be a transfer by the donor of such income by gift."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(4) Crude petroleum,  $\frac{1}{2}$  cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel,  $\frac{1}{2}$  cent per gallon; gasoline or other motor fuel,  $2\frac{1}{2}$  cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

And the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(7) Copper-bearing ores and concentrates and articles provided for in paragraphs 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act of 1930, 4 cents per pound on the copper contained therein: *Provided*, That no tax under this paragraph shall be imposed on copper in any of the foregoing which is lost in metallurgical processes: *Provided further*, That ores or concentrates usable as a flux or sulphur reagent in copper smelting and/or converting and having a copper content of not more than 15 per cent, when imported for fluxing purposes, shall be admitted free of said tax in an aggregate amount of not to exceed in any one year 15,000 tons of copper content. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, in which copper (including copper in alloys) is the component material of chief value, 3 cents per pound. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, containing 4 per cent or more of copper by weight, 3 per cent ad valorem or three-fourths of 1 cent per pound, whichever is the lower. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. The Secretary is authorized to prescribe all necessary regulations for the enforcement of the provisions of this paragraph."

And the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "tooth and mouth washes (except that the rate shall be 5 per cent), dentifrices (except that the rate shall be 5 per cent), tooth pastes (except that the rate shall be 5 per cent)" and a comma; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "toilet soaps (except that the rate shall be 5 per cent)" and a comma; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "No tax shall be imposed under this section on any article used for religious purposes, or any article (other than watch parts or clock parts) sold for less than \$3"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(2) Upon unfermented grape juice, in natural or concentrated form (whether or not sugar has been added), containing 35 per cent or less of sugars by weight, sold by the manufacturer, producer, or importer, a tax of 5 cents per gallon."

And the Senate agree to the same.

Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 616. TAX ON ELECTRICAL ENERGY

"(a) There is hereby imposed a tax equivalent to 3 per cent of the amount paid on or after the fifteenth day after the date of the enactment of this act, for electrical energy for domestic or commercial consumption furnished after such date and before July 1, 1934, to be paid by the person paying for such electrical energy and to be collected by the vendor.

"(b) Each vendor receiving any payments specified in subsection (a) shall collect the amount of the tax imposed by such subsection from the person making such payments, and shall on or before the last day of each month make a return, under oath, for the preceding month, and pay the taxes so collected, to the collector of the district in which his principal place of business is located, or if he has no principal place of business in the United States, to the collector at Baltimore, Md. Such returns shall contain such information and be made in such manner as the commissioner with the approval of the Secretary may by regulation prescribe. The commissioner may extend the time for making returns and paying the taxes collected, under such rules and regulations as he shall prescribe with the approval of the Secretary, but no such extension shall be for more than 90 days. The provisions of sections 771 to 774, inclusive, shall, in lieu of the provisions of sections 619 to 629, inclusive, be applicable in respect of the tax imposed by this section.

"(c) No tax shall be imposed under this section upon any payment received for electrical energy furnished to the United States or to any State or Territory, or political subdivision thereof, or the District of Columbia. The right to exemption under this subsection shall be evidenced in such manner as the commissioner with the approval of the Secretary may by regulation prescribe."

And the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment as follows: On page 46 of the Senate engrossed amendments, line 17, after "tube," insert a comma and the following: "or an article taxable under section 604, relating to the tax on furs"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: On page 48 of the Senate engrossed amendments, line 19, strike out all after "tube" down to and including "wort," in line 21; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 623. SALES BY OTHERS THAN MANUFACTURER, PRODUCER, OR IMPORTER

"In case any person acquires from the manufacturer, producer, or importer of an article, by operation of law or as a result of any transaction not taxable under this title, the right to sell such article, the sale of such article by such



person shall be taxable under this title as if made by the manufacturer, producer, or importer, and such person shall be liable for the tax."

And the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "in case the selling price, if any, is \$20 or more per share the above rate shall be 5 cents instead of 4 cents: *Provided further, That;* and the Senate agree to the same.

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert a comma and the following: "and by striking out the following: 'in case the selling price, if any, is \$20 or more per share the above rate shall be 5 cents instead of 4 cents: *Provided further, That*''"; and the Senate agree to the same.

Amendment numbered 233: That the House recede from its disagreement to the amendment of the Senate numbered 233, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 235: That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 236: That the House recede from its disagreement to the amendment of the Senate numbered 236, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 246: That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: On page 58 of the Senate engrossed amendments, line 12, strike out "made or drawn" and insert in lieu thereof "presented for payment"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: On page 73 of the Senate engrossed amendments, line 14, strike out "1108" and insert "1107"; and the Senate agree to the same.

Amendment numbered 264: That the House recede from its disagreement to the amendment of the Senate numbered 264, and agree to the same with an amendment as follows: On page 74 of the Senate engrossed amendments, line 15, strike out "1109" and insert "1108"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1109"; and the Senate agree to the same.

Amendment numbered 266: That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1110"; and the Senate agree to the same.

Amendment numbered 268: That the House recede from its disagreement to the amendment of the Senate numbered 268, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1111"; and the Senate agree to the same.

Amendment numbered 269: That the House recede from its disagreement to the amendment of the Senate numbered 269, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert "1112"; and the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1113"; and the Senate agree to the same.

J. W. COLLIER,  
CHARLES R. CRISP,  
W. C. HAWLEY,  
ALLEN T. TREADWAY,

*Managers on the part of the House.*

REED SMOOT,  
JAMES E. WATSON,  
DAVID A. REED,  
PAT HARRISON,  
WILLIAM H. KING,

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1: This amendment makes clerical changes; and the House recedes with an amendment making further clerical changes in the table of contents.

On amendment No. 2: This amendment is necessitated by the elimination of section 811 (c) of the House bill; and the House recedes.

On amendment No. 3: In the House bill the rates of normal tax were 2 per cent on the first \$4,000 of net income in excess of credits, 4 per cent on the next \$4,000, and 7 per cent on the remainder. The Senate amendment substitutes the rates of 4 per cent on the first \$4,000 and 8 per cent on the remainder; and the House recedes.

On amendment No. 4: In the House bill the surtax rates commenced at 1 per cent upon the portion of the net income in excess of \$6,000 and not in excess of \$10,000 and increased progressively to 40 per cent on the portion of the net income in excess of \$100,000. The Senate amendment changes the surtax beginning with net incomes in excess of \$12,000 and increases the rates progressively to a maximum of 55 per cent on the portion of the net income in excess of \$1,000,000. The House recedes.

On amendments Nos. 5 and 6: These amendments make clerical changes in the cross references to the capital gain and loss section, necessitated by the increase in the normal tax and surtax rates; and the House recedes.

On amendment No. 7: By this amendment a tax at the rate of 80 per cent is imposed upon the amount by which the compensation of any officer, director, or employee of a corporation exceeds compensation at the rate of \$75,000 per year; and the Senate recedes.

On amendment No. 8: By this amendment a tax at the rate of 100 per cent is imposed upon the amount of income derived through the willful violation of the criminal laws of the United States or of any State or Territory; and the Senate recedes.

On amendment No. 9: This amendment increases the corporation tax rate to 14 per cent from the 13½ per cent rate contained in the House bill. The House recedes with an amendment fixing the rate at 13¾ per cent.

On amendment No. 10: This amendment makes a clerical change, necessitated by the elimination of the specific credit allowed under the House bill to corporations; and the House recedes.

On amendment No. 11: This amendment requires Presidents of the United States and judges of the courts of the United States, taking office after the date of the enactment of this act, to include their compensation in gross income,



and amends all acts fixing the compensation of such officers so as to make it clear that the provision is intended as a reduction of such compensation; and the House recedes.

On amendment No. 12: This amendment eliminates the exemption of pensions and World War compensation payments allowed under existing law and under the House bill; and the House recedes.

On amendments Nos. 13 and 14: These amendments make clerical changes; and the House recedes.

On amendment No. 15: This amendment makes a change necessitated by the elimination (by Senate amendment No. 59) from section 116 of the House bill of the exemption of earned income from sources without the United States. The exemption having been restored with restrictions, the Senate recedes.

On amendment No. 16: This amendment prohibits the allowance of a deduction of the amount by which the compensation of any person for personal services exceeds compensation at the rate of \$75,000 per year; and the Senate recedes.

On amendment No. 17: This amendment makes a clerical change; and the House recedes.

On amendment No. 18: This amendment prohibits the deduction of interest paid or accrued on indebtedness incurred or continued in connection with the purchasing or carrying of an annuity; and the House recedes.

On amendment No. 19: This amendment makes a clarifying change; and the House recedes.

On amendment No. 20: This amendment makes a clerical change; and the House recedes.

On amendment No. 21: This amendment and amendment No. 250 are complementary. Under the House bill certain casualty losses incurred during the settlement of a decedent's estate were allowed as deductions for income-tax but not for estate-tax purposes. Senate amendments Nos. 21 and 250 allow losses of this character to be taken as deductions either for one tax or for the other. Amendment No. 21 prohibits the allowance of a deduction for income-tax purposes if at the time of the filing of the return a deduction for such a loss has been claimed for estate-tax purposes in the estate-tax return, and amendment No. 250 correspondingly prohibits the allowance of a deduction for estate-tax purposes if at the time of the filing of the estate-tax return a deduction has been claimed for income-tax purposes in an income-tax return. The House recedes.

On amendment No. 22: This amendment makes a clerical change; and the House recedes.

On amendment No. 23: This amendment makes a clerical change; and the House recedes.

On amendment No. 24: This amendment provides that the deduction for a debt ascertained to be recoverable only in part shall not exceed so much of the debt as is charged off within the taxable year; and the House recedes.

On amendment No. 25: This amendment makes certain that the provisions respecting revised estimates of the recoverable content of property subject to depletion shall apply where the revision of the estimate results from the usual or ordinary operation of the property as well as from development work; and the House recedes.

On amendments Nos. 26 and 27: These amendments make clerical changes; and the House recedes.

On amendment No. 28: This amendment permits any deduction allowable under the corresponding provision of the 1928 act (sec. 23 (q)) and apportioned under that act to any year or years subsequent to 1931 to be taken in the taxable year to which so apportioned; and the House recedes.

On amendment No. 29: The House bill, in subsections (r), (s), and (t), placed the following limitations upon the amount of deductions allowable for losses from sales or exchanges of stocks and bonds:

(1) Losses on stocks and bonds which were not capital assets (within the meaning of sec. 101) were allowed only to the extent of the gains on such stocks and bonds;

(2) Losses on stocks and bonds which were capital assets were allowed only to the extent of the gains on such stocks and bonds;

(3) An excess of losses over gains on stocks and bonds in either category was allowed to the extent of any excess of gains over losses on stocks and bonds of the other category; but the deduction of excess losses on stocks and bonds which were capital assets against excess gains on stocks and bonds which were not capital assets was subject to the limitation that in such case the tax should not be less than a tax computed without reference to the provisions of these subsections.

The Senate amendment strikes out the limitation contained in the House bill on losses on stocks and bonds which are capital assets and allows such losses as deductions as under the existing law. The amendment provides the following limitations:

(1) Losses on stocks and bonds which are not capital assets are allowed to the extent of the gains on such stocks and bonds, including gains from the retirement of the taxpayer's obligations;

(2) Any excess of losses over gains in any taxable year on stocks and bonds which are not capital assets is allowed as a deduction in the succeeding taxable year to the extent of any excess of gains over losses in such succeeding year on such stocks and bonds, but the amount of the excess of losses over gains which may be so carried forward from any taxable year can not exceed the net income for such year.

The House bill excepted from the operation of these subsections dealers in securities in respect of transactions in the ordinary course of business with their customers; the Senate amendment enlarges the scope of the exception in the case of such dealers to include all transactions in the ordinary course of business (whether or not with customers) involving stocks and bonds acquired for resale to customers. The Senate amendment also extends the exception to (a) banks and trust companies incorporated under the laws of the United States or of any State or Territory, and (b) persons carrying on the banking business (where the receipt of deposits constitutes a major part of such business) in respect of transactions in the ordinary course of such banking business.

The House recedes with two amendments, one making a clerical correction in the parenthetical clause in paragraph (1), the other striking out a parenthetical clause in paragraph (2) which is unnecessary.

On amendments Nos. 30, 31, 32, and 33: These amendments make clerical changes; and the House recedes.

On amendment No. 34: This amendment restores the credit of dividends for normal tax purposes, allowed under the existing law but stricken out by the House bill; and the House recedes.

On amendment No. 35: Under the House bill the personal exemption in the case of a head of a family or a married person was \$2,500, without regard to the amount of the net income. The Senate amendment limits such exemption to \$2,000 where the net income is in excess of \$5,000, with additional provisions designed to avoid discrimination in cases where the net income is slightly in excess of \$5,000; and the Senate recedes.

On amendment No. 36: This amendment eliminates any credit for earned income; and the House recedes.

On amendment No. 37: This amendment eliminates the specific credit against net income allowed under the House bill to corporations; and the House recedes.

On amendment No. 38: This existing law requires, in the case of installment obligations transmitted at death, that there be included as income in the return of the decedent for the year of his death the unreturned profit represented by such obligations. This amendment eliminates such requirement if there is filed with the commissioner a bond conditioned upon the return as income, by the person receiving any payment on such obligations, of the same proportion of such payment as would be returnable as income by the decedent had he lived and received the same; and the House recedes.

On amendment No. 39: This amendment makes a clerical change made necessary by amendment No. 37; and the House recedes.



On amendments Nos. 40 and 41: These amendments require the filing of returns by married persons having net incomes of \$2,000 or over, instead of \$2,500 or over as under the House bill; and the Senate recedes.

On amendment No. 42: This amendment provides that a farmers' cooperative marketing or purchasing association need only keep such records as will show the actual business done with nonmembers and the profit, if any, derived therefrom, and that exemption shall not be denied on the ground that the record of transactions between the association and nonmembers is not kept on ledger accounts. The amendment also provides that such an association shall be allowed to retain the profits, if any, derived from its business with nonmembers, subject to the right of any nonmember to use his share of such profits, if any, to qualify as a member of the association. The Senate recedes.

On amendment No. 43: This amendment restores the provisions of the existing law, in conformity with Senate amendment No. 56; and the House recedes.

On amendment No. 44: This amendment provides that where property was acquired by a corporation as a contribution to capital, as well as where it was acquired as paid-in surplus, the basis shall be the same as the basis in the hands of the transferor; and the House recedes.

On amendment No. 45: This amendment is rendered unnecessary by reason of Senate amendment 46; and the Senate recedes.

On amendment No. 46: This amendment makes it clear that the basis of property held during any period in the taxable year 1929 or any subsequent taxable year in respect of which a consolidated return was filed shall be adjusted in respect of items relating to such period in accordance with the regulations under section 141 of the 1928 act or of the bill; and the House recedes.

On amendment No. 47: This amendment permits the taxpayer to capitalize taxes and other carrying charges on unimproved and unproductive real property, but precludes the taxpayer from capitalizing any such items for which deductions have been taken by the taxpayer or predecessors in title in determining net income for the current or any preceding year; and the House recedes.

On amendment No. 48: The House bill retained the provisions of existing law requiring the adjustment of the basis of property on account of depletion to be made without regard to discovery value or percentage depletion. The Senate amendment retains this provision for taxable years prior to 1932, but eliminates it for the taxable year 1932 and subsequent taxable years; and the House recedes.

On amendment No. 49: This amendment makes a clerical change necessitated by the extension of percentage depletion; and the House recedes.

On amendment No. 50: Percentage depletion having been extended to include metal, coal, and sulphur mines, this amendment provides that in the case of such mines depletion may not be computed on the basis of discovery value; and the House recedes.

On amendments Nos. 51 and 52: These amendments make clerical changes necessitated by the transfer of the provisions relating to percentage depletion in the case of sulphur mines to a new subsection; and the House recedes.

On amendment No. 53: This amendment makes it clear that in computing the gross income from the property for the purpose of determining the allowance for percentage depletion in the case of oil and gas wells, there shall be excluded from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property; and the House recedes.

On amendment No. 54: This amendment changes the rate of percentage depletion in the case of sulphur from 27½ per cent, as in the House bill, to 23 per cent of the gross income from the property, and allows percentage depletion in the case of coal and of metal mines, at the respective rates of 5 per cent and 15 per cent of the gross income from the property; the percentage depletion allowance can not in any

case exceed 50 per cent of the net income from the property. As in the case of oil and gas wells the amendment makes it clear that rents and royalties paid or incurred by the taxpayer in respect of the property are to be excluded in computing the gross income from the property. The amendment requires that the taxpayer make in his 1933 return an election, binding for 1934 and subsequent years, whether he will have the depletion deduction as to each property computed with or without reference to percentage depletion, and the failure so to elect will preclude the use of percentage depletion. The amendment also provides that if, because of the provisions of section 113(a) of the bill, the basis of property acquired after December 31, 1933, is determined either (1) by reference to the basis of the property in the hands of a transferor, donor, or grantor, or (2) by reference to the basis of other property previously held by the taxpayer, then the method of computing the depletion allowances in respect of the property so acquired shall be the same as the method previously used by the transferor, donor, or grantor, or by the taxpayer in respect of the property previously held. The House recedes with a clerical amendment.

On amendment No. 55: This is a clerical change necessitated by Senate amendment No. 56; and the House recedes.

On amendment No. 56: This amendment restores the provisions of existing law which exempt from taxation as ordinary dividends distributions of earnings or profits accumulated, or increase in value of property accrued, prior to March 1, 1913. The House recedes.

On amendments Nos. 57 and 58: These amendments restore the provisions of existing law and are necessitated by Senate Amendment No. 56; and the House recedes.

On amendment No. 59: This amendment eliminates the exclusion from gross income, in the case of a nonresident individual citizen, of earned income from sources without the United States; and the House recedes with an amendment which restores the exclusion except as to amounts paid by the United States or any agency thereof, and makes clerical changes.

On amendments Nos. 60, 61, 62, 63, 64, and 65: These amendments make clerical changes; and the Senate recedes.

On amendment No. 66: This is a clerical amendment made necessary by the addition of paragraph (4) to section 114 (b); and the House recedes.

On amendment No. 67: This amendment results in net loss deductions being allowable for 1932, 1933, and 1934, as well as for subsequent years; and the House recedes.

On amendment No. 68: This is a clarifying amendment which restores to the bill a provision of existing law; and the House recedes.

On amendments Nos. 69 and 70: These amendments make it clear that a 1931 net loss is deductible in computing net income for 1932; and the House recedes.

On amendment No. 71: This amendment eliminates from the House bill the provision limiting the credit for taxes paid to any foreign country to the same proportion of the tax as the income from that country bears to the total income and restores the provisions of existing law; and the Senate recedes.

On amendment No. 72: This amendment, in conformity with Senate amendment No. 71, eliminates the requirement that the taxpayer supply information concerning the income derived from any foreign country when credit for the tax paid to such country is claimed; and the Senate recedes.

On amendments Nos. 73 and 74: These amendments give effect (in so far as not inconsistent with this bill) to the consolidated returns regulations prescribed under section 141 of the revenue act of 1928, in order to provide for corporations the returns for which may be filed on a fiscal year basis before new regulations are promulgated under section 141(b) of the bill; and the House recedes.

On amendment No. 75: This amendment eliminates from the House bill the provision increasing the corporate rate by 1½ per cent for the privilege of filing consolidated returns. The House recedes with an amendment increasing the rate



by three-fourths of 1 per cent, in the case of the taxable years 1932 and 1933 only.

On amendment No. 76: This amendment carried out the policy expressed in Senate amendment No. 35; and the Senate recedes.

On amendment No. 77: This amendment is made necessary by Senate amendment No. 102 increasing the normal rate on nonresident alien individuals from 7 per cent to 8 per cent; and the House recedes.

On amendment No. 78: The House bill provides for withholding at the source in the case of foreign corporations at the rate of 13½ per cent. The Senate amendment fixes the rate at 14 per cent. The House recedes with an amendment fixing the rate at 13¾ per cent.

On amendments Nos. 79 and 80: These amendments are made necessary by Senate amendment No. 102 increasing the normal rate on nonresident alien individuals from 7 per cent to 8 per cent; and the House recedes.

On amendment No. 81: This amendment is made necessary by the restoration of the credit for dividends for the purpose of the normal tax, which credit was eliminated in the House bill; and the House recedes.

On amendment No. 82: The House bill provides for withholding at the source in the case of foreign corporations at the rate of 13½ per cent. The Senate amendment fixes the rate at 14 per cent. The House recedes with an amendment fixing the rate at 13¾ per cent.

On amendment No. 83: This amendment is made necessary by Senate amendment No. 102 increasing the normal rate on nonresident alien individuals from 7 per cent to 8 per cent; and the House recedes.

On amendment No. 84: The House bill provides for withholding at the source in the case of foreign corporations at the rate of 13½ per cent. The Senate amendment fixes the rate at 14 per cent. The House recedes with an amendment fixing the rate at 13¾ per cent.

On amendment No. 85: This amendment changes section 165 of the House bill to provide that only the excess of the amount distributed or made available to an employee over the amounts contributed or paid in by him to the trusts mentioned in that section shall be taxable in the year of distribution; and the House recedes.

On amendment No. 86: By this amendment the scope of the section of the House bill relative to revocable trusts has been extended to include cases where the power to revest title to any part of the corpus is wholly vested in a person not having a substantial adverse interest; and the House recedes.

On amendments Nos. 87, 88, 89, 90 and 91: These amendments extend the scope of section 167, taxing the income of certain trusts to the grantor, to cases in which the discretion as to the disposition of the trust income is in any person not having a substantial adverse interest in the disposition of such income, even though such discretionary power is not shared with the grantor; and the House recedes.

On amendment Nos. 92 and 93: These amendments increase the corporate rate on life insurance companies from 13½ per cent to 14 per cent to conform to similar action taken in respect of ordinary corporations in Senate amendment No. 9. The House recedes with an amendment making the corporate rate 13¾ per cent.

On amendment No. 94: The House bill substituted for the 4 per cent interest assumption rates provided for by existing law the rate of 3½ per cent in both types of reserves specified in the subsection. This amendment permits the use of the 4 per cent rate in cases of reserves required by law unless the reserve fund is computed at a lower interest assumption rate, in which case the rate of 3¾ per cent is required to be used. The amendment also provides for a uniform rate of 3¾ per cent in respect of reserves not required by law in the case of combined life, health, and accident policies. The House recedes.

On amendment No. 95: This is a clerical amendment; and the House recedes.

On amendment No. 96: This amendment is made necessary by Senate amendment No. 37 eliminating the specific credit allowed corporation; and the House recedes.

On amendment No. 97: This amendment provides for the deduction of a proportionate part of the depreciation, taxes, and other expenses pertaining to real estate owned and occupied by a life insurance company, determined by the proportion which the rental value of the space not occupied by the company bears to the rental value of the entire property; and the House recedes.

On amendments Nos. 98 and 99: These amendments increase the corporate rate upon insurance companies other than life or mutual from 13½ per cent under the House bill to 14 per cent, to correspond to a similar change made with respect to ordinary corporations. The House recedes with an amendment fixing the corporate rate at 13¾ per cent.

On amendment No. 100: This amendment requires the inclusion in the gross income of insurance companies other than life or mutual not only of investment and underwriting income, but also of all other items constituting gross income under section 22; and the House recedes.

On amendment No. 101: This amendment eliminates the specific credit allowed insurance companies other than life or mutual to correspond to a similar change made with respect to ordinary corporations; and the House recedes.

On amendments Nos. 102 to 108, inclusive: These amendments are made necessary by Senate amendment No. 3, increasing the normal rates on individuals; and the House recedes.

On amendment No. 109: This amendment is made necessary by Senate amendment No. 37, eliminating the specific credit allowed corporations; and the House recedes.

On amendments Nos. 110 and 111: These are clerical amendments; and the House recedes.

On amendment No. 112: The purpose of this amendment is to make it clear that estates, although not subject to estate tax under existing law, may be subject to the additional estate tax, in view of the lowering of the exemption from \$100,000 to \$50,000; and the House recedes.

On amendment No. 113: This amendment imposes an additional estate tax upon Federal, State, or municipal securities the income from which is exempt from income tax; and the Senate recedes.

On amendments Nos. 114 and 115: These amendments make clerical changes; and the Senate recedes.

On amendment No. 116: This amendment is to make it clear that an estate tax return is to be filed in the case of nonresident decedents where the gross estate is less than \$50,000; and the House recedes.

On amendment No. 117: Under this amendment gifts by nonresident citizens of the United States are subject to the gift tax regardless of whether the donated property is situated within or without the United States; and the House recedes.

On amendment No. 118: This is a clarifying amendment to make it plain that the gift tax applies only to gifts made after the date of the enactment of the act; and the House recedes.

On amendment No. 119: This amendment provides that the gift tax is not applicable to transfers in trust where the right of revocation is (1) in the donor, either alone or in conjunction with any person not having a substantial adverse interest, or (2) in any person not having a substantial adverse interest, but that the termination of such power (other than by the donor's death) shall be considered a taxable transfer. The House recedes with an amendment changing the rule in the case of transfers in trust when the condition referred to in (2) obtains, as a result of which amendment a transfer in trust, in respect of which the donor retains no power to revoke in himself, either alone or in conjunction with another, will be treated as a transfer subject to gift tax.

On amendments Nos. 120 and 121: Under the House bill gifts (other than of future interests in property) to any one person by the donor during the calendar year are exempt



from the gift tax on the first \$3,000. Under these amendments this amount is raised to \$5,000; and the House recedes.

On amendments Nos. 122 and 123: These are clerical amendments made necessary by Senate amendment No. 117; and the House recedes.

On amendment No. 124: This is a clerical amendment; and the House recedes.

On amendments Nos. 125, 126, and 127: These are clerical amendments; and the House recedes.

On amendment No. 128: This amendment makes it a felony willfully to attempt in any manner to evade or defeat the gift tax; and the House recedes.

On amendment No. 129: This is a clerical amendment to the heading for Title IV; and the House recedes.

On amendment No. 130: This amendment makes the imposition of the tax on imported articles subject to any exemptions from duty or preferential rates provided by treaties of the United States in so far as the treaties are applicable; and the House recedes.

On amendment No. 131: This amendment includes imported coal, lumber, and copper in the exception from the provision making the drawback privilege inapplicable, with the result that the drawback provisions of the tariff act, unless restricted by their terms to other articles, will be extended to these articles; and the House recedes.

On amendment No. 132: The House bill provided for the imposition in full of the tax upon imported articles notwithstanding any provision of law or treaty granting exemption from or reduction of duty to products of any possession of the United States or of any country. The Senate amendment makes this provision inapplicable in the case of imported oil, coal, lumber, and copper, and provides that in the case of these articles Puerto Rico shall be treated as a part of the United States. The effect is to provide that the imposition of tax on the importation of these articles, with respect to which no corresponding tax on domestic sales is imposed, will be on the same basis with respect to the possessions as a regular customs duty. The amendment also eliminates the references to treaties and to foreign countries, in accordance with the action on amendment No. 130. The House recedes.

On amendment No. 133: This amendment makes the tax applicable to all grades of lubricating oil without reference to the degree of viscosity. The House recedes.

On amendment No. 134: Since a tax on imported lubricating oils is provided for in subsection (c) (4), this amendment limits the tax under subsection (c) (1) to sales by domestic manufacturers or producers. The House recedes.

On amendment No. 135: This amendment increases the tax under the House bill on brewer's wort from 5 cents to 15 cents per gallon; changes the tax on malt sirup, etc., from 35 cents per gallon to 3 cents per pound, which is approximately equivalent; and adds an exemption of sales of malt sirup, etc., to manufacturers or producers of foods, cereal beverages, or textiles. The House recedes.

On amendment No. 136: This amendment changes the rate of tax under the House bill on grape concentrate, etc., from 40 per cent of the price or duty-paid value to 20 cents per gallon; provides that the tax shall not apply to finished or fountain sirups, which are separately taxed; and adds an exemption of sales of grape concentrate, etc., to manufacturers or producers of food products or soft drinks for use in the manufacture or production of such products. The House recedes.

On amendment No. 137: This amendment reduces the rate under the House bill on imported crude petroleum, fuel oil, and gas oil from 1 cent to one-half cent per gallon and increases the rate on imported gasoline from 1 cent to 2½ cents per gallon. The amendment also provides import taxes on lubricating oils, other liquid derivatives of petroleum, paraffin and other petroleum wax products, asphalt, and bitumen. The House recedes with an amendment striking out the tax on asphalt and bitumen.

On amendment No. 138: This amendment makes it clear that the tax on coal shall apply to all sizes, grades, and classifications of coal other than culm and duff. The amendment contains a provision to exempt imports from any

country which during the preceding calendar year has imported from the United States a greater quantity of all the articles described in the paragraph than it has exported to the United States. The House recedes.

On amendment No. 139: This amendment imposes a tax of \$3 per thousand feet, board measure, on imported lumber, rough, or planed or dressed on one or more sides, other than flooring made of maple (except Japanese maple), birch, and beech. The House recedes.

On amendment No. 140: This amendment imposes a tax of 4 cents per pound on the copper content of imported ores and concentrates and the materials and semimanufactured articles enumerated in paragraph 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act. Compensatory rates are provided for other imported articles containing copper. The House recedes with an amendment exempting ores and concentrates imported for fluxing purposes in an aggregate amount of not to exceed 15,000 tons in any year.

On amendment No. 141: Under the House bill tires and inner tubes for automobiles, automobile trucks, and motor cycles were taxed as parts or accessories for such articles. The Senate amendment imposes instead a tax on all tires and inner tubes (whether or not for automobiles, automobile trucks, or motor cycles) at the rate of 2¼ cents a pound on total weight (exclusive of metal rims or rim bases) in the case of tires, and 4 cents a pound on total weight in the case of inner tubes. The House recedes.

On amendment No. 142: This amendment makes a clerical change in the section number. The House recedes.

On amendments Nos. 143 and 144: These amendments eliminate tooth and mouth washes, dentifrices, tooth pastes, and toilet soaps from the list of toilet preparations which were taxed at 10 per cent under the House bill. The House recedes with an amendment subjecting these articles to a 5 per cent tax.

On amendment No. 145: This amendment makes a clerical change in the section number. The House recedes.

On amendment No. 146: The House bill imposed a tax of 10 per cent on the sale by the manufacturer, producer, or importer of articles made of fur on the hide or pelt or of which such fur is the component material of chief value. The Senate amendment substitutes a tax on the dressing of furs equivalent to 10 per cent of the fair market value of the dressed furs, to be paid by the owner of the furs, and an import tax of 10 per cent ad valorem on dressed furs. The House recedes.

On amendment No. 147: This amendment makes a clerical change in the section number. The House recedes.

On amendment No. 148: This amendment exempts silver-plated ware and frames or mountings for spectacles or eyeglasses from the tax under the House bill on articles made of, or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory. The House recedes.

On amendment No. 149: This amendment subjects to the 10 per cent tax parts for watches or clocks sold for more than 9 cents each. The House recedes.

On amendment No. 150: This amendment exempts from tax articles used for religious purposes and articles sold for less than \$3. The House recedes with an amendment making it clear that this exemption shall not apply to parts for watches or clocks.

On amendment No. 151: This amendment makes a clerical change in the section number. The House recedes.

On amendments Nos. 152 and 154: These amendments exclude tires and inner tubes from the category of parts and accessories for automobiles, automobile trucks, and motor cycles. All tires and inner tubes are separately taxed under section 602, added to the bill by Senate Amendment No. 141. The House recedes.

On amendment No. 153: This amendment increases the rate under the House bill on parts or accessories for automobiles, automobile trucks, or motor cycles from 1 per cent to 2 per cent. The House recedes.

On amendment No. 154: This amendment is explained in connection with amendment No. 152.

On amendment No. 155: This amendment allows a body manufacturer to sell bodies tax free to an automobile or



automobile truck manufacturer for use in the manufacture of automobiles or automobile trucks to be sold by him, and makes the vendee liable for the tax on the body when he sells it separately or as part of a completed automobile or automobile truck; and the House recedes.

On amendment No. 156: Under this amendment, if tires or inner tubes on which tax has been imposed are sold on or with automobiles, automobile trucks, or motor cycles, the manufacturer may take a credit against the tax due on the sale of such automobiles, etc., equal, as nearly as practicable, to the portion of the tax on such articles which is attributable to the tires or tubes. Such portion is to be determined by applying the percentage rate of tax applicable in the case of such automobiles, etc., to the price paid by the automobile, etc., manufacturer for the tires and tubes, or, if the tires and tubes have been manufactured or imported by the manufacturer of the automobiles, etc., to the constructive price determined under section 622 (inserted by Senate amendment No. 186), less in either case the part of such price attributable to metal rims or rim bases; and the House recedes.

On amendment No. 157: This amendment provides for the refund or abatement of the tax on automobiles, trucks, motorcycles, tires, inner tubes, parts, and accessories which are sold prior to the expiration date of the tax on such articles but are on such date held by a dealer for sale. The amendment contains administrative provisions for effecting this result and for assuring to a dealer recovery of so much of any tax so refunded or abated to the manufacturer as has been passed on to the dealer. To offset this concession, the taxes on these articles are (under amendment No. 204) kept in force for one month longer than other terms under Title IV. The House recedes.

On amendment No. 158: This amendment eliminates the tax under the House bill on sales of boats, in view of the tax on the use of boats added by amendment No. 247. The House recedes.

On amendments Nos. 159, 160, and 161: These amendments include tennis racket frames and strings and football uniforms in the list of articles taxed under the House bill as sporting goods and exclude canoe cushions and football goals from such list. The House recedes.

On amendment No. 162: This amendment excludes aerial cameras from the tax under the House bill on cameras. The House recedes.

On amendments Nos. 163 and 164: These amendments substitute for the rate of 4 cents per 1,000 provided in the House bill for all matches, the rates of one-half of 1 cent per 1,000 in the case of paper matches in books and 2 cents per 1,000 in the case of all other matches. The House recedes.

On amendment No. 165: This amendment reduces the rate of tax under the House bill on candy from 5 per cent to 2 per cent. The House recedes.

On amendment No. 166: This amendment reduces the rate of tax under the House bill on chewing gum from 5 per cent to 2 per cent. The House recedes.

On amendment No. 167: This amendment changes the rate of tax under the House bill on cereal beverages from 2 cents to 1½ cents a gallon. The House recedes.

On amendment No. 168: This amendment imposes a tax of 5 cents a gallon upon unfermented grape juice containing 35 per cent or less of sugars by weight, which under the House bill was taxed at 2 cents a gallon. The House recedes with a clarifying amendment.

On amendment No. 169: This amendment is a clerical change in the paragraph number. The House recedes.

On amendments Nos. 170 and 172: These amendments exclude grape juice from the tax on unfermented fruit juices and the tax on still drinks, in view of the fact that a tax on grape juice is provided by amendment No. 168. The House recedes.

On amendment No. 171: This amendment is a clerical change in the paragraph number. The House recedes.

On amendment No. 172: This amendment is explained in connection with amendment No. 170.

On amendment No. 173: This amendment is a clerical change in the paragraph number. The House recedes.

On amendment No. 174: This amendment excludes from the tax on mineral or table waters waters exploited and advertised to the medical profession exclusively. The Senate recedes.

On amendment No. 175: This amendment is a clerical change in the paragraph number. The House recedes.

On amendments Nos. 176 and 177: These amendments provide that the rate of tax on finished or fountain sirups shall be 6 cents a gallon in all cases where under the House bill the rate was 9 cents a gallon. The House recedes.

On amendments Nos. 178 and 179: These amendments make clerical changes. The House recedes.

On amendment No. 180: This amendment imposes a tax of 3 per cent of the sale price of electrical energy sold by privately owned, operating electrical power companies. The House recedes with an amendment substituting a tax of 3 per cent of the price paid for electrical energy for domestic or commercial use (as distinguished from industrial use), to be paid by the purchaser and collected by the vendor with necessary administrative provisions and an exemption in the case of electrical energy sold to the United States, any State or Territory or political subdivision thereof, or the District of Columbia.

On amendment No. 181: This amendment imposes a tax of 1 cent a gallon on gasoline sold by the importer thereof or a producer of gasoline, except where sold to a producer of gasoline. The tax also attaches to the use by a producer or importer of gasoline purchased tax free or produced or imported by him if such gasoline is used otherwise than in the production of gasoline. The term "producer" is defined to include a refiner, compounder, or blender, or a dealer selling gasoline exclusively to producers of gasoline, and the term "gasoline" to include benzol and any other liquid the chief use of which is as a fuel for the propulsion of motor vehicles, motor boats, or aeroplanes. The House recedes.

On amendment No. 182: This amendment makes a clerical change in the section number. The House recedes.

On amendment No. 183: This amendment eliminates the provisions of the House bill relating to determination of the tax in the cases of sales at retail and sales at less than fair market price and provides (1) a method of determining sale price by including charges for containers and the like and excluding the tax under Title IV and transportation, delivery, and similar charges; (2) a method of determining sale price in the cases of retail sales, sales on consignment, and sales other than through an arm's-length transaction; and (3) the method of paying the tax in the cases of leases, installment sales, and conditional sales. The House recedes.

On amendment No. 184: This amendment permits an article which would be otherwise subject to tax (other than a tire or inner tube) to be sold free of tax for use as material for, or as a component part of, another article of the classes subject to tax under Title IV. A person selling an article which has been purchased tax free under this provision, is made subject to tax on the resale. The House recedes with an amendment making the provision inapplicable to articles taxable under the section relating to the tax on furs.

On amendment No. 185: This amendment provides for refunds or credits (1) where a manufacturer or producer has purchased tax-paid articles and used them in the manufacture or production of taxable articles, and (2) where the price on the basis of which the tax was originally computed is adjusted by reason of returns, discounts, etc. The amendment also contains administrative provisions governing the allowance of such refunds or credits, and prohibiting refund or credit of tax which has been passed on unless the ultimate consumer has been reimbursed or consents to the refund or credit. The House recedes.

On amendment No. 186: This amendment provides that any person (1) who manufactures, produces, or imports an article (other than a tire or inner tube, or, in the case of a manufacturer or producer of cereal beverages, other than



brewer's wort) and uses such article except as material for, or as a component part of, another taxable article, or (2) who manufactures, produces, or imports a tire or inner tube and sells it on or in connection with the sale of an article subject to tax under the section imposing a tax on automobiles, etc., shall be liable to tax as though such article was sold separately by him and the tax shall be computed on a price at which the most nearly comparable articles are sold in the ordinary course of trade by him or other manufacturers, producers, or importers. The House recedes with an amendment striking out the exception of brewer's wort, which is unnecessary, since cereal beverages are taxable articles.

On amendment No. 187: This amendment provides that where any person other than the manufacturer, producer, or importer of a taxable article (such as an assignee in bankruptcy) acquires by operation of law or by any transaction not subject to the tax, the sale of such article by such person shall be taxable as if made by the manufacturer, producer, or importer. The House recedes with an amendment making it clear that the section applies only in cases of acquisition from the manufacturer, producer, or importer.

On amendment No. 188: This amendment provides an exemption from all taxes under Title IV in the case of articles of native Indian handicraft manufactured or produced by Indians on reservations, in Indian schools, or under the jurisdiction of the United States Government in Alaska. The House recedes.

On amendment No. 189: This amendment is a clerical change of a section number. The House recedes.

On amendments Nos. 190, 191, 192, 194, 195, and 196: These amendments are made to section 619 of the House bill, transferring the burden of the tax to the vendee in the case of contracts made before March 1, 1932. The changes are that the date is made May 1, 1932, and that provisions are added that the section shall not be applicable where the contract provides that the vendor shall pay the tax; that no tax shall be imposed where such a contract is with the United States or with an ultimate consumer, as distinguished from a vendee who intends to resell the article as such or as part of another article; and that in case the vendee refuses to pay the tax to the vendor, the facts shall be reported to the commissioner, who will effect collection from the vendee. The House recedes.

On amendment No. 193: This amendment excepted electrical energy from the scope of the provision relating to contracts before May 1, 1932. The Senate recedes.

On amendment No. 197: This amendment is a clerical change in the section number. The House recedes.

On amendment No. 198: This amendment makes it clear that the administrative provisions relating to the return and payment of manufacturers' taxes apply in all cases except where the tax is collected on importation by the Customs Service. The House recedes.

On amendment No. 199: This amendment is a clerical change of a section number. The House recedes.

On amendment No. 200: This amendment is a clerical change of a section number. The House recedes.

On amendment No. 201: This amendment provides that the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe and publish all rules and regulations under Title IV except those relating to the taxes which are levied, assessed, collected, and paid in the same manner as duties imposed by the tariff act of 1930, which shall be prescribed in the same manner as customs regulations. The House recedes.

On amendment No. 202: This amendment is a clerical change of a section number. The House recedes.

On amendment No. 203: This amendment is a clerical change of a cross reference. The House recedes.

On amendment No. 204: This amendment provides that no tax shall be imposed under Title IV on any sale (including use or payment which is treated as a sale) or importation after July 31, 1934, in the case of articles taxable under section 606, relating to the tax on automobiles, etc., or section 602, relating to the tax on tires and inner tubes; or after

June 30, 1933, in the case of articles taxable under section 617, relating to the tax on gasoline. The House recedes.

On amendment No. 205: This amendment effects a change in the basis and rate of tax on telephone conversations, telegraph dispatches and messages, and cable and radio dispatches and messages. The House bill provided a tax of 5 cents in the case of any dispatch, message, or conversation for which the charge is more than 30 cents and less than 50 cents, and a tax of 10 cents where the charge is 50 cents or more. The amendment provides the following rates: Telephone conversations costing 50 cents or more and less than \$1, 10 cents; costing \$1 or more and less than \$2, 15 cents; costing \$2 or more, 20 cents; telegraph dispatches and messages, 5 per cent of the charge; cable and radio dispatches and messages, 10 cents each. The House recedes.

On amendment No. 206: This amendment reduces the rate of tax on leased wires and talking circuit special services from 10 per cent as proposed in the House bill, to 5 per cent. The House recedes.

On amendment No. 207: This amendment restricts the exemption provided in the case of payments for leased wires and talking circuit special services furnished to radio broadcasting stations or networks to cases where the station or network is used for noncommercial broadcasting. The Senate recedes.

On amendment No. 208: This amendment provides that the commissioner may extend the time for making returns and paying the taxes collected on telephone, telegraph, cable, and radio services and facilities for a period not exceeding 90 days. The House recedes.

On amendment No. 209: This amendment eliminates certain administrative provisions which are transferred to Part VIII, inserted in the bill by amendment No. 248. The House recedes.

On amendments Nos. 210 and 211: These amendments provide that the tax on admissions shall apply when the admission charge is 41 cents or more instead of 46 cents or more as provided in the House bill. The House recedes.

On amendment No. 212: The House bill removed the exemption from tax provided in existing law in the case of admissions to wrestling matches, prize fights, or boxing, sparring, or other pugilistic matches or exhibitions for the benefit of religious, educational, charitable, municipal improvement, and similar institutions, societies, and organizations, and in the case of college or university games or exhibitions. The Senate amendment restores the exemption in so far as it relates to college games and exhibitions, including wrestling or boxing matches, etc. The Senate recedes.

On amendment No. 213: This amendment is a clerical change to conform to amendments Nos. 210 and 211. The House recedes.

On amendment No. 214: This amendment provides a specific exemption from the tax in the case of admissions to the Olympic games to be held in the United States in the year 1932. The Senate recedes.

On amendment No. 215: This amendment exempts from the tax imposed on issues of bonds, and so forth, certain instruments under the terms of which the obligee is not permitted to make in any year a payment of more than 20 per cent of the cash amount to which he is entitled upon maturity of the instrument; and the House recedes.

On amendment No. 216: This amendment makes it clear that the basis of computation of the tax is the par value of the certificate (where a number of shares is evidenced by a certificate) rather than the par value of each share; and the House recedes.

On amendments Nos. 217 and 218: These amendments are in accordance with Senate amendment No. 216, except that they relate to no-par-value stock, where actual value is the basis for computing the tax; and the House recedes.

On amendment No. 219: This amendment is similar in nature to Senate amendment No. 216, except that it applies to stock transfers instead of stock issues; and the House recedes.

On amendment No. 220: This amendment eliminates the provision of the House bill making the tax on stock transfers



not less than one-fourth of 1 per cent of the selling price. The House recedes with an amendment providing that when stock is sold for \$20 or more per share the rate shall be 5 cents instead of 4 cents.

On amendment No. 221: This amendment exempts from the transfer tax certain transfers from a fiduciary to a nominee, or vice versa, and such transfers between nominees of the same fiduciary; and the House recedes.

On amendment No. 222: This amendment eliminates certain provisions included in the House bill, which were intended to prevent evasion of the tax on stock transfers by means of dealings on foreign exchanges by subjecting to tax transfers of stock made outside of the United States where either the transferor or the transferee was a citizen or resident of the United States; and the House recedes.

On amendments Nos. 223 and 224: These amendments make clerical changes in the subsection letters; and the House recedes.

On amendment No. 225: This amendment makes a clerical change necessitated by Senate amendment No. 220. The House recedes with an amendment in conformity with the action on Senate amendment No. 220.

On amendment No. 226: This amendment makes it clear that bonds, such as Federal, State, and municipal bonds, which are exempt from the issue tax, are also exempt from the transfer tax; and the House recedes.

On amendment No. 227: This amendment increases the rate of the bond transfer tax from 2 cents to 4 cents per \$100; and the House recedes.

On amendment No. 228: This amendment eliminates the provision of the House bill making the tax on bond transfers not less than one-eighth of 1 per cent of the selling price; and the House recedes.

On amendment No. 229: This amendment exempts from the tax a transfer of bonds in connection with a reorganization if any part of the gain or loss from the transfer is not recognized for income-tax purposes; and the House recedes.

On amendment No. 230: This amendment provides an exemption from the bond transfer tax in favor of fiduciaries and nominees, similar to that provided in Senate amendment No. 221, relating to the stock transfer tax; and the House recedes.

On amendment No. 231: This amendment exempts from the tax under the House bill on conveyances, deeds, etc., delivered in escrow prior to April 1, 1932. The House recedes.

On amendment No. 232: This amendment makes the tax under the House bill on transportation by pipe line applicable to crude petroleum and its liquid products instead of to oil only. The House recedes.

On amendments Nos. 233, 235, and 236: These amendments reduce the rate of tax on transportation of oil, etc., by pipe line from 8 per cent of the charge to 3 per cent. The House recedes with amendments making the rate 4 per cent.

On amendment No. 234: This amendment imposes the tax on the person furnishing the transportation of oil, etc., by pipe line rather than on the person paying for the transportation. The House recedes.

On amendments Nos. 235 and 236: These amendments are explained in connection with amendment No. 234.

On amendment No. 237: This amendment is necessitated by the imposition of the tax upon the person furnishing the transportation under amendment No. 234. The House recedes.

On amendments Nos. 238 and 239: These amendments are necessitated by the change in the imposition of the tax under amendment No. 234. The House recedes.

On amendment No. 240: This amendment eliminates administrative provisions which are transferred to Part VIII, added to the bill by amendment No. 248. The House recedes.

On amendments Nos. 241 and 242: By these amendments the tax under the House bill on leases of safe-deposit boxes, instead of expiring June 30, 1934, is made permanent. The House recedes.

On amendment No. 243: This amendment imposes the tax on the person paying for the use of the safe-deposit box rather than on the person receiving payment for such use. The House recedes.

On amendment No. 244: This amendment requires the person receiving payment for the use of the safe-deposit box to collect the tax from the person making such payment at the time such payment is received. The House recedes.

On amendment No. 245: This amendment eliminates administrative provisions which are transferred to Part VIII, added to the bill by amendment No. 248. The House recedes.

On amendment No. 246: This amendment provides for a tax of 2 cents upon each check, draft, or order for the payment of money drawn (on or after the 15th day after the date of the enactment of the act and before July 1, 1934) upon a bank, banker, or trust company. The tax is to be collected by the drawee of the instrument at the time of payment of the instrument, by charging the amount of the tax against the deposits to the credit of the maker or drawer. The House recedes, with an amendment making the tax applicable to checks, etc., presented for payment during the period specified, instead of to those made or drawn during the period.

On amendment No. 247: This amendment imposes a tax upon the use of boats over 28 feet in length, except those used exclusively for trade, fishing, or national defense. The rate of tax is as follows: Over-all length over 28 feet and not over 50 feet, \$10; over 50 feet and not over 100 feet, \$40; over 100 feet and not over 150 feet, \$100; over 150 feet and not over 200 feet, \$150; over 200 feet, \$200. The tax is to be paid on July 1 of each year, but expires on June 30, 1934. If a new boat is purchased on any date other than July 1, a proportionate part of the tax is imposed. In the case of foreign-built boats, not domestically owned on January 1, 1926, the rate of tax is doubled. Boats used for certain philanthropic purposes are exempt. The House recedes.

On amendment No. 248: This amendment consolidates a number of administrative provisions applicable to the taxes on telephone, telegraph, cable, and radio facilities, transportation of oil by pipe line, leases of safe-deposit boxes, and checks. The House recedes.

On amendment No. 249: Under the House bill additional time is granted to claim credit against the Federal estate tax for death duties paid to the States, except that the extension is not granted in cases where the right to claim such credit is barred at the time of the enactment of the act. Under the Senate amendment the provisions of the House bill are modified to permit the filing of claims in certain cases (even though the estate tax return may have been filed more than three years before the enactment of the bill) provided a petition was duly filed by the taxpayer with the Board of Tax Appeals. The House recedes.

On amendment No. 250: This amendment is explained in connection with Senate amendment No. 21. The House recedes.

On amendment No. 251: The House bill inserted a provision granting relief retroactively to estates whose assets greatly decreased in value subsequent to their valuation for estate tax purposes as of the date of death. The Senate amendment strikes this provision from the bill; and the House recedes.

On amendment No. 252: Under this amendment there is granted an extension of the time for payment of estate tax in certain cases where there is included in the gross estate the value of a remainder or reversionary interest; and the House recedes.

On amendment No. 253: The House bill imposes an excise tax upon the transfer of stock or securities by a citizen or resident of the United States or by a domestic corporation to a foreign corporation as paid-in surplus or to a foreign trust. The House provision has been enlarged by this amendment to include not only transfers by a citizen or resident of the United States or by a domestic corporation but also transfers by a partnership or by a domestic trust, and furthermore, to include transfers to foreign trusts,



foreign partnerships, and foreign corporations, whether made as contributions to surplus or to capital. The House provision relieving certain transfers from tax has been restricted by this amendment through the elimination of that portion which exempts transfers for adequate and full consideration in money or money's worth. The definition of a foreign trust has been changed by the amendment; that is, a trust is classified as foreign if the profit from an assumed sale of the transferred property would not be included in the gross income of the trust, the classification not being dependent upon whether or not such profit would be taxable to the trust. The commissioner is given power under the amendment to abate, remit, or refund the tax imposed upon such transfers if he is satisfied that the transfer was not made in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes. The House recedes.

On amendment No. 254: Under this amendment the increased rates on first-class postage provided in the House bill expire on July 1, 1933, instead of on July 1, 1934. The Senate recedes.

On amendment No. 255: This amendment imposes on the advertising portion of any publication entered as second-class matter subject to the present zone rates of postage the following rates per pound or fraction thereof for delivery within the eight postal zones established for fourth-class matter: First and second zones, 2 cents; third zone, 3 cents; fourth zone, 5 cents; fifth zone, 6 cents; sixth zone, 7 cents; seventh zone, 9 cents; eighth zone, and between the Philippine Islands and any portion of the United States, including the District of Columbia and the several Territories and possessions, 10 cents. These rates are effective on and after July 1, 1932, and expire on July 1, 1934. The House recedes.

On amendment No. 256: This amendment makes a clerical change in the subsection letter; and the House recedes.

On amendment No. 257: This amendment provides that, effective July 1, 1933, the rates for each form or classification of postal service shall be based upon the actual cost, but no rate shall be reduced below that in effect during the fiscal year 1931, and, subject to certain limitations, such rates shall be fixed and determined from time to time by the Interstate Commerce Commission. The amendment also provides a special class of stamps for franking purposes. The Senate recedes.

On amendment No. 258: This amendment provides that the statute of limitations on bringing suit to recover internal-revenue taxes illegally collected shall be two years, such period to run from the date of mailing by registered mail by the commissioner of a notice of the disallowance of the part of the claim to which the suit relates. The provision does not operate retroactively. The House recedes.

On amendment No. 259: This amendment makes it clear that credits or refunds are to be considered as allowed on the date on which the commissioner first signed the schedule of overassessments, provided the schedule was signed after May 28, 1928; and the House recedes.

On amendment No. 260: This amendment provides for immediate collection of miscellaneous taxes in certain cases where the commissioner finds that the taxpayer designs quickly to depart from the United States, or to remove his property therefrom, or to conceal himself or his property therein, or to do any other act tending to prejudice or to render wholly or partially ineffective proceedings to collect such tax; and the House recedes.

On amendment No. 261: Under this amendment a refund of miscellaneous taxes can not exceed the amount of the tax paid during the four years immediately preceding the filing of the claim, or, if no claim is filed, then during the four years immediately preceding the allowance of the refund. The amendment provides that it shall not bar from allowance a claim for refund filed prior to the enactment of the bill if such claim would have been allowable had the amendment not been enacted. The House recedes.

On amendment No. 262: This amendment provides that in certain cases where, by reason of the filing of a claim or request for credit, the collection of an assessed tax was post-

poned, any credit against the tax so assessed shall not be considered void and any payment of the part of the tax the payment of which was so postponed shall not be considered as an overpayment; and the Senate recedes.

On amendment No. 263: This amendment provides for the adjustment of a carrier's tax liability resulting from recapture payments after the Interstate Commerce Commission has certified to the Commissioner of Internal Revenue the amount and receipt of such payments. If the amount of recapturable income so paid differs from the amount previously allowed as recoverable in computing the tax liability of any carrier the commissioner is authorized to assess any deficiency attributable to such difference within two years from the date of certification, and any overpayment attributable to such difference may be refunded within such 2-year period, but not thereafter, unless claim for refund therefor is filed within the period. This amendment does not reopen cases which have already been closed under final closing agreements. The House recedes with a clerical amendment.

On amendment No. 264: Under existing law the limitation on prosecutions for offenses arising under the internal revenue laws is three years, except that in the case of offenses involving the defrauding or attempting to defraud the United States the period is six years. The Supreme Court has recently held that under existing law the offense of attempting to defeat and evade income taxes does not necessarily involve the defrauding or attempting to defraud the United States, fraud not being an essential ingredient of such offense, and that, therefore, the 3-year limitation period is applicable instead of the 6-year limitation period. This amendment prescribes a 6-year period in the case of the offense of willfully attempting in any manner to evade or defeat any income tax or the payment thereof or the offense of willfully aiding or assisting in the preparation or presentation of false claims, documents, or returns. A 6-year period is also prescribed in the case of conspiracy to attempt in any manner to evade or defeat any tax or the payment thereof. The 6-year period is made to apply as well to these offenses when committed by officers of the United States. The House recedes with a clerical amendment.

On amendments Nos. 265 and 266: These amendments make clerical changes in section numbers; and the House recedes with clerical amendments.

On amendment No. 267: This amendment provides that in case taxes are paid by two or more persons, corporations, partnerships, or fiduciaries on the same income or the same estate the overpayment is to be credited or refunded regardless of any closing agreement entered into if claim therefor is filed within seven years from the date of payment; and the Senate recedes.

On amendments Nos. 268, 269, and 270: These amendments make clerical changes in section numbers; and the House recedes with clerical amendments.

J. W. COLLIER,  
CHARLES R. CRISP,  
W. C. HAWLEY,  
ALLEN T. TREADWAY,

*Managers on the part of the House.*

Mr. CRISP. Mr. Speaker, this conference report comes up under the general rules of the House, and, of course, I am entitled to one hour's time. Any other Member of the House recognized in his own right would have one hour's time. It is in the power of the House to close debate and come to an immediate vote at any time the House orders the previous question, and I am sure the Speaker will recognize me, in charge of the report, to move the previous question.

I wanted to make this preliminary statement to see if I can get some agreement as to the amount of time we should occupy in debating the report. There is no one in the House who hates—if I may use that word—to make another speech as much as I do. I have had to talk a great deal during this Congress. This report, however, must be explained to the House. This duty devolves upon me, and it will take me 30 or 40 minutes to do this. I make this



statement to give the House the information so they will have it in arriving at how much time we should have for debate on the report. May I ask the gentleman from Oregon [Mr. HAWLEY] what suggestion he has to make?

Mr. HAWLEY. We are inclined to accommodate the gentleman from Georgia, the acting chairman of the committee, and would ask what he suggests in the matter of time.

Mr. CRISP. The gentleman from Illinois [Mr. RAINEY], the majority leader, advises me he desires 15 minutes. Mr. DOUGHTON, a member of the Ways and Means Committee, states he would like to have 10 minutes. The gentleman from New York [Mr. LAGUARDIA] has advised me he would like to have 10 or 15 minutes. I have several requests for 5 minutes. How many requests has the gentleman?

Mr. HAWLEY. I have at present requests for about one hour. If the gentleman from Georgia thinks one hour and a half on each side will be satisfactory, we will agree to that.

Mr. CRISP. I will agree to that, and, of course, if it is not consumed, and I am optimistic in assuming it will not be used, we can vote before the expiration of the time.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. CRISP. I yield.

Mr. BANKHEAD. As I understand, only one vote is contemplated, and that will be to either adopt the conference report or reject it.

Mr. CRISP. My friend is correct. The conference report is not amendable. The House must either accept it in its entirety or reject it. If the report is rejected there will have to be another conference between the House and the Senate on the tax bill, and every item in it will be again open for consideration by the conferees.

Mr. PARSONS. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. PARSONS. If the report has to be accepted or rejected, and we know generally what its substance is, why waste all the time in debate; why not take the vote and have it over with? The report is going to be adopted; why take up the three hours?

Mr. CRISP. The gentleman's statement is rather persuasive and appealing to me. [Cries of "Vote!" "Vote!"]

Gentlemen, I do not believe a bill of this magnitude should be passed without some explanation. The country is entitled to know something about it.

Mr. Speaker, I ask unanimous consent that there be three hours of debate, if that much is required, one-half to be controlled by myself and one-half by the gentleman from Oregon [Mr. HAWLEY], and I may assure those opposed to the bill that I shall give them an equitable distribution of my one-half, and I know the gentleman from Oregon will act likewise, and I shall be compelled myself to consume at least 30 minutes of the time.

Mr. HAWLEY. Will the gentleman from Georgia yield?

Mr. CRISP. I will.

Mr. HAWLEY. Will the gentleman add to his request that at the end of the three hours of debate the previous question be considered as ordered?

Mr. CRISP. Yes.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, why is it necessary for our Democratic manager to yield part of his time to the Republican leader on the other side, the gentleman from New York [Mr. LAGUARDIA]? Why does not the gentleman get his time from the gentleman from Oregon [Mr. HAWLEY]?

Mr. SNELL. So far as I know, the gentleman has not been a Republican leader. He belongs on your side.

Mr. CRISP. I may say to the gentleman from Texas that I shall expect the gentleman from New York to get his time from the gentleman from Oregon.

Mr. LAGUARDIA. The gentleman from New York [Mr. SNELL] need not be unduly excited about that statement.

Mr. SNELL. I was talking to the gentleman from Texas, not the gentleman from New York.

The SPEAKER. The gentleman from Georgia asks unanimous consent that there may be three hours' debate on the conference report, one-half of the time to be controlled by himself and one-half by the gentleman from

Oregon [Mr. HAWLEY], and at the end of that time the previous question shall be considered as ordered. Is there objection?

Mr. SCHAFER. Mr. Speaker, I reserve the right to object.

Mr. LAGUARDIA. Reserving the right to object, Mr. Speaker, may I suggest to the gentleman from Georgia that the only opportunity the House will have to vote on any separate item will be to vote down the previous question. Would not the gentleman submit his unanimous consent to two parts, omitting, first, the part that provides that the previous question may be considered as ordered?

Mr. CRISP. My friend from New York is a diligent man and an able man, and familiar with the rules of the House. He knows that voting down the previous question would not give the House an opportunity to vote on a single item in this bill, that the only question before the House is to accept or reject the conference report.

Mr. LAGUARDIA. The gentleman is right.

Mr. BURTNESS. Reserving the right to object, and I shall not object, I want to ask the gentleman if it is contemplated as nearly as possible, within reasonable limits of time, to yield to those who oppose the conference report?

Mr. CRISP. I am sure that is so. I am sure that the House has confidence in the fairness of the gentleman from Oregon, and if he has control of half of the time that he will be just to those opposed, and I expect him, out of his time, to take care of those on his side of the House who desire to speak for or against the conference report, and I shall seek to do the same on this side.

Mr. HOWARD. Reserving the right to object, I want to ask the gentleman a question. Will there be any opportunity at any time during the consideration of this conference report for a Member on the floor to offer an amendment?

Mr. CRISP. There will not.

Mr. HOWARD. I simply wanted the information.

Mr. CANNON. Reserving the right to object, and I shall not object, in the event the conference report is voted down and the bill again be subject to conference, would not the Senate amendments be up for consideration in the House?

Mr. CRISP. All of them; if the conference report is rejected, the whole subject matter is before the House, and the House could concur, if it desired, in every one of the Senate amendments or take them up seriatim and consider them and ask for another conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, I thank God we are not at war with any nation, but this is a more burdensome tax bill than had to be enacted during the late war.

While we are not at war, the suffering of the people of the United States as a whole is more acute than it was during the war, and your country and my country is not merely in a depression; we are in a critical crisis. The credit of the United States must be maintained, no matter what personal sacrifice it requires on the part of the citizenry of the United States. [Applause.] Gentlemen, that is the only reason why I will vote for this bill, for many of its provisions are obnoxious to me, and I would not support them in normal times.

Now, I am always delighted to yield to my colleagues, but I am going to make an exception this time, and I am not going to yield until I have completed my statement. [Applause.]

When the Ways and Means Committee began the consideration of a bill to balance the Budget, the Treasury estimated that there was a deficit of \$1,241,000,000. Taking the estimate of the Treasury and allowing for \$200,000,000 economy, the House passed a bill that the Secretary of the Treasury said he believed would balance the Budget.

When the bill went to the Senate the economic recovery became worse instead of better. Customs and excise-tax collections fell off, and the Treasury revised its estimate and concluded that the deficit for 1933 would be \$1,476,000,000, or \$235,000,000 more than the estimate when the House was considering the bill.



When the tax bill passed the House the Treasury estimated that it would provide \$1,031,900,000. When the matter was being considered in the Senate, with the revised Treasury estimate, it was estimated that the House bill would only produce \$856,200,000.

That is a broad view of the whole picture. Every thoughtful man knows that the welfare of every man, woman, and child in the United States, that the welfare of the country we all love demands a balanced Budget, and the Government receiving as much revenue as it pays out, because to-day we are paying out \$7,000,000 every day more than the Government is receiving, and no government can maintain its dignity, its credit, its honor, the stability of its money unless such a situation is corrected. This bill seeks to correct that situation, and this bill will correct it. I do not believe any of your remedial temporary measures to aid the situation will amount to anything without a balanced Budget.

The bill, as it passed the Senate, was estimated to raise \$1,117,000,000. The conference report before you on which your conferees agreed is estimated to raise \$1,118,500,000, or \$1,500,000 more than the Senate bill.

Let me give you some information as to the details of the conference report. The Senate added 270 amendments to the bill, 205 of which were purely technical, changing the number of some of the sections and changing the number of some of the cross sections, which, of course, was necessary. Where the Senate added new matter in the bill it required the renumbering of sections all through. Therefore, 205 of the Senate amendments were simply clerical in nature, changing the number of sections, having no substance in them at all, and it was simply pro forma to agree to them. Sixty-five of the Senate amendments may be said to be amendments containing real substance. Of those 65, 38 were agreed to by the House conferees, 16 were disagreed to, and the Senate receded, 7 were compromised in substance, and 4 were agreed to by the House conferees with minor amendments. The House conferees, assuming that the Budget had to be balanced, were driven to the necessity of accepting a number of the Senate amendments of real substance, for they had added new taxes to balance the Budget, and your conferees could not inject into that conference any new subject matters of taxation that were not in controversy between the two Houses. Therefore, your conferees were forced to take those amendments added by the Senate raising additional revenue, or bring in a bill that did not balance the Budget, which would have been calamitous to the United States. Therefore, your conferees agreed to them.

The House conferees agreed to the Senate amendments with slight changes as to the individual income taxes, and they are terrifically high, terrifically burdensome, running as high as 63 per cent. I hope business recovery will be such that they can be reduced.

The House won out on the matter of exemptions to married men. The Senate sought to reduce the exemption from \$2,500 down to \$2,000, but the House won out and the exemption for married men continues at \$2,500. Your House conferees took the position that with the enormously increased normal income-tax rates, with these burdensome excise taxes, which would be passed on to the consumer and with wages being reduced throughout the United States, it was not fair to further reduce that exemption.

The corporation tax was changed a little from that provided in the House bill, and in that I think the House won a distinct victory. It was the most controversial matter in conference, to wit, consolidated and affiliated returns. When the bill passed the House the flat corporation tax was 13½ per cent, and we had added the differentiation of a cent and a half for corporations making consolidated and affiliated returns.

The Senate was violently opposed to that provision, and favored consolidated returns at the same rate of taxation. The House conferees told the Senate conferees that we were adamant on that proposition, and there would be no agreement unless that principle was recognized. The conferees finally agreed to compromise, retaining the principle of consolidated and affiliated returns, fixed the flat corporation rate at 13¾ per cent and fixed the rate for consolidated

returns at 14½ per cent, which places a penalty of three-quarters of 1 per cent on corporations making consolidated and affiliated returns, which will give the House and the country at least an opportunity to know if making those returns is of substantial benefit to the corporation, information the House has long sought.

The House accepted the Senate provision taxing insurance companies.

The House accepted the Senate provision taxing bank checks. The House conferees sought to require a stamp if the matter was to be retained, thinking that was the most acceptable way. The Treasury took a different position. The Senate conferees would not yield, so that was agreed to just as it passed the Senate.

The House accepted the Senate amendment taxing gasoline 1 cent a gallon. I think both of those taxes are burdensome. I would not agree to either of those taxes under different circumstances, but this is an emergency. They both yield large amounts of revenue and we could not balance the Budget without them.

In this conference report are included many excise taxes levied on selected industries at high rates, which are estimated to yield \$457,000,000. The following is a list of them: Manufacturers' excise taxes including lubricating oil, wort, tires, toilet preparations, furs, jewelry, automobiles, radio, mechanical refrigerators, sporting goods, firearms, matches, candy, chewing gum, soft drinks, gasoline, electrical energy, and imported oil, coal, lumber, and copper. Every one of these taxes is nothing in the world but a sales tax on selected industries. The Ways and Means Committee sought to prevent this necessity of selecting certain industries, which is discriminatory, and placing high sales taxes on them by proposing a general manufacturers' excise tax with a low rate on wholesale prices. No matter what your rates on income taxes and the corporation tax are, you can not raise the money to balance the Budget, even though you levy 100 per cent tax, where there is no net profit. So Congress was confronted with levying some kind of taxes that are sales taxes which will be passed on if the competition of the business does not prevent it.

Therefore, to save, to prevent some of these very nuisance taxes, these burdensome excise sales taxes, they brought in a bill which was broad in its base, with a low rate applying to all manufacturing enterprises, which we thought was equitable, which we thought was the fairest way to balance the Budget, a way that would least retard business recovery, but the House in its wisdom decided otherwise, and from the moment the House voted I have never raised my voice in advocacy of the manufacturers' excise tax, for I accepted the judgment of the House as final. I thought when we were advocating it that it was the best tax. I think so now, and I am satisfied, when the country feels the pinch of these special sales taxes on selected industries, it will think so, too. [Applause.]

The manufacturers' sales tax bill that we sought to pass in the House exempted all farm products, fertilizers, foods, raw products, wearing apparel, medicines, and farm implements, and as far as the average man was concerned, it was a luxury tax.

The House conferees, for the purpose of raising money and for that purpose only, accepted, with a substantial modification, the Senate's amendment to tax electric energy. The Senate provided for a 3 per cent gross tax on public utilities that sold electric energy. The conferees became convinced that that was inequitable; that it would destroy many of the companies; that men, women, and children throughout the United States holding stocks and bonds of those companies would lose their investment; and the conferees finally agreed on a 3 per cent sales tax on commercial and domestic consumers of electric energy, to be passed on, the companies to be the collecting agencies for the Government. Statistics before the Ways and Means Committee showed that the average cost to the domestic consumer for electricity was \$3 a month. This tax will place a tax of 9 cents per month upon the average household consumer of domestic electricity. I regret it, but in this crisis, in this emergency, it is not burdensome, and are not all of our



splendid, patriotic American citizens willing to bear some burden in this crisis, just as those brave, splendid, heroic, patriotic young men were willing to risk all, even life, for country in war?

Technically we do not have war, but the financial condition of the country is at war worse than it was in 1917 and 1918.

Another matter that was highly controversial, and the House conferees sought to carry out the will of the House, was the levying of one-quarter of 1 per cent on stock transfers. We tried to get one-quarter. We could not. We tried to get one-eighth. We could not. We would not agree to report this bill without some increase on those transactions. It was finally agreed in compromise that the rate should be 4 cents per share on transfers when the value of the certificate transferred was \$20 or less, and when the value was above \$20 there should be a tax of 5 cents. We got a 1-cent increase.

The State of New York has a transfer tax on stocks of 4 cents. So that 4 cents plus the 4 or 5 cents makes the taxes on the stock transfers 8 or 9 cents. Under the existing law where stock is loaned for short selling, it pays no tax. Under this bill stock loaned for short selling must pay a tax of 8 or 9 cents, and I hope it will break up that nefarious, outrageous practice which has contributed much to the economic undoing of the country in this crisis.

We also have a tax of 5 cents per \$100 on future or commodity transactions, and I hope it will break up some of that practice and enable the agricultural interests of the country in the West and South to receive better prices for their commodities—cotton, wheat, hogs, and so forth.

The House adopted the Senate amendments on soft drinks, on furs, on jewelry, and in fact most of the other subject matters.

My friend the gentleman from New York [Mr. LaGuardia] asked me specifically how the tax applied on furs. It applies only when furs are the chief component part of the article. It does not apply when fur is used only as trimming.

There was a tax on the manufacturing of yachts in the House bill. It was represented to your conferees that many people desiring yachts would have them built abroad and they would sail them in here and escape the payment of that tax. In lieu of that we took a tax on the use of yachts, and it is expected to yield more money than the tax on the construction of yachts. That will make those who are fortunate enough to have yachts pay a tax, whether the yachts are built in the United States or abroad.

Mr. BRITTEN. Will the gentleman yield?

Mr. CRISP. No. I decline to yield to anybody.

The Senate accepted the House provision with reference to the payment of foreign-tax credit. The Senate receded from its amendment exempting from taxation soaps and all mouth washes, and so forth, so that all of those matters are subject to tax under this bill.

The House succeeded in raising a tax of 1 per cent on transportation of oil by pipe line.

The House provision as to taxing broadcasting stations on leased wires was accepted.

Mr. Speaker, I do not desire to take up any more time. I have not made a very connected, logical speech, but I am talking against time so as to give others an opportunity. I will not yield to anyone. I stated that, and I meant it.

Mr. CLANCY. Will the gentleman not explain the rubber-tire tax?

Mr. CRISP. Mr. Speaker, I decline to yield. I stated that before I commenced.

The House accepted the Senate amendment on the tax on automobiles, on trucks, and on rubber tires. I personally thought the tax on tires excessive. I tried to get it modified and could not. I think automobiles and the users of automobiles are taxed more severely under this bill than any other industry in the United States.

In conclusion, Mr. Speaker, I shall give just a summary of the bill. In my remarks right here I will extend a breakdown showing how much tax it is estimated will be yielded from each of the items in the bill, but I will not take the time now or trespass upon your patience to read it.

Summary of revenue bill as agreed upon in conference  
[Estimated additional revenue for fiscal year 1933, in millions of dollars]

Title I, Income tax:	
Individual—	
Normal tax rates, 4 per cent and 8 per cent, exemptions \$2,500 and \$1,000.....	63
Surtax rates, 1 per cent on net income in excess of \$6,000 to 55 per cent on net income in excess of \$1,000,000.....	88
No earned income credit.....	27
Total.....	178
Corporation—	
Rate, increased from 12 to 13½ per cent.....	22
Exemption eliminated.....	16
Consolidated return, additional rate of three-fourths of 1 per cent.....	3
Total.....	41
Limitation of security losses and other changes, largely administrative.....	80
Title II, estate tax. <sup>1</sup>	
Title III, gift tax, rates of three-fourths of 1 to 33½ per cent <sup>2</sup> .....	5
Title IV, manufacturers' excise taxes:	
Lubricating oil, 4 cents per gallon.....	33
Brewers' wort, 15 cents per gallon.....	82
Malt sirup, 3 cents per pound.....	
Grape concentrates, 20 cents per gallon.....	
Imported gasoline, crude oil, etc.; coal, lumber, and copper.....	6.5
Tires and tubes, 2¼ and 4 cents per pound.....	33
Toilet preparations, 10 per cent except dentifrices; soaps, etc., 5 per cent.....	13.5
Furs, 10 per cent.....	12
Jewelry, 10 per cent on amounts over \$3, plated silverware exempt.....	9
Passenger automobiles, 3 per cent; tires and tubes exempt.....	32
Trucks, 2 per cent.....	3
Parts and accessories, 2 per cent; tires and tubes exempt.....	7
Radio and phonograph equipment and accessories, 5 per cent.....	9
Mechanical refrigerators, 5 per cent.....	5
Sporting goods and cameras, 10 per cent.....	5
Firearms and shells, 10 per cent.....	2
Matches, wood, 2 cents per thousand; paper one-half cent per thousand.....	4
Candy, 2 per cent.....	4
Chewing gum, 2 per cent.....	1
Soft drinks, various rates.....	7
Electrical energy, 3 per cent on sales for domestic and commercial purposes.....	39
Gasoline, 1 cent per gallon.....	150
Total, Title IV.....	457
Title V, Miscellaneous taxes:	
Part I. Telephone, telegraph messages, etc., telephone, 10 cents, messages costing 50 cents to \$1; 15 cents, \$1 to \$2; 20 cents, \$2 and more; telegraph, 5 per cent; cable and radio, 10 cents.....	
	22.5
Part II. Admissions, 1 cent per 10 cents on admissions over 40 cents (educational and Olympic exemption eliminated).....	
	42
Part III. Stamp taxes—	
Issues of bonds or capital stock, 10 cents per \$100.....	6.5
Transfers of stock, etc., 4 cents per \$100 par value, or 4 cents per share no par, 5 per cent for shares selling over \$20 (rates to apply to loans of stock).....	20
Transfers of bonds, etc., 4 cents per \$100 par value.....	5
Conveyances, 50 cents on \$100-\$500; 50 cents per \$500 in excess.....	8
Sales of produce for future delivery, 5 cents per \$100.....	6
Part IV. Oil transported by pipe line, 4 per cent of charge.....	8
Part V. Leases of safe-deposit boxes, 10 per cent of rental.....	1
Part VI. Checks, 2 cents each.....	78
Part VII. Boats, various rates.....	.5
Total Title V.....	197.5
Total additional taxes.....	958.5

<sup>1</sup> Assuming collections, beginning after June 30, 1933.

<sup>2</sup> Assuming tax effective, beginning July 1, 1932.



Title VIII. Increased postage rates and other postal provisions, increase 1 cent in first-class postage; increase on second-class matter, etc..... 160

Total additional taxes and postal revenue..... 1,118.5

It was estimated when the tax bill passed the House that the tax on individual incomes would raise \$146,000,000.

The bill now before you is estimated to yield \$178,000,000. On corporations, when it passed the House, we expected an increase of \$31,000,000. In the bill before you it is \$41,000,000.

Income-tax administrative changes: As it passed the House we expected to save \$119,000,000. The bill before you saves \$80,000,000. We lose on this item.

Estate and gift taxes: These are the same. The Senate did not change in the slightest the House provision on estate taxes and gift taxes, even in a technical way. They could find no flaw or defect in those provisions.

The manufacturers' excise taxes included in the bill, malt, wort, furs, toilet preparations, and so forth provided only \$219,000,000 as it passed the House. The bill before you provides \$457,000,000.

I repeat, Mr. Speaker, if we are going to balance the Budget we will have to accept it, and we will have to accept some of the most obnoxious taxes in the world to me, because they are the ones in the bill that produce large sums of money and provide the only way with which to get the money to balance the Budget. The House conferees had to accept them or bring back to you a bill that would not balance the Budget. Under the parliamentary situation the House conferees could not suggest new items for taxation. We were confined to considering those in controversy between the two Houses of Congress.

Miscellaneous taxes, telephone messages, stocks, and so forth: As it passed the House this was estimated to raise \$180,000,000. The bill before you will raise \$197,000,000.

Increased postage as it passed the House contemplated extra revenue to the amount of \$155,000,000. The bill before you provides for \$160,000,000.

Mr. Speaker, no Member of the House can condemn some of the provisions of this bill more strenuously than I do, but we face an emergency. It is the only way the stability of the American dollar and the country's credit can be maintained. Therefore I agreed to it.

Now, in conclusion, there are three or four tariff items in the bill. I did not think this was a tariff bill and opposed the incorporation of tariff items in it; but when the bill passed the House, the House sent over two tariff items, oil and coal. The Senate agreed to these two tariff items. Therefore, your conferees were impotent, they were bound, they could not eliminate them. There was no possibility of eliminating them from the bill. You, the House, had placed two tariff items in the bill.

The Senate adopted two amendments providing a tariff on lumber and copper, and they also included in the oil provision a tax on asphalt used in constructing roads. The House conferees were able to eliminate the tariff on asphalt. Therefore, there is no tax on the asphalt used by the States, counties, and municipalities in constructing highways.

Under a protective-tariff theory copper was clearly entitled to a tariff, though I did not think it ought to go in this tax bill. The Tariff Commission reported copper had made out a case. The Senate put it in, and the Senate conferees were adamant, so that was agreed to with an amendment providing that 15,000 tons of fluxing copper ore might come in free.

With the tariff on copper disposed of, we had a complete agreement except the lumber item. We had a hard fight on the lumber item. I did not favor a tariff on lumber; but, Mr. Speaker, when it reached the point where there would be no complete agreement without a tariff on lumber, and in view of the fact there were three tariff items in the bill besides lumber, to break the tie I voted for the tax on lumber that we might bring in this complete report, for I believed I could do nothing that would serve my country more than to have a speedy complete agreement on this tax bill and get

it on the statute books at the earliest possible moment. [Applause.]

Now, my friend and valiant leader, the gentleman from Illinois [Mr. RAINY]—and he knows he has both my admiration and my affection—would not sign the report on account of the tariff items and maybe one or two other matters that he disagreed to.

Now, that is the case. You are confronted with this situation—you must either vote for this report and accept it in its entirety or, if your judgment says it is bad and should not be adopted, you have the right—and if you believe that way, it is your duty—to vote against accepting the conference report; and that means that we start de novo in the consideration of every one of the Senate amendments. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. HAWLEY. Mr. Speaker, I yield myself 10 minutes. [Applause.] The gentleman from Georgia has made a very admirable and succinct report on the conference action. In 31 minutes even so able a gentleman as he could not cover a conference report of this length. I do not intend to repeat anything he has said so far as I can remember, but to call attention to some other matters that are important for the House to know.

In the preparation of this tax bill we sought sources of revenue where they existed and taxed them as much as we thought the traffic would bear, and in some instances I am afraid the rate has gone beyond that. We have also, in a very considerable portion of the bill, closed up gaps through which evasions of taxation were being effected, and, especially in the matter of disallowances of deductions, have effected increases in revenue.

The House proposed a normal tax at the rate of 2 per cent on the first \$4,000 of taxable income, 4 per cent on the second \$4,000, and 7 per cent on the remainder. The Senate changed the number of brackets from three to two and imposed 4 per cent on the first \$4,000 of net taxable income and 8 per cent on the remainder of the taxable income, and in this the House concurred. This, according to the figures I have, will increase the revenue from that source approximately \$63,000,000 more than the present law. The Senate very materially increased the rates of the surtaxes, beginning with the early brackets, but imposed the principal part of the burden upon the higher brackets. This change will earn \$88,000,000 over the existing law. The House accepted the Senate amendment because it was necessary to do so in order to get sufficient revenue.

The House proposed an exemption for unmarried persons of \$1,000 and for married persons of \$2,500. The Senate proposed to reduce the \$2,500 to \$2,000, but the House did not concur.

The earned credit is entirely eliminated from the bill. You will remember that heretofore credits for earned income against the tax after it was computed were allowed on account of earned income. Such credits are not permitted in the bill as reported from conference.

Mr. KELLER. What is the effect of that?

Mr. HAWLEY. It will increase the revenue from the normal tax about \$27,000,000.

The small corporations had been entitled under the law heretofore to certain exemptions, but those exemptions have been eliminated altogether. We reduced such exemptions in the House, the Senate eliminated them altogether, and the House concurred, adding about \$16,000,000 in revenue by this action.

There was in the House bill an elimination of the exemptions from surtaxes of moneys earned prior to March 1, 1913, and distributed after that date after the most recent earnings had been distributed. The Senate restored that provision and the House agreed, the reason being that all earnings accumulated prior to March 1, 1913, were accumulated before there was any income tax; and if this provision had not been inserted, then we would have been taxing incomes not taxable when the income tax law was passed and would be in the nature of retroactive taxation.



As to insurance companies, we agreed with the Senate action. The result of this agreement was to make a more even distribution of the burden between the smaller and the greater companies—between those building up reserves at a lower rate and those that were using a higher—

Mr. COLE of Iowa. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. COLE of Iowa. Will the gentleman make a statement as to the action with reference to mutual companies?

Mr. HAWLEY. There was nothing in conference with respect to the mutual insurance companies, if I understand the purport of the question.

Mr. COLE of Iowa. Is there a tax on the profits of mutual insurance companies?

Mr. HAWLEY. Yes; the rate is 3¼ per cent under the present law.

The Senate added new taxes as follows: A tax on tires and inner tubes, to earn \$33,000,000, the tax being 2½ cents per pound on the weight of the tires and 4 cents on the weight of the tubes.

Mr. CLANCY. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CLANCY. Is not that double taxation? There is a tax on the completed automobiles and then there is another tax, a second tax, on the tires and tubes. Does the gentleman think that is fair?

Mr. HAWLEY. The gentleman is in error to this extent, that there are provisions in the bill that give credit for a tax paid on a completed article when a tax is collected on separate items, so that there is no double taxation. This proposal will earn \$33,000,000.

The Senate added a tax on unfermented grape juice of 5 cents per gallon, which will not earn a very large amount. I do not have the exact figures. The tax on electrical energy was inserted in the Senate.

Mr. HERR. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. HERR. Why was it provided that the tax should be collected from the consumer rather than from the vendor? Was any particular reason given that the collection should be made from the consumer rather than from the vendor?

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield myself three additional minutes. I can not take much time to answer questions in three minutes. It is collected for the Government by the vendor from the consumer, and would not the effect be the same whether it had been imposed upon the vendor and then added to the consumer's cost or collected directly from the consumer? It is much more easy to collect it from the source.

Mr. HERR. Would it not be much better to have it collected direct from the vendor, because the Government must ultimately go to the vendor for the money?

Collection of this tax under this bill will be made in each instance from the vendor, namely, the power company, whether the tax is levied on the company direct or on the consumer.

I fear there is hidden here something that has escaped the attention of the conferees, and that there is a grave evasion on the part of the power companies of the tax.

The statement that the ultimate consumer will pay taxes is true in most instances, but in this instance I am sure it is not. The rate or price at which electrical energy is sold has been established in many instances by public-utility departments in the different States.

These rates have been established for a considerable length of time and during the period when the country was working under normal conditions. In only a few instances have public utilities reduced rates on electrical energy, as have other industries.

All other industries have reduced the sale price of their products to the consumer. The public utilities in the main have kept their rates at the highest rate of charge specified by public-utilities commissions at a time when the Nation was prosperous.

These utilities should absorb the tax and not the consumer. This tax, if paid by the power companies, would only reduce the rate to where it should be. The power companies will not meet depression prices, unless compelled to do so. If the tax is levied against them and they complain, these companies will be compelled to go before the public-utility bodies and make a showing as to their rate adjustments.

This, of course, the companies do not want to do, as I am of the opinion that in their receipts with labor reduced in price in their industry, a showing would be made that would cause the public utilities departments of the several States to reduce the rates.

If this tax is levied against the consumer, as this bill provides, the company will attach the tax to the bill of the private consumer and still go on under its old rate established in prosperous times.

As a matter of fact, I am opposed to a tax on electrical energy of any kind. The people of our irrigated country will feel this burden heavily. The individual consumers will also be made to pay more than their proportionate share.

If I had my way about it, I would strike the entire section from this bill, and may I be recorded as opposed to any tax on electrical energy. I am opposed to many features of this bill and under extension of remarks I shall set forth my objections to many of the features contained in this bill.

Mr. HAWLEY. I can not yield further. The Senate added a gasoline tax of 1 cent a gallon, to earn \$150,000,000. It added a tax on checks, 2 cents on each instrument drawn, to earn \$78,000,000. To both of these the House agreed. The gentleman from Georgia has already spoken of the tax on boats.

Mr. GIFFORD. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. GIFFORD. Will the gentleman explain amendment No. 8, the tax on willful violation of the criminal laws. Why did the conferees change that?

Mr. HAWLEY. The Government collects revenue from income irrespective of its source. It does not inquire as to the source of the income except as to the accuracy of the computation. All income is subject to taxation from whatever source derived.

Mr. GLOVER. Will the gentleman yield for one question?

Mr. HAWLEY. I regret, but I have not the time to yield further at this time.

Mr. GLOVER. It is on the very question the gentleman is discussing and I would like to have some information about it.

Mr. HAWLEY. I regret I have not the time to yield.

The Senate increased the rates on what is known as second-class mail matter, which, with the increase on postage, will earn about \$160,000,000.

The House conferees yielded on the items enumerated, since the amounts were essential to balance the Budget.

The House agreed to the reduction of the tax on candy from 5 per cent to 2 per cent on the sale price; also to the same change in the tax on chewing gum. The reduction of the tax of 9 cents per gallon to 6 cents on fountain sirups was approved.

The House proposed a tax on telegraph, telephone, cable, or radio dispatch messages of 5 cents on messages costing from 30 cents to 50 cents, and 10 cents on messages costing more than 50 cents. The Senate struck out the lower bracket and proposed a tax of 10 cents on telephone messages from 50 cents to \$1, of 15 cents from \$1 to \$2, and 20 cents on those over \$2; of 5 per cent on the charges made for telegraph messages and 10 cents on all cable and radio messages. To these rates the House agreed. These rates will earn about \$22,500,000.

The Senate proposed that admissions should be exempt only to 41 cents, in lieu of the House proposal of 46 cents, and the House yielded. At the rate of 1-cent tax on each 10 cents of price of admissions, the yield will be \$42,000,000.



As I recall, the gentleman from Georgia discussed the other changes in taxes and time will not suffice for me to comment further.

In conclusion, the justification for the adoption of the conference report is the absolute necessity to raise sufficient revenue to balance the Budget. The duty of doing this now devolves upon this great body of men, and I feel certain that the dependency of the country upon our approval will be justified by the outcome of the vote soon to be taken. The maintenance of the credit of the country is basal to all other credit—to the promotion of the economic recovery, including revival of industry, trade, and commerce, reemployment of labor, increased prices to the farmer, and the prosperity of our people in general. The country appeals to us to serve it faithfully in this emergency, and I am confident that appeal is not made in vain. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield 15 minutes to the majority leader, the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Speaker, it is usual, I am aware, for a Member who occupies the position I now occupy to say that he regrets he can not agree with his colleagues on the conference committee. I want to open my brief remarks by saying that I do not regret that I can not agree with them.

In discussing these tariff items—and that is what I want principally to discuss in the brief time I have—may I call the attention of the House, first of all, to a joker which appears in section 601, title 4, of the bill, which none of you knew was in this bill.

The provision in this bill is that these tariff taxes carried in the bill shall not be considered as a duty under the flexible provisions of the tariff law. This is a joker. You did not know it was there until the present moment. This makes it impossible for the Tariff Commission to review in any way or to reduce or to increase the tariff provisions in the bill.

This is a bill which is supposed to raise taxes in order to meet the tremendous deficit which now confronts us; and as I must be brief, I think I shall just read from the Senate debate on the lumber item in the bill, at page 11163 of the CONGRESSIONAL RECORD of May 20, 1932.

Senator JONES had the floor, and he is the author of the lumber item:

Mr. SMITH. The Senator is pleading now for pure protection and not for revenue. If there is any revenue, it will be incidental. What he is pleading for is that there shall be an embargo or stoppage of this foreign lumber, so that the producers of the American product may have the advantage of the American market.

And then came the answer from the Senator who is responsible for this lumber item, and this is what he said:

I do not think it is an embargo; but, practically, that is what I am appealing for. I will say that frankly to the Senator.

Mr. SMITH. It is very refreshing to hear the Senator state just what we are driving at in the tax bill.

Now, that is what we did in conference. We agreed to an embargo tariff on lumber, admitted by its author in the Senate to be an embargo tariff.

We import just 4 per cent of our production of lumber, and we export twice as much lumber as we import. The effect of this embargo tariff on lumber, and that is what it is, will make it necessary for Canada to export the lumber she has been sending to us to the world markets where we have been selling our lumber, and we will lose more than we make out of it. If we can export lumber to the Orient and compete there with Canada, and we do, why can we not compete here in our own markets?

Here is an item from the Portland Oregonian of May 5 last. This news was furnished to the Portland Oregonian, the organ of the lumber interests, by its news bureau here in Washington:

The consequence of the duty, under the revenue bill, will enable the Pacific Northwest industry to market rough, low-grade lumber, as Canadian mills can not afford to pay the \$3 duty.

This is what the duty is for, and this organ of the lumber interests of the Northwest frankly admits it; and, in conference, we agreed to this indefensible embargo tariff.

The bill now carries, with the approval of the conferees, if we approve it, duties on lumber and duties on copper so objectionable in their character that they were not even included in the Hawley-Smoot bill. Why, we rejected here in the House the tariffs placed in the Senate, or rather we agreed to the lower rate in the Senate on lumber.

This bill now carries a tariff on coal and a tariff on oil. No bill has ever carried these items before in the history of the country.

The tariff on coal is an embargo tariff. The tariff on oil will yield revenue, but not as much revenue as it would yield in the form it left the House, because we have agreed in this report—at least my colleagues have so agreed, I would not sign it—to cut that tariff that we imposed here in the House, and which was really a revenue tariff, 50 per cent. It is negligible now. It will yield negligible returns; and, if you gentlemen want protection for oil, it gives no protection.

This oil tariff went in the bill originally as a tax item, but it was the vehicle which led to these trades and this log-rolling, and which resulted in placing in these other tariffs in the bill. None of them could get into a regular, high-protection Republican tariff—not one of them—and they failed to do so two years ago.

This tax bill, intended to raise revenue to balance the Budget, imposing these burdensome taxes, has resolved itself into another Hawley-Smoot tariff bill.

The rates in the Hawley-Smoot bill, which paralyzed international trade, which led to these retaliatory tariffs, are completed in this second Hawley-Smoot bill, and the ruin of international trade is accelerated and eventually will be complete.

I am not going to burden you with the evidence I have assembled. It appears in the Senate proceeding, in the speeches of the Senator from Maryland, Mr. TYDINGS. The proof from South American countries, the expressions of the President of Chile, the resolutions and speeches in the Chilean Congress, which is already in existence—I can furnish you with all of it. I can furnish you with proof absolutely that if these tariffs go on as provided for in this bill, they propose to call in the near future a conference with South and Central American republics to retaliate and place an embargo on cotton and automobiles and other things that they buy from us.

I have proof, although I am not going to burden the RECORD with it, from Canada, which still buys from us; they are contemplating additional retaliatory tariffs against us, placing an embargo on articles that we get from Canada and do not produce ourselves. They propose to refuse to agree to the St. Lawrence waterway treaty as long as we have this tax on lumber.

Mr. WOLCOTT. Will the gentleman yield?

Mr. RAINEY. For a brief question.

Mr. WOLCOTT. I would like to ask the gentleman whether he has noticed any reaction by the Canadian people to the retaliatory tariffs of Premier Bennet?

Mr. RAINEY. No; I know what they say they are going to do to us, and they will do it.

Mr. MAJOR. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. MAJOR. How much revenue is it estimated will be produced by this tariff on lumber?

Mr. RAINEY. There will not be any revenue—some claim a million dollars, but it is an embargo tariff.

[Here the gavel fell.]

Mr. CANFIELD. I yield the gentleman three minutes more.

Mr. RAINEY. Now, we yielded in this bill to the Senate. Their bill protects the stock gamblers in New York. We yielded. This Senate bill protects the prosperous producer of electricity at the expense of the consumers. We yielded. The differential between consolidated returns and individual returns of corporations is retained in the bill at only three-quarters of a cent. We sent it over with a cent and a half. We yielded in the interest of the great corporations.



In making the fight, to which the gentleman from Georgia referred in his speech—

Mr. TREADWAY rose.

Mr. RAINEY. Oh, the gentleman from Massachusetts stood by me in the fight when I was deserted by both of my Democratic colleagues. I have great admiration for the patriotism of my friend from Massachusetts, and I am not going to say anything unkind to my own colleagues on this committee, save that I heard for the first time from the gentleman from Georgia that he made a fight against this lumber tariff. I heard no word from him against it in the conference, although it was a late hour when we reached that item, until he and my other Democratic colleagues both voted against me on this item. They did not help me in this fight.

I thought when we yielded to the stock gamblers, and to the great electric companies, who operate at a profit, when we yielded in the matter of bank checks, so that the drawer of a 50-cent check pays as much as the drawer of a \$25,000 check, when we yielded on the consolidated item, when we yielded to the Senate all the way through—and this is a Senate bill—I thought that they might concede something that was in the House bill, something that men on both sides of this aisle stood for.

I remember the fight made against these tariffs by my friend from Georgia [Mr. CRISP] on this floor. As these tariffs commenced to come in he stood here in this well, and at this desk where I now stand, and protested most vigorously. He stood at the bridge, defying the enemy on both sides, but he stood there when that press gallery was full of press representatives, and all through the country the newspapers everywhere carried his dramatic speech, his appeal to Members on this side not to make a tariff bill out of this tax bill. But at the midnight hour, when no representatives of the press were present, when the real test came, he did not fight. I had such an admiration for the gentleman from Georgia, and I have it yet—he is still my friend, and this is not interfering with our personal friendship—that when he stood here, like Ajax defying the lightning, it so thrilled and impressed me that I came down here and stood by his side and said, "I am right behind CHARLIE CRISP"; but when the real fight came, he was not right behind me.

Mr. Speaker, no man deserves any credit for being honest. I never have paraded my honesty on this floor. I simply act. As to my courage, you can form your own conclusions.

And now I want to say to my friends on the Democratic side that I may be the last Democrat, but I am going to be a Democrat to the last. [Applause.] If this conference report is voted down by this House, I propose to offer an amendment instructing the conferees to omit this tariff on lumber and to instruct them in other particulars.

Mr. BALDRIGE. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. My time is up.

Mr. BALDRIGE. Does the gentleman think the sales tax could be put into the bill if this conference report is defeated?

Mr. RAINEY. That would not be possible; I wish it could be done.

#### TARIFF COMMISSION REPORT ON LUMBER

As late as November 9, 1931, the Tariff Commission reported that—

The differences in costs of production, including transportation to the principal markets in the United States of the domestic article and a like or similar article produced in the principal competing country (Canada), do not warrant a change in the duty of \$1 per thousand feet board measure.

On December 2, 1931, President Hoover approved these findings. No wonder the joker to which I have been just referring appears in this bill. Under this report of the Tariff Commission the Tariff Commission would be compelled to immediately reduce these rates and the rates would then be only one-half what they will be if the conference report is approved and the \$3 per thousand feet is added.

It is the farmer who uses lumber and the small-home owner who builds his home in the suburbs of great cities and

pays for it on the installment plan who sustains this added burden. More pretentious structures are not built of wood. This burden is imposed upon the farmer and the small-home owner.

#### FALLING PRICES

Prices are falling. Lumber prices last year fell 13.3 per cent; but during the same period of time the prices the farmers received for their products declined 24.5 per cent, and the effect of this bill is to subsidize the lumber interests of the Northwest at the expense of the farmers whose losses in the rates they get for their products declined almost 100 per cent more than lumber prices declined.

But it is a well-known fact that this increase in the tariff on lumber will be pyramided. By the time it reaches the farmer and the small-home owner it means an increase of from \$8 to \$10 in the amount he must pay per thousand feet board measure for lumber.

#### DESTRUCTION OF TIMBER

If timber is of any value in the matter of regulating temperatures or rainfall, or if it is of any value in flood control, this bill tends to deprive us of this source of national wealth. It encourages the destruction of timber.

On January 17, 1932, our Forestry Department published a pamphlet in which they estimated that we are now cutting our saw timber six times as fast as we are growing it. They also found in their report as a result of their investigations that our supply of virgin saw timber at its present rate of depletion will last about 40 years. The rate of depletion, if Canadian timber is excluded, will, of course, be accelerated, and it is not unreasonable to insist that in 25 or 30 years, if the rates provided in this conference report are adopted, our virgin saw timber will entirely disappear.

#### LUMBER NOT A SUBJECT FOR A PROTECTIVE TARIFF

There has been no increase in importations of lumber. On the contrary, there has been a marked decrease. In 1928 our imports of lumber amounted to 1,493,000,000 feet board measure. In 1931 our imports had fallen off to 721,000,000 feet board measure. At the time the Hawley-Smoot bill was passed, in which they were refused the protection these conferees now give them, twice as much lumber per year was being brought in as is coming in now.

#### ELECTRICAL ENERGY

The bill as it passed the Senate with reference to electrical energy contained this clause:

There is hereby imposed upon energy sold by privately owned operating electric power plants a tax equivalent to 3 per cent of the price for which so sold.

The tariff conferees kindly adjusted this tax so that there would be no doubt at all about who was to pay it. Under this clause in the Senate bill, to which, of course, the great power companies objected, they would have been compelled to absorb this tax and could not have increased their price to consumers. Under the report which you are asked to approve here to-day, this clause has been rewritten so that the consumer is "required" to pay and the producers, now enjoying unconscionable profits, are relieved entirely.

This report now submitted to the House for approval is a complete surrender so far as the House conferees could make it to the stock-market gamblers, the great power companies, the railroads and the great corporations, and to the lumber interests of the Northwest.

It compels the poor man to pay more for his coal with which he heats his house in the winter months. It compels the small-home builder and the farmer to pay more for their lumber. It compels the user of copper utensils and copper wire to pay more for his copper. It compels the consumers of gasoline to pay more for their gasoline. It compels the man who draws a check for \$1 to pay as much in taxes as the rich man who draws a check for \$25.

I made the best fight I could in conference against all these objectionable measures. I realize the importance of balancing the Budget, but the propositions to which I am calling attention contribute nothing toward balancing this Budget. These tariff items are embargo items, and they decrease our revenues.



But this conference report, under parliamentary law, must either be voted up or voted down. There will be only one vote on it. It will be impossible to vote for these separate items, either for or against them. If the conference report is defeated, then I propose to ask the House to instruct its conferees, and I shall at once interpose the following motion to instruct the conferees, which corrects in a measure some of the injustice to which I have been calling attention, and does not deduct one dollar from the amount of revenues this bill will yield.

I will propose the following motion:

That the House conferees be instructed to insist in the matter of the tax on electrical energy that if any tax is carried in the bill it be substantially as follows:

"There is hereby imposed upon energy sold by privately owned operating electric power plants a tax equivalent to 3 per cent of the price for which so sold," and to insist that their report carry no clause requiring that such tax be passed on to the consumers.

That the tax on lumber carried in the Senate bill and approved in the conference report be entirely eliminated.

That there be no stamp tax of any kind on checks for \$25 and less than that amount.

Mr. HAWLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, balance the Budget!

This slogan now so well known throughout the world originated with the President of the United States nearly a year ago. To-day we will see the beginning of the accomplishment of his purpose to balance the Budget. It makes no difference who claims credit, it makes no difference who introduces bills here of a reconstruction nature or to promote the reestablishment of public confidence. Public confidence will be restored when the Budget is balanced under the leadership of President Hoover. [Applause on the Republican side]. We do not care who tries to take the credit away from him. The people will give the credit where it is due, and it is due to the present courageous occupant of the White House. [Laughter on the Democratic side.] That is a fine laugh, gentlemen on the Democratic side, coming from men who are anxious to raid the Public Treasury in behalf of a possible presidential candidate. Certainly, if you men want to laugh and talk partisan politics, I am with you, and if you want to talk patriotism I shall stand behind you. [Laughter on Democratic side]. I am agreeable to that kind of laughter, Mr. Speaker, and I am glad to see my distinguished colleague from Massachusetts [Mr. GRANFIELD] occupying the Chair as Speaker pro tempore and endeavoring to maintain order among his Democratic partisans. [Cries of "Vote!"] Now, Mr. Speaker, I do demand order. I will not be taken off my feet by any gentlemen who demand a vote in the middle of an opportunity given a person under debate to speak in this House.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. You may just as well start with that premise. The trouble with some of you Democrats is that there are not enough on our Republican side who are willing to tell you where you get off. I am willing to tell you at all times where you get off, and this is one of the times when you can not take the credit away from the President of the United States in his move for a balanced Budget. I yield now to my distinguished friend from Nebraska [Mr. HOWARD] very briefly, and only to the two gentlemen now on their feet, because I want to tell you something about this conference report.

Mr. HOWARD. Only for the purpose of offering to the gentleman from Massachusetts the suggestion that out in our country it is very difficult to win a smile from an enemy by hurling an insult at him.

Mr. TREADWAY. I now yield to the gentleman from Alabama.

Mr. HUDDLESTON. I rose merely to ask the gentleman whether he does not think he would get better order and more appreciation if he discussed the bill instead of partisan politics? [Applause.]

Mr. TREADWAY. I agree with the gentleman, and I shall be delighted to discuss the bill, but I say the only reason for a reference to partisan politics comes from the fact that your own Speaker is trying to run for the presidential nomination on a partisan platform, and whether you like it or not, my colleagues, these are the facts.

Mr. Speaker, the only excuse we have for presenting this conference report to you to-day is emergency. It is an unjust bill. We admit that. It is an inequitable bill. It simply gets back to the fact that the House made a very serious blunder when it refused to accept the original proposition offered by the Ways and Means Committee of a manufacturers' excise tax. [Applause.] However, the manufacturers' tax was not in conference, and of the choice of two evils we have presented to you practically the Senate bill. The reason we selected the Senate amendments to a very large extent is the fact that they raise more revenue. This is the only excuse for many of the items that are indefensible as matters of just taxation. We do not claim these rates are just or equitable. They are of emergent necessity, which the gentleman from Georgia so well described.

I heartily agree with my colleague on the conference committee, the gentleman from Illinois [Mr. RAINEY], in his reference to the tariff items. The contribution that we will receive from those tariff items is largely a contribution from the New England and eastern section of the country. It is estimated the four tariff items will yield only six and a half million dollars, \$5,000,000 estimated from oil, and a million five hundred thousand dollars from the other three items too small to include a tariff in a tax bill.

They have but one merit, and that is they forestall any effort on the part of the Democratic Party to try to criticize the Republican Party for writing tariff planks in the future. [Applause.] Those items are contributed very largely by Democratic influence, both in the House, in the Senate, and in the conference, and they are not any feature fairly within the scope of a tax bill.

There are other very disturbing items to the section of the country which I represent, one of them particularly the tax on checks, but there again we were not dealing justly. We were dealing with the financial emergency needs, and when the Treasury Department and our experts told us there were \$78,000,000 to be secured from the 2-cent check stamp tax, we agreed to it. I think that in the long run the banking interests of the country will be satisfied with the method under which that tax is to be collected. It is a hard thing to put up to them at the present time, but nevertheless it is probably the most satisfactory in the end.

Now, we come to the gasoline tax. There is great dispute whether or not the gasoline tax is one that is fair for the States to levy or for the Federal Government to levy. Personally I always feel that any tax to be levied by the Federal Government takes precedence, and, therefore, I think the States should yield where necessary. It is a serious situation that in some States now, between the two taxes that we are levying in this bill on gasoline, and the taxes that you Democrats propose to levy in the Garner presidential candidate bill, that those intrude, under the theory of the States, upon their rights to tax gasoline. Some States now will reach nearly 10 cents a gallon on gasoline—an exorbitant tax.

I want to add in connection with the gasoline item that it is estimated it will bring in \$150,000,000 in revenue. Therefore, again, we were obliged to accept the rates in order to secure the desired balanced Budget.

The conferees were in absolute harmony. The 10 conferees worked, as you have been told, 14 hours practically steady on this conference report, and while perhaps the country may be giving the conferees some credit, we, in turn, want to give a large measure of credit to the experts who assisted us in that labor and that tremendously straining undertaking.

Possibly the House conferees may claim one outstanding credit, in that we insisted upon the maintenance of the exemption at \$2,500 for married men. The surtax and normal-tax brackets are indefensible other than on the ground



of emergency. It is as an emergency measure that the conferees appeal to the American people or those subject to Federal taxation to accept this bill in the patriotic spirit in which it has been written under the leadership of President Hoover.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks I desire to correct a reference made later by my friend and colleague from Massachusetts, Mr. McCORMACK. In the first place, let me say it was not according to committee etiquette that he should have referred to what transpired in an executive meeting of the Ways and Means Committee. It is true that in the first instance I voted for a tariff on imported oil and stated on the floor my reason for doing so. It was in effect that the citizens of Massachusetts were sufficiently patriotic to stand the burden of the expense. However, at a later date, when it became apparent that Members of the House were voting in a sectional way, it was only fitting that I should do the same, and I then announced that I should vote against the oil tariff. Let me add further that an argument was made by the acting chairman of the committee, Mr. CRISP, of Georgia, that by voting against the oil schedule in the bill we would gain votes on the floor. This proved to be incorrect, as we lost support through this oil tariff item. The effort, however, to secure support of the oil item in the committee was made by the Democratic chairman.

Mr. CRISP. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am sorry to hear my distinguished friend, the gentleman from Massachusetts [Mr. TREADWAY], unnecessarily inject into the debate a strictly partisan argument. Nobody has any greater respect for the gentleman than I, but I am sorry that on this occasion the gentleman saw fit to make the direct partisan references that he did.

The gentleman says that the tariff in the bill is due to the Democratic influence. I deny that allegation. Furthermore, such an allegation should not come from the gentleman from Massachusetts. The fault in this bill, as far as tariff is concerned, let me frankly state, lies with the Ways and Means Committee of the House. When a tariff on oil was put into the bill, and I opposed it, a journey was started which brought in coal, which later brought in lumber and copper. The vote on putting oil into the bill in the Ways and Means Committee was 15 to 9, and my friend, the gentleman from Massachusetts [Mr. TREADWAY], was one of the 15 who voted to put oil into the bill. [Applause.]

Therefore the gentleman is the last man in the world to criticize tariff in this bill or the manner in which the provisions came into the bill. Of the nine members who voted against including a tariff in the bill, eight were Democrats.

Mr. TREADWAY. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TREADWAY. Does the gentleman care to explain in what manner the oil item was voted in? The conferences of the Ways and Means Committee in executive session are supposed to be confidential, but I am willing to have our records explained here.

Mr. McCORMACK. The gentleman from Massachusetts made the statement to the press that he voted for it.

Mr. TREADWAY. I will make this statement to my friend, with his permission, that under the leadership—

Mr. McCORMACK. I do not yield for an argument. If the gentleman wishes to ask a question, I will yield.

Mr. TREADWAY. Yes. Who proposed that we try to get votes in this House as a result of putting oil in?

Mr. McCORMACK. I know nothing about that.

Mr. TREADWAY. Well, I do. I know definitely and positively the gentleman from Georgia was the man.

Mr. McCORMACK. The gentleman can make that statement in his own time. If the gentleman starts making statements, there are likely to be recriminations, and I do not want to enter into that; because if such statements are made, they are liable to go on to the gentleman's side of the House. As far as the gentleman from Massachusetts is concerned, he is the last man in the House who should attack putting a tariff in the bill, because the gentleman himself voted for the tariff on oil in the Ways and Means Committee. [Applause.]

Mr. TREADWAY. Will the gentleman yield for a question?

Mr. McCORMACK. I do not yield any more. I only had five minutes.

Personally, I shall not vote for this conference report. I am going to vote against the conference report in order to have an opportunity to vote on the tariff on lumber and the tariff on copper. We can not get at coal and oil. Coal and oil were in the bill that passed the House, and the Senate has concurred. The only question involved is the differences between the two branches. We have never had a vote in this House on lumber and we have never had a vote in this House on copper. I think the membership of this House should be permitted to have a vote on whether or not we want to include four tariff provisions instead of two tariff provisions.

I voted for the manufacturers' excise tax. I still think it is the fairest and most equitable tax under existing circumstances [applause], but when that went out other taxes had to come in in order that the Budget might be balanced. I agree with the gentleman from Massachusetts, I agree with my friend, the gentleman from Georgia, and from the outset I have agreed with everyone else who has advocated that we should balance the Budget for the fiscal year 1933, but I have never thought that a revenue bill should be used for tariff purposes.

The gentleman from Massachusetts said the four tariff provisions will raise for the Treasury \$6,500,000, but he does not tell you how much it is going to cost the people of the country, which cost will not go into the Treasury but goes into the pockets of those who benefit from the tariffs.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Nebraska [Mr. BALDRIGE].

Mr. BALDRIGE. Mr. Speaker, I hope we have calmed down, because this is no partisan talk I intend to give. I want to give some very interesting and important information to the Members of the House concerning a statement by Senator REED, of Pennsylvania. It will prove very interesting to every Member here who comes from a district where they have dairies, creameries, or large pay rolls.

We did not put in the 2-cent tax on checks in the House. The committee defeated any sort of a proposition like that. However, the Senate did put in the 2-cent tax on checks, and at that time Senator REED made a most important and interesting statement with respect to the farm situation and in regard to the creameries, dairies, and in regard to large pay rolls, showing how the 2-cent tax on checks might not affect these institutions. I would like to read the paragraphs, because I think most of us are confronted with this problem back home, and I think it is very important that we meet the situation. The Senate, in passing this 2-cent tax, relied on Senator REED's statements, and I know we can also.

On page 11420 of the RECORD, Senator REED said:

Mr. REED. Mr. President, I can readily understand that the proposal to put a tax of 2 cents on a check of 50 or 60 cents, given to a farmer's wife in payment for eggs that she sells, is equivalent to a proposal to put a 4 or 5 per cent sales tax on that small transaction.

I do not think anybody in this Chamber wants to accomplish that result, but I want to suggest that it is not a necessary result of the amendment reported by the Committee on Finance. As Senators will see, this check tax in section 741 applies only to drafts, orders, or checks drawn upon any bank, banker, or trust company.

Out in Ohio, I am told by the senior Senator from Ohio [Mr. FESS], there is at least one company which follows the practice of giving to the people who sell poultry and eggs an order for the payment of the money on a form such as that I hold in my hand,



drawn upon the drawer itself. This concern is called the Brownell Co., and they give this order:

Pay to the order of \_\_\_\_\_ dollars

That is addressed to the Brownell Co., and marked "Payable at the Washington Savings Bank, Washington Court House, Ohio."

I am told that those orders are given in very large numbers every day.

If they were drawn on the bank, they would take a 2-cent stamp, under the provision of this bill; but being drawn on this company, they are not taxable, and the Treasury would so hold.

At the end of the day all of these orders which have been honored at the bank are lifted by a single check drawn on the bank itself, and the purchaser pays the 2 cents on that check. So that it is perfectly possible for these farm cooperatives and for all purchasers of dairy products, poultry, and eggs throughout the country to use this form of order, which will not require any stamp; and I can say with confidence, because I have consulted the Treasury, that it would not require a stamp.

I am in full sympathy with the intention of the junior Senator from Nebraska [Mr. HOWELL] in offering his amendment; but I hope it will not be adopted, because the people he wants to protect can protect themselves, and the people we want to tax—you and me and all of us who draw checks in small amounts sometimes—might very well pay the 2 cents for convenience.

However, on orders in the form of that to which I referred, it is perfectly clear to me—and the Treasury agrees—that the order is not on a bank or banker or trust company, and consequently is not subject to the tax.

Mr. REED. Mr. President, so that what we are saying may be understandable to those who read the CONGRESSIONAL RECORD, I ask that there may be put into the RECORD at this time the form of order about which I have been talking, which is nontaxable.

The VICE PRESIDENT. Is there objection?

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

Main office

Washington C. H., Ohio

The Brownell Co., poultry and eggs. Highest price for quality.  
No. 6951  
\_\_\_\_\_193\_\_

Pay to the order of \_\_\_\_\_ dollars

The Brownell Co.

Payable at the Washington Savings Bank, Washington C. H., Ohio.

Mr. REED. Mr. President, having put into the RECORD a copy of the nontaxable order, I would like to have printed in the RECORD the bank check which takes up the many orders at the close of each day, and which, of course, would be taxable with a 2-cent stamp under the Senate committee amendment.

I ask that this be published in the RECORD at this point.

The VICE PRESIDENT. Is there objection?

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

The Brownell Co., eggs and live poultry  
No. \_\_\_\_\_19\_\_

Pay to the order of \_\_\_\_\_ dollars

For \_\_\_\_\_

The Brownell Co.,

By \_\_\_\_\_

To the Washington Savings Bank,  
56-366 Washington C. H., Ohio.

He thus shows the definite way checks can be drawn through the farmers' cooperatives, dairies, creameries, and how large pay rolls can be handled this way to eliminate the 2-cent tax on checks.

Now, gentlemen, I wish to call that to your attention, because I think it is important. In Omaha we have one creamery which puts out 1,200,000 checks every year. A small creamery in Superior, Nebr., puts out 750,000 checks a year, which will mean \$15,000 taken from that little community. Here is a definite way that the Treasury has agreed with Senator REED to handle the 2-cent tax on checks. You will find this at pages 11763 and 11764 of the CONGRESSIONAL RECORD of Friday, May 27.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BALDRIGE. I yield.

Mr. COCHRAN of Missouri. Is it not a fact that the conferees have agreed that the 2-cent tax shall be collected at the bank?

Mr. BALDRIGE. Yes; that is true, but the maker of the check pays the 2-cent tax in any event.

Mr. COCHRAN of Missouri. If the order is not drawn on a bank, the 2-cent tax does not apply to it at all.

Mr. BALDRIGE. Yes; that is correct.

Mr. WHITLEY. Will the gentleman yield?

Mr. BALDRIGE. I yield.

Mr. WHITLEY. Will the gentleman insert in the RECORD the form of order he has spoken about?

Mr. BALDRIGE. Yes; I have the form here and will put it in the RECORD.

[Here the gavel fell.]

Mr. BALDRIGE. Mr. Speaker, I ask unanimous consent to include herein a form of private check that is not taxable.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The check is as follows:

[Sample check—not valid]

THE NEW YORK CENTRAL RAILROAD CO.

To EDWARD L. ROSSITER, Treasurer.

NEW YORK, N. Y., January 15, 1932.

Pay to the order of: \_\_\_\_\_

Payable at the option of the holder through—  
1-67 Irving Trust Co., Lincoln Office, New York, N. Y.  
10-2 The Marine Trust Co. (Bank of Buffalo Branch) of Buffalo,  
N. Y.

29-1 New York State National Bank, Albany, N. Y.

\_\_\_\_\_, Treasurer.

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Speaker, the more I listen to the reasons actuating the distinguished conferees representing this House in agreeing to the present tax bill now before us for consideration the more I am convinced I was right when I was one of 64 who voted against it. I voted against the bill in order that we might again consider some of the objectionable nuisance taxes contained in that bill. If that bill was awful, this bill is terrible.

I can not justify adding to the burden of increased electrical costs to every consumer in this country. I can not understand why the utility has been relieved of that burden and the burden passed on to the consumers.

We say one of the causes of the present depression is because people have hoarded their money; they are afraid to put it in banks, because the banks may fail, and they have their money in deposit boxes in the banks. I want to say to you that this 2-cent stamp tax on checks will drive more money into hoarding; it will cripple and discourage business, and very little money will be paid out through the medium of checks. People will withdraw their money, put it into safe-deposit boxes, and go to the boxes and get the cash in order to pay their living expenses.

I want it understood that when I vote against this conference report to-day I am not voting against balancing the Budget, but I am voting for our conferees to go back and consult with the conferees of the Senate and not permit the Senate to dictate further obnoxious nuisance taxes into the bill. [Applause.]

I am glad we have one old-fashioned Democrat in this House, the distinguished majority leader, who will get up on his hind legs in the well of this House and say, "I am a Democrat, and I refuse to write into a revenue bill embargo tariff provisions." [Applause.] I think the majority Members ought to back up their distinguished leader and refuse to take a stand which can not help but injure the party they represent. The Republicans were not in control when these provisions were added. When it came to considering high protective rates, we have seen the Democratic House and the Democratic leadership, acting through their conferees, who constitute a majority of the committee, put higher embargo tariffs in this bill than have heretofore been written into legislation. I do not think it is going to be harmful for these distinguished members of the Ways and Means Committee who are conferees to again go back and discuss these controversial matters.

We have got the cart before the horse. How do we know how much money it is going to take to balance the Budget? Let us see how much economy we are going to put into effect, and then vote for a reasonable tax measure, not such an unconscionable tax bill as the one now under consideration. [Applause.]

[Here the gavel fell.]



Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. NOLAN]. [Applause.]

Mr. NOLAN. Mr. Speaker, I realize that no revenue bill can be passed which does not contain some provisions that are objectionable. The trouble with this bill is that it contains more objectionable provisions than are necessary.

The bill contains certain tariff items which are indefensible. Not only are they excessive but they violate the principle for which the Republican Party has long contended.

In 1930, when we had a general tariff revision, we provided a flexible-tariff provision which was expected to "take the tariff out of politics." The President, announcing that he would sign the tariff bill—New York Times, June 15, 1930—stated:

On the administrative side I have insisted, however, that there should be created a new basis for the flexible tariff, and it has been incorporated in this law. Thereby the means are established for objective and judicial review of these rates upon principles laid down by the Congress, free from pressures inherent in legislative action.

Thus the outstanding step of this tariff legislation has been the reorganization of the largely inoperative flexible provision of 1922 into a form which should render it possible to secure prompt and scientific adjustment of serious inequities and inequalities which may prove to have been incorporated in the bill.

Without a workable, flexible provision, we would require even more frequent congressional tariff revision than during the past. With it the country should be freed from further general revision for many years to come. Congressional revisions are not only disturbing to business, but with all their necessary collateral surroundings in lobbies, logrolling, and the activities of group interests are disturbing to public confidence.

I believe that the flexible provision can within a reasonable time remedy inequalities; that this provision is a progressive advance and gives great hope of taking the tariff away from politics, lobbying, and logrolling.

If the revenue bill is passed containing these tariff provisions, it will show that the flexible provision has failed utterly to meet the situation. On lumber, one of the four items upon which tariff duties are imposed in the revenue bill, the Tariff Commission has made a thorough and exhaustive investigation of the foreign and domestic cost of production under the flexible tariff provision.

Only a few months ago, on November 9, 1931, the Tariff Commission rendered a report of their exhaustive investigation of lumber, which took 18 months and cost more than \$27,000 inclusive of the general overhead of the commission. They stated that on the basis of the facts as found by their investigation, there was no justification for increasing the duty on lumber.

The commission concluded its report by saying:

The commission obtained costs of production for the year 1929. This period was representative of conditions prevailing during several years preceding and also of conditions prevailing during 1930.

The commission finds that the facts with regard to the difference in costs of production, including transportation to the principal markets in the United States, of the domestic article and the like or similar foreign article produced in the principal competing country, as disclosed by the investigation herein reported, covering the year 1929, do not warrant a change in the duty of \$1 per thousand feet board measure, expressly fixed by statute on timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing, if of fir, spruce, pine, hemlock, or larch.

On December 2, 1931, the President of the United States approved this report.

The tariff on lumber included in the revenue bill overthrows entirely the findings of the Tariff Commission and the President's indorsement.

The existing flexible-tariff provision was advocated by the Republicans in both bodies of Congress, and in spite of this fact this proposed tariff has been supported in direct contravention of the findings of the Tariff Commission which were approved by the President.

Before the Senate Finance Committee, when Colonel Greeley, of the West Coast Lumbermen's Association, was testifying and pleading for a duty on lumber, Senator COUZENS asked (p. 637):

What rule did you use to arrive at these rates which you ask for?

Colonel Greeley replied that the \$3 rate asked represented—

the difference in cost of production and the difference in exchange, plus a little extra benefit that we felt was due as an emergency measure on account of the unemployment.

Colonel Greeley produced no figures to show any difference in the cost of production, gave no substantial evidence of any advantage or disadvantage on account of the exchange, and his case therefore rests solely upon the "little extra benefit" which he feels is due the lumber industry.

The only new argument advanced by Colonel Greeley was the difference in currency exchange. On this subject, Robert L. O'Brien, chairman of the Tariff Commission, appearing before the Ways and Means Committee, made such a strong statement in opposition to any legislation based upon such differences that the Ways and Means Committee refused to report a tariff bill calculated to impose tariffs based on exchange. Apparently the only thing left upon which this levy can be based is "the little extra benefit" which the lumber industry wants at this time and seems able to obtain by means of logrolling and trading with the tariff advocates of other industries.

Knowing that there was no justification for the rates imposed, there was carefully included in the revenue bill a paragraph which provides that for the purposes of the so-called flexible-tariff provision the tariffs included in the revenue bill shall not be considered as duties (revenue bill, p. 240, lines 7-10). In other words, the rates are not to be subject to review by the Tariff Commission. Advocates of these tariffs are unwilling to go before the Tariff Commission and attempt to justify the rates. They are purely a logrolling proposition.

The tariff items included by the Senate are virtually embargoes; they will produce practically no revenue, and it is almost certain that they will start further retaliatory tariff measures on the part of our export customers. Such retaliation has been threatened, and will probably be carried through to enactment.

To adopt this tariff provision means a subsidy to the lumber industry and a hardship to the American consumer, and it will produce no revenue to help balance the Budget. The principal market for lumber is on the farm. The prices received for the products from the farm have been gradually going down, until they have almost reached the vanishing point. To impose this additional burden upon the farmer and the small-home owner will retard the return of prosperity and will benefit no one, not even those who expect to be benefited. I am opposed to this unjustified embargo against the principal exports of a friendly nation, with whom we have so long been doing business, largely to our own profit. [Applause.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Speaker, may I express my thanks for the candor and the integrity with which the acting chairman of this committee, Mr. CRISP, of Georgia, to-day denounced the automobile taxes in this bill. The other day I called those taxes the meanest and the most merciless ever considered by an American Congress. On only one industry, the cleanest and most beneficent industry in the country, you have assessed in this bill about three-fifths of all the sales taxes in the bill. The sale taxes, as estimated by the American Petroleum Institute, are \$488,000,000, and about \$300,000,000 of those taxes are on the automobile industry and its customers, the key industry of the country, and the one which is doing more in effort and sacrifice than any other industry in the country to cure unemployment and bring back prosperity.

In the last hours of this revenue bill in the Senate, on the very last day, the Senate increased the tax on the automobile industry 100 per cent by adding \$150,000,000 in gasoline taxes through a 1 per cent Federal tax. They took the taxes, as proposed by the House on automobiles, and increased them to three times the House taxes. In the Senate the auto taxes were increased in amount far over 200 per cent.



## AUTO TAXES UNBEARABLE

There was already a tax of 100 per cent on gasoline and this tax was increased 25 per cent. There can be only one effect of this, and that is to cut down the amount of revenue derived from these taxes because they are so onerous.

In Tennessee, when sales taxes which were exorbitant were placed on the use of the automobile and on gasoline, many owners of automobiles went on strike and kept their automobiles in the garage. Of course, a boycott as a result of this tax would be very dangerous, as it would cut two ways, but I would not be surprised to see a boycott now of gasoline and to see citizens who are using gasoline use just as little as possible.

## AUTO TAXES IN DETAIL

Of course, there is some dispute, as always, as to the amount of taxes which will be assessed because of these rates in this bill. The Treasury Department guesses and guesses again and changes its estimates almost from week to week.

But I estimate that the 3 per cent, 2 per cent, and 2 per cent taxes on automobiles, trucks, parts and accessories amount to \$55,000,000. Just recently the Treasury Department cut its guess to \$42,000,000.

My estimates and those of the Treasury Department agree on \$33,000,000 as the tax for rubber tires and tubes.

We both practically agree that the 1 per cent Federal tax on gasoline amounts to \$150,000,000 per year, but I contend that the amount will be considerably higher, and that 50 per cent of this tax will fall on the users of automobiles and trucks.

I maintain that lubricating oils will bring in \$35,000,000 per year, and the Treasury Department has recently cut its estimate to \$33,000,000.

I contend that a very large sum is assessed upon the automobile purchaser through the new tariffs on gasoline and oil and also through the tariffs on copper, lumber, and coal.

The most conservative figures which I have seen from the Treasury Department estimate the total new taxes on the automobile user as \$263,000,000, and I maintain that the amount is \$300,000,000 or over.

Thus I believe I am safe in saying that since the sales taxes in this bill are estimated at \$488,000,000, and the automobile industry and its customers are contributing \$300,000,000, that this one industry is taxed three-fifths of all the sales taxes in this revolutionary bill.

## ONE-FOURTH OF WHOLE BILL

Since the amount declared to be raised by the bill is about \$1,121,000,000, it is clear that over one-fourth of the entire bill is assessed on the automobile industry and its customers.

## MORE AUTO TAXES COMING

Moreover, the House Ways and Means Committee is proposing that the cost of the bond issues to be made necessary by the Garner \$2,309,000,000 relief and unemployment bill will come from an additional assessment of 1 cent per gallon on gasoline taxes.

May I presume that because of these burdens Acting Chairman CRISP denounces the automobile taxes in this bill? I particularly commend him for his fairness and frankness in stating that he was opposed to the new rubber tires and tubes tax which was put on the bill in the Senate and which is estimated to bring in \$33,000,000 per year.

This was a most violent and unfair tax, and I believe it will eventually prove that the tires and tubes tax will bring in more money to the Treasury than the 3 per cent tax on passenger automobiles.

## THE FUTURE OF AUTO TAXES

Since Mr. CRISP and other members of the Ways and Means Committee have denounced these automobile, gasoline, and rubber taxes, it is fair to assume that when the time comes in the Ways and Means Committee to begin consideration of killing the burdensome taxes made necessary by the depression, they will be glad to extend mercy and clemency first to the automobile taxes.

It is difficult to estimate just how much damage the bill will do in its present form, as some of the levies are difficult

for me to estimate, but the tax on oil pipe-line transportation is estimated by the American Petroleum Institute to yield \$6,000,000 per year.

## A CRUMB

Since the automobile users must be satisfied with crumbs, may I express my gratitude that the House conferees have insisted in killing the double taxation in the Senate revenue bill which arose from the fact that the finished automobile was assessed a sales tax in the Senate bill, and the Senate bill also provided for a heavy tax on rubber tires and tubes. This amounted clearly to double taxation, and we protested to the conferees.

The conferees killed the double tax features covering rubber tires and tubes and assessed one tax on them.

## COMPETITORS JUBILANT

The revenue bill is very unfair in that it places three-fifths of the sales tax burden on the automobile industry and does not place any sales taxes on the automobile's competitors, such as railroads, vessels, airplanes, motor cycles, horses, buggies and wagons, and so forth.

This shows the bill is strictly discriminatory. Indeed, it might very well have been written by the relentless competitors of the automobile industry and could not have been more drastic.

## THE WORT AND MALT TAXES

Another instance of favoritism and persecution in the bill can be seen in the brewers' wort tax of 15 cents per gallon, and in the liquid malt and malt sirup tax of 3 cents per pound.

Wort competes with liquid malt and malt sirup, and wort is assessed a 100 per cent tax, while malt sirup is taxed a much lesser percentage of its sale price. The wort people do not complain about the heavy tax so much as they do about favoring their competitor.

This tax may put out of business in Michigan a number of wort factories, employing hundreds of workingmen.

It should, at least, have the effect of causing the wort people to remodel their factories so that they will go into the manufacture of malt sirup, which is favored in the bill.

The present rule in the House to-day does not give a chance to amend the wort, malt, and sirup provisions, but they certainly should be amended to provide a just system of taxation of these commodities.

## UNFAIRNESS EXPLAINED

Objection to the malt and wort tax as it has been amended by the Senate Finance Committee, section 601 (2), is that it is unequal and unfair to the liquid-malt manufacturers, by far the largest producers.

It is a fact, which must be understood, that malt sirup, malt extract, liquid malt, brewer's wort, and powdered malt are chemically identical products, all being derived from the same grains by the same methods and produced in the same type of equipment. All are adaptable to the same uses, and when sirup and liquid malt are used in the same manner for any purpose they will produce identical results, chemically.

There is a physical or visual difference in their appearance, however, which can best be explained as follows: In the case of milk there is whole milk, condensed milk, and powdered milk; or in the case of maple sirup there is maple sap, maple sirup, and maple sugar. In the case of malt we have liquid malt, malt sirup or extract, and powdered malt.

Each of the above being identical products in their group, but at different degrees of evaporation or dehydration. One being a concentrate, the other having that concentrate in a solution of water.

Both liquid-malt extracts and malt sirup or extracts are produced by the brewing industry, which has been divided into three groups; that is, brewers producing both liquid malt (wort) and malt sirup or malt extracts, those producing liquid malt (wort) only, and those producing malt sirup or malt extract only. (This division does not take into consideration whether or not a plant produces near beers.)

## LIQUID MALT

Barley malt alone or barley malt plus an unmalted grain such as corn, and so forth, are placed in the mash tun, processed, the resulting liquor or wort is then run off into the



brew kettle, boiled, hopped, then run to the racking or filling tanks, where it is put in 5-gallon cans or larger containers and it is then ready for the market or for storage.

MALT SIRUP OR MALT EXTRACTS

Barley malt alone or barley malt plus an unmalted grain, such as corn, and so forth, is placed in the mash tun, processed, the resulting liquor or wort run off into the brew kettle, boiled, and hopped (or not hopped in rare instances), run to the evaporators, there concentrated by the evaporation of the water in the wort to the consistency of a sirup of from 32° to 42° Baumé, then packaged.

At the time the two products leave the brew kettle they are identical, each containing approximately 13 per cent of the grain sugars or solids in a solution of water. After evaporation the sirups or extracts contain at 42° Baumé approximately 80 per cent of sugars or solids, by weight, while liquid malt remains at 13 per cent of solids by weight.

In the House bill as it went to the Senate, a tax of 5 cents per gallon on liquid malt or wort, and a tax of 35 cents per gallon on malt sirup or malt extracts was proposed. This was a fair and satisfactory tax. The exemption feature in this bill, however, is a dangerous one from the viewpoint of revenue, as it is very possible that tax evasion on malt sirup alleged to be used for baking, industrial, medicinal, and so forth, purposes will amount to 50 or 75 per cent of the total amount of sirup or extract produced, while as a matter of fact and according to Treasury Department figures the total amount of malt sirup or extract which would fall under exemption was less than 7 per cent of the total amount produced.

The amount of sirup or extract produced in 1930 was 849,000,000 pounds, and of this amount only 52,000,000 pounds, or considerably less than 7 per cent, was used for baking, industrial, medicinal, and so forth, purposes, as covered in the exemption. It is also a fact that if the exemption clause were to be stricken from the bill it would affect the public in the amount of 1¾ cents per capita per year. If, however, the tax exemptions are left in the bill, and evasions indulged in to the extent of 90 per cent of the production of malt sirup or extract, which is the amount the sirup industry claims is used for purposes covered in the exemption, an alarming loss of revenue would result.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield for me to propound a unanimous-consent request?

Mr. BURTNESS. Yes; if it does not run against my time.

Mr. LaGUARDIA. I ask unanimous consent that I may have 10 minutes in addition to the time heretofore agreed to during the course of the debate.

The SPEAKER pro tempore (Mr. O'CONNOR). The gentleman from New York asks unanimous consent that the time for debate be extended 10 minutes, to be used by him. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BURTNESS. Mr. Speaker, I yield to no one in my desire to balance the Budget at the earliest possible date. I think my record supports adherence to that view. Throughout the proceedings on this bill I supported, in the main, the recommendations of the Ways and Means Committee. I voted for the bill when it passed the House. I was also one of the very few Members from the great open spaces out in the Northwest who voted for a manufacturers' sales tax. I have never regretted that vote. When I see this conference report I know I was right, for the taxes now suggested are infinitely more burdensome to the people of my State.

I regret I can not vote for this conference report. If we reject it to-day, our conferees can improve it and report back on Monday or Tuesday. There are many items in the report which the conferees themselves have denominated on the floor under various names such as unjust, inequitable, yes, the gentleman from Massachusetts [Mr. TREADWAY] said indefensible, and they are in fact indefensible. I refer, for instance, to the tariff of \$3 per thousand feet on lumber—

not a protective tariff but an embargo one, indeed an absolute embargo that will not yield any revenue whatsoever but which may prove very costly to the consumers. Surely there is good reason for voting down this conference report, if for no other purpose than to instruct the conferees of the House to insist upon refusing to yield to the Senate provision with reference to that tariff item.

Involved in it is a matter of greater importance than the imposition of an unjustified tariff duty upon a product of our best customer, Canada. I refer to its effect upon the Great Lakes-St. Lawrence waterway project. I am reliably informed that negotiations for a treaty are well along. We hope they will be concluded soon. We can not afford to affront Canada to the extent this duty will do. Many sections will so resent it as to throw their influence against the waterway. The danger of defeating it by this duty is too great a hazard to assume.

Reference has already been made to the indefensible item with respect to bank checks. I do not know whether the gentleman from Nebraska [Mr. BALDRIGE] defended that item or not. If it was his intention to support it, he surely did a good job in behalf of those who regard it as indefensible, because he showed that the tax can be evaded by the large business interests of the country who can use orders payable at various banks without drawing checks upon the banks and pay all such orders by one check.

Surely, if it can be evaded in that way, the provision becomes one that will not yield much revenue, and such revenue as it will yield will come from those least able to bear the expense. There ought to be some way to instruct our conferees and say to them that when they make their next report to the House they shall at least bring in a provision which will not compel a tax of 2 cents on a check for a couple of dollars and provide the same tax on a check for \$100,000 involving some large transaction. A graduated tax, starting at 1 cent, increasing slowly and gradually with the amount, would have some merit; the present proposal has none. It will not only be burdensome but will result in hoarding to evade it.

Then, too, I want to protest against the Federal Government entering a field that I feel belongs to the States in the matter of taxation; and I refer, of course, to the tax on gasoline. The gentleman from Michigan [Mr. CLANCY] refers to the burden on the automobile industry. I think of the car owners, for they are the ones who will pay the tax on cars, trucks, tires, and accessories. Surely that will be great enough without also taxing gasoline. The cost thereof to North Dakota alone will be four—possibly five—times greater than our people's contribution in recent years to the Federal Government in corporation taxes and personal-income taxes. Why insist on such a discrimination on this class of citizens?

My friends, it is to the tax on gasoline that some of the States may have to turn in these times of decreased property values if they are going to protect the real property within their borders against confiscation by taxation, and if they are going to make it possible for the farmers to continue to carry on—to try to pay off their large debt burden in the present dear money as measured in terms of commodities they produce. But, lo and behold, the Federal Government now comes along and wants to invade this field of taxation.

Remember, a cheap car is a necessity on most farms; trucks are necessities in almost every line of business as well as on the farms; tractors are in general use, and consume gasoline which will be taxed under the Senate provision which we are now asked to agree to. If the cars and trucks themselves were not taxed under the bill when purchased, if repairs, accessories, tires, tubes, and even lubricating oil were not to be taxed, the situation would be different. You now propose to pyramid the burden so as to kill the goose that laid the golden egg.

I have heard no strong defense for another new item—the tax on electric energy for household and commercial use. Why single out these consumers?



I recognized that when a general manufacturers' excise tax with broad exemptions for food, clothing, and farm machinery was defeated, we would be compelled to impose more obnoxious taxes, but I believe none of you thought it would be as bad as the report confronting us. This bill will cost our farmers more in the tax on gasoline for their cars, trucks, and tractors than the manufacturers' excise tax proposed would have done. In addition they will have some 15 other sales taxes to pay, to say nothing of increased postage and other items.

Let us vote down the conference report and by Monday or Tuesday we will have one with at least a few of the most objectionable features removed.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. PERSON].

Mr. PERSON. Mr. Speaker, I rise to oppose the confirmation of this report with great reluctance. I represent in my district probably 80 per cent of the automobile industry of the country. I have in the district 18 of the largest automobile plants in the country, and I can not, in justice to my district, stand here and keep silent on this tax.

You will note that under this tax as it comes from the Senate the tax on passenger cars, trucks, parts, and accessories is \$55,000,000; on tires and tubes it is \$33,000,000; on oils it is \$35,000,000; and on gasoline it is \$150,000,000, raising the total tax that applies to this industry to the sum of \$273,000,000.

Now, just what does this mean? It means that the tax on the automobile industry is 22 per cent of the entire new tax. It means also on the basis of valuation an average tax of 25.44 per cent per annum on motor-vehicle property. How close is this to confiscation? Here is an industry that in normal times furnishes employment to 4,000,000 people.

Here is an industry that in normal times furnishes a dinner pail for from 15,000,000 to 20,000,000 people. [Applause.]

I am not pleading especially for the industry itself; I am pleading for almost one million and one-half of people in my district who are directly or indirectly relying on the automobile industry for their existence. I am pleading for labor and for the small business man. The automobile industry is the one industry which seems to be "on the spot" at the psychological moment. It asks nothing from government, it is ready to finance its own operations. It is the one industry that has the courage to go ahead. It desires to-morrow to draw its pay checks and pay its weekly wage. It desires to-morrow to begin to fill the dinner pails of the country. It stands at scratch, ready to go, and it asks that it be not hamstrung before it starts and compelled to go limping down the course.

If there is any industry on earth that answers the kind of search which we are making to solve the unemployment problem, it is the automobile industry, and it asks nothing except that it be allowed to go. It is the one industry which helps to revive all other industries. So far as its raw material is concerned, it draws that raw material from every single State in the Union. It uses coal and coke, iron and steel and tungsten. It uses cotton, it uses wool, it uses flax, it uses paints and varnish and petroleum and rubber and lumber and copper. As you call over the list of States and their products you will find that each State furnishes its quota of raw material which goes into the finished car or truck, and so far as this industry has the breath of life it breathes it into every other industry and into every State—north, south, east, and west.

I would like to say one more thing, if I may, in reference to accessories, repairs, and tires. I have a small home here in Washington instead of rooms, and before I left there this morning there came to my house the ash man, the garbage man, the laundryman, and the grocery man, and each one of them came in an automobile. If 20 people call at my home to-day, they will all come in automobiles. If I went back to my law office and then to the court room to-day, the judge would come to the court room in a car, as would the clerk and the other officers of the court; each member of the jury would come in a car, and all of the witnesses

would come in cars. To tax the automobile and the truck to-day is the same as taxing the buggy and the wagon in the old days. To tax accessories and repairs to automobiles and trucks to-day is exactly the same as taxing the clevis, the whiffletree, and the neck yoke or the harness in the old days. To place a special tax on tires to-day is like putting a tax on horseshoes in the old days; and even in the great distress of the Civil War this Government did not feel called upon to go as far as that.

I desire to read a letter from Mr. Thomas P. Henry, president of the American Automobile Association, and a telegram from Mr. Roy D. Chapin, chairman taxation committee of the National Automobile Chamber of Commerce, each of which sets forth the situation clearly.

JUNE 3, 1932.

HON. JAMES W. COLLIER,

Chairman House Ways and Means Committee,

House Office Building, Washington, D. C.

MY DEAR MR. COLLIER: Because of the great interest you have manifested in the taxation of motor vehicles, I trust you will see fit to call the attention of your colleagues on the conference committee on the revenue bill to the burdensome, discriminatory, and disproportionate character of the levies imposed on highway transport in the measure now pending before you.

In the aggregate, the motor taxes in the bill passed by the Senate amount to \$273,000,000, divided as follows:

Tax on passenger cars, trucks, parts, and accessories...	\$55,000,000
Tax on tires and tubes.....	33,000,000
Tax on lubricating oil.....	35,000,000
Tax on gasoline.....	150,000,000

These taxes constitute 22 per cent of the total new revenue to be raised. We earnestly believe that this is out of all proportion to the ability of motor-vehicle owners to pay under existing conditions. It means an increase of \$10.58 in the average per vehicle tax, which will raise the 1931 national average tax from \$39.74 to \$50.32. On the basis of valuation, it means an average tax of 25.44 per cent per annum on motor-vehicle property. It should be apparent that such a rate of taxation on any form of property is inequitable, if not confiscatory, even in an emergency.

In the bill passed by the Senate the taxes on highway transport approximate the burden originally allotted to the users of motor vehicles by the Treasury Department. As Senator VANDENBERG, of Michigan, pointed out on the floor of the Senate, it is notoriously a fact that in seeking for new sources of revenue the Treasury Department has over a period of years turned first to the automobile. It is difficult to escape the conclusion that there is an ulterior motive, perhaps solicitude for the railroads, behind the willingness of the Treasury to shackle motor transport. It would be most unfortunate if the Congress of the United States should fall in line with such a policy.

The inclusion of a Federal gasoline tax in the revenue bill, even for one year, is particularly objectionable and in our opinion unwise. This field of taxation has been already overexploited by the States. In some States this tax is now close to 100 per cent of the retail price of the commodity. The high rates have led to tax evasion on a gigantic scale, all of which will be aggravated by the proposed Federal tax.

It is particularly important to bear in mind that close to \$2,000,000,000 of State and county road bonds are now outstanding and that the liquidation of these is predicated to a very considerable extent on State receipts from gasoline-tax collections. The demoralizing effect of a Federal tax can not but jeopardize these heavy bond issues and is a matter of grave concern to State officials.

Some legislatures have in recent months refused to increase this tax even as a means of relieving unemployment, because they recognized that the rates in effect are already exorbitant and that the law of diminishing returns is manifesting itself in no uncertain way. The fact that the States, facing serious budget deficits of their own, should show hesitancy in raising the gasoline-tax rates, ought to serve as a warning to the Federal Government against even a temporary incursion into this field.

I need not go into the difficulties that millions of motor-vehicle owners, urban and rural, are having to-day in maintaining their means of transportation. The facts are available in the records of the House Ways and Means Committee and the Senate Finance Committee. In view of these facts, it is difficult to believe that the conferees on the revenue bill will finally approve levies that even their sponsors admit are discriminatory and oppressive.

These thoughts are respectfully submitted, with full appreciation of the difficulties confronting you and your colleagues and of your desire to avoid the working of hardships on any element of the population or on any industry.

I am,

Yours very truly,

THOS. P. HENRY, President.

[Telegram]

JUNE 2, 1932.

HON. JAMES W. COLLIER,

Chairman House Ways and Means Committee,

House Office Building, Washington, D. C.:

Tax bill you are now considering in conference places over 25 per cent of the total burden on the motor user, who is already



loaded down by staggering State and municipal special taxes amounting to over a billion dollars annually. The total of the new Federal gasoline tax, the tax on cars, trucks, tires, parts, accessories, and lubricating oil, the Treasury estimates, will amount to \$273,000,000. The motor industry feels that the tax bill should be passed promptly and the Budget balanced to restore confidence, but if any reduction is to be made in conference, then Congress owes it to the country to reduce or eliminate certain of the automobile rates and help us in our battle to restore employment in the country's largest industry, not only at the factories but in every section of the country.

(Signed) ROY D. CHAPIN,  
Chairman Taxation Committee,  
National Automobile Chamber of Commerce.

For these reasons, with great reluctance and realizing the emergency which we face, I feel that I must vote against the confirmation of the committee's report, with the hopes that a new conference will eliminate the injustice being inflicted on this industry by the tax as it now stands.

Mr. CRISP. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. VINSON] such time as he desires.

Mr. VINSON of Kentucky. Mr. Speaker, I do not believe that any Member of the House has spent more hours in the preparation of this tax bill than I have. Due to the fact that the bill is a Senate bill, changing the entire scheme of taxation, I find that I am unable to support the conference report.

As a member of the subcommittee submitting the alternative proposals—after the defeat of the sales tax we had importunities to insert many of the taxes to which I now object. We refused to do it. Likewise, the full committee and the House refused to enter into these fields.

The Treasury recommended the tax on checks, gasoline, and electric energy. The subcommittee, the full committee, and the House refused to accept their recommendation. In the last throes the Senate taxed gasoline and checks. It likewise placed a tax of 3 per cent on electric energy produced by private enterprises to be paid by the vendor. In conference the Senate provision was amended to provide the payment of the tax to be made by the consumer.

I do not think it is necessary to tax gasoline—which has always been a source of revenue to the States—checks, or electric energy, to be paid by the consumer.

I was a member of the subcommittee dealing with the administrative features of the bill. The changes in the existing law as proposed by said subcommittee made a yield of \$100,000,000 to the Treasury. Many of the administrative features of the bill as it passed the House have been materially changed, and many millions of dollars thereby lost to the Treasury.

In opposing the conference report one does not oppose the balancing of the Budget. Opposition to the conference report is the only method of securing an opportunity to defeat the tax on checks, gasoline, and electric energy to be paid by the consumer, together with other specific taxes and administrative changes to which I do not agree.

According to the conclusions of the experts and the conclusion of the House committee, the Budget was balanced as it passed the House. There were many items stricken from the bill in the Senate which returned a tremendous yield. For instance, the tax on stock transfers—one-quarter of 1 per cent—was estimated to yield some \$75,000,000. Another item carried \$88,000,000. These items, together with the administrative changes and the retention of the rates of the House upon certain commodities, would have exceeded the yield of the three specific items to which I have referred; that is, checks, gasoline, and electric energy payable by the consumer.

As I said in the beginning, the bill, in its present form, is almost a new bill. It changes the theory of taxation adopted by the House. It has discarded the idea that capacity to pay is a real criterion in the selection of the taxes to be imposed.

Mr. CRISP. Mr. Speaker, there are many Members of the House who desire to extend their remarks in the RECORD, and therefore I ask unanimous consent that all Members of the House may have five legislative days in which to extend their own remarks on the conference report.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, I yield 14 minutes to the gentleman from North Carolina, Mr. DOUGHTON.

Mr. DOUGHTON. Mr. Speaker, I am willing to concede, and I believe in, the patriotism of every Member of this House. Therefore it is not a question of patriotism but a question of judgment with reference to this matter of taxation which we are now considering. I have no apology to make for my position with reference to the manufacturers' sales tax. [Applause.] That has been referred to in the discussion to-day, which I think was unnecessary, and I wish briefly to refer to that phase of the matter.

The manufacturers' sales tax was first proposed in the Ways and Means Committee, and I violate no confidence when I say that as far as my recollection bears me out, there was not a single member of that committee who favored a manufacturers' sales tax. The distinguished member of our committee and the acting chairman, the gentleman from Georgia, was one of the first, if not the first, to rise in his place and say that he was very much opposed to a manufacturers' sales tax.

Now, the fact that he changed his mind later is no reflection on him and I have no criticism of him on that account. I know that as far as a manufacturers' sales tax is concerned I have been consistent. [Applause.]

If those who have prepared this bill had for their sole purpose preparing a bill that was as nearly as possible as indefensible and unjustifiable and inequitable as the manufacturers' sales tax, I will say that they have succeeded to a large extent. There is no doubt about that.

Now, as much as I would like, I can not support this conference report.

The gentleman from Georgia, the distinguished acting chairman of the committee, referred to the fact that the conferees of the House fought to retain many provisions of the House bill, which were eliminated by the Senate. I can not understand for the life of me how any great opposition could have been offered or any strenuous fight made on a bill containing as many items as were in dispute, when the work of the conferees was concluded in one day.

My friend from Georgia referred to the fact that he was adamant in not yielding against the provisions in reference to the consolidated and affiliated returns of corporations. Well, if he was adamant, why did not his opposition and that of the House conferees retain some of these other House provisions in the bill?

My two objections to the conference report are, first, the tax on checks, the most objectionable, indefensible, unwarranted provision, and for which there is neither necessity nor excuse.

It bears no relation whatever to ability to pay. There can be no justification for it, whereas so far as the matter of consolidated and affiliated returns are concerned, against which my good friend from Georgia [Mr. CRISP] stood adamant, there was a division of opinion in the Committee on Ways and Means. When it came to the matter of a stamp tax on checks there was no argument. There was no division among the members of the Committee on Ways and Means with respect to that. Each member was unqualifiedly and unconditionally opposed to a stamp tax on checks. It was not in the bill when it was reported to the House. Yet there was not sufficient opposition to it by the House conferees to keep it out of the bill. We talk about inflation and deflation and preventing hoarding of money. What will do as much injury to banks, and through the banks to communities and industries in the country, as a stamp tax on checks? It will cause those who have deposits in banks to draw out their money. Take, for instance, a man who runs a creamery or one who purchases produce and gives hundreds of checks every day in amounts all the way from 79 cents up to ten or fifteen dollars, who has a roll of checks at the end of the month numbering one



or two thousand. The stamp tax on the checks will amount to much more than all of the profits he can possibly make in his business. It will mean that many of those who have deposits in banks will draw their money out and hoard it, and it will do more to promote hoarding and cripple the banks than any other provision in the bill. And yet we expect to start the country on the road to prosperity while taking the very steps that will have a deflationary effect and which to that extent will cripple business. Of all the unjustifiable taxes—which the Ways and Means Committee members were all against, not a single member favoring it—that is the most iniquitous, the most unjustifiable, the most unfair, and the most burdensome, and will be the most harmful of all of the taxes proposed in this bill.

The next tax that I would say is the most unjustifiable and unreasonable and indefensible is the tax on gasoline. This is one field of taxation that the States have preempted, and if they have not already placed all of the taxes that the traffic will bear, if gasoline can stand still more tax—and possibly it could in some States—then that field should be left to the States.

We have a tax in our State of 6 cents a gallon on gasoline, and with it we are paying interest on our bonds and setting aside a sinking fund to pay our bonds and also maintaining our roads. This is all done out of the tax on gasoline. If gasoline could possibly stand 1 cent a gallon more tax, our State—and I think it is true of every other State in the Union—is entitled to that additional tax. This is one field of taxation that the Federal Government should have left entirely to the States.

Mr. SCHAFFER. Does the gentleman favor a gasoline tax such as is embodied in the Garner public works bill?

Mr. DOUGHTON. That would take an hour to discuss. Is the gentleman in favor of doing anything for the unemployed? It is said that we must balance the Budget, that our legislation must be sound; but if we are to embark on a program of relief for the unemployed and to prevent destitution, starvation, and nakedness, we must finance the matter in some way; and if the handsome gentleman from Wisconsin has a better method, I am sure that Members of the House will favor it.

Mr. SCHAFFER. I have a better method. Tax beer instead of gasoline.

Mr. DOUGHTON. I decline to yield further. It is certain that we will have to impose many taxes that are burdensome, and that would be unjustified; but, as my good friend from Georgia [Mr. CRISP] said, we are experiencing a condition now even worse than war. However, in levying a tax on the American people and raising billions of dollars, we should not get away from all sound principles of taxation. We should not ignore the well-established principle that taxes should be levied in proportion to ability to pay; and while there are many taxes in this bill that could not be justified in normal times, these taxes I have mentioned are the ones against which I would inveigh most emphatically because they can not be justified at any time.

Oh, they say, what is the remedy, what have we left to tax? We have the normal tax on dividends of corporations, which has been stricken out, and the tax on stock transfers, which has been reduced, and had we not reduced certain excise taxes carried in the bill we would have had adequate revenue to balance the Budget, according to the estimate of the Treasury Department, without imposing these taxes I have mentioned. I know they insist upon having the bill passed, but we have gone on this long, and could we not take two or three days more and send the bill back to the conference committee, where every disputed item and every item under controversy could have proper consideration? With all due respect and without criticism to the members of the conference committee, everyone knows that it is impossible to consider all of the items in dispute in this bill between the Senate and the House concerning which there was disagreement in such a short time. We have lost everything and gained nothing, according to the statement of our distinguished majority leader, Mr. RAINEY. If this conference report can not be supported by him, who knows more about it than any other Member on the majority side save the

distinguished gentleman from Georgia [Mr. CRISP], if he can not support as earnestly as he desires to do so because of its tariff provisions which should have never gone into the bill, and no doubt because of other unjustifiable and inequitable provisions, is not that sufficient reason why the conference report should be sent back to the conference committee? Let us take two or three days more for the committee to consider item by item every disputed matter in the bill, in the light of the objections interposed on the floor of the House by Members who can not consistently support the conference report.

We all desire to help balance the Budget and do it as speedily as possible, but in doing that we can not violate our consciences nor our judgment; we can not support a bill for which there is no reasonable justification. I do not believe any Member of this House can justify some of the provisions of this bill except by the statement that the exigencies of the occasion make it necessary. The Budget should be balanced by sound and equitable taxes and not those that are utterly indefensible. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. CRISP. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, I was very much amused at some of my colleagues on the Republican side of the House who were so vociferous, so constructive, and so statesmanlike in their advocacy of the sales tax, now seeking an avenue of escape, and on the eve of an election taking the floor and voting against the tax bill. I can not forget their self-praise of their own patriotism as they pleaded for a balanced Budget.

I have no fault to find with anyone who fought the tax bill all the way through. I would like to see anyone draw a bill of this size that is satisfactory to every section of the country and satisfactory to each individual Member of the House. It can not be done. But I say to you gentlemen who have been trying to balance the Budget, here is your chance. Vote for this bill or forever keep silent on Budget balancing.

Of course, the bill is not satisfactory to me, but I never hoped, in my fondest dreams, to get an income tax and an inheritance tax and a gift tax, such as is contained in this bill. [Applause.] There has been all of this talk about a revision of the tax next winter, but let the word go out that the first revision of the tax will be to eliminate the obnoxious taxes, such as stamps on checks and the tax on gasoline, but that the income tax, the inheritance tax, and the gift tax are going to stay as the permanent taxing policy of this country. [Applause.]

That is why I am supporting this report. But I predict here and now that these excise taxes included in this bill will be made as obnoxious as possible to the American people. Not only the application of them, but the administration as well will be made as nearly intolerable as possible so that the people will rise and cry out against them. All this will be a part of the lecherous and systematic propoganda already under way for the enactment of a general manufacturers' sales tax at the next session of Congress. There is no need to fool ourselves about this. The same sinister interests that fought to the last ditch for the inclusion of a general manufacturers' sales tax in the present revenue bill will return as large as a cootie flock to vex the next session. There is no use trying to deceive ourselves. There is a wide-spread and vicious campaign on foot to make the poor and the working classes bear the cost of government. The sales-tax agitation is accessory to this campaign and part of it. The interests that promote this campaign to escape their just share of taxes will stop at nothing. They will see to it that the administration of the present tax bill, free as it is from general sales taxes, will be made as great a nuisance as possible to the people of the country.

Let me illustrate how unfair, how heedless of the facts this cry for a sales tax is. I want particularly to address myself to the Representatives from the automobile-manufacturing districts who took the floor to-day and stated they could



not support this report because of the unfair burden on the industry in their district, the automobile, but that they would have supported the sales tax.

On page 243 of the bill as agreed to in conference, section 606, you will find the automobile tax. It is one-quarter of 1 per cent less tax on trucks than it was in the sales tax. It is three-quarters of 1 per cent more on passenger cars than it was in the sales tax, and it is one-quarter of 1 per cent less on accessories to automobiles than it was in the sales tax.

Mr. PARSONS. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. PARSONS. Will the gentleman tell us who is for the sales tax? Who is supporting it?

Mr. LaGUARDIA. With the exception of the gentleman from North Carolina, almost all the speeches made to-day against this bill are made by advocates of the sales tax.

Mr. PARSONS. Is the President for the sales tax?

Mr. LaGUARDIA. Yes. Finally we hear that he is.

There is one provision in this bill that has not been referred to, and I am sure the gentleman from Georgia will explain it before the time has expired. That is the tax on electrical energy, either to consumers or to manufacturers. It seems to me that the provision that is now contained in the bill as far as the conferees are concerned is ultra vires, entirely. The conferees exceeded their authority. They had no right, no authority, to take the tax from the power companies as provided in the Senate bill and place it on the consumers. Surely there was no such provision in the House bill, and the amendment contained in the bill to-day is not in keeping with the provision as written by the Senate. I do not believe the Senate will approve that. It is their amendment and I sincerely hope they will reject the change written into it by the conferees. The consumers should not pay the tax. I think, perhaps, the time of making a point of order is past unless the point of order was reserved at the time the gentleman from Georgia reported the bill.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. LaGUARDIA. I yield.

Mr. COCHRAN of Missouri. Just before the Senate adopted that provision there were two separate votes upon the very item that the conferees put in this bill, and on both occasions the Senate rejected the language that is in the bill.

The tax on power, should it remain as now wrongfully written into the bill, certainly can not remain in the revenue law very long. We are sure either to repeal it by joint resolution this session or the first thing next session. Congress can not permit the power companies, who have been controlling State legislatures and writing their own law, to dictate and write national legislation. They have been doing their dirty and slimy work long enough. After the exposures from the investigation of the Federal Trade Commission, decent people of this country had hoped that the Power Trust, the local power companies, the gas companies, and the electric-light companies had been shamed into respectability and honest trade practices. It seems that they have not. When I say Power Trust I include the local power company, the electric-light companies, and the gas companies—I mean each of them, and I say this because of the constant propaganda of these same people who charge that the reference to a Power Trust is indefinite and vague. Yes; it is not so long ago that Mr. Insull was shouting from the roof tops. It is not so long ago that people in high offices right here in Washington were doffing their high hats to the great Mr. Insull. Reference has been made right here on the floor of the House to this man Insull and his great genius for organization and his great genius for financing. Yes; financing, using bought-up political power and paid publicity to sell his securities made worthless by vicious financial manipulation. Let some of the defenders of Insull stand up and defend him as they did before the crash of his companies. Let some of the high officials who fraternized with him come to his defense. As time goes on, those of us who publicly used for the public good the information that we have had on the power and utility gang will be justified in

our activities to clean the public-utility companies, to prevent legalized exploitation of the consumers, and to avoid excessive rates on power, light, gas, and heat, now necessities and indispensable in our present living conditions.

Personally, I doubt the legality of the provision of this tax paid by the consumer and collected by the company. I will look into that later. In the meantime I would like to have some of the sponsors of the provision prepare themselves to answer just what would happen if the consumer refuses to pay the tax. Could the company shut off service if he paid the rate provided for in that State for power but refused to pay the tax? That is something to think about. Suppose the company in turn does not pay the Government? Can the Government sue the consumer? Can the Government seize the property of the utility company, thereby shutting off service to the consumer? That is something more to think about. The last word on this provision has by no means been said. It is coming back, and sooner than the power crowd and their servants in Washington realize.

Mr. LaGUARDIA. I will say to my colleague that I think the Senate will reject it again. Of course, that will eliminate it from the bill. To-day, as far as the House is concerned, we have either to vote this conference report up or down. By reason of the critical condition of the country and by reason of this cry for balancing the Budget, I am going to vote to support the conference report, because this does balance the Budget with a vengeance. They wanted it. They got it. Let them have it. [Applause.]

Of course, I do not agree to the lumber tax. The matter was submitted to the Tariff Commission only this year. They rendered their report in the early part of the year, and we are helpless on that; but, gentlemen, I have some very interesting figures on the wages paid in the lumber industry. I asked the Department of Labor to investigate those figures for me. They have confirmed them, and the minute that this lumber tariff goes into effect I am going to publish those figures. The purpose of the tariff is to pay the American standard of wages, and I will publish those figures and let the lumber industry pay the American standard of wages. [Applause.]

Let me mention another phase of taxation: National prohibition is at an end. All that remains for us to do is to perform a few last sad rites and then look forward to the future. There is small doubt but what the repeal of prohibition will bring to the National Treasury enormous revenues. The same venal interests that have tried so intensively and so unsuccessfully to date to eliminate income taxes from our national tax schedule will make every effort to divert the impending liquor revenue to the cancellation of such income taxes. We will then face a fight as bitter as the recent effort to force a general sales tax down the throats of the American people and with the same lines drawn. But there will never be, and can never be, a sound system of taxation that does not rest on the taxation of incomes. It is not only necessary for revenue purposes but it is indispensable from a social standpoint. If we lose sight of ability to pay as a factor in taxation, we have no alternative but to bleed the weak and trample further on the interests of the working people while further exalting privilege and wealth. I say, we will have that fight when legalized liquor returns.

Finally, in this tax bill I am at least happy that we have got 1 cent more a share on the transfer of stocks, and I am glad that the conferees accepted the transfer tax on bonds. I recommended that before the Ways and Means Committee. We have something, at least we have a tax on the loan of stocks on short sales, but I will say, Mr. Speaker, when the time comes I want to appeal to the Members of the House to study the facts. There has been more deliberate lying on the stock-transfer tax than on any item in this bill, or in any tariff bill ever written. I appeal to the membership of the House to study the facts and get the truth on stock transfers, the procedure, the methods, the customs; compare it with the English taxes, compare it with the Canadian taxes, and I am sure that at



the very first opportunity we have we can vote out the stamp tax on checks, and vote a one-quarter of 1 per cent or an eighth of 1 per cent on all stock transfers. [Applause.] [Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Speaker, I have always been opposed to a sales tax, and one of the first speeches I made in the House was in opposition to the sales tax which was proposed in 1921. I do not believe in it now; but if there is any one thing that would come nearer driving a man to voting for such a tax than the provisions of this bill, I do not know where you would find it. So far as the midwest is concerned, we would be better off with a general manufacturers' sales tax than we shall be if this bill as reported by the conferees goes through. The original House bill, with its comparatively high sales tax rates, as contrasted with its income, inheritance, and gift tax rates, seemed to me unjust to the consumers of the country.

I voted against the sales tax when this bill was under consideration in the House but supported the bill in the form it took when ready for final passage. The principle of the general sales tax was eliminated and the special and other taxes that took its place were fair and moderate. The bill as it went over to the Senate was much better than the one that has come back to the House.

I recognize the fact that changes in economic conditions and in the estimates of the Treasury made it necessary for the Senate to find taxes in addition to those which were levied by the House, but it has taken from the bill some of the taxes we sent over, which were infinitely preferable to what we have in return. For instance, take the tax on lumber. Here we are placing a tax of \$3 a thousand board-feet on lumber, which in addition to the existing tariff makes \$4 a thousand. That tariff, as has already been stated by the gentleman from Illinois [Mr. RAINEY], is absolutely prohibitory. It amounts to an embargo and will certainly result in establishing retaliatory tariff measures by Canada.

Our trade with Canada is about the largest of that of any country to which we ship merchandise. It is going to be seriously affected by this outlandish tax on lumber.

It should also be remembered that the American farmers to-day need to put up improvements of every character, and require much lumber for repairs. They will be in the market for large quantities of lumber when conditions improve to a point where they can get into the market for anything. This is going to levy a tax upon the farmer at the rate of \$4 a thousand upon his lumber, which is a prohibitory tax, and which will make improvements in most cases utterly impossible.

Mr. BURTNESS. Will the gentleman yield?

Mr. WILLIAMSON. I yield.

Mr. BURTNESS. I know the gentleman is interested in the Great Lakes-St. Lawrence waterway project. What has the gentleman to say with reference to the effect the lumber provision will have upon the negotiations now nearing conclusion between the Dominion of Canada and the United States on that project?

Mr. WILLIAMSON. I may say to the gentleman from North Dakota that I think it is a serious question whether that treaty will ever be signed by the Canadian Government if this item goes into effect—at least not until the obnoxious tax is repealed.

This item should be removed from the bill; and if there were no other reason for objecting to the conference report, it should be rejected with instructions to delete this tax. It can not possibly be justified upon the difference in the cost of production here and in Canada. It would appear that the advocates of the sales tax have made the bill just as obnoxious as possible to force favorable consideration for their pet tax. We are intensely interested in the St. Lawrence waterway project. It means much to the Northwest.

I fear this proposed tax on lumber is going to be fatal to securing such a treaty with Canada in the immediate future. It is unfortunate that as we are nearing the goal which

would permit this development that it should be jeopardized by this unfriendly act.

The gentleman from North Dakota referred to the gasoline tax. All the States of the Union to-day are levying a heavy tax upon gasoline. It has been preempted by the States. In many cases it is the only source of revenue they have for road construction and maintenance, and the Federal Government ought not to step into this field.

Is it not enough that we have levied a heavy tax on trucks, automobiles, and parts, without piling on top of it a tax on lubricating oil and gas? This tax will cost South Dakota \$1,500,000 a year; and if the Garner relief bill goes through with its cumulative one-fourth cent a gallon on gasoline, there will be an additional \$375,000 to pay. To cap the climax a 2-cent tax on checks is added to the already heavy burdens of the little fellow. No discrimination is made between the small check and that for a \$100.00. There are no exemptions.

Those who will may sponsor these taxes. I do not propose to do so. I agree that the Budget must be balanced, but there are less obnoxious and harmful ways of doing it.

Mr. TREADWAY. Mr. Speaker, I yield four minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, every Member of the House who has spoken on this conference report has either apologized for it or has told why he was going to vote against it. The House has never before been confronted with so unusual a situation. Mr. RAINEY, the distinguished minority leader of the House, referred to the bill as a "logrolling mess," while Mr. CRISP, of Georgia, the acting chairman of the Committee on Ways and Means, apologized for the report and contented himself by saying "it was the best they could do." The distinguished gentleman from Massachusetts, Mr. TREADWAY, said the report was "indefensible," and Mr. LA GUARDIA, of New York, said he was going to vote for it because it balanced the Budget "with a vengeance." This is the first time in my 20 years' experience in the House when legislation was publicly recommended for passage because it did certain things "with a vengeance." The gentleman from New York [Mr. LA GUARDIA] is undoubtedly referring to the estate-tax provisions and the income-tax rates embodied in the report which is before us. It certainly "soaks the rich" as well as the poor with a vengeance, and it would require no prophet to predict the failure of the bill as a revenue producer, because it kills all of the geese that ordinarily lay the golden eggs. In a year from now there will not be any rich to soak, because initiative and constructive gain is destroyed in the tax bill about to be enacted into law under the guise of a "balanced Budget."

It is not so long ago when our distinguished Speaker, Mr. GARNER, stood down here in the pit of the House while indorsing this revenue bill, and I recall distinctly his melodramatic words when he called upon his colleagues in the House to "for God's sake have the courage to substitute something real when offering amendments to strike something from the bill." He appealed for constructive criticism and a substitution of language that would raise substantially the same amount of money as might from time to time be stricken from the bill. I, to-day, call upon you for that same kind of courage. Let us vote down this indefensible, iniquitous, inconglomerate mass of tax legislation and substitute for it a reasonable manufacturers' sales tax in line with a resolution which is now pending before the House Committee on Rules, which will make in order a sales-tax amendment to the bill now before the House.

Mr. Speaker, the time has arrived when we must choose between a conglomerate aggregation of nuisance and confiscatory taxes on the one hand and a well-considered universally adopted sales tax on the other. If the people back home would communicate their desires to Congress, I am sure that both the House and Senate would adopt a sales tax as the soundest and quickest way to promote industrial confidence and a balanced Budget.

The adoption of my resolution will mean the imposition of a 2½ per cent tax on the sale of every article sold in the United States by a large manufacturer or producer thereof,



excepting farm and garden products, food, clothing, school books and books of religious reading, and materials manufactured exclusively for use in houses of worship.

The acceptance of this tax would provide \$400,000,000 in revenue and would make unnecessary any increase in the existing income-tax rates in either the upper or lower brackets and it would also make unnecessary a lot of nuisance taxes and stamp taxes now carried in the bill.

A manufacturers' sales tax would have a wholesome effect upon industry generally, would definitely provide for a balanced Budget, and would promote an air of confidence throughout the United States such as has not prevailed during the past two years.

Excluding a tax on clothing and foodstuffs, which comprises a very large percentage of the average man's expenditures, the manufacturers' sales tax is regarded by the world's foremost nations as the most equitable means of raising revenue. It is felt by no one and yet contributes the very largest revenues.

Mr. Speaker, I am in receipt of telegrams from Walter T. Rice; Martin J. Faubel; Carl W. Gerstenberg, commander Board of Trade Post, No. 304, American Legion, which are more or less summarized in a like telegram from James Forrest, chairman of the committee of 100 to save the jobs of 100,000 American workers, which reads as follows:

CHICAGO, ILL., June 3, 1932.

FRED A. BRITTEN,

House Office Building, Washington, D. C.:

The most startling and paralyzing move of Congress from the standpoint of men who are employed in commodity markets was the midnight action of the Senate on Tuesday in reinserting in the tax bill the tax of 5 cents on every hundred-dollar value of future trades. As you know, this was brought up suddenly by Senator FRAZIER, of North Dakota, and passed quickly, without its full significance being explained. Even in war time this tax was only 2 cents, and was reduced to 1 cent because of the burden it carried. When this matter was before the Senate committee representatives of more than half a million farmers' exchanges and various cooperative groups appeared in vigorous opposition, and the committee readily visualized the dangers involved and knew that enforcement of such a law would in effect place a new heavy burden on agriculture as well as seriously restricting the grain, cotton, cottonseed, sugar, bran, butter and eggs, potatoes, and millers' products' markets and putting vast numbers of additional workers into idleness. It has been estimated enforcement of the law will throw 100,000 men and women out of work by July 15, adding this number to the 8,000,000 now tramping the streets in search of bread and butter.

The undersigned are among those whose jobs and homes are threatened. The law will not bring in the \$6,000,000 estimated revenue, for it will kill the business it is intended to bleed of such revenue and bring additional suffering to the working classes and the farmers. Any student of markets will also advise that this tax would so seriously restrict future markets that hedging facilities so valuable to farmers in marketing their grain, cotton, and other produce would no longer be available. Consequently larger buyers will be able to dictate their price terms to the farmer. The farmer will suffer and 100,000 workers in the various commodity markets will be compelled to see their families suffer. Before these hundred thousand workers are thrown into idleness an appeal is being made to you by the undersigned committee because large numbers of your constituents believe you owe it to your constituency and to your State to bring the real facts to light. We respectfully urge that upon receipt of this communication you wire the chairman of this committee advising what may be done in the matter and what cooperation you will be able to extend. Every member of this committee is associated with business houses having connections and associations throughout Illinois and are acting on behalf of thousands of your constituents.

COMMITTEE OF ONE HUNDRED TO SAVE THE JOBS OF  
ONE HUNDRED THOUSAND AMERICAN WORKERS,  
JAMES FORREST, Chairman.

Reverting to Speaker GARNER's appeal for "courage," permit me to suggest that just a little courage at this time would put a tax on beer which would bring into the Federal Treasury the very first year not less than \$500,000,000, including a balanced Budget. [Applause.]

Mr. STRONG of Kansas. The gentleman has spoiled a good speech.

Mr. BRITTEN. No; I have not spoiled my speech. The gentleman is so dry that if he went out in the wind he would blow away.

Mr. STRONG of Kansas. But I would not drown.

Mr. BRITTEN. No; if it was wet, my friend would float away. The time has come, my friends, when we must

have the courage to provide revenue for the Treasury, and if we can get \$500,000,000 by a tax on beer, why not accept it? Let us not be afraid to vote for it because for the past 10 or 12 years some of you have been dry. The sentiment of the country has changed, and you will have to change accordingly. No one can consistently vote for this tax bill and at the same time refuse to vote for a tax on beer.

I hope this conference report is voted down. [Applause.] [Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, of course this bill as it is presented to the House is indefensible, except on one theory, and that is balancing the Budget. I can not conceive how the mind of man could write a worse tax bill. I can only think of one thing which would be worse than to inflict this tax bill upon the American people, and that would be to say to the American people and to the world that the Government of the United States is insolvent and Congress has neither the patriotism nor the courage to meet its constitutional duty and provide sufficient revenue to operate this Government.

We could have had a better tax bill with an honest, fair manufacturers' sales tax, with the exemption of food, clothing, drugs, and agricultural implements. [Applause.] But this Congress would have none of it. When we voted down a general manufacturers' sales tax every intelligent man knew that he was not only voting out the manufacturers' sales tax but that he was voting for these substitutes. And now you have them. You have sales taxes which will rob the American people and hurt industry in more than one respect, and doubtless bring economic chaos to the country. If that be true, outside of the inescapable conditions with which we are confronted, no one is to blame save those who defeated a more equitable tax. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Speaker, in my opinion the two most significant votes the House has cast throughout the entire discussion of the tax bill are the votes on the Doughton amendment eliminating the manufacturers' excise tax from the revenue bill, which vote is found on page 7324 of the CONGRESSIONAL RECORD of April 1 of this year, and the vote on this, the tax bill, conference report. When the April 1st vote was taken and the sales tax was defeated by a vote of 236 to 160 this House decided definitely that it would pass this proposed law, which is unfair, discriminatory, actually a tariff bill, and provides a sales tax which falls most heavily upon a few selected industries. When that decision was made it was practically decided to tax bank checks, automobile tires, brewers' wort used to make beer, grape concentrate used to make wine, gasoline, coal, lumber, copper, toilet articles and cosmetics, furs, jewelry, automobile parts and accessories, radios, refrigerators, sporting goods, firearms and shells, candy, matches, chewing gum, soft drinks, electric power, and to tax everything which we find taxed in this bill. I can not but say that in my judgment the burden and the iniquity of this bill falls upon those who could not anticipate the situation that would exist in the Public Treasury, and the present parliamentary situation of which every Member of Congress and almost every citizen had sufficient notice.

I am frank to say that at this minute I do not know whether to vote for or against this conference report. We know that the Budget must be balanced and yet an aye vote means that a Member of the House like myself, who felt certain that the manufacturers' excise tax ought to be adopted, must violate every rule of taxation by accepting this report. Yet I know that the Budget must be balanced, and I would feel that perhaps some of the burden should fall upon me if my vote should say that we would not accept the conference report. If I should vote for it, it would be under protest, knowing it is unfair, that it is discriminatory, that it has every bad fault of every tax bill that has ever been passed since I have been a Member of this body, and, as one of the final votes that I shall cast in this House I



would like to express this opinion and absolve myself of any responsibility for these iniquitous, unfair taxes. The only reason that I could vote for it would be because I can do nothing but vote it up or vote it down, and then cause further distress to come to this country because if it should fail to pass the Budget would not be balanced, and then, perhaps, I might be partially responsible for the drop in the prices of wheat, corn, cotton, hogs, cattle, and manufactured products which might result in every market in the United States to-day.

It is an outrage that this situation exists and the responsibility, eventually, will be fixed by the American people. They can not be fooled any great length of time by the votes that they saw us cast on April 1 and the votes that we will cast to-day. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield three minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, this conference report is not wholly agreeable to anybody—not even to the members of the committee which presents it. There are numerous objectionable features, but in the brief time I have I desire to mention one in particular.

In all the range of legislative possibilities, the committee could not have put into this report any provision that would have been so universally obnoxious as the tax upon checks; nothing that would have been so objectionable, and nothing that would have exercised such an unfortunate effect upon the business interests of the country.

What is the great need of business to-day, particularly in the agricultural districts? It is credit. The farmer especially can no longer secure credit from any outside source. The land banks are no longer lending money. The Reconstruction Finance Corporation will not lend him a dollar. The insurance companies long since ceased lending money on farm lands. The farmer and the tradesman dependent on farm patronage has no source from which he can secure one penny of credit to-day except from his local bank.

This provision taxing bank checks will lower the level of surplus funds in these last remaining credit reservoirs all over the country. Few small depositors will put money in a bank when they have to pay a tax in order to get it out again.

Anyone with any intimate knowledge of the situation knows that the great majority of accounts in all country banks at this time are small accounts and the great volume of checks are of small denomination. If these small accounts are to be taxed off the books of the banks, the inevitable result will be to further reduce the loanable funds of the banks. It will contract, to just that extent, practically the last source of agricultural credit.

Answering the suggestion just made that dealers in buying country produce can draw checks in such a form as to evade this tax, permit me to say that even if such an evasion is permitted by the Treasury Department, it can not protect farmers who receive such checks when they withdraw that money from their own accounts. The price of eggs at the point of production is now as low as 6 cents per dozen. And the farm wife drawing a small check on her account would pay a tax of 33½ per cent of the price she receive from a dozen eggs. Profiteers making excess profits and corporations filing consolidated returns and others go scot-free of huge taxes levied during the war but rejected by this bill in order to substitute a tax on the gas for the farmer's tractor, on the children's stick of candy, and on the home bank.

It is incredible that in this emergency, with the small bank fighting for its life and the liquid credit of it patrons, practical men should propose such a tax. It spells disaster in many communities; it retards recovery from the depression throughout the country, and it defers indefinitely the return of national prosperity.

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield four minutes to the gentleman from Missouri [Mr. DICKINSON].

Mr. DICKINSON. Mr. Speaker, our country was united during the World War; not so now. The country is more critical to-day than at any time in its entire history. We have been in session six long months. The House has been waiting on the Senate. The country has been demanding action. The business interests have been urging the speedy passage of a tax bill to balance the Budget. The time has come to meet the expectation and urgent desire of the country. Credit must be preserved and confidence restored.

No tax bill coming here from the Senate or the conference will be acceptable in its entirety either to the House or to the country, but you have got to pass a tax bill, and I am ready to vote on this measure now and end the suspense here and in the country. There is much in this pending tax bill as it comes from conference that does not suit me and which I have vigorously opposed from the beginning and which are in the bill as it comes from conference to my intense regret. If in their stead there had come from the Senate or from the conference between the two Houses a modified manufacturers' sales tax with liberal exemptions of food, clothing, medicines, and farm implements and other necessities, I was ready to vote for it and end the controversy over this temporary tax measure and relieve certain named subjects from such heavy taxation, which, in fact, are special sales taxes, but the bill is here in its present form and we must act. I have in my system now a speech that I would like to deliver to this House on this bill, but I can not do it in the brief time allotted me.

Action now is what the country demands. The patience of the people who sent us here is exhausted. The business of the country has urged Congress to act without further delay and provide sufficient revenues to meet the needs of the Government, to the end that the credit of the country may be preserved, that depression be relieved, and that fear may end.

Many of the subjects for taxation now in the bill were originally proposed by the Secretary of the Treasury and extended hearings before the Ways and Means Committee were had and these subjects were rejected, and a so-called manufacturers' sales tax was substituted, a modification of the Canadian law, but when reported to the House, this body refused to accept the sales-tax provision, and the tax bill went back to the Ways and Means Committee, and the rejected subjects were then embodied in the bill in place of the sales tax, and rereported to and passed by the House and sent to the Senate. There the sales tax was attempted to be substituted, but failed of adoption, so the bill is here with the same and additional objectionable subjects in the bill, made necessary in order to balance the Budget.

In this revenue bill of 319 pages there is much of merit and helpful value. I was strongly opposed to a tax on checks and to increased letter postage, and I greatly regret these items being in the bill. I was also unfriendly to increased taxes on automobiles and rubber tires and gasoline and other subjects. I favored increased taxes on incomes in the higher brackets and increased inheritance taxes on distribution of large estates, so that the great wealth of the country be made to pay its fair share of the burdens of Government. I favored taxation of stocks and transfers of stocks, so that the money of the country used in stock deals might be taxed, to the end that stock gambling, making enormous fortunes through speculation in stocks, should be made to pay taxes to support the Government.

I shall support this bill and the conference report with greater reluctance than any tax measure ever presented during my terms in Congress. Revenues must be raised to meet the demand of the Treasury or else bankruptcy will result. The credit of the Government must be preserved even though temporary hardships result. The bill runs for one year, for the fiscal year of 1933, commencing July 1 of this year.

Criticism may not end. Just criticism is the right and privilege of the American citizen. No man holding office should object to fair criticism, but he is entitled to just treatment while he is striving to carry out the will of those he is trying to serve. During my entire service in Congress



I have never known such general criticism of Congress, struggling to help relieve hard conditions.

Much of the criticism has been voluntary, much inspired, unparalleled propaganda from conflicting sources have flooded Congress and delayed action, a most difficult problem. For the confusion in the public mind, a part of the press, or its agencies here, in a measure may be responsible. The duty of all the press is to give accurate information. I am a friend of the press, but sometimes selfish interests controlling a part of the press unduly influence the public mind. Intelligent knowledge of the facts with common sense controlling judgment, will help to temper the mind of the public and meet the severe criticism of the representatives of the people, whose aim is to carry out the will of those who generously gave them opportunity to hold positions of trust in Congress.

No set of men, in my judgment, have worked harder or more conscientiously in attempting to discharge their duty here; and their greatest desire has been to know the will of their constituents and the best interests of the country. This has been the most strenuous session of all my terms in Congress.

The country and the world need readjusting. We need lower and more reasonable tariffs in order that commerce and trade may be restored. We need more money in circulation and a restoration of business by hoarded money coming out of hiding.

A tax bill to meet the demands of Government was absolutely necessary. The legacy of the war left a burden upon our country that is hard to bear. A billion dollars annually is necessary to pay interest on bonds and for the sinking fund to reduce our debt, and there is no way to secure money except by taxes or further issuance of bonds. I repeat that I do not like this tax bill, and with great reluctance I shall vote for it because the credit of the United States must be preserved.

The country is approaching a condition of chaos, revolution, the overthrow of our basic order of society. The people desire a recovery from this condition and look to Congress to help remedy the situation and to bring about a restoration of confidence. The hoarding of money is due to a lack of that confidence which is necessary before it will come out of hiding and return to the channels of business. Let us not fail to discharge our full duty as far as conditions will permit. Let us not for a moment criticize the public for this condition of unrest and distrust, for you are but their agents, and the great body of the people have a right to look to you to execute their will, and I know you are anxious to discharge that duty.

Mr. CRISP. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, the Budget must be balanced. To balance it, a tax bill that will produce the required revenue must be passed; hence, however much we dislike it, we must vote for this tax bill.

I am not for many of the provisions in this bill, but I am going to vote for it, because it is the only chance to pass an adequate tax bill at this session, and Congress must provide revenue to run the Government before we adjourn.

I am not for the 2-cent tax on bank checks. I have fought against that provision uncompromisingly.

I am not for the increase in postal rates to 3 cents. I have made an uncompromising fight against it. I am not for the tax on consumers of electricity. I am not for a great many other things in this bill, but I realize that the committee has worked hard and has done it best.

It has kept in the bill—and I want to commend the committee for it—a tax on foreign oil that will rehabilitate the independent industry in this country, and stop the foreign monopoly of the Dutch Shell and Gulf Co., and will do much good in my section of the State. The committee has refused to permit a tax on little children and poor families of the country who attend picture shows at night where the admission charge is not more than 40 cents. Sometimes the only pleasure that the family has after work-

ing all day is to attend a picture show at night. I am glad the committee saw fit to keep that provision in the bill.

I also commend the committee for forcing back into the bill, after the Senate had knocked it out, the tax on stock transfers on the gambling exchanges of the country. That would have been infamous if it had agreed with the Senate to leave that out of the bill. I also commend the committee for carrying out the wishes of this House in not permitting the infamous sales tax to be placed in this bill. That would have saddled the expenses of this Government largely upon the backs of the poor. We have whipped soundly Mr. William Randolph Hearst and the Republican administration on this proposition and have prevented them from carrying out their well-organized scheme. While I am against many features of the bill I am going to vote for it to help balance the Budget. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Speaker, I am going to support this bill, because I recognize the fact that in the strained condition we are in we have got to have the money.

I am of the firm opinion, however, that this bill is not going to balance the Budget. I am supported in that view because of the fact that the Secretary of the Treasury, on three or four occasions, has during the present session of Congress appeared before the committee of this House and the committee at the other end of the Capitol, and each time he has had to revise upward his estimates as to the income necessary to balance the Budget because the sources of taxation were drying up.

How we could raise the revenue and balance the Budget—that has been the problem. There have been a lot of people interested apparently in carrying on propaganda insisting that we do this and that, that we must balance the Budget, but I do not believe that at this time you can pass any bill under which you will be able to raise the revenue which you contemplate can be raised by the levies in this bill because of the fact that on account of the continued business depression, the sources from which the money is to come are continually drying up.

This House refused to resort to a sales tax, but the Senate has inserted a limited sales tax in this bill. Many obnoxious provisions have been placed in the bill since it left this House. It would seem as though, in response to the demands of those people who are and have been insisting upon a sales tax that many of these obnoxious provisions have been placed in this bill for the sole purpose of creating a feeling of disgust on the part of the public, so that the public would prefer the sales tax, and thus would the sales-tax advocates succeed.

In view of what I have said, I should like to make this prediction, that by the time Congress assembles next December the Secretary of the Treasury will have discovered that the sources of taxation provided in this bill will have further dried up so as to make another deficit in the Budget, and the Secretary will then again appear before the two committees of the Congress where tax matters are considered, again revising his estimates in order to balance the Budget, and will insist that the only way to then balance the Budget will be for Congress to enact a sales tax law.

Gentlemen, in times like the present it is impossible to keep a balanced Budget.

Of course, there are items in this bill which are obnoxious. It is a drastic bill. These are drastic times, and we must take that into consideration. I would much rather reduce Government expenses than increase taxes, but that can not be done at this session. It will be done, however, at the next session.

Mr. Speaker, I have from time to time pointed out the fact that there are sources to which we could look for income to correct this situation and which so far have heretofore been avoided. I refer to the fact that there is now pending before the Treasury Department for collection practically a billion dollars' worth of unpaid taxes. There are



hundreds of millions of fraudulently withheld taxes which should be gone into and collected.

I should like to discuss some of these matters, because they are pertinent to this particular subject.

Mr. Speaker, for many months I have been participating in an active investigation into the collection of the public revenues. The time has come to place what has been discovered before the attention of the Congress.

Although I was in possession of important information at the beginning of this inquiry, I have been amazed by the almost unbelievable situation which has been discovered to exist. Hundreds of millions, perhaps billions, of dollars have been diverted from the public funds by practices which could not exist without the knowledge of the Secretary of the Treasury. It is not too much to say that the shortage is so great that it is directly responsible for the need for new revenue which is now absorbing the attention of the two honorable bodies meeting under this historic roof. If the tax laws had been enforced, there would be no need for new tax laws.

I have called these discoveries to the personal attention of Mr. Andrew W. Mellon, former Secretary of the Treasury, and to Mr. Ogden L. Mills, the present incumbent of that office. I have not been able to discover in either of these gentlemen any disposition to correct existing evils, to collect back taxes, or to take any steps at all to bring this condition to an end.

Individuals and corporations who should pay large taxes not only escape full payment of their just share of the expenses of Government but are also the recipients of huge tax refunds which return to them the greater part of the sums they do pay. There exists what amounts to an alliance between tax evaders, attorneys, certain public accountants, and Treasury officials which operates to exempt from taxation those best able to pay and shifts the burden of governmental expense to the shoulders of those least able to pay.

The same forces which conduct this enterprise in defiance of law are now before the Congress and the public with specious arguments for legislation which will legalize the theory that only the poor and the middle class should pay taxes. "Socking the rich," that pat phrase given currency by the present Secretary of the Treasury, is a deceptive smoke screen to cover the work of this propaganda. The rich are not being "socked"; it is the increasing poor and the dwindling middle class who are bending under the blows of taxation.

Tax evasion extends into every field of business. Any large income whose possessor is part of the system can and does escape taxation through the operation of the alliance to which I have already referred. I will offer but a few instances of the extent to which this has been done, saving most of the evidence and the time of the House for later and more orderly presentation.

Particularly odious are a group of cases in which the Treasury seems to be allied with the New York branch of an English accounting firm to cancel a vast sum of war-profit taxes levied years ago upon foreign steamship companies. Opinions of successive Attorneys General of the United States holding these taxes due and payable have been set aside in secret and unpublished proceedings in which the present Attorney General seems to have played an important part. Laws passed by Congress have been reversed by "opinions" and "regulations" and "interpretations" promulgated by Treasury attorneys, and millions of dollars of refunds have been made to these foreign steamship companies, instead of collecting from them the unpaid taxes they owe under the law.

Mr. Speaker, the founders of this Republic provided for three departments of our Government, the legislative, executive, and judicial. Each department was designed to act independently but in conjunction with the other two. Each has its inalienable rights and privileges not subject to infringement by either of the other two branches. Each acts as a check and a balance upon aggression by either of the other two branches.

The founders were freshly out from under the shadow of monarchy. Eight years of war had sickened them of kings. They planned a government in which there could be no supreme head, a government in which personal ambition or greed could never rise above the public welfare. They planned a system of cooperation and safeguard which would for all time keep this country out from under the shadow of dictatorship—provided that the laws were for all time observed.

For several years past there has been a tendency for the executive branch—that is, the President and his Cabinet and the bureaus under their control—to encroach upon the functions of the legislative and judicial branches of the Government, even to the point of ignoring the laws passed by the Congress and the decisions made by the Supreme Court. We are told that the Constitution is outworn, that the "great minds" know best what should be done and that we should abolish constitutional government in favor of the rule of the superman.

Congress has not yet submitted to this surrender of its share of the constitutional responsibility, but that has made no difference to the executive branch. The gentlemen at the other end of Pennsylvania Avenue are increasingly prone to do exactly what pleases them without regard for any consideration of law or ethics.

A few days ago the Senator from Virginia, Mr. CARTER GLASS, disclosed that a very important opinion of the Solicitor General of the United States had been ignored for over 20 years. The Senator further disclosed that he had great difficulty in securing a copy of this opinion, that none of the executive departments which should operate under its provisions would admit knowledge of its existence, and that it was as completely ignored as though it had never been rendered. It was with the greatest difficulty, the Senator said, that he had been able to secure a copy of this opinion and then only by personal appeal to the Attorney General.

I can appreciate the difficulties of the Senator, because I have had the same sort of experience myself. As did the Senator, I followed the matter through to a conclusion, with the result that I discovered a far more astonishing and alarming condition.

After being informed that the Attorney General of the United States had rendered an opinion reversing the opinions of his predecessors and permitting the cancellation of the vast sum in tax owed by foreign steamship companies, an organization which makes a business of furnishing information concerning tax and other legal matters sought to obtain a copy of this important opinion.

This organization was informed by both the Treasury and the Department of Justice that the letter containing this opinion could not be disclosed to the public and that neither department was in a position to discuss its contents—a most remarkable condition. Other efforts through legitimate channels to secure a copy of this opinion were all defeated by the same conspiracy of silence surrounding the mystery of these foreign steamship taxes.

Fortunately, all these efforts were designed only to demonstrate the existence of the conspiracy. An authorized copy of the letter in question containing the opinion had been in the possession of the investigators from the beginning of the inquiry. I will read that letter.

WASHINGTON, July 7, 1927.

To the Secretary of the Treasury.

SIR: Receipt is acknowledged of your letter of July 1, relating to opinions of the Attorney General rendered November 3, 1920 (32 op. 336 T. D. 3111, C. B. June, 1921, p. 280), and January 21, 1924 (34 op. 93 T. D. 3576, C. B. June, 1921, p. 211), in so far as they deal with the income-tax liability of foreign steamship companies under revenue acts prior to 1921. I am advised by the general counsel of the Bureau of Internal Revenue, in a letter written by him July 1, 1927, that the conclusions reached in the opinions referred to have never been acquiesced in by the foreign steamship companies.

It appears that the returns of 72 companies are now pending in the bureau awaiting the determination of the proper method of computing tax liability for the years prior to 1921, and that 5 such cases are pending before the Board of Tax Appeals and 35 other cases are pending in the courts.

In a few instances steamship companies have paid taxes as computed by the bureau, but these were cases where the taxes



resulting from the difference in the methods of computation were so small as not to justify resistance by the taxpayers.

In short, the matter rests practically where it did before the two opinions referred to were rendered. The questions involved are difficult, and there is room for difference of opinion about them and the outcome of litigation is doubtful; but the opinions referred to stand in the way of your dealing with these cases in the exercise of authority granted to you by law and in a way to serve the best interests of the United States. The questions do not arise under the revenue act of 1921 or any later revenue act. Under all the circumstances you should be free to deal with the cases as the conditions seem to require; and, in order that you may do so, the opinions referred to are hereby withdrawn.

*The Acting Attorney General of the United States.*

Such opinions came from the office of the Solicitor General. The Solicitor General from June 4, 1925, to March 4, 1929, was William D. Mitchell, who became Attorney General at the first vacancy after this opinion was rendered.

It is little wonder, Mr. Speaker, that neither the Department of Justice nor the Treasury cares to make the contents of this letter public or to discuss those contents. Let me quote two decisions of the Court of Claims.

In the Lavalette case (1 C. Cl. 149) the court said:

That the head of a department can not, in a matter involving judgment and discretion, reverse the decision and action of his predecessor was held by the Supreme Court in the United States v. Bank of the Metropolis (15 Peters 401).

In Jackson v. The United States (19 Court of Claims, 508) the court held that—

The right of an incumbent of reviewing a predecessor's decision extends to mistakes in matters of fact arising from errors in calculation and to cases of rejected claims in which material evidence is afterwards discovered and produced.

In this last decision the court refers to the following authorities:

See also 9 Opinion of Attorney General, page 34.  
See also 12 Opinion of Attorney General, pages 172-353.  
See also 13 Opinion of Attorney General, pages 387-456.  
See also 14 Opinion of Attorney General, page 275.

Here we have the authority of the Attorney General clearly defined by decision of the Supreme Court and the Court of Claims. We see that he has no power to reverse the opinion of his predecessor except in cases where errors of fact have been proven. We see him in this case reversing the opinion of two predecessors upon his own stated ground of the convenience of the Secretary of the Treasury. He adds the sonorous provision—

To serve the best interests of the United States.

How does the Secretary of the Treasury proceed to "serve the best interests of the United States"? He cancels the whole sum of the taxes due under the law, using this unpublished and illegal letter from the Acting Attorney General as the basis of this generous (?) action—generous to the foreign steamship companies, but costly to the taxpayers of the United States.

Not content with this generosity at the public expense, the Secretary of the Treasury has dipped deeply into the public money to make large tax refunds to these foreign steamship companies. It is a matter of public record that as late as 1931 he made the following refunds upon the illegal withdrawal of these opinions of the Attorney General of the United States:

Holland-America Line.....	\$106,598
International Navigation Co. (Ltd.).....	122,155
Oceanic Steam Navigation Co. (Ltd.).....	247,374

Tax refunds made to foreign steamship companies prior to 1931 amounted to millions of dollars.

Mr. Speaker, can there be any doubt of the existence of an understanding between the foreign steamship companies, the Secretary of the Treasury, and the Acting Attorney General? Let me requote the wording of the Acting Attorney General's letter:

The questions involved are difficult, and there is room for difference of opinion about them, and the outcome of the litigation is doubtful. \* \* \*

The opinions referred to stand in the way of your dealing with these cases. \* \* \*

The opinions referred to have never been acquiesced in by the foreign steamship companies. \* \* \*

Mr. Speaker, I have been a Member of this body for 18 years. Never, in my experience, have I seen such evidence of a surrender by the Government to the whims and wishes of private interests. If we are to believe this remarkable letter of the Acting Attorney General, the objection of a foreign company to the provisions of a duly enacted law is sufficient ground for canceling that law, even though the Supreme Court of the United States must be reversed in the process.

This unprecedented and illegal opinion by the Acting Attorney General has no shadow of legal support or precedent, while the two opinions of his predecessors, which he so lightly set aside, have been sustained by our entire judicial system, to and including the Supreme Court of the United States.

The convenience of the Secretary of the Treasury is the determining factor in the administration of the laws of the United States. The rights of our people are to be surrendered because of a fear in the mind of an Acting Attorney General that it might be "difficult" to enforce those rights in a court of justice. We are to quit because we fear that there is a possibility of defeat. We are not to enforce laws if the "right people" do not think they ought to be enforced.

We are to forgive the taxes of corporations whose officers say that they do not want to pay them, and then we are to meet in this Chamber and pass new laws laying heavy burdens upon the plain people not protected by such influence—new taxes to pay the shortages in our public funds created by the illegal cancellation of other taxes by executive officials who have no authority to make such cancellations.

It has been whispered about that conditions are worse than we know; that a dark and mysterious crisis of untold gravity hangs over our unknowing heads. It is whispered that we may have to turn to the remedy of a dictatorship, to suspend the Constitution, to dissolve the Congress, and put our fate into the unchecked and uncontrolled hands of a domestic—or imported—Mussolini.

Mr. Speaker, our distress can be traced in large measure to the perversion of law and the evasion of duty by the executive branch of the Government. We can not avoid any disaster by surrendering our affairs to the fathers of disaster. If this country is to survive—and it will survive—it will do so by the same strength that gave it birth and carried it through its other crises—the genius of our people for self-government.

It is time for great changes in our Government, but not for changes turning back through the centuries to absolutism and dictatorship. It is time to restore the rule of constitutional government, time to drive out privilege and conspiracy and corruption. We must clean our house, not burn it.

Unpaid taxes in these foreign steamship cases now amount, with interest, to between one hundred and fifty and two hundred million dollars—a great sum of money and of particular interest in our present struggle to raise revenue without asking anybody to pay taxes.

I have seen no evidence that this manipulation was hatched by the foreign owners of these steamship lines. No doubt they are good business men and it is but natural that they should take advantage of our governmental conditions as they find them—but I wonder if Congress would have approved the present intergovernmental moratorium if it had been advised of this earlier and unofficial moratorium for the benefit of foreign interests.

During recent years there has been much discussion of the advisability of subsidizing American merchant ships. Congress has declined to approve such a subsidy except in the indirect form of ocean mail contracts. It is disturbing to discover that the Treasury Department has taken it upon itself secretly to subsidize foreign shipping by the extension of tax exemptions which have not been granted to American shipowners. It is little wonder that our steamship lines find difficulty in competing with foreign ships which are subsidized both by their governments and our own.



There is no warrant in law, in justice, or in morality for laying upon our already burdened people the load of maintaining steamship lines whose vessels are part of the naval reserves of the nations whose flags they fly. This is internationalism gone mad.

The contributions made by this Congress to the maintenance of the United States Navy are the subject of careful study, much debate, and close economy. It is disturbing to find that our Treasury Department is secretly making contributions of public money to the support of foreign navies.

Steamship lines of all the great naval powers have been extended tax concessions which have not been extended to American shipowners, although not a single one of these foreign lines could exist without its share of American freight and passenger business; the American people are the greatest source of shipping revenue in the world.

English, Japanese, French, and Italian lines have all participated in this unofficial and illegal generosity of Uncle Sam; not only do we sink our warships lest we embarrass their sea power, but we also subsidize the merchant marine, which is part of the first line of the naval strength of these powers, by exempting them from the taxes we lay on our own shipping and which our law says we must levy on foreign shipping for the profits earned on American business. So that there will be no hard feelings in the League of Nations, no belief in the mind of any country that it has been slighted at the Christmas tree, the Treasury has also extended its unofficial and illegal tax exemptions to the American profits of Dutch, Spanish, Belgian, Swedish, and Norwegian shipowners.

The startling but convincing details of the manipulations by which these exemptions were accomplished is matter for an investigating committee. I will not take the time of the House to relate them here.

All this has been done by edicts of the Treasury Department—edicts directly contradictory of laws passed by the Congress and signed by successive Presidents of the United States. These contributions to the shipowners of other countries are made in secret and behind a smoke screen of foggy technicalities by the same department of the Government which now comes before our committees and tells us that we must increase taxes to replace the money that it has given away, that we must lay new imposts upon every step of our people's lives, from the baby's nursing bottle to the casket and tombstone of the final rest.

There are more chapters in this story of tax frauds and tax evasions. Hundreds of millions of dollars of foreign commercial profits taken from the American people every year pay absolutely not 1 cent of tax to the Treasury, although the law is clear that such taxes should be paid.

These exemptions are not restricted to foreign business interests. American businesses which have the password, or whatever it takes to escape income taxes, are also exempted. Thousands of cases of tax fraud and evasion are openly condoned. Evidence in several of these cases has been presented to Mr. David Burnet, United States Commissioner of Internal Revenue, with the idea of seeing what he would do about them. Not one of these cases has been brought to conclusion and collection, although after months of investigation the bureau admits that they are due and payable.

The history of representative government is the history of the struggle for the power to levy taxes. The English Parliament was born out of the popular demand that the representatives of the people and not the King should have the sole power to levy taxes upon the people; the American Revolution was the expression of the colonists' belief that taxation without representation was tyranny.

The wheel of history has again turned full cycle. Once again, as in the dim past, we find a parliament defied by the crown; once again do we see men in executive power secretly nullifying legislation, secretly taking into their own hands without warrant of law that power which is the foundation of government—the power to determine who

shall pay taxes and in what amount. Once again do we see that same protected greed which sent Charles the First to the block, Louis the Sixteenth to the guillotine, and Nicholas the Second to the firing squad, raising its head in human affairs. Kings are dethroned not so much because of what they have done as because of what has been done in their name. They suffer for the sins of their courtiers.

The sole power to determine and levy taxes upon the people of the United States rests with the Congress of the United States. Only the elected representatives of the people can tax the people. It is our sacred duty to be watchfully jealous of that responsibility if we would continue our own existence and the existence of our country.

No Secretary in the Cabinet, no subordinate head of an executive bureau, has the legal power to say who shall pay taxes, to exempt from taxation his friends or the friends of the political organization which maintains him in office.

If any man steals money out of the Treasury, we call that theft and send the offender to prison. It is time that we determine what it is to keep money from being paid into the Treasury that should be so paid, time to determine what shall be done with trusted men who connive to destroy our laws for the benefit of their friends and to increase the burdens of the whole people so that the burdens of the chosen few shall be light.

Taxation without representation is still tyranny.

It would be folly to adopt new tax laws until we first assure ourselves that these taxes will be fairly levied and honestly collected according to the law. We have a deficit now because our present laws have not been honestly administered. If we can unearth the tax frauds of the recent past, we will discover, I believe, that they will total as much or more than the sum we are trying to raise in the pending revenue bill.

While we are considering how to lay the new taxes made necessary by the emergency of our country, other men here in Washington are sitting in secret conference to devise ways to set aside our work, to violate and destroy the new law as they have violated and destroyed the present laws, to overrule the will of Congress so that wealth may grow greater in fewer hands. Why should we lay new taxes when the revenue due under present laws is not collected from the privileged?

I realize the seriousness of the statements I have made. I hesitated to make them on the floor of this House until it became evident that they are true and that calling them to the attention of the Treasury would have no effect whatever. Repeated appeals to Mr. Mellon, Mr. Mills, and Mr. Burnet have convinced me that nothing can be expected from them. The matter must be taken over by Congress. This necessity forces me to introduce this resolution calling for an investigation. This resolution should have immediate attention by this House.

The evidence furnished to Mr. Burnet, the collector of internal revenue, and on which he has failed to act will be available for the purposes of the investigation, as will a much greater mass of information which was not intrusted to the Treasury.

Not wishing to take further time of the House, I ask unanimous consent that I may insert in the RECORD correspondence with the Secretary of the Treasury on these tax matters and put into the RECORD a copy of a bill I have introduced to-day.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

It is as follows:

NOVEMBER 21, 1931.

HON. ANDREW W. MELLON,

Secretary of the Treasury, Washington, D. C.

MY DEAR MR. MELLON: I shall be pleased if you will advise me the number and total amount of the unpaid or disputed income or other tax cases remaining unsettled or now pending before the tax board or the Treasury.

Respectfully yours,

L. T. MCFADDEN.



DECEMBER 7, 1931.

HON. L. T. McFADDEN,  
*Chairman Committee on Banking and Currency,  
 House of Representatives.*

DEAR MR. CHAIRMAN: I have your letter of November 21, 1931, in which you request that I advise you concerning the number and total amount of the unpaid or disputed income or other tax cases remaining unsettled or now pending before the tax board of the Treasury.

The records maintained by the Bureau of Internal Revenue with respect to the cases awaiting hearings by the United States Board of Tax Appeals indicate that on October 31, 1931, there were pending before that body, or on appeal to circuit courts of appeal from decisions of the board, 19,444 appeals, and that the amount of proposed deficiency taxes involved was approximately \$728,634,000. As to 221 cases the board had reached its decision, but the final order had not issued. In 644 cases the final order had issued, but the 6-month period permitted for appeal has not run. In 860 cases appeals had been filed with circuit courts. The number of cases which the board must decide is, therefore, 17,719.

There are pending before the Income Tax Unit in Washington approximately 16,400 cases which involve about \$174,000,000. These cases are largely for current or late years. Most of the cases involve the tax year 1929, while the balance is for 1928 or prior years.

Although no exact figures are available as to the cases now pending before our field forces, it is probable that about \$25,000,000 is involved in examinations under way at this time.

Very truly yours,

A. W. MELLON,  
*Secretary of the Treasury.*

NOVEMBER 21, 1931.

HON. ANDREW W. MELLON,  
*Secretary of the Treasury, Washington, D. C.*

MY DEAR MR. MELLON: I am informed that there has been filed with the income-tax division of the Treasury several cases of tax evasions by large income-tax payers and that these cases are now pending in the income-tax division of the Treasury. My information in the case is that many of these evasions have been made possible by the collusion of one of the large certified public accountant companies, namely, Price, Waterhouse & Co., of New York City. I also know that this firm do now and have for many years specialized on tax cases before the Treasury Department and that they represent hundreds of the leading taxpayers and have in many instances been employed as accountants by these taxpayers in the auditing of their accounts and making up of their annual tax returns.

My information also indicates that their cleverness has been extended so far as to have been influential in the drafting of provisions in the law so as to permit easy evasion, and that their sources of influence and contacts have been of such a nature as has made it possible for them to easily secure favorable rulings and otherwise cause only a casual examination of the fraudulent reports which they have filed with your Bureau of Internal Revenue.

I also understand that, notwithstanding these disclosures, this firm has not as yet been disbarred from practicing before the Treasury Department.

The purpose of this letter is to ask you to immediately take steps to disbar this company from practicing before the Treasury Department in connection with any income tax or other matters before your department. The evidence is now in your department to justify such immediate action.

If an accounting company of the supposed reputation and standing of this company can be so clever as to have, over a period of so many years, deceived the Treasury Department, there should, now that the fraud is known, be a reaudit of the tax payments and reports as filed by them or any of their clients before your department.

The fact that this public-accounting firm has done such a thing, naturally brings suspicion upon other accounting firms who have been acting in a like capacity before the department representing large taxpayers. It would, therefore, seem to me that it should be imperative in the public interest that not only each one of the accounts of this particular firm's clients be completely audited and prosecuted, but that all other similar cases should likewise be audited and prosecuted.

If my information is correct, and I believe it is, there is due and unpaid the United States Treasury hundreds of millions of dollars fraudulently withheld taxes. It seems to me that this is a matter of prime importance to you and your department—I know it is to taxpayers and the Congress—that before any new tax levies are made to cover the deficit now growing in the Treasury you should ascertain the amount of these fraudulently unpaid taxes and steps should be taken to collect them forthwith.

It does not seem possible that such a condition as this could exist or could have been perpetrated over such a long period of time without detection on the part of your department. Now that the matter is known to your department, I hope that the investigation, which I know your department has now started, will proceed thoroughly and completely before any new sources of taxation are recommended to be levied by your department on the already overburdened honest taxpayers of this country, and that

these crooked taxpayers may be made to pay and those responsible for these evasions be properly dealt with.

I shall be pleased to be advised what action you take in this matter.

Respectfully yours,

L. T. McFADDEN.

THE SECRETARY OF THE TREASURY,  
 Washington, November 24, 1931.

HON. LOUIS T. McFADDEN,  
*House of Representatives.*

MY DEAR CONGRESSMAN: I have your letter of November 21 in regard to what you refer to as cases of tax evasion with the supposed collusion of a firm of public accountants. As you have stated, this subject is one of prime importance to this department. You may rest assured that any evidence of tax evasion submitted to this department is promptly and thoroughly investigated.

The firm which you name bears a high reputation here for professional standing and trustworthiness. To assume the truth of accusations against it would be contrary to principles accepted here as in the courts.

If you have any information of the character indicated in your letter tending to support any charge of tax evasion, I will appreciate your promptly submitting such information to this department. If you are merely referring to charges from some other source, you are advised that anything submitted will receive proper attention.

Your three other letters of the same date on other subjects will be answered shortly.

Very truly yours,

A. W. MELLON,  
*Secretary of the Treasury.*

DECEMBER 1, 1931.

HON. ANDREW W. MELLON,  
*Secretary of the Treasury, Washington, D. C.*

MY DEAR MR. MELLON: I desire to acknowledge the receipt of your letter of November 24, which I have noted carefully. I am glad to get your assurance that your department are now investigating the several cases hereafter mentioned, which are pending before your department, and that you will investigate any further cases that may be reported to you through this same source or any other source.

The second paragraph of your letter attests to the high reputation with your department of Price, Waterhouse & Co. as regards their professional standing and trustworthiness. The cases which are now under consideration by your department, which are noted below, are cases which challenge the standing of this firm, and I am sure that a careful perusal of these cases and the ones I am herein referring to you will justify the disbarring of this firm in practicing before your department. I again emphasize the importance of immediate action and advice in this respect.

Referring to the third paragraph of your letter, there is much more information of the character indicated in my last letter, which will be supplied to your department when they have acted upon the cases that are now pending before the department, and in this respect I refer to letters addressed to David A. Olson under date of November 24, signed by David Burnet, Commissioner of Internal Revenue, in regard to cases Nos. A-254307, A-254309, A-254311, A-254312, A-254313, A-254314, A-254315, A-254316, A-254317, A-254318, A-254319, A-254320.

Referring further to the third paragraph of your letter and supplementing my last letter to you, I desire now to inquire relative to what action is being taken by the Bureau of Internal Revenue in regard to Japanese steamship cases Oaska Shosen Kaisha, Nippon Yusen Kaisha, and Toyo Kisen Kaisha, the tax years involved being 1917, 1918, 1919, and 1920. I understand that as a result of an agreement with your department the firm of Price, Waterhouse & Co. were to secure the necessary information from the books of these companies in Japan in each of these cases and were to prepare the returns on what is known as the cost-of-service basis. In this connection, I would like to inquire as to what right the Treasury has to accept the figures of any accounting house, particularly when that accounting house is a representative of the taxpayer.

The type of men, the concealments, and the careless manner in which Price, Waterhouse & Co. have carried on this work have been made known to the Bureau of Internal Revenue. I am reliably informed that the figures which have been furnished to your department under this agreement are not compiled in accordance with the regular understanding of the cost-of-service theory.

I am at a loss to understand why the cost-of-service theory has been made retroactive in the face of board and court decisions to the contrary in cases dealing with other foreign taxpayers.

The importance of calling these cases to your attention now is that they are open by the extension of the statute of limitation by waivers which will expire on December 31, 1931. The time is so short in regard to your department's securing the necessary waivers or protection or other contemplated necessary action which would extend the statute for another year or otherwise preserve the department's rights under the law that, in view of the fact that this case has now been standing so long, it would seem to be imperative that immediate decisions be reached. Is this not a case where a jeopardy assessment should be applied, and the



usual 60-day letter sent which, of course, would entitle the taxpayer to appeal to the United States Board of Tax Appeals for a hearing?

The basis of a 60-day letter would of course be the figures submitted to the taxpayers in the 30-day letters issued back in 1923. I make mention of this fact for the simple reason that the bureau can not now accept the figures which this firm have previously submitted to the department.

If this procedure were followed, I am assuming that the Commissioner of Internal Revenue would also send out a notice and demand for immediate payment of the tax, under which circumstances the taxpayer would have to pay the tax or file a bond with the collector of internal revenue.

The precedents already established by the board and courts are well understood, and it seems to me that if the companies herein referred to would appeal to the board or the courts they would find that the courts have already upheld the constitutionality of the method used in the 30-day letters submitted years ago under the section of the law upon which these cases rest in respect to other foreign taxpayers.

My collaborator in these matters, in case you do not know, is David A. Olson, who for several years, until quite recently, was in the employ of Price, Waterhouse & Co. as an expert on tax matters and who is admitted to practice and has been practicing in these very cases before your department. Mr. Olson has been closely associated with the main partners of this accounting firm, and particularly with Mr. George Oliver May, and I am happy to say to you that Mr. Olson is not only willing to cooperate, but is cooperating, in every way possible with your department and will so continue until these matters are entirely disposed of.

Respectfully yours,

L. T. McFADDEN.

THE SECRETARY OF THE TREASURY,  
Washington, December 3, 1931.

HON. LOUIS T. McFADDEN,  
House of Representatives.

MY DEAR MR. McFADDEN: Your letter of December 1, which I have before me, makes it clear that the cases to which you refer are cases to which the attention of the Bureau of Internal Revenue was directed by Mr. David A. Olson, of whom you speak. Your letter gives no information in addition to that furnished by him.

I am advised that the charges made by Mr. Olson are receiving careful attention by the proper officers of this department. If the charges, or any of them, are found to be sustained, such action as is appropriate will be taken.

Very truly yours,

A. W. MELLON,  
Secretary of the Treasury.

DECEMBER 9, 1931.

HON. ANDREW W. MELLON,  
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. MELLON: I am informed by Mr. David A. Olson that the Japanese steamship cases, which I referred to in my letter of December 1, are now in the office of general counsel of the Bureau of Internal Revenue for consideration as to whether or not the cost-of-service basis is applicable to the particular years involved. I am at a total loss to understand why it should be necessary at this late date for general counsel to consider the legality of the service basis or any other basis.

It is my understanding that the Attorney General, in an opinion dated November 3, 1920, stated that foreign steamship companies are taxable upon income from traffic originating within the United States, and that this method was also upheld by the Attorney General in a letter addressed to you under date of January 21, 1924. It seems to me that the presence of these cases in the general counsel's office is an absolute refusal on the part of the bureau to recognize the Attorney General's opinions, even including the letter which the Acting Attorney General wrote to you under date of July 7, 1927.

Inasmuch as there seems to be a question in the minds of the bureau officials as to what basis should be used, it would seem to me as a justice to the taxpayer that the bureau use the method outlined by the Attorney General in his opinion dated November 3, 1920, for the reason that that opinion has been upheld by the United States Board of Tax Appeals in the Birkin case decided November 9, 1926, and also in the Tootle, Broadhurst, Lee Co. case decided November 25, 1927. In the latter case the board's opinion was affirmed by the second circuit court.

The acceptance of further waivers in these cases tends only to weaken the administrative application of the statute, and in view of that fact I seriously request you as the Secretary of the Treasury to take immediate steps to advise these taxpayers of their liability before the expiration of the statute of limitation.

Sincerely yours,

L. T. McFADDEN.

THE SECRETARY OF THE TREASURY,  
Washington, December 11, 1931.

HON. LOUIS T. McFADDEN,  
House of Representatives, Washington, D. C.

MY DEAR MR. McFADDEN: I have your letter of December 9, written at the suggestion of Mr. David A. Olson. I will see that

Mr. Olson's suggestions, transmitted through you, are placed with the material that he furnished to the department directly, which, as I advised you, is now receiving consideration.

Yours very truly,

A. W. MELLON,  
Secretary of the Treasury.

MARCH 26, 1932.

HON. OGDEN L. MILLS,  
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: Under date of December 8, 1931, I addressed your predecessor, Mr. A. W. Mellon, in connection with certain Japanese steamship tax cases as to their liability on the basis of the information previously submitted, and I was advised at that time that the bureau would accept waivers extending the statute of limitation to December 31, 1932.

I desire to call your attention to the fact that six months have now elapsed since the bureau was notified of the irregularity in connection with these cases and other steamship cases which were referred to, and yet no apparent action has been taken by the Commissioner of Internal Revenue in regard to these cases. I am at a loss to understand the nonaction on the part of the Treasury in regard to this important matter.

I shall appreciate it very much if upon receipt of this letter you will advise me what the Commissioner of Internal Revenue intends to do in connection with the collection of these taxes which are due from these several companies which have been reported to you under the revenue act of 1918.

Awaiting your reply, I remain, very truly yours,

L. T. McFADDEN.

THE SECRETARY OF THE TREASURY,  
Washington, April 1, 1932.

HON. LOUIS T. McFADDEN,  
House of Representatives.

MY DEAR CONGRESSMAN: I have your letter dated March 26, 1932, relative to the income and profits tax liabilities, under the revenue act of 1918, of certain Japanese steamship companies, and also referring to prior correspondence in this matter.

You will, of course, understand that the determination of the tax liabilities of alien enterprises of this nature, carried on for the most part abroad, can not be accomplished with the expedition ordinarily possible in dealing with domestic taxpayers. This is especially true in cases involving, as these do, a number of contested issues. The absence of ultimate decision, whether by way of agreement between the parties, if that should be possible, or as a basis for litigation, is not to be taken as indicating non-action. On the contrary, the so-called Japanese steamship cases have been, are now, and will be for some time in the future, under very active consideration.

With reference to the concluding paragraph in your letter, the Commissioner of Internal Revenue will determine the tax liabilities in question in a fair and lawful manner, under the governing revenue act, and this will be done as expeditiously as the circumstances of each case will permit.

Very truly yours,

OGDEN L. MILLS,  
Secretary of the Treasury.

[H. Res. 249, in the House of Representatives, Seventy-second Congress, first session, June 4, 1932]

Mr. McFADDEN submitted the following resolution; which was referred to the Committee on Rules and ordered to be printed:

Resolved, That the Speaker is authorized and directed to appoint a committee to be composed of seven Members of the House, one of whom he shall designate as chairman. The committee is authorized and directed to investigate and determine the amount of income and excess profits taxes which have been fraudulently evaded, either with or without the knowledge of the Bureau of Internal Revenue; and to investigate and determine the exact amount of income and excess profits taxes which the Bureau of Internal Revenue failed to collect by the unconstitutional and illegal withdrawal of the Attorney General's opinions rendered November 3, 1920 (32 O. P. 336 (T. D. 3111, C. B., June, 1921, p. 280)), and January 21, 1924 (34 O. P. 93 (T. D. 3576, C. B., June, 1924, p. 211)), in the 112 foreign steamship cases for the years prior to 1921, falling under the revenue acts of 1916, 1917, and 1918; and to investigate and determine the amount of income and excess profits taxes lost to the United States Government through favoritism given to certain taxpayers by the failure of the Bureau of Internal Revenue to publish rulings which have been rendered by the Treasury Department; and to investigate and determine the amount of income and excess profits taxes lost to the United States Government in tax cases which have been settled by officials of the Treasury Department after the issuance of 60-day letters to taxpayers; and to investigate and determine the number of cases and the total amount of taxes involved in those cases now pending before the United States Board of Tax Appeals; and, further, to make a review of tax refunds in excess of \$100,000.

The committee shall as soon as possible, but not later than the termination of the present Congress, report to the House the results of its investigation, together with such recommendation for legislation as it deems advisable.

SEC. 2. For the purposes of this resolution the committee is authorized to sit and act during the present Congress at such



times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, to have such printing and binding done, and to make such expenditures, not exceeding \$50,000, as it deems necessary.

Mr. CRISP. I yield two minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Speaker, I can not do justice to myself in two minutes, and I yield back that time.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. WHITE].

Mr. WHITE. Mr. Speaker, there are many items in this bill that I dislike to see in it. If I had the means of taking them out without disturbing the country, I would do everything I could to get them out. I am particularly discouraged about the increased rates in the lower income taxes. I dislike very much to see a tax on checks.

My particular district will be punished very severely because of the tax on the sale of automobiles and accessories. Many of the so-called luxury items are unfortunate. I dislike to see the tariff items in the bill, but during the last several weeks this Nation has gone through a steady decline, a decline and a discouragement in business of every kind. We have tried many things, but each day confidence slumps and commerce recedes. I believe to go over this week-end without adopting this conference report would be one of the most discouraging things we could possibly do to the country. I appeal to the House, without regard to political effect, to join with us and vote to pass this measure in order that to-night when this Nation goes to bed it can have some confidence that we have taken a definite effective step to balance the Budget. [Applause.]

But our job will not yet be done. The Budget can not be completely balanced by taxation alone. We can not ask the people to bear the full burden of this enormous, unwieldy, uncoordinated, uneconomic machinery of government which past Congresses set up in those Pollyanna years when the flower of prosperity was thought to be everblooming.

We must quickly narrow the function of government to the limits of necessity.

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, of course probably not a single Member of this House would indorse a major part or perhaps even a large part of the methods of taxation and other details contained in this conference report, but the question before us now is not whether we may choose between one system or another but whether or not we will pass any revenue law at all. Gentlemen now say that they are in favor of the manufacturers' excise tax of the character which the Committee on Ways and Means brought into the House. If any Members of the House have changed their views on that subject and now favor the general tax, let them vote down this conference report and then direct very frankly that the House itself shall again proceed to the consideration of the matter de novo, to the end that the House may have an opportunity to change its former attitude; but the members of the Committee on Ways and Means, with all of the earnestness at their command, sought to convince the House that the general manufacturers' excise tax was the best method for raising the taxes which are failing because of the loss of incomes by those who have heretofore borne the largest burdens of Federal taxation. We are yet convinced that that is the best method and that eventually that method will be adopted by a future Congress if not by this Congress. But now we have a single issue that stares us in the face, the naked question whether to-day we will take the last necessary step toward balancing the Budget. Do you realize that next Tuesday, the 7th day of June, six months will have expired since this House convened in the present session of Congress?

Do you realize that this Congress will have spent six full months, one half year, in the passage of a tax bill at a time

when the passage of such a bill was absolutely necessary for maintaining the credit of the Government of the United States and for restoring prosperity, confidence, and happiness among the people? Then why talk about the things that are past? I say to my good brother from Chicago that I was for the manufacturers' sales tax, and I am for it now, but there is no chance of putting it into this bill. Also, I was for the tax on beer, and I am for it now, but there is no chance in the world of getting this Congress to adopt it; so why waste time about it? The deficit of this Government amounts to \$3,400,000 per day, at the rate of \$1,241,000,000 per year. Every day that we have lost and every day that we will lose in the passing of an adequate revenue bill has increased and will increase the deficit of the United States Treasury by that amount.

There are many things practically indefensible in this bill. There is, for instance, the tax put on in this House of 5 cents per hundred dollars of valuation on operations on the produce exchanges which was accepted by the Senate a few hours before it concluded the consideration of the bill, after having previously reduced it to the present rate of 1 cent. There is the failure both of the other body and of the conferees to accept the very just and humanitarian proposal for a revaluation of the depreciated assets of estates which are practically wiped out by the present tax. There is the provision which the gentleman from Georgia [Mr. CRISP] emphasized a moment ago as a great victory by the House conferees, which places an additional tax on consolidated returns and which is in fact a penalty on certain corporations for the privilege of doing business in the best way suited to them.

We have in this bill selected the industries and the interests which show any signs of life, which show any hope of progress for the immediate future, and have placed the heaviest burdens on them instead of distributing these burdens over all the people. But beyond and in spite of all these and other hardships in this bill, there is presented to us at this moment the paramount proposition that we must balance the Budget of the United States and tell the world as well as our own people that the Congress of the United States after six months will not reject the labors of all that period and that we will immediately do what we can toward restoring confidence and thereby ultimate general prosperity among our people. [Applause.]

To me, our inescapable duty to-day is to adopt this conference report and leave to a better and happier day the adjustment of the discriminations and inequities and even the mistaken policies, which unfortunate, and perhaps unavoidable, conditions in the country, as well as in the Congress, have brought into this piece of legislation. Both the Congress and the country have learned much since the House rejected the manufacturers' excise tax. Future experience will also again prove the folly of drying up the sources of revenue both from income and from capital and the wisdom of extending a part of our Federal revenue system to the only other remaining source, the exchange, that is, the sale of commodities, as was done in the recent proposal, without pyramiding and without unfair discrimination. This is a government of all the people, and all should share justly in the cost of its maintenance.

Mr. TREADWAY. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I am glad that we are coming to the conclusion of the consideration of this tax problem. This tax problem has hung ghostlike over this Congress since the beginning of the session. I admit the bill is not absolutely perfect. There is probably no man in the United States who agrees to every single provision in the bill, but was there ever a tax bill that was popular? The only tax bill that I can imagine that would be popular at this time would be one that would relieve all of the people from all parts of the country from paying any tax at all, and that is an impossibility at the present time. When we consider this bill let us keep this in mind, that this is not a permanent tax bill, that this is only a temporary one to meet the present



emergency. This is not the last time we are ever going to have a chance to express ourselves on tax measures.

If there are some provisions in the bill that ought not be here, there will be an opportunity to take them out. If there are some inconsistencies in the bill, there will be an opportunity to rectify them. If there are some omissions that ought to go in the bill that are not here at the present time, there will be an opportunity to put them in.

Now, as the gentleman who just preceded me said, I am one of those Members who was in favor of the manufacturers' sales tax. I believe the original tax bill as presented by our Ways and Means Committee was the fairest, most just, and equitable tax that could possibly have been passed at this time, but the majority thought otherwise.

A great many representatives of business organizations came to my office to protest against the original sales tax. Some of those same men have been here this last week to protest against the taxes that are carried in this bill. I told them at the time that they might better take a reasonably small tax, evenly distributed throughout the whole country, than some selected sales taxes which would not be agreeable to them or to their people. But, of course, every man wants to get away from paying taxes, if possible. I do not know that I blame them, but, of course, they come here now and they have just exactly what we told them they would get, namely, special excise taxes.

Every part of the country is demanding that we balance this Budget. Every part of this country is demanding that we pass a tax bill and go home; and it does not make any particular difference if we stay here three or four months longer, the men who are protesting this present tax bill would lose more in depreciation of their present assets than any amount of money they will ever pay under this tax bill. [Applause.]

In the four or five months we have been considering it we have lost four times as much money as we collected, and securities of every kind are depreciating every single day. I tell you, my friends, I tremble to think what would happen if the news went out of this Chamber this afternoon that we failed to do our duty. I tell you, my friends, we must do our duty and agree to this report, and do it at once, and tell the world we are going to stabilize the American financial and economic structure. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CRISP. Mr. Speaker, the responsibility of taking the lead in a very unpopular legislative enactment, to wit, levying heavy taxes, fell upon me. I have met that responsibility to the best of my ability. I knew it would subject me to criticism. Conscious that I was doing my duty, serving my country, criticism is immaterial, whether from the gentleman from Illinois [Mr. RAINEY] or anyone else. I emerge from this contest with my complete self-respect, which to me is all important. I was somewhat surprised at the remarks of my friend the distinguished leader [Mr. RAINEY] in view of what took place in the conference. The gentleman referred especially to the tax on electric energy. I heard no protest from him in conference, but all agreed that that matter had to be changed. The gentleman did oppose the tariff on lumber. So did I. I think it is indefensible, but an emergency confronted me as to whether I would agree temporarily as to that item in order to bring in a bill to balance the Budget, and to serve my country, and I accepted it. When the next tariff bill is written it will be corrected. In the House I opposed all tariff items, and a grievous error was made when two—oil and coal—were included in the bill. The Senate agreed to them. So the conferees were impotent to change them. I was not going to let one more, lumber, hold up the tax bill, so vital to the country and for that reason alone I agreed to it as I frankly stated in my opening speech to-day.

Mr. Speaker, I will not prolong this discussion. Next to my God and my family I love my country. [Applause.] And some weeks ago, yea, some months ago, I announced from this spot that I was going to forget self and serve my country, and I have kept the faith. [Applause.] I have

not spared myself, mentally, physically, nor considered my political welfare. If this bill passes, the Budget will be balanced—and if anything will aid in restoring prosperity and giving employment and confidence in the American Government, it will be a balanced Budget. [Applause.]

The SPEAKER. All time has expired. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. CRISP, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### EXTENSION OF REMARKS—REVENUE BILL OF 1932

Mr. HERR. Mr. Speaker, regarding this general tax bill, H. R. 10236, may I call attention further to the objectionable features in this bill.

The tax on electrical energy is truly a tax that will be paid by the consumer direct. I call attention to my remarks on the floor to the fact that the power companies will not be affected by this tax other than whatever reduction in their business will come through additional charges, which may cause some to economize. I doubt, however, if this will be scarcely noticeable.

The ordinary consumer of electricity will continue to use electrical power and light, and the burden will be borne by him rather than by the power companies. The old rates established by the power companies are still in effect, and have not been reduced correspondingly as prices in other industries have been reduced.

These companies have the benefit of cheaper labor, cheaper construction and upkeep, and cheaper commodities necessary in the conduct of their business, yet the rates of public utilities have not been reduced in proportion to the actual benefits that have come to them from the depression.

The farmers in the arid districts who are dependent upon electrical power in irrigation will be compelled also to pay an additional tax. When we consider what the farmer has lost in the reduction of his price of commodity, it does not seem fair and equitable that he should be burdened with a tax that should be properly levied against an institution that has been more favored than himself.

A statement that the Government can collect easier is, indeed, a fallacy and, in my opinion, is not based upon fact. In each instance the Government must collect from the vendor, namely, the power company; and why it is said collection can be expedited if the power company is permitted to collect from the consumer, and then the Government collect from the vendor, the power company, is beyond my power of comprehension.

This tax is almost as bad as the proposed tax on food and clothing, which were exempted, as electrical power and light is no more considered a luxury but a necessity, and I can not be in favor of taxing a necessity of life as long as there are other avenues of taxation open.

This bill also carries a tax on brewers' wort of 15 cents a gallon, and also upon malt and malt sirup, unless sold to a baker for use in baking or to a manufacturer or producer of malted milk. Grape concentrate, evaporated grape juice, is also taxed 20 cents a gallon.

Can one conceive how the House of Representatives, that has heretofore voted against a tax on intoxicating liquors, if beer may be so classified, and voted against any change in the present Volstead Act, and in this bill this same House of Representatives voting a tax upon brewers' wort and malt, out of which beer only can be made, and placing its approval upon the contraband that is designated for one purpose, and that is the evasion of the very law the Congress refuses to change, namely, the Volstead Act?

Under what theory can one vote to tax grape concentrate and at the same time refuse to vote a tax on wine when grape concentrate is used for the one purpose, in the main, of making contraband wine? It seems strange that mentality can so adjust itself as to vote for a product that will produce an article that in itself will eventually become contraband and prohibited by law.

In other words, to-day the House of Representatives is voting to tax the unassembled ingredients of wine and beer



and at the same time refuses to place a tax upon the same product when scientifically manufactured.

This tax recognizes the legitimacy of the home brewer and refuses to recognize a brewer authorized by law.

Even the authors of this bill admit it has discriminatory provisions. Many selected articles like jewelry and furs, pay the penalty for being in the selective class.

In a few days the economy measure will be brought to us to produce a saving of approximately \$260,000,000. This saving will largely be deducted from the wages of the Federal employees. And if this economy bill is adopted, let it be known to the wage earners of the country that rather than tax beer, which is wort in one of its stages, the Congress is taking from the wage earners these millions of dollars.

Every bill has its good parts, and one of these sections adopted gives great comfort to the people of the country that I represent. The provision in the bill where lumber, rough or planed or dressed on one or more sides, is protected by a \$3 per thousand feet board measure is one of the items in this bill that will assist the Pacific Northwest in this time of depression.

I am surprised at my colleagues from States that do not produce timber products objecting to this provision. The Pacific Northwest to-day is prostrated because of the influx of timber products from Canada on the north of us.

Our sawmills are closed down. Thousands of our citizens are unemployed because of the fact that Washington mills can not meet the competition of the Canadian industry. Carload after carload of lumber is being shipped through the State of Washington from British Columbia directly past sawmills that are now idle in Washington State.

The entire industry is paralyzed. Banking institutions that were dependent upon this industry have failed by the score. Men and women are walking the streets asking for bread. We are hoping that this \$3 per thousand tariff will open some of these mills and give employment to our people.

I can not understand the objection of my colleagues from States not producing timber products. Our prosperity means their prosperity. We can not buy their products unless our mills are open and kept going, and I am of the opinion that it is a shortsighted policy on the part of representatives from other States objecting because they will be compelled to pay a little more for timber products. If they pay more for our timber products, we will give them a market for the products of their farms.

This, in my opinion, gentlemen, is one of the outstanding features for good in this bill. May I state that there are very few features that can be so labeled?

Mr. LANKFORD of Georgia. Mr. Speaker, the subject of taxation is all-embracing; and when we consider it, we think of all other economic problems. Therefore, let me mention a few of these before I briefly set forth some of my ideas touching the various forms of taxes.

Among the problems of first magnitude now seriously and tragically confronting the Nation is that of a farm-relief system which will permanently insure much better prices for farm products. I believe this can only be accomplished in a satisfactory way by a contract system controlling alike production, marketing, and prices.

Next in importance is that of securing gainful employment for labor and reasonable income for the individual independent citizen. In order to accomplish these essential economic achievements, it is necessary among other things to solve the transportation question and give both labor and capital equal protection, each within its own proper sphere.

It has been said that "the power to tax is the power to destroy" and hence no economic problem is of more importance than that of taxation.

We should strive with all our might to tax as little as possible rather than be engaged in imposing new vicious methods of using this "power to destroy."

I am unalterably opposed to the Federal sales tax. This tax can not at all be justified, unless it be for State or other

local purposes and then only for the purpose of giving relief against the unfair, ad valorem or property tax which is now so burdensome to our people. No direct tax should be levied for Federal purposes except upon the larger incomes, estates, and inheritances. Revenues for local or State purposes may be properly raised from these sources, but as the States begin to augment the raising of revenues in this way, the property tax should be proportionately decreased. By far, the larger part of the present unbearable tax burden is borne by the people for State, county, and municipal purposes.

The State of Georgia should never have imposed the income tax or any other additional tax burden except as a means of relieving the property tax. The Federal Government should never invade the States by an imposition of a sales tax or any form of excessive excise taxes. The so-called tobacco tax is too high and should be only levied so as to raise revenue and to the end that the farmers may get a better price for their products, but I do not wish to go farther into that question now, as it would require too much time for this discussion.

I am opposed to this entire tax bill because I feel it is vicious in many particulars and that it is unnecessary at this time. I have heretofore stated in detail why I object to this measure and shall not again do so now.

Mr. SPARKS. Mr. Speaker, the House has just been informed by the acting chairman of the Ways and Means Committee of the House that the conference report, signed by conferees on the part of the Senate and the House, and which is now before us for consideration, must be accepted as a whole, or rejected as an entirety. There is no way that amendments may be made to items placed in the bill by the Senate, and which may aptly be designated as nuisance taxes.

The Senate placed a tax of 2 cents on each bank check. This means a heavy penalty upon small cream and egg transactions if checks are used. I do not think it just or fair for small bank checks to be so taxed; in fact, I think the farmer and the buyer can cooperate to defeat such an iniquitous tax. If the purchasers of eggs and cream should give an order in the following form, it would not be subject to the 2-cent tax, and the Treasury Department has so held:

Main Office, Goodland, Kans.  
James Butcher, dealer in poultry and eggs  
Highest price for quality

Pay to the order of \_\_\_\_\_, 193\_\_  
\$ \_\_\_\_\_ Dollars

JAMES BUTCHER.

Payable at the Silver Lining Bank, Goodland, Kans.

Farmers should insist that the dealers to whom they sell their cream and eggs give them such orders.

The Senate also included a \$3 per thousand feet tax on lumber, which is in addition to the dollar tariff rate now levied against lumber. The Tariff Commission under the law is empowered to make investigations and to make findings therefrom as to the cost of production abroad and at home upon the particular item investigated. The commission on November 9, 1931, rendered a very exhaustive report of its investigation as to lumber and at this time found that a change in the existing rate was not warranted. In violation of our established tariff policy the \$3 rate was included in the bill during its consideration in the Senate. It will in effect constitute an embargo, and as a result the lumber buyers of the United States will be left at the mercy of the lumber mills.

Another very objectionable item included in the bill during its consideration in the Senate was the 1 cent per gallon tax on gasoline. The various States of the Union have for some time been levying a tax upon gasoline sold in their respective States for the purpose of helping to defray State expenses. The Federal Government's intervention into the States' avenues of raising taxes creates confusion and adds to the very heavy burden now assumed by gasoline buyers.

I can not support such obnoxious provisions. They are unfair and unjust to the common people of this country, and shall not be sanctioned by my vote.



Mr. LANKFORD of Virginia. Mr. Speaker, in voting for the Budget balancing tax bill I had very much the same feeling that a patient has on entering the operating room for an operation. The operation is had enough but a ruptured appendix is worse. I disliked it—I dreaded to vote and place this additional burden on the taxpayers of the country already burdened to distraction by Federal, State, and municipal taxes; I hoped until the last minute some other solution could be found, but there was none, and no alternative was left.

In view of the disclosures in the President's message to the Senate several days before, showing the rapid withdrawal of gold from the United States, failing confidence in our financial stability at home and abroad, and the necessity for immediate action to save a general financial and industrial collapse, I saw then and can see now nothing to do but support this measure.

I feel that a great mistake was made in not passing the manufacturers' excise tax, a slight, evenly distributed manufacturers' tax with such a broad base that it would have hurt no one seriously and raised a revenue of approximately \$600,000,000. Revenue would have begun to flow into the Treasury at once and the nuisance taxes, such as stamps on checks, increased postage, telephone and telegraph messages, light and gas, stock, bond, and real-estate transfers, movies, and numerous other irritating and in the aggregate expensive taxes could have been avoided. An even more serious objection is the heavy burden placed on a special class of selected industries, so heavy that at this time of depression it may result in serious injury to some of these activities, every one of which is a large employer of labor.

No choice, however, was given; it was this tax bill or chaos, and for this reason and this alone I voted for it.

I voted for the manufacturers' excise tax bill when it was presented, and urged its passage, and would have voted against this bill had there been any chance of going back to the excise tax, but having been defeated in both the House and the Senate it was hopeless to expect it to be revived.

It is entirely possible, however, that if the present bill fails to produce the revenue expected of it, and many think it will, and proves to be too great a burden, that the manufacturers' excise tax may be revived at the December session. If so, I shall support it again.

This country has borrowed and mortgaged itself into its present condition, and I do not believe it can borrow or mortgage itself out. The way out, in my opinion, lies in the strictest economy; in adhering strictly to the necessary and essential functions of Government, and not in further depressing the millions of overburdened taxpayers with vast and unnecessary projects to create work for a comparatively few workers. They will be absorbed much quicker, and permanently, by relieving business and industry of the burdens of Government and if let alone they will take up the slack in unemployment.

For this reason I can not support the Garner bill, nor can I support other expenditures for the Farm Board, Department of Agriculture, aside from its normal functions, or any other artificial and socialistic activity.

I propose to vote Government dollars for strictly Government functions and nothing else.

Mr. LARRABEE. Mr. Speaker, propagandists of the administration now in power and the party whose administrations have been in full power for the past 12 years, as was to be expected, are making every possible effort to cover up their own blunders, failures, and shortcomings with the attempt to saddle the entire blame for the present panic on the new Democratic House of Representatives, and at the same time resell their candidate for President to the people under the smoke screen.

They have gone so far with this propaganda campaign that they have succeeded in a measure in turning some minds from the real facts, while the Democratic House, true to its pledge, has made every possible effort to give full cooperation in every way possible to the program of the administration or anyone else who offered any suggestion to relieve conditions.

It is encouraging to note, however, that the people as a whole, are not swallowing this old-fashioned brand of propaganda, and the people generally are rallying to their own defense as citizens and taxpayers. However the interest now being shown by the taxpayers has come too late to prevent the conditions that are upon us.

Had the people shown this same keen interest in times of plenty, the Federal Government would not be suffering from financial paralysis to-day.

The Hoover administration would never have permitted the 63 per cent increase in expenditures of major Federal departments, commissions, and independent offices, that has resulted since 1927.

The report of the Secretary of the Treasury shows that in appropriations and expenditures of 15 major departments, commissions, and independent offices, increases since 1927 ranged all the way from 19 to 614 per cent, and in only one department was any decrease shown. The Navy Department's increase from 1927 to 1932 was 19 per cent. The Post Office Department deficit appropriation increased in 1932 by 614 per cent over that of 1927. The Interior Department, according to the figures, showed a decrease of 74 per cent, but the fact is that this largely, if not all, resulted from the removal of the Bureau of Pensions from that department to the United States Veterans' Administration, an independent office. The others are varied from 34 to 220 per cent increases, to give a total percentage of increase of 63 per cent for these departments.

These are actual figures of what has happened in that brief period of from 1927 to the present time, and it should be remembered that the Democratic House had not yet been elected.

According to the estimate of the Treasury Department, made public in December last, the National Government's expenditures for the fiscal year ending June 30, 1932, exceed by \$1,231,100,000 those of 1927.

It should be remembered, too, in the year of 1927 industrial activity in the United States was nearly at its peak, and prices of commodities were, generally speaking, far above those of to-day. In 1927 the people were prosperous, as a whole, and were able to stand what should be considered the peak in governmental expenditures and taxation.

From 1928 until to-day the industrial, commercial, and general economic trend has been downward, slowly for a time, then with tragic suddenness. But notwithstanding all this, the Federal expenditures under the Republican administration have been rocketing upward with uncontrolled speed until the administration finally awoke to the realization that the Federal Government had been plunged into virtual bankruptcy. Bureaus and commissions have multiplied until there are now approximately 200, which are ever demanding more expansion, more authority, and more of the taxpayers' money.

Early this year the administration estimated to Congress that a deficit of \$2,000,000,000 would result in the Federal Treasury by the end of the present fiscal year, June 30, but they tried to make it appear that this was all due to decreased revenues from falling tariff and other sources of Federal income.

The truth is that expenses so drastically increased—and needlessly—had much to do with the condition as it now is. Why the administration seeks to place this burden all on its own panic, and not on its own extravagance, is not hard to understand. But, more serious than that, latest available estimates are that the deficit will reach \$3,000,000,000.

Now, to cover up this deficit the Republican administration has been forced to call on Congress for huge additional taxes to be paid from the practically empty purse of a prostrate public. New sources of revenue had to be found. It was impossible to effect sufficient economy in the present establishment of Federal governmental departments to prevent it without practically prostrating the entire establishment of Federal governmental functions and bringing down ruin to the governmental system.

No plan of taxation that could be offered will meet with general approval. Those individuals, who in the past have



enjoyed incomes sufficiently large to place them in the class of income-tax payers, resent any increase in income taxes, as they too have suffered substantial decreases in their incomes as the result of the panic. Corporations and other producers of this class resent any increase in corporation taxes for the same reason.

Taxes, through proposed sales-tax levies, to be paid by every one who buys any commodity with the possible bare necessities of plain food and modest clothing, would even heap an additional hardship on the unemployed laborer and the bankrupt farmer, most of whom have never "enjoyed" the sensation of paying income taxes even in prosperous years.

Either method of taxation will doubtless have the effect of raising prices without any benefit to the producers—the farmers and the laborers—that should come with increased prices, and threaten to lessen sales, slow down industry, and increase unemployment and want, which will only drive costs upward and result in greatly increased distress.

While the Democratic House of Representatives and its committees has been struggling with the problem of reducing appropriations for the Federal departments to effect savings and economy that must be effected to avert further catastrophe, they have faced the spectacle and the obstacle of the administration, through its Cabinet members—the heads of the various departments that have contributed the 63 per cent increase in expenses since 1927—opposing bitterly, and in fact obstructing, the work of Congress along this line.

When the House first tackled this problem several weeks ago the Treasury Department provided one set of figures as to the financial condition of the Federal Government. Before the House had completed its work on the revenue bill the Treasury Department, evidently discovering a serious error in the first figures it had provided, submitted another and entirely different set of figures. We are told this same condition was forced upon the Senate committee, as it attempted to decide whether or not the House bill was adequate, and called for Treasury estimates.

In addition to objections of bureaus themselves, in almost every instance, while the House considered the economy bill, it and its members and committees were deluged with letters and telegrams from every section of the country, urging that this or that bureau be not disturbed. Many of those who sent these messages pleading for the life of their pet bureau or appropriation also sent letters and messages, before or later, taking Congress to task for a presumed failure to bring about economy and for the necessity of increasing revenue through taxation.

The tendency within recent years to have the powerful hand of Federal Government reach into almost every phase of human life is not only costly but a dangerous one. Such a tendency is leading into inactivity and indifference in local governments and community responsibility in many sections, and is challenging the actual perpetuity of our form of government, which all Americans demand that we preserve for posterity.

During consideration of the economy bill the heads of the Army and the Navy, under the presidential control as their Commander in Chief, bitterly assailed the Democratic House plan to effect gigantic savings in those departments, and made it plain that any measure providing for this saving would not survive the White House veto. The Democratic plan would have eliminated many high-salaried executives, valuable to the administration for political purposes, and would have effected gigantic savings to the taxpayers, while at the same time it would have increased the efficiency of our system of national defense.

The heads of other departments fought just as bitterly in committee when cuts were proposed for their departments by the Democratic House committees.

As the economy bill and the revenue bill now stand there is grave danger that from 66 to 72 per cent of the economies which have a chance to survive the White House veto will come from threatened slashes in salaries of the laboring and working classes in the Government departments and not from needed reduction of the departmental organization.

This, too, provides another danger. It will decrease the buying power generally. It will result in thousands of Government workers now contributing substantially to the support of dependents throughout the entire Nation having to withdraw this financial aid and will add that many more to the burden that charity is already stumbling under. It endangers possibility of reviving wage scales.

Effecting economies in government is not a partisan task but a patriotic duty. Without any regard for party lines, without any effort to claim partisan credit or evade responsibility, this tremendous problem challenges our best thought and rests not only on every Member of Congress but upon the entire citizenship of the United States.

Mr. POLK. Mr. Speaker, when the tax bill was first passed by the House of Representatives, on April 1 of this year, I voted against this bill because in my opinion we should not levy one cent additional tax upon our people until we have cut the cost of government to the very bone.

So long as Congress continues to levy additional taxes there will be no real curbing of governmental extravagances. Only by a refusal to further burden our people with taxes can we hope to have any real economy in government.

The Budget should be balanced by reducing governmental expenditures instead of by increasing taxes.

As this tax bill comes back to the House from the Senate, it is more objectionable than when it first passed the House. It contains a tax on the domestic consumer of electricity. It places a tax on the users of checks which will further burden our farmers, and the small country bankers, who are already weighted down to the breaking point by taxation.

The Senate has also placed an additional tariff of \$3 per thousand feet on lumber, which it is admitted will bring in little if any revenue, but will increase the price of lumber to the domestic consumer.

Additional unfair and unjust burdens have been placed on the users of automobiles by the Senate, through a tax on gasoline, tires, and tubes.

Because I believe this tax bill places an unfair and unnecessary burden upon those least able to pay, I am forced to vote against it.

Mr. JONES. Mr. Speaker, the limited time allotted for discussion on the conference report, which is the final action by the House on the revenue bill, has been taken up largely by the members of the Ways and Means Committee, thus affording little opportunity for other Members to express themselves. However, I desire to submit a brief statement for the RECORD.

In my judgment, the whole philosophy of the bill has been changed since it was first presented. It contains numerous taxes that should not be included in a proper revenue measure.

I object seriously to a tax on bank checks. This is not only a nuisance tax but, it seems to me, would have a tendency to cause depositors to withdraw their money, thus interfering with the proper conduct of the business of the country. I am not in favor of the additional tax on gasoline, as I believe this is a field that should be left to the States. Most of the States are making full use of this tax privilege. I do not believe the first-class postal rates should be increased, as this phase of the Postal Service is already more than self-sustaining. There are many other objectionable taxes embodied in the measure.

In my judgment, two methods should be used rather than the form in which this tax burden is levied.

In the first place, Government expenses should be reduced all along the line, some bureaus and commissions should be eliminated, the activities of others curtailed, and economies practiced wherever possible.

In the second place, we are far ahead in our payments on the public debt. I believe that the future payments on the public debt should be spread out over a longer period, somewhat comparable to the payments allowed foreign countries in taking care of their obligations to us. The added stimulus that would thus be given to business by virtue of not being forced to pay the added taxes would in itself increase



the commerce, making payment of the balance of the taxes much easier to take care of.

Only such taxes can be justified as are necessary to carry on the affairs of the Government, economically administered. By properly safeguarding the activities of Government many of the taxes provided for in this bill would be made unnecessary.

Mr. HART. Mr. Speaker, I can not support the tax bill as returned to this House by the conferees. During the discussion of the bill in the House I voted against import taxes upon oil and coal. I do not believe that a tariff has any place in a revenue bill. These import taxes upon oil and coal are not tariffs for revenue but are intended as embargoes. We have suffered too much already as the result of embargo tariffs. Retaliatory tariffs and that peculiar system in Europe known as a quota have destroyed our foreign trade. Instead of imposing more retaliatory tariffs we should be negotiating to reduce them and encourage trade. We are subsidizing the merchant marine through mail contracts and destroying our foreign trade through tariff barriers, and allowing our ships to rust in our ports. This tax upon oil means an additional burden upon the farmer.

I am also opposed to the increase placed upon the automobile industry through the tax on gasoline and the tax upon passenger cars, trucks and auto parts, together with the tax upon tires. One-quarter of the entire tax bill is placed upon this industry. This is peculiarly a Michigan industry, and this bill strikes a heavy blow at an industry that has shown more courage and initiative than any other in the country.

Another feature of this bill I can not subscribe to is the racketeering provision, which places ten times the tax upon liquid malt or wort as is placed upon malt sirup, which is largely sold in cans. The tax on malt sirup is 3 cents a pound; a 2½-pound can will make 5 gallons of wort. The tax laid upon this 2½-pound can is 7½ cents. On the other hand, the 5 gallons of wort, which is the product before condensing—and the small brewery has no condensing plant or canning plant—is taxed 75 cents for 5 gallons, in place of 7½ cents.

I am told that this provision was placed in the bill on the advice of the Prohibition Department. I am wondering what the interest of the canned-malt-sirup manufacturers was in this provision. I regard this provision as racketeering the small manufacturer in favor of the large one, and I can not vote for a bill containing this vicious provision.

I shall therefore record my vote against the bill.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—  
Mr. COLLINS, for to-day, on account of illness.

Mrs. WINGO, at the request of Mr. DRIVER, on account of illness in family.

#### ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 32 minutes p. m.) the House adjourned until Monday, June 6, 1932, at 12 o'clock noon.

#### MOTION TO DISCHARGE COMMITTEE

MAY 19, 1932.

To the Clerk of the House of Representatives:

Pursuant to clause 4 of Rule XXVII, I, WRIGHT PATMAN, move to discharge the Committee on Rules from the consideration of the resolution entitled "A resolution to make H. R. 7726, a bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, a special order of business," which was referred to the said committee May 10, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

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|----------------------------|------------------------|
| 1. Wright Patman.          | 10. Gerald J. Bolleau. |
| 2. John E. Rankin.         | 11. George W. Lindsay. |
| 3. Thomas L. Blanton.      | 12. E. A. Green.       |
| 4. Carl Vinson.            | 13. Tom D. McKeown.    |
| 5. J. V. McClintic.        | 14. Russell Elzey.     |
| 6. Paul John Kvale.        | 15. Stephen A. Rudd.   |
| 7. Patrick J. Boland.      | 16. W. W. Hastings.    |
| 8. LaPayette L. Patterson. | 17. Patrick J. Carley. |
| 9. Gardner R. Withrow.     | 18. Thomas H. Cullen.  |

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|-----------------------------|----------------------------|
| 19. J. P. Buchanan.         | 83. Ralph A. Horr.         |
| 20. Francis B. Condon.      | 84. H. Ragon.              |
| 21. John J. Douglass.       | 85. Riley J. Wilson.       |
| 22. Anning S. Prall.        | 86. Bolivar E. Kemp.       |
| 23. Morgan G. Sanders.      | 87. Fred M. Vinson.        |
| 24. Glenn Griswold.         | 88. J. R. Mitchell.        |
| 25. Hubert H. Peavey.       | 89. Ben M. Golder.         |
| 26. Dennis Chavez.          | 90. Ed. B. Almon.          |
| 27. James M. Fitzpatrick.   | 91. Vincent L. Palmisano.  |
| 28. Loring M. Black.        | 92. John W. McCormack.     |
| 29. F. B. Swank.            | 93. Paul H. Maloney.       |
| 30. Jed Johnson.            | 94. Marvin Jones.          |
| 31. Luther A. Johnson.      | 95. George N. Seger.       |
| 32. W. L. Tierney.          | 96. Charles A. Kading.     |
| 33. George J. Schneider.    | 97. Fred A. Hartley.       |
| 34. M. C. Allgood.          | 98. Charles A. Wolverton.  |
| 35. A. H. Gasque.           | 99. Charles A. Karch.      |
| 36. Numa Montet.            | 100. Stanley H. Kunz.      |
| 37. John H. Overton.        | 101. Andrew L. Somers.     |
| 38. J. O. Fernandez.        | 102. Ewin L. Davis.        |
| 39. Guinn Williams.         | 103. O. B. Lovette.        |
| 40. Wilburn Cartwright.     | 104. James J. Connolly.    |
| 41. Martin J. Kennedy.      | 105. R. E. Thomason.       |
| 42. Harry P. Beam.          | 106. O. H. Cross.          |
| 43. John E. Miller.         | 107. E. E. Eslick.         |
| 44. W. J. Driver.           | 108. J. W. Flannagan.      |
| 45. D. D. Glover.           | 109. Sam B. Hill.          |
| 46. J. Will Taylor.         | 110. Edward A. Kelly.      |
| 47. W. H. Larraabee.        | 111. Martin Dies.          |
| 48. Joe Crall.              | 112. E. F. Erk.            |
| 49. William N. Rogers.      | 113. Conrad G. Selvig.     |
| 50. John J. Delaney.        | 114. J. J. Mansfield.      |
| 51. Lamar Jeffers.          | 115. C. F. Curry.          |
| 52. Jesse P. Wolcott.       | 116. W. F. Brunner.        |
| 53. A. J. May.              | 117. Effiegiene Wingo.     |
| 54. Martin L. Sweeney.      | 118. Robert R. Butler.     |
| 55. William H. Dieterich.   | 119. Byron B. Harlan.      |
| 56. Leonard W. Schuetz.     | 120. Clay Stone Briggs.    |
| 57. Edgar Howard.           | 121. Thomas R. Amlie.      |
| 58. Victor Christgau.       | 122. James M. Mead.        |
| 59. Fred H. Dominick.       | 123. Seymour H. Pearson.   |
| 60. H. P. Fulmer.           | 124. J. E. Major.          |
| 61. Wall Doxey.             | 125. Harry L. Englebright. |
| 62. Jere Cooper.            | 126. Butler B. Hare.       |
| 63. J. H. Sinclair.         | 127. Ed. H. Campbell.      |
| 64. Frank R. Reid.          | 128. C. Murry Turpin.      |
| 65. Kent E. Keller.         | 129. Mel G. Underwood.     |
| 66. John R. Sandlin.        | 130. Frank C. Kniffin.     |
| 67. Wesley E. Disney.       | 131. Jeff Busby.           |
| 68. Phil D. Swing.          | 132. John M. Evans.        |
| 69. René L. DeRouen.        | 133. William W. Arnold.    |
| 70. M. C. Garber.           | 134. W. Frank James.       |
| 71. Richard J. Welch.       | 135. O. L. Auf der Heide.  |
| 72. William P. Connery, jr. | 136. Robert Crosser.       |
| 73. Chas. Finley.           | 137. Claude A. Fuller.     |
| 74. James G. Polk.          | 138. J. J. McSwain.        |
| 75. Gordon Browning.        | 139. Lister Hill.          |
| 76. A. J. Sabbath.          | 140. E. H. Crump.          |
| 77. John C. Schafer.        | 141. William J. Granfield. |
| 78. Robert S. Hall.         | 142. C. V. Parsons.        |
| 79. Melvin J. Maas.         | 143. Charles West.         |
| 80. S. D. McReynolds.       | 144. Joseph A. Gavagan.    |
| 81. Tillman B. Parks.       | 145. Daniel E. Garrett.    |
| 82. William C. Lankford.    |                            |

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, June 4, 1932.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CARLEY: Committee on Public Buildings and Grounds. H. R. 12360. A bill to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937; without amendment (Rept. No. 1503). Referred to the Committee of the Whole House on the state of the Union.

Mr. JAMES: Committee on Military Affairs. H. R. 12448. A bill to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States; with amendment (Rept. No. 1504). 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. BLACK: Committee on Claims. H. R. 1434. A bill for the relief of Frances E. Eller; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House.

Mr. PARKER: Committee on Military Affairs. H. R. 11624. A bill for the relief of Thomas A. Heard; without amendment (Rept. No. 1502). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULMER: A bill (H. R. 12461) to amend the agricultural marketing act so as to secure to farmers a price for their commodities equal, as nearly as possible, to the cost of production, and to enable the producers of agricultural commodities produced in excess of domestic requirements to benefit from tariff protection on that part of their production consumed within the United States; to the Committee on Agriculture.

By Mr. McFADDEN: Resolution (H. Res. 249) authorizing the appointment of a committee to investigate the Bureau of Internal Revenue; to the Committee on Rules.

By Mr. DOUGHTON: Joint Resolution (H. J. Res. 416) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CONNERY: A bill (H. R. 12462) granting an increase of pension to Margaret F. Roach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12463) granting a pension to Jennie B. Southwick; to the Committee on Pensions.

Also, a bill (H. R. 12464) granting a pension to Amelia M. Lashua; to the Committee on Pensions.

Also, a bill (H. R. 12465) granting a pension to Bridget Honohan; to the Committee on Pensions.

Also, a bill (H. R. 12466) granting an increase of pension to Abbie J. Parsons; to the Committee on Pensions.

Also, a bill (H. R. 12467) for the relief of William H. Rounceville; to the Committee on Military Affairs.

Also, a bill (H. R. 12468) for the relief of Laurie A. Small; to the Committee on Military Affairs.

Also, a bill (H. R. 12469) for the relief of Daniel W. Tanner; to the Committee on Military Affairs.

Also, a bill (H. R. 12470) for the relief of George R. Whyte; to the Committee on Military Affairs.

Also, a bill (H. R. 12471) for the relief of Orzo F. Rideout; to the Committee on Military Affairs.

By Mr. HARLAN: A bill (H. R. 12472) granting an increase of pension to Melissa J. Paddock; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 12473) for the relief of Mary McCutcheon; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H. R. 12474) for the relief of James J. Keeley; to the Committee on Military Affairs.

By Mr. LONERGAN: A bill (H. R. 12475) granting a pension to Ann M. Callery; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 12476) granting a pension to Louise Patterson; to the Committee on Pensions.

Also, a bill (H. R. 12477) granting a pension to George F. Davis; to the Committee on Pensions.

Also, a bill (H. R. 12478) for the relief of James J. Laughlin; to the Committee on Claims.

PETITIONS, ETC.

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

8134. By Mr. CAMPBELL of Iowa: Petition of J. J. Osborn, jr., and 43 other citizens and voters of Sioux City, Iowa, urging the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

8135. By Mr. CHAVEZ: Petition to balance the Budget; to the Committee on Ways and Means.

8136. Also, petition to balance the Budget; to the Committee on Ways and Means.

8137. Also, petition to balance the Budget; to the Committee on Ways and Means.

8138. Also, petition to balance the Budget; to the Committee on Ways and Means.

8139. Also, petition protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8140. By Mr. CRAIL: Petition of 24 citizens of California demanding prompt action in balancing the Budget, and expressing their opinion as to how this can best be done; to the Committee on Ways and Means.

8141. By Mr. FULLER: Petition of members of the Russel Colson Post, No. 102, of the American Legion, and other citizens of Norfolk, Ark., urging support of House bill 1; to the Committee on Ways and Means.

8142. Also, petition of Bill Rogers, Al Feltz, Charles D. James, and 148 others of Eureka Springs, Ark., requesting the immediate payment of the certificates of adjusted compensation for World War veterans, under House bill 1; to the Committee on Ways and Means.

8143. By Mr. GARBER: Petition of C. H. Christensen, commander Fitzhugh Lee Camp, No. 15, Tulsa, Okla., opposing the pauper clause of economy bill and reduction of pensions while disabled veterans are hospitalized; to the Committee on World War Veterans' Legislation.

8144. Also, petition of Railway Employees' and Taxpayers' Association of West Virginia, urging enactment of legislation to bring all methods of transportation engaged in interstate commerce under uniform regulation; to the Committee on Interstate and Foreign Commerce.

8145. Also, petition of R. B. Stewart, department commander, State of Oklahoma, United Spanish War Veterans, urging opposition to pauper clause affecting veterans and reduction of pensions to certain veterans; to the Committee on World War Veterans' Legislation.

8146. By Mr. KELLER: Petition of the citizens of Benton, Ill., asking for legislation favoring the Big Muddy Canal project; to the Committee on Rivers and Harbors.

8147. By Mr. JOHNSON of Texas: Petition of Voluntary Voters' Committee, citizens of Blum, Tex., Jess Carmichall, secretary, favoring Patman bill for cash payment of adjusted-service certificates and the Garner relief plan, provided new currency is issued in lieu of bonds, and opposing economy at the expense of the disabled, maimed, and diseased ex-service men; to the Committee on Ways and Means.

8148. By Mr. LEAVITT: Petition of residents of Larslan and Avondale, Mont., favoring the enactment of House bill 5857, a bill to provide legal-tender money without interest secured by community non-interest-bearing 25-year bonds, etc.; to the Committee on Banking and Currency.

8149. By Mr. MEAD: Petition of American Society of Civil Engineers, regarding a normal program for public-works construction to stimulate trade recovery and revive employment; to the Committee on Ways and Means.

8150. By Mr. RUDD: Petition of the National Economy League, New York City, opposing Federal pensions to war veterans not injured in war service; to the Committee on Economy.

8151. Also, petition of Chamber of Commerce of the State of New York, protesting against Government expenditures on Muscle Shoals; to the Committee on Military Affairs.

8152. Also, petition of Chamber of Commerce of the State of New York, opposing the taxation of capital gains; to the Committee on Ways and Means.

8153. Also, petition of Chamber of Commerce of the State of New York, opposing Federal pensions to war veterans not injured in war service; to the Committee on World War Veterans' Legislation.



8154. Also, petition of Chamber of Commerce of the State of New York, opposing the passage of Senate bill 1963, regulation of common carriers by water in intercoastal commerce; to the Committee on Interstate and Foreign Commerce.

8155. By Mr. SUTPHIN: Petition of Senate of the State of New Jersey, objecting to the proposed 1-cent per gallon tax on gasoline; to the Committee on Ways and Means.

8156. By the SPEAKER: Petition of Ida von Claussen, requesting that she be allowed to appear before a duly constituted committee of the House of Representatives appointed to hear and pass upon her petition for the impeachment of President Herbert Hoover, Ambassador Andrew Mellon, and colleagues; to the Committee on the Judiciary.

## SENATE

MONDAY, JUNE 6, 1932

(Legislative day of Wednesday, June 1, 1932)

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

### CALL OF THE ROLL

Mr. SMOOT obtained the floor.

Mr. FESS. Mr. President, will the Senator from Utah yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Utah yield for that purpose?

Mr. SMOOT. I yield.

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Cutting	Jones	Robinson, Ind.
Austin	Dale	Kean	Schall
Bailey	Davis	Kendrick	Sheppard
Bankhead	Dickinson	Keyes	Shipstead
Barbour	Dill	La Follette	Shortridge
Barkley	Fess	Lewis	Smith
Blaine	Fletcher	Logan	Smoot
Borah	Frazier	McGill	Steiwer
Bratton	George	McKellar	Thomas, Idaho
Bulkley	Glass	McNary	Thomas, Okla.
Bulow	Glenn	Metcalf	Townsend
Byrnes	Goldsborough	Moses	Trammell
Capper	Hale	Neely	Tydings
Caraway	Harrison	Norbeck	Vandenberg
Carey	Hastings	Norris	Wagner
Cohen	Hatfield	Nye	Walcott
Connally	Hayden	Oddie	Walsh, Mass.
Coolidge	Hebert	Patterson	Walsh, Mont.
Costigan	Howell	Reed	Watson
Couzens	Johnson	Robinson, Ark.	White

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. LONG] is necessarily absent from the city.

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

### REVENUE AND TAXATION—CONFERENCE REPORT

Mr. SMOOT submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 15, 16, 35, 40, 41, 42, 45, 60, 61, 62, 63, 64, 65, 71, 72, 76, 113, 114, 115, 146, 174, 193, 207, 212, 214, 254, 257, 262, and 267.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 36, 37, 38, 39, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 66, 67, 68, 69, 70, 73, 74, 77, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 91, 94, 95, 96, 97, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 116, 117, 118, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 138, 139, 141, 142, 145, 147, 148, 149, 151, 152, 153, 154,

155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 169, 170, 171, 172, 173, 175, 176, 177, 178, 179, 181, 182, 183, 185, 188, 189, 190, 191, 192, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 208, 209, 210, 211, 213, 215, 216, 217, 218, 219, 221, 222, 223, 224, 226, 227, 228, 229, 230, 231, 232, 234, 237, 238, 239, 240, 241, 242, 243, 244, 245, 247, 248, 249, 250, 251, 252, 253, 255, 256, 258, 259, 260, and 261 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 2 of the Senate engrossed amendments, under the heading "Title V—Miscellaneous Taxes" and the subheading "Part II—Admissions tax," strike out "Sec. 712. Admission to Olympic Games."; and on page 3 of the Senate engrossed amendments, under the heading "Title VIII—Postal Rates," strike out "Sec. 1002. Adjustment of Postal Rates."; and on page 3 of the Senate engrossed amendments, under the heading "Title IX—Administrative and General Provisions," strike out all after "Sec. 1106. Refunds of Miscellaneous taxes.", the remaining portion of the matter inserted by the Senate amendment, and in lieu thereof insert the following:

"Sec. 1107. Adjustments of carriers' liabilities to conform to recapture payments.

"Sec. 1108. Limitation on prosecutions for internal revenue offenses.

"Sec. 1109. Special disbursing agents of Treasury.

"Sec. 1110. Refund of taxes for taxable year 1918.

"Sec. 1111. Definitions.

"Sec. 1112. Separability clause.

"Sec. 1113. Effective date of act."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13 $\frac{3}{4}$  per cent"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(r) Limitation on stock losses—

"(1) Losses from sales or exchanges of stocks and bonds (as defined in subsection (t) of this section) which are not capital assets (as defined in section 101) shall be allowed only to the extent of the gains from such sales or exchanges (including gains which may be derived by a taxpayer from the retirement of his own obligations).

"(2) Losses disallowed as a deduction by paragraph (1), computed without regard to any losses sustained during the preceding taxable year, shall, to an amount not in excess of the taxpayer's net income for the taxable year, be considered for the purposes of this title as losses sustained in the succeeding taxable year from sales or exchanges of stocks or bonds which are not capital assets.

"(3) This subsection shall not apply to a dealer in securities (as to stocks and bonds acquired for resale to customers) in respect of transactions in the ordinary course of his business, nor to a bank or trust company incorporated under the laws of the United States or of any State or Territory, nor to persons carrying on the banking business (where the receipt of deposits constitutes a major part of such business) in respect of transactions in the ordinary course of such banking business."

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: On the last line of page 19 of the Senate engrossed amendments, after the word "coal," insert "mines"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59,