1270. Also, petition of Chamber of Commerce of the State of New York, in re Government purchase of Cape Cod Canal; to the Committee on Rivers and Harbors.

1271. By Mr. ROBINSON of Iowa: Petition of employees of Chicago, Rock Island & Pacific Railroad, Cedar Falls, Iowa, favoring continuation of present transportation act without amendment or repeal; to the Committee on Interstate and Foreign Commerce.

1272. Also, petition of citizens of Winthrop, Iowa, favoring strict enforcement of the eighteenth amendment; to the Committee on the Judiciary.

1273. By Mr. SINCLAIR: Petition of ex-service men of Flaxton, N. Dak., for adjusted compensation; to the Committee on Ways and Means.

1274. Also, petition of rural-mail carriers of Max, Wilton, Coal Harbor, Benedict, Baldwin, Turtle Lake, Garrison, and Dogden, N. Dak., in favor of increased equipment allowance; to the Committee on the Post Office and Post Roads.

1275. Also, petition of 200 residents of Wildrose, Rhame, Powers Lake, Westhope, and Starkweather, N. Dak., urging the enactment of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

1276. Also, petitions of 58 residents of Sherwood and Antler, N. Dak.; 37 residents of Bowbells and Lignite, N. Dak.; and 6 residents of Dazey, N. Dak., in favor of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

1277. Also, petition of Red River Valley Livestock Association, Crookston, Minn.; also Bergen Community Farmers' Club, Pekin, N. Dak., indorsing the McNary-Haugen and Norbeck-Burtness bills; to the Committee on Agriculture.

1278. Also, petition of Ludwig Jacobson and 17 others, of Rocklake, N. Dak., favoring the Norbeck-Burtness and Norris-Sinclair bills for the relief of agriculture; to the Committee on Agriculture.

1279. Also, petitions of 89 residents of Washburn, Kenmare, and Larson, N. Dak., urging the speedy enactment of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

1280. By Mr. TAGUE: Petition of the grain board of the Boston Chamber of Commerce, opposing House bill 742, by Mr. JOHNSON of Washington; to the Committee on Interstate and Foreign Commerce.

1281. Also, petition of Hon. Benjamin Loring Young, speaker of the Massachusetts House of Representatives, with inclosure, in opposition to the equal rights bill; to the Committee on the Judiciary.

1282. By Mr. THOMPSON: Petition of several citizens of Henry County, Ohio, asking for the removal of the double tax on industrial alcohol; to the Committee on Ways and Means.

1283. By Mr. TINKHAM: Petition of Today's Club, urging favorable action on equal rights amendments; to the Committee on the Judiciary.

1284. By Mr. WELSH: Memorial of the Philadelphia Board of Trade, protesting against the passage of House bill 5635; to the Committee on Rivers and Harbors.

SENATE.

FRIDAY, *February 22, 1924.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O God, the God of our fathers, who in the years gone by was their refuge and strength, we come to-day before Thee with thanksgiving, rejoicing in the records that have been made by those of the past in connection with truth and duty. We bless Thee for him immortalized in the memory of the people at large, rejoicing in what he has been in the history of this country, for his heroism, for his consecration, yea, too, for his appeal unto Thee in the Nation's great crisis, then an infant of possibilities. We pray Thee, our Father, that this land, holding as a treasure the memory of our first President, may be truly encouraged and deeply devoted to those interests which were dear unto him and which have been perpetuated along the pathway of duty.

The Lord grant a blessing always, keeping us from all the entanglements of life that would prejudice us in Thine eyes as well as in the great commonwealth of nations. Deliver us, we beseech Thee, from all forces that would prostitute our institutions, and help us always to feel that liberty to do right, liberty to honor Thy name, and to walk wherever Thou dost lead us are the highest possibilities for us. The Lord our God be with us. Save us from all unhallowed influences, and may the Nation go forward, so that righteousness shall be exalted and Thy glory be manifest. We ask in Jesus Christ's name. Amen.

On request of Mr. LODGE and by unanimous consent, the reading of the Journal of the legislative day of Saturday, February 16, 1924, was dispensed with and the Journal was approved.

READING OF WASHINGTON'S FAREWELL ADDRESS.

The PRESIDENT pro tempore. Under the standing order of the Senate and the appointment made by the Chair, the Senator from Ohio [Mr. WILLIS] will now read Washington's Farewell Address.

Mr. WILLIS (at the Secretary's desk) read the address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to be proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured that this resolution has not been taken without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this previous to the last election had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded whatever partiality may be retained for my services, that in the present circumstances of our country you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust were explained on the proper occasion. In the discharge of this trust I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day the increasing weight of years admonishes me more and more that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering; though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfre-

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quently, want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these States, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection, and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which can not end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parted friend, who can possibly have no personal motive to bias his counsel. Nor can I forget as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess are the work of joint counsels and joint efforts, of common danger, sufferings, and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest. Here every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry. The *south*, in the same intercourse benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined can not fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence, likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your Union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? Let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who in any quarter may endeavor to weaken its bands.

In contemplating the causes which may disturb our Union it occurs as matter of serious concern that any ground should have been furnished for characterizing parties by *geographical* discrimination—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts is to misrepresent the opinions and aims of other districts. You can not shield yourselves too much against the jealousies and heartburnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiations by the Executive and in the unanimous ratifications by the Senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the General Government and in the Atlantic States, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, toward confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? Will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances in all times have experienced. Sensible of this momentous truth, you have improved upon your first essay by the adoption of a constitution of government better calculated than your former for an intimate union and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and

your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system; and thus to undermine what can not be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments as of other human institutions; that experience is the surest standard by which to test the real tendency of the existing constitution of a country; that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion; and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the dangers of parties in the state, with particular references to the founding of them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of the kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the Government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundations of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them

the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great Nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favored nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens), the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partially for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both Houses of Congress, the spirit of that measure

has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity imposes on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views it in the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

PETITIONS.

Mr. JONES of Washington presented petitions of sundry citizens of Tacoma, Yakima, Toppenish, and Ellensburg, all in the State of Washington, praying for the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented a resolution adopted by Lorain Lodge, No. 863, Independent Order B'Nai B'rith, of Lorain, Ohio, protesting against the passage of the so-called Johnson selective immigration bill, as being discriminatory, etc., which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Methodist Ministerial Association of Greater Cincinnati, Ohio, favoring the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by delegates to Asbestos Workers Union No. 3, of Cleveland, Ohio, favoring an appropriation to defray the expenses of delegates from this country to the forthcoming International Conference on Narcotics, which was referred to the Committee on Foreign Relations.

BILL INTRODUCED.

Mr. FESS introduced a bill (S. 2590) to amend sections 1, 3, and 6 of an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment"; which was read twice by its title, and referred to the Committee on Education and Labor.

BICENTENNIAL OF THE BIRTH OF GEORGE WASHINGTON.

Mr. FESS. Mr. President, I introduce a joint resolution providing for the preparation and completion of plans for a comprehensive observance of the bicentennial of the birthday of George Washington. I ask that the joint resolution be printed in the RECORD and referred to the Committee on the Library.

There being no objection, the joint resolution (S. J. Res. 85) authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington, was read twice by its title, referred to the Committee on the Library, and ordered to be printed in the RECORD, as follows:

Joint resolution (S. J. Res. 85) authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington.

Whereas on February 22, 1932, will occur the two hundredth anniversary of the birth of George Washington, the Father and Founder of the American Republic; and

Whereas the significance of this event transcends in importance any other historic event of a similar kind that has ever before been commemorated by the Nation; and

Whereas past experience has taught that it takes from 5 to 10 years to complete fitting and adequate plans for the commemoration of outstanding historic events; and

Whereas heretofore the celebration of epochal events has always been marred by the incompletion of preparations, monuments, etc, necessitating delays in the inauguration of commemorations; and

Whereas if any commemoration of the bicentennial of the birth of George Washington that is commensurate with its importance and significance to the American people be held, then the time between the present day and the year 1932 is by no means too long for the completion and carrying out of plans: Therefore be it

Resolved, etc., That there is hereby established a commission to be known as the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington (hereinafter referred to as the commission) and to be composed of 19 commissioners, as follows:

The President of the United States; the President pro tempore of the Senate and the Speaker of the House of Representatives ex officio; eight persons, to be appointed by the President of the United States; four Senators, by the President pro tempore of the Senate; and four Representatives, by the Speaker of the House of Representatives. The commissioners shall serve without compensation and shall select a chairman from among their own number.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of ———, to be expended by the commission in accordance with the provisions of this resolution.

SEC. 3. That it shall be the duty of the commissioners, after promulgating to the American people an address relative to the reason for its creation and of its purpose, to prepare a plan or plans and a program for the signalizing of the event, to commemorate which they are brought into being; and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and by representative civic bodies; and if the participation of other nations in the commemoration be deemed advisable, to invite foreign governments to send representatives to engage in such participation.

SEC. 4. That when the commission shall have approved of a plan of celebration, then it shall submit for their consideration and approval such plan or plans, in so far as it or they may relate to the fine arts, to the Commission of Fine Arts, in Washington, for their approval, and in accordance with statutory requirements.

SEC. 5. That the commission, after selecting a chairman and a vice chairman from among their members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the commission, and may also engage the services of expert advisers and may fix their respective compensations within the amount appropriated for such purposes.

SEC. 6. The commissioners shall receive no compensation for their services, but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties.

SEC. 7. The commission shall, on or before the 4th of March, 1925, make a report to the Congress, in order that enabling legislation may be enacted in the carrying out of the plan or plans finally approved.

SEC. 8. That the commission hereby created shall expire within (one) (two) year after the expiration of the celebration, December 31, 1932.

SEC. 9. This act shall take effect immediately.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL.

Mr. KING submitted an amendment intended to be proposed by him to House bill 5078, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed.

The proposed amendment is to strike out the item for the Strawberry Valley reclamation project, Utah, and to insert in lieu:

Strawberry Valley project, Utah: For operation and maintenance and incidental operations, $40,000; for continuance of construction, $1,400,000; in all, $1,440,000.

RECESS.

Mr. LODGE. Mr. President, I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to; and (at 12 o'clock and 44 minutes p. m.) the Senate took a recess until to-morrow, Saturday, February 23, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *February 22, 1924.*

The House met at 11 o'clock a. m.

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

Almighty God, we thank Thee that the laws of Thy infinite nature are at the heart of all life. With such a refuge confusion need not bewilder us and burdens need not harden us, for Thy love and mercy will never fail us. We praise Thee for a past that is all glorious with Thy wonderful providence, for Thou hast stood within the shadows, keeping watch above Thy own. We are grateful this day that the principles of free government were condensed in the patriotic devotions of our forefathers. We bless Thee that the finest ideals of free institutions were divinely ordained in the character and services of him whose birth we this day commemorate. Our fathers recognized no superior, save God, and their faith in Him gave heroic courage to our soldiers and stainless lives to our scholars and statesmen. We entreat Thee that Thou mayst continue to be the spring of the noblest impulses of our country. Bless all institutions founded upon Christian learning, upon liberty, and upon law. May the justice, the honor, and the truth of the Gallilean Teacher be ours and bless us with the eternal love He has brought to the light of men. Amen.

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

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. BRUMM, for three days, on account of making an important address at Pittsburgh.

ELECTIONS TO COMMITTEES.

Mr. GARNER of Texas. Mr. Speaker, I present the following privileged resolution (H. Res. 188), which I send to the desk and ask to have read:

The Clerk read as follows:

ELECTIONS TO COMMITTEES.

Resolved, That the following Members be, and they are hereby, elected members of the standing committees of the House, as follows, to wit:

Pensions: FRED M. VINSON, of Kentucky, and ALLARD H. GASQUE, of South Carolina;

Flood Control: FRED M. VINSON, of Kentucky, and LUTHER A. JOHNSON, of Texas.

Public Lands: FRED M. VINSON, of Kentucky.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

CALL OF THE HOUSE.

Mr. PERKINS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New Jersey makes the point of order that there is no quorum present. Evidently there is not.

Mr. GRAHAM of Illinois. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aldrich	Gallivan	McDuffie	Shreve
Aswell	Garber	McFadden	Sinnott
Beedy	Geran	McKenzie	Snyder
Bell	Gifford	MacLafferty	Sproul, Kans.
Berger	Graham, Pa.	Martin	Steagall
Britten	Griffin	Mead	Stephens
Browne, N. J.	Hastings	Michaelson	Sullivan
Brumm	Hayden	Minahan	Sweet
Burdick	Hill, Wash.	Mooney	Swoope
Butler	Howard, Okla.	Morrow	Tague
Carew	Hudson	Newton, Mo.	Taylor, Colo.
Celler	Hull, Tenn.	Nolan	Thomas, Ky.
Clancy	Hull, William E.	O'Brien	Treadway
Cole, Ohio	Johnson, W. Va.	O'Connor, La.	Tydings
Collier	Jost	Patterson	Underhill
Connery	Kahn	Peavey	Upshaw
Corning	Kearns	Peery	Vinson, Ga.
Curry	Kendall	Perlman	Vinson, Ky.
Davey	Kent	Phillips	Watres
Dempsey	Kiess	Porter	Wilson, La.
Dominick	Knutson	Ramseyer	Wilson, Miss.
Eagan	Kopp	Ransley	Wingo
Edmonds	Lazaro	Reed, W. Va.	Winslow
Fairchild	Leavitt	Roach	Winter
Faust	Lilly	Rogers, Mass.	Wood
Favrot	Lindsay	Romjue	Wright
Fish	Lineberger	Rouse	Zihlman
Fisher	Linthicum	Sanders, N. Y.	
Fredericks	Logan	Sandlin	
Freeman	Lyon	Schall	

The SPEAKER. Three hundred and fourteen Members have answered to their names, a quorum.

Mr. CROWTHER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

CONTINGENT EXPENSES UNITED STATES SENATE.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 84, making appropriations for contingent expenses of the United States Senate for the fiscal year 1924 and consider the same at this time. This carries an appropriation of $125,000 out of which the Senate must pay the expenses of the investigation it is conducting into the oil leases on the public domain, and also to pay expenses in connection with the investigation of the senatorial election in Texas. A great number of witnesses are here from Texas and other places. A large number of counters are here engaged in the counting of the ballots.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of Senate Joint Resolution 84. Is there objection to the present consideration of the resolution?

Mr. BLANTON. Mr. Speaker, reserving the right to object, will the gentleman give us a little time, say, five minutes, on this matter?

Mr. MADDEN. I would be glad to do that, of course, but I hope the gentleman will not take up any time. The investigating committee of the Senate is out of money, and it is important that the funds be supplied immediately. Of course, if the gentleman wants to discuss the matter I should be very glad to yield him the time.

Mr. GARRETT of Tennessee. As I understand it, Mr. Speaker, the Senate just simply has to have this contingent fund increased.

Mr. MADDEN. That is all there is to it.

Mr. BLANTON. I would like to have five minutes, if the gentleman will yield me that.

Mr. MADDEN. Of course, I shall be glad to do that.

The SPEAKER. Is there objection to the present consideration of the joint resolution? [After a pause.] The Chair hears none. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 84) making appropriation for contingent expenses of the United States Senate, fiscal year 1924.

Resolved, etc., That the sum of $125,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1924, for expenses of inquiries and investigations ordered by the Senate, including compensation of stenographers to committees at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words.

Mr. MADDEN. Mr. Speaker, I know nothing about the merits of this resolution. All I know is that the Senate is en-

gaged in these investigations and has been for some time. I am informed by the Senate committee, through its chairman that the fund is exhausted; that they have had a large amount of expense in connection with their work which they are unable to pay; and that the passage of this resolution is urgent and the necessity for it immediate.

Mr. GARNER of Texas. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARNER of Texas. It has been suggested to me that the gentleman failed to get unanimous consent to consider this joint resolution in the House in the Committee of the Whole.

Mr. MADDEN. That is true. Mr. Speaker, I ask unanimous consent that the joint resolution may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, it ought to be understood by the people of the United States that the House of Representatives has nothing whatever to do with the money that the Senate of the United States sees fit to expend out of its contingent fund. No Member here, with propriety, may criticize any such expenditure. However, a joint resolution must be passed in order that the Senate may have money placed in its contingent fund. By voting for a joint resolution to put money into the contingent fund of the Senate I do not want, however, to be placed in the attitude of approving the manner in which the money is expended thereafter. I have asked for this time in order that the matter might be understood, so that, as one Member of the House, I might state our position. This is merely a measure for placing money in the contingent fund of the Senate, to be spent by it as it sees fit; and after we place it there, whatever manner in which the Senate sees fit to expend it is a responsibility which the Senate alone must assume and answer for it to the country, and is not a responsibility of the House of Representatives.

Mr. WYANT. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. Yes.

Mr. WYANT. Can the gentleman tell us how much money has been expended in this investigation?

Mr. BLANTON. I have no means of knowing, and I take it that that is not a matter of proper inquiry for the House of Representatives. We likewise have a contingent fund, and when we spend money out of our contingent fund we are responsible to the people for the manner in which we spend it. When the Senate spends money out of its contingent fund, it alone is responsible to the people of the United States for the manner in which it is expended. The people of the United States must not hold the Members of the House of Representatives responsible for the manner in which the other body spends its contingent fund, and vice versa, must not hold the Senate responsible for our expenditures out of our contingent fund.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

E. W. COLE.

The SPEAKER. The Chair refers papers in the case of E. W. Cole, of Texas, who claims a seat in the House of Representatives as a Member at large from the State of Texas, to the Committee on Elections No. 2.

Mr. GARRETT of Tennessee. Mr. Speaker, was that some report from some election committee?

The SPEAKER. No. The Chair referred some papers in that case from Texas to the Committee on Elections No. 2.

QUESTION OF PERSONAL PRIVILEGE.

Mr. HOWARD of Nebraska. Mr. Speaker, I rise to a question of personal privilege. I want to cast a vote on this bill and I have not had the opportunity.

The SPEAKER. On which bill?

Mr. HOWARD of Nebraska. This joint resolution.

The SPEAKER. The gentleman had his opportunity at the proper time.

Mr. HOWARD of Nebraska. The Speaker was too swift for me. I wanted to say "no." [Laughter.]

WOODROW WILSON.

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on ex-President Wilson.

The SPEAKER. The gentleman has that privilege already.

Mr. EVANS of Montana. Mr. Speaker, Woodrow Wilson is dead; he sleeps; his tired body rests; his matchless mind and great heart, worn out in the service of the millions of humankind, are stilled forever; but the things for which he fought will never die. He needs no encomium, no panegyric from me; his deeds done for his country and the world are his monument and will stand as secure and imperishable as the pyramids of Egypt. As he lived so he died, true to his ideals—he never surrendered.

Mr. Speaker, a few days ago and just prior to the passing of the spirit of Woodrow Wilson there appeared an article from the pen of David Lawrence, entitled "Hour of surrender," which is worthy to be preserved in the archives and the history of the Nation, and I desire to read it into the RECORD. Woodrow Wilson is gone, but he never surrendered.

HOUR OF SURRENDER, WORD NEVER KNOWN BY HIM, COMES TO WILSON—SADDENED WORLD WATCHES LAST FIGHT OF MAN WHO ASKED NO QUARTER, GAVE NONE, TO ACHIEVE HIS IDEALS.

[By David Lawrence.]

The hour of surrender—a word which, in his days of power, he never recognized—has come to Woodrow Wilson.

And with it there wells up simultaneously in the hearts of the people everywhere a sadness born of admiration for the stoicism of a statesman who fought till the last for the ideals in which he believed.

"I would rather fail," he used to say, "in a cause that I know some day will triumph than to win in a cause that I know some day will fail."

It was his philosophy of battle. To posterity he looked always for vindication. He never understood the word "compromise." Even in his breakdown, after the famous western trip, when it seemed as if the Versailles covenant of the League of Nations was beaten in the Senate, he scorned defeat.

Senator Hitchcock, Democrat, chairman of the Senate Foreign Relations Committee, who was in charge of the fight for the League of Nations treaty, asked for an engagement.

"I suppose he is coming to talk compromise," commented Mr. Wilson as he granted the engagement, but he listened without surrender.

All the world may say Woodrow Wilson should have compromised and that to-day he would have had America a member of the league with reservations. But to Woodrow Wilson it was an enduring principle—he could not barter what he thought was fundamental to the peace of the world. And he looked on ever since, waiting patiently for the turn in the tide, a turn that years of agitation may or may not bring, but at the hour of his passing from the stage of life America remains outside the league he worked so ardently to establish.

NEVER WANTED PITY.

Tragic may be the atmosphere, sorrow felt by his friends and foes alike that he did not retain the physical vigor to continue his fight, praise for his courage—all this may be the comment of the outside world, but not a word of pity or pathos did the Wilsonian temperament want. His was the spirit of a crusader. His was the tenacity of a soldier in a hand-to-hand fight. He never gave an inch. For years he was ready for death. He went forth on his western trip against the advice of his physicians, but with a smile of disregard for life itself. He used to say he would gladly give his life for the cause of the League of Nations. The remaining years of his life were meant to him only for the accomplishment of the greatest ideal of all—a world organization for peace.

Scarred by the war, racked in nerves, never forgetting the awfulness of the combat in which he felt always a personal responsibility, he never could drive out of his mind the thoughts of the hundred thousand American boys who died, as he thought, for an ideal and of the hundreds of thousands who came home wounded and maimed in the service of the flag.

HELD FIRMLY TO IDEALS.

"To make the world safe for democracy" was Mr. Wilson's war slogan. To his critics it became an empty phrase. But the idea of a war to end war never left Woodrow Wilson. Long after the American people began to turn their minds to domestic concerns and the material side of reconstruction, the broodings of Mr. Wilson over the breakdown of moral force continued. He was arbitrary in his views about formula for world peace, because he was in no mood for detail or distrust of other peoples or governments.

All had worked together in the common partnership of war. All had put their armies and navies under one command and had given

of their food and money and resources without stint for an ideal. The decision of 1917 meant to Woodrow Wilson a readiness on the part of America to assume obligations in the affairs of the world and to fulfill them. The recession from this viewpoint he could never understand. In his last speech to the American people over the radio on Armistice Day, November, 1923, Mr. Wilson was bitter in the denunciation of that policy. He called it "cowardly" and ignoble. And his words were resented by many. To the sick man in seclusion in the National Capital it was but the last feeble attempt to bestir the people to a realization of the change that had come over them since they pledged themselves in 1917 so willingly to cooperation with the rest of the world without reservation.

Seven years ago to a day almost—Saturday, February 3, 1917—came the fateful turn in the career of Woodrow Wilson. It was on that day that the United States severed diplomatic relations with Germany and ordered Count von Bernstorff, the German ambassador, to go home. War followed two months later—a war that Woodrow Wilson never wanted to enter, though he felt for a long time prior to 1917 that American participation would sooner or later become imperative. He hoped against hope for an allied victory without the aid of the United States. As he steered the ship of state in what he believed was a course of benevolent neutrality he prayed that the Allies would end the war triumphantly and enable the United States to play a rôle of peacemaker and healer of the wounds of war.

But when war came he threw himself into the fray with an abandon that wiped the mistaken phrase "too proud to fight" out of the vocabulary of his critics for once and all. The selective service act—compulsory military service—something which under the dread term of "conscription" had shaken the other democracies of the world to their foundations, was recommended by him with a suddenness that made everybody gasp. But it enabled America to put 2,000,000 men into Europe and turn the tide of battle toward the ultimate victory.

It was Woodrow Wilson who from the first fought for unity of command on land and sea and the brushing aside of technical sovereignty in the interest of self-preservation of the allied peoples.

His influence in the scales made Foch the generalissimo and enabled the fleets of the Allies to be combined for effective operation under the British high command.

The hectic days of the war with their worries and burdens that his friends thought would break him down were weathered triumphantly, but he set sail for the Peace Conference with a heart saddened by the loss of both Houses of Congress after his ill-fated appeal of 1918 for a Democratic Congress. He had been thinking of the partisan attack behind his back in the war days. He was a partisan, too. His appeal for a Democratic Congress was based upon the belief that he would be able the better to make peace. His opponents construed his statement as a reflection on their patriotism. His advisers and friends begged him to deny it and set the country straight.

He never issued a word of defense, he never changed a syllable of the statement. He never made a public comment on the verdict. He felt that if the Republican Congress would give him the proper cooperation in making peace the result would speak for itself—it would prove that he was wrong. If the Republican Congress blocked his peace efforts, as he predicted, the country would know why he appealed for a Democratic Congress.

CONVINCED BY LATER EVENTS.

The events that followed convinced Mr. Wilson that the Republicans would make a partisan question of the League of Nations and the peace treaty, and he was still so confident of the opinion of the American people that he wanted a referendum in the election of 1920 to decide the issue. But Mr. Wilson's precepts of government, his theories of parliamentary government, and the practical side of American politics, especially in a presidential year, were at variance.

Thirty-one prominent Republicans, including Elihu Root, Charles Evans Hughes, and Herbert Hoover, interpreted the Republican national platform of 1920 and the views of Warren Harding, the Republican presidential candidate, as meaning that "a vote for Harding" was "a vote for the league with reservations." When the victory of the Republicans was won they promptly repudiated that position and declared the "league is dead," and in the first inaugural address the Republican President announced his intention of keeping America outside the League of Nations, either with or without reservations.

HOPED FOR VINDICATION.

And even on top of that Woodrow Wilson hoped for vindication in 1924. He watched the maneuvers of the candidates. None but James M. Cox has been mentioning the League of Nations, but the removal of Woodrow Wilson from the political stage will not mean that his party will forget.

William Gibbs McAdoo, son-in-law of Woodrow Wilson, has publicly declared for the Bok peace plan, which provides for entry of the United States into the League of Nations with suitable reservations and proper safeguards on American sovereignty and independence. Mr. McAdoo may or may not be heir to the Wilson strength in the United States, but he has already indicated his willingness to take up the battle for the league.

Woodrow Wilson never sanctioned his son-in-law's presidential ambitions. He never committed himself, so far as anyone knows, to any man for 1924, but he has been looking hopefully to the Democratic National Convention in June to adopt a platform which will keep alive the Wilsonian view of foreign policy.

PICTURE OF TRAGEDY.

Only a few weeks ago the members of the Democratic National Committee passed in silent procession before the ex-President at his home. His haggard face, his feeble body loosely draping an armchair, his smile of recognition for his old friends—it made a picture of never-to-be-forgotten tragedy. But he would resent that word. It was but his farewell counsel to his party—he had never surrendered.

A NECESSARY REVISION OF LAW.

Mr. ROSENBLOOM. Mr. Speaker, and gentlemen of the House, recent events in Washington, culminating in the shooting of Hon. FRANK L. GREENE, United States Senator from the State of Vermont, which occurrence is being paralleled in various parts of this country at the present time, coupled with the action of the House on yesterday in overruling the decision of the Chair while considering the revenue bill, presents an opportunity for the presentation of a matter that I believe should be considered during the present Congress.

It is my intention, when the proper paragraph of the bill under consideration is reached, to offer an amendment to the bill providing for a tax of $6 per barrel on brewed or malted beverages containing 2.75 per cent alcoholic content or less, this alcoholic content being in accord with the decisions of the court as to the amount of alcoholic content that can be legally manufactured and sold under the provisions of the eighteenth amendment.

The adoption of the amendment which I shall offer will produce a revenue of $600,000,000 annually. This amount, gentlemen, will be more than the amount required to pay the cost of the adjusted compensation bill. It will provide both for the payment of that just and expected obligation, and will at the same time permit Secretary Mellon to advocate a tax reduction program with greater reductions than contemplated in the plan he originally submitted.

The tax will be neither unequitable nor unpopular. It will apply and be collected from only such sources as elect to pay it. Only such States as voluntarily choose to increase the alcoholic content in excess of one-half of 1 per cent may do so, and those States desiring to retain their present limitation are not required to permit an increase by reason of the concurrent jurisdiction provision of the eighteenth amendment.

That the time is opportune for the consideration of such a measure is evident from the fact that there has been much discussion on the floor of the House recently regarding the merits or demerits of prohibition. From the time I first entered Congress it has been my policy neither to take the time of the session nor to encumber the RECORD, unless I felt I was in a position to add some information on the subject under discussion. It has not been my practice to indulge in rhetorical gymnastics, somersaults, or flip-flops for the amusement of Members or the entertainment of my constituents. In the time allotted to me I shall endeavor to submit for your consideration my views as to why absolute prohibition of all beverages with alcoholic content is unwise, impracticable, and undesirable.

I do not believe that the use of alcoholic stimulants in any form and under any conditions can be eliminated by the enactment of prohibition legislation. I hold this view for many reasons which have not yet been advanced. The reasons I shall submit are the conclusions arrived at as the result of personal observations; a close study of man as I have met him and know him, and not founded upon the theoretical ideals that seem to govern some Members in the consideration of their legislative duties.

No nation can move more rapidly in any cause or toward any goal than the individuals who compose it, as it is the individual who constitutes the nation, and if our Nation is to take its place in the affairs of the world it will be after we, as individuals, shall so decide. We can not leave it to the Nation or to the established officers of government, for we are the Nation, and if we fail then the Nation must fail.

It is undoubtedly the duty of legislators at all times to stand between the radicals in their demand for legislation. To stand between the radical labor advocate and the radical antilabor advocate; the radical champion of capital and the radical champion who is anticapital; the radical dry and the radical wet;

and we must never lose sight of the fact that while a certain law may be desirable it may not be practical. We must not enact a law that can not be enforced, respected, and upheld by the people generally, although such law might be desirable.

CONGRESS RESPONSIBLE FOR FAILURE.

For the present deplorable condition in respect to law enforcement I criticize neither the wets nor drys; neither the judicial nor executive branch of our Government. The criticism must be directed to Congress exclusively as the legislative branch of the Government, as they alone are responsible for the passage of our laws, and when they enact legislation that fails of enforcement the criticism lies not against the enforcing power but against the legislative power that will enact a law in connection with which there is any doubt of the ability of those charged with the duty of enforcing it.

The evil results of the excessive use of intoxicating liquor are so apparent that every man and woman would lend every effort possible to bring about a condition that would make the excessive use of intoxicating liquors unknown; but, nevertheless, until it is certain that a solution of this problem has been found it will not do to blindly align ourselves with a suggested remedy until we are positive that in attempting to apply the suggested remedy we do not bring about a condition worse than the evil we aim to control and to eventually eliminate.

LACKS BIBLICAL AUTHORITY.

The divine laws governing the conduct of man to which we all subscribe to-day were the Ten Commandments; but, mark you, these were not advanced or given to man until he had advanced sufficiently to receive them. I have no doubt that there were objections to those provisions of the Ten Commandments that protected property, required certain domestic relations, and governed the conduct of the individual. No doubt the use of intoxicating liquors was at that time abused, but it was necessary in order that a beginning be had that such laws governing human conduct should be advanced as would be supported by the sentiment of those who were to be governed. That those restrictions as to man's activity were accepted is evidenced by the fact to-day that practically all over the world the restrictions placed on the conduct of man, based on the Ten Commandments, receive the support of practically all the people, and that were you to submit to a vote any of those things prohibited by the Commandments there would be none to raise his voice in opposition. There would be practically no votes cast against these provisions.

It is here I find that which in my opinion is the fundamental, basic weakness of legislating total prohibition as the means of eliminating the use of intoxicating liquors. Having no foundation in the Commandments, these laws do not have the respect of mankind in general, such as he has for those things forbidden by the Commandments. His conscience does not teach him that he is violating his moral or social obligations when he violates a law that is not based upon the restrictions contained in the Commandments. It may be that in due time man will have progressed sufficiently to support laws governing his appetite, but that time has not yet arrived, and to attempt to enforce it is not conducive to public weal and only postpones the time when it might come about of its own accord in the natural course of human advancement.

If it were possible to amend the Ten Commandments by adding an eleventh commandment: "Thou shall not drink or have in thy possession a beverage of more than one-half of 1 per cent of alcohol," it may be that in time such a commandment would create a public sentiment that would support Volsteadism. But, in the absence of such a commandment and until nature's law of fermentation is either amended or repealed, you will never be able to make absolute prohibition by legislation a workable proposition.

It must be admitted that public opinion was beginning to bring the use of intoxicating liquors into disrepute. I can recall distinctly when a banquet was not a success unless many of those in attendance would get intoxicated; when a wedding was regarded in a similar manner, and the lady Member of the House during the Sixty-seventh Congress, Miss Alice Robertson, stated here on the floor that when her grandfather was ordained as a minister in Oklahoma several barrels of whisky were used in the course of the celebration. Public sentiment, however, was rapidly helping the situation that prohibition legislation is attempting to meet. It was going along the same line as the chewing of tobacco, which but a day ago was the habit of our leading merchants, jurists, and men of affairs, and without the aid of prohibitory legislation, by mere recognition of the fact that it was undesirable, men of their own accord were refraining from indulging in this habit.

No man or woman would dare raise his voice in opposition to this legislation would it accomplish that which is claimed for it by its champions. The reason there are so many who protest the suggested remedy is not because they are opposed to the results desired, but because of the fact that they do not believe in the light of human experience that the enactment of absolute prohibitive legislation will bring about the results claimed by its champions. The fact that on this question you will have a vote in the States which may carry one way or the other by thousands, or even hundreds of thousands, of course, dependent on the size of the vote, is proof of that fact, and it is this division of opinion that makes enforcement impossible, as it is the sentiment of the people, the public conscience alone, and not the officers of the law, that enforce any law, and when such a close division of opinion exists the law can not be enforced.

POVERTY INDUCES INTOXICATION.

It is not the excessive indulgence in alcoholic beverages that makes men poor; it is being poor that makes men indulge in alcoholic beverages to excess. I do not mean poor in money, or the world's goods alone, but poor in opportunity, in work, in ambition, as well. A careful analysis of the surrounding circumstances of those who indulge to excess will convince you of the truth of this statement, whether you analyze the drunkenness of the day laborer, the unscrupulous financier, or the roué who inherits all of the world's goods he may ever need. The man whose social condition is such that he may be content needs no excessive indulgence in alcoholic liquors in order to enjoy his peace of mind, and it is he that constitutes the vast army of temperate users of alcoholic beverages. It is only from the discontented that the excessive users of alcoholic beverages are recruited, and the remedy lies not in the prohibition of the use of alcoholic beverages but in changing social conditions to the extent of eliminating, as far as practicable, the discontent that prevails, whether it result from an inadequate wage, a lack of opportunity for service, or personal disqualification of the individual.

There is but one way to eliminate the use of intoxicants and that is by education. By a restriction until the public agree on the remedy and will support the solution offered. A period of preliminary restriction during this period of education to determine whether or not this plan would eventually bring about the results desired by all, no one more so than myself, and largely by those who are at present prejudiced against this plan of absolute prohibitive legislation.

It is true that there are some who, regardless of the result, would oppose any restriction whatever, but their number is negligible, and need not be considered. Their position is largely actuated by the desire to commercialize the business, and they are interested solely for the purpose of money-making.

The advocates of absolute prohibitive legislation have taken the wrong road to reach the end they desire. We recall distinctly from our school days the old motto from our copy books, "There is no royal road to learning." You remember the story of the young prince who wished to find and travel that road. Need I apply that story to the present desires of the prohibition advocates—there is no royal road to prohibition. It will require time and work to reach the desired destination. Education alone is the road to travel, and with the help of restriction, and these restrictions varied from time to time in accordance with the progress made, they will be able to advance along this highway.

It is obvious that it is impossible to bring about by legislation a condition where the excessive use of alcohol is unknown. When a man opened his place of business to dispense his wares in intoxicants, if no one entered his store to purchase he soon went out of business. But this was never the case; there were always plenty of customers. There would be at least as many to-day. In other words, it was the demand for these goods that made the business possible. It is the demand for these goods that the advocates of prohibition are hoping to eliminate, and how are they doing this? Are they doing it by undertaking to diminish the demand—to destroy the demand? No; the demand alone being the harmful thing, they undertake to eliminate that demand by outlawing the supply, paying no attention to the demand whatever. This plan is so faulty that it needs but be stated to recognize the weakness in the present campaign.

HAS LEGISLATION HELPED?

We are sometimes amused at the story of the ostrich who hides his head in the sand when pursued, and thinks he is

hidden. We adopt a prohibition amendment and proclaim that we have done away with the evil of the use of intoxicants, but, in view of the statements that have been given to the public by Representative KVALE, Representative SHERWOOD, and Governor Pinchot, can we longer afford to keep our heads in the sand?

Statistics are furnished by those who advocate this method of relief showing what a great success prohibition has been. Statistics are also furnished by those who say it has been a failure. I say each one of us, from our daily perusal of the newspapers, those papers from our home cities, and as well papers from cities where we may happen to sojourn, from our daily contact with our neighbors, from the opportunities we have of gathering information in reference to this subject, can best form our own opinion. Statistics are similar to testimony offered by expert witnesses in lawsuits. I have yet to hear an expert called for the plaintiff give testimony helping the defendant, and vice versa.

That the present prohibition legislation has the support of practically all the people in every State in the Union is, in my opinion, incorrect. To say it has been voted upon in many States by the citizens of the States and indorsed by them is also incorrect. By this I mean that there was no direct vote on the matter that was pending. By skillful manipulation and juggling on the part of the proponents of the legislation the proposition that was submitted to the voters was: Do you approve of drunkenness, misery, crime, want, degredation, and so forth? If you do, then vote against this legislation. If you do not approve of those things and are willing to help eliminate them, then vote for this legislation. With this proposition before the voters of the country there could be but one answer from those who had an opportunity to record themselves, and that answer was recorded. The true proposition that was submitted at the time of the various elections was: Will the adoption of this prohibition legislation eliminate, or tend to eliminate, the conditions which we all desire shall be eliminated? On this question many would have given greater thought to their vote, had they carefully considered the real matter before them for decision, and cast their vote in accordance with the knowledge had by them of human experience and their knowledge of human frailties.

One of the things that has deterred some who have not approved of this remedy for improving conditions, and who regard it as an experiment and merely trying out a suggested remedy for an admitted evil, is the fact that the advocates of the suggested remedy charge its opponents with condoning, or, more strictly said, with championing or approving of the admitted evil, and will not concede that anyone opposing the suggested remedy may do so because of their honest belief of the inefficacy of the remedy suggested. The great trouble, as I see it, of the present situation is that the advocates on both sides will not regard this question as they do any other that comes into their daily lives. They ask all or none on both sides. In the ordinary commercial dealings a merchant may market his goods at 5 per cent profit where he may desire 20 per cent profit. A man would desire a position paying him $5,000 a year but accepts one at $2,500 a year. In this matter, however, the advocates of the present prohibitive legislation demanded as their first step the entire elimination of the use of all liquors.

SALOON GONE FOREVER.

They were not satisfied with eliminating the saloon which the people of the country were unquestionably in favor of doing, and which was indicated by the name of the organization—the Anti-Saloon League—to which they lent their assistance, financial and political, proclaimed as its purpose. The saloon has gone, and is gone forever, and with its elimination the Anti-Saloon League has accomplished the purpose which its title indicated it was formed to accomplish. Of course, there are those who will say that its work is not complete, that it must keep the saloon out of the social fabric. There will be no trouble doing that, as public sentiment will support them. On the other hand, however, public sentiment will not support them, as shown by votes in the various States by various majorities, in the elimination of alcoholic liquors altogether.

One of the principal benefits derived thus far, according to those advocating the legislation, has been the decreased number of arrests for drunkenness—mark you, not less drunkenness. This is undoubtedly for the reason that there is no longer public drinking. Drinking now is conducted in the homes, clubs, hotels, and illicit dispensaries. In the preprohibition days when a man became intoxicated and started on his way home he was seen and sometimes apprehended. Of course, at this time that is not the situation. People who can afford to pay the present exhorbitant prices charged for any concoction capable of producing the effect of a wholesome alcoholic beverage, and who can afford to frequent clubs and hotels where drinking parties in open violation of the prohibition laws are considered quite smart, can also afford either to have automobiles of their own or to engage taxicabs to take them to their homes and are thus less liable to be apprehended, and if not financially able to engage a conveyance and compelled to purchase drinks in a speakeasy, the operator of the speakeasy to protect himself will not allow his customers to leave his place of business showing signs of intoxication.

That it is difficult to carry this law into effect on the basis that it is immoral and wrong must bring itself to your attention when you look at your daily newspapers in any city in the country and you find advertised for sale malt and hops in combination packages for a dollar or a dollar and a half. The only purpose for which these goods would be purchased is to violate the law by manufacturing a drink that not only the manufacture but the mere possession constitutes a violation of the law, and yet these ingredients are sold openly and always will be.

In the windows of the stores of this city and other cities you will see canes containing long glass bottles marked "medicine canes." You will see in the windows copper pans, filters, corks, bottling machines, caps, kegs—a new business has grown up since the advent of our prohibition legislation. Suppose, gentlemen, that in the windows on the street you were to see burglar tools marked can openers, tubes of nitroglycerine marked fireworks, and opium pipes marked bubble blowers, and these articles sold openly for an illegal purpose, how long would the authorities be powerless to suppress this?

BETTER THAN WHISKY.

You must admit that the present law is ineffective when I exhibit to you a full-page advertisement that appeared in the newspapers published in my home city of Wheeling, W. Va., which has been under prohibition legislation since 1914. This advertisement appeared on January 3, 1924, and since this date, headed, as you can plainly see, in large type, "Better than whisky." Notice the word "whisky" is set in such large type that you can plainly see it from any point in this Chamber. As you notice, on this page is a picture of a bottle with a label on it, and in plain figures the information, "Alcohol, 10 per cent." You further note, according to the advertisement, the instructions given, as follows. I will read part of them:

> All drug stores are supplied with the wonderful elixir, so all you have to do to get relief from that cold is to step into the nearest drug store, hand the clerk half a dollar for a bottle of Aspironal, and tell him to serve you two teaspoonfuls. With your watch in your hand, take the drink at one swallow and call for your money back in two minutes if you can not feel the distressing symptoms of your cold fading away like a dream within the time limit. Don't be bashful, for all druggists invite you and expect you to try it. Everybody's doing it. When your cold or cough is relieved, take the remainder of the bottle home to your wife and children, for Aspironal is by far the safest and most effective, the easiest to take, and the most agreeable cold and cough remedy for children as well as adults.

And so forth.

Now, gentlemen, this is unquestionably a legal preparation, unquestionably within our present prohibition laws, or it would not have appeared in this paper. Can you, gentlemen, in any way justify your objections to a mild beer on the grounds that it would tend to create an appetite for stronger drink, when under our present laws, which we are told by their champions are perfect and which we must not lay unholy hands upon, such advertisements appear and such commodities are sold to the men, women, and children of our country under such a thin disguise? Of course, I can see why some would advocate that we should not change the present law, because they do permit of allowing those who desire a soft drink to have Coca-Cola, and those who desire something stronger, as advertised, "Better than whisky," can have their Aspironal, both of them manufactured, sold, and distributed, by a peculiar coincidence, from Atlanta, Ga.

PROHIBITION LAW NOT RESPECTED.

During the course of the discussions heretofore had on this question the inquiry has often been made as to why this law is regarded differently than others, why it is failing of enforcement, why grand juries are reticent to indict, and why petit juries seldom convict. In this connection, I was amazed when in the Pittsburgh Post of December 20, 1923, I read a statement made by State Treasurer Charles A. Snyder, of Pennsylvania, referring to Governor Pinchot, an outstanding champion

of prohibition, an outstanding champion for strict enforcement of the Volstead law. This article of the date and authority mentioned, and so far undenied by Governor Pinchot, in my opinion throws some light on the reason why people do not respect this particular law, in fact, more than any other single thing that has come to my attention. The statement is as follows:

Snyder said the information had been confirmed when the governor had notified the State police verbally that if any member of the force should "violate any law in the prosecution of the liquor enforcement act he, the governor, would immediately extend to him the benefit of his pardoning powers."

You realize, gentlemen of the Congress, that the public, the working people, who have not had an oportunity for education and who have not been honored in their communities as has been Governor Pinchot, are apprised of the fact that the State, in undertaking to enforce a particular law, notifies its armed service that they can commit murder, robbery—any other act that has been declared criminal solely for the purpose of protecting our citizens, can be wantonly violated by the law-enforcing power itself with the knowledge that they will be pardoned of the offense by the governor. The public are notified that such human rights as they believed they had will be trampled upon by the representatives of the law, in the name of the law, and for the purpose of enforcing one particular law that their servant at the head of the State government happens to be particularly espousing. Such devotion for this one particular law must indeed be the basis for political aggrandizement, because were it a moral effort alone he would certainly regard all laws as equally effective and binding, and particularly those guaranteeing the lives and property of the citizens of the State that he has been selected to govern.

The attempted enforcement of prohibition causes infringement of rights which have heretofore been considered sacred. Rights which have been secured after centuries of struggle and effort are being invaded, even ignored. American citizenship has been considered a guaranty and pledge that a citizen was to be secure in his possession—that no one could be deprived of property which he owned or that such property could be utilized for public benefit without compensation to the individual. Among other rights which the American citizen has just cause to believe are inalienable are those insuring him against deprivation or dispossession of his property without due process of law, the right to a trial by jury, the right to safety and protection of life and property in the home and on the highway. Individually these rights are fundamental. Collectively they furnish the structure supporting our cherished liberty.

The American citizenry, individually or collectively, will not tolerate any encroachment on these rights. They are being invaded and denied in the attempted enforcement of prohibition, and this is basically the cause of the widespread resentment against the Volstead law and absolute prohibition. Contrary to general opinion, the resentment, lack of sympathy, and opposition to the law are not the result of depriving the people of alcoholic beverage but rather the result of the contempt of the enforcement officers for the inviolable rights of the people.

To make enforcement of prohibition effective I concede that it may be necessary, and is necessary, to ignore the constitutional rights of the people, but if the price to be paid for prohibition is to be the surrender of every vestige of our liberty then I submit the price is extravagant and out of all proportion to the reward—the promised blessings of Volsteadism.

It will be very difficult, indeed, to have the present generation believe a thing is wrong, criminal, or immoral which they have seen their mother, their father, or their grandparents do during their entire lifetime in accord with law. It will be still harder to have the next generation believe a thing is wrong, criminal, or immoral which they have seen their father or their grandparents and dearest friends doing daily, although it has been declared illegal. It is even harder to have men and women sitting among juries to deprive their fellow citizens of their liberty and stamp them as criminals for doing that which on every jury will be some who are doing the same thing as the accused. That is the answer to the query why juries fail to convict in cases where the charge is other than the illegal sale, and why convictions are so rare even in the cases of sale. In other words, could you hope for a conviction on a charge of robbery of one charged with robbery when on the jury trying him would be six, eight, or ten robbers, or could you hope to convict one of murder who was being tried before a jury upon which were sitting six, eight, or ten men who were guilty of the crime themselves, and so on, ad infinitum? Unless trial by jury be abolished, there can be no hope for the enforcement of this legislation by prosecution in the courts.

This is not the first time nor the first opportunity that I have had to express my apprehensions in regard to the proposed legislation. It was my privilege at a previous time to serve as a member of the Senate of West Virginia. On February 20, 1917, when amendments to our prohibition law, which had been in force then since July 1, 1914, were before us for consideration, among other statements, I made the following:

The fact that at each session of the legislature the prohibition department has been compelled to come to the legislature for more drastic legislation is an admission by them that such laws as have been enacted are ineffectual and the purpose which they desire to attain has failed of its accomplishment. Our conditions could not be more deplorable than they are at this time. Our jails are filled with violators of these laws; our grand juries will rarely indict, and the petit jurors will rarely convict in the few cases where indictments are found. The entire structure of the law has been destroyed, and the regard for the law's mandates has been lost by the very element who are only held in control by their fear of the law.

It requires no laws on the statute books to keep the majority of our citizens from picking pockets, burglarizing, and so forth, but unfortunately we do have an element which is only kept from doing these things by the fear of punishment at the hands of the law, and it is in the minds of these very people that we are taking from society its greatest protection as against these persons by showing them that law is but man made, and that it is dependent upon the sentiment in favor of that law in order to be effectual.

That this condition is true must be admitted when we realize the truth of what I have said in regard to the failure to indict and convict, when under the law the necessary elements have been established.

That the conditions that prevailed in the State I find prevailing here in Congress is true is evidenced by the fact that at every session of Congress you will find those charged with the enforcement of this law coming to Congress for additional laws and money to support those already enacted. In West Virginia we adopted prohibition in 1914, and at every session of the legislature since that time new laws have been adopted for the purpose of carrying its provisions into effect, thus admitting that the laws which had been passed before were inadequate to meet the situation, and as to the condition there now I will not undertake to say, as I have said previously, that statistics suit those who furnish them, but I refer you to the daily press printing the daily news of the communities, ours being no different from any other.

PRISONS CONGESTED.

I will, however, insert here a statement from a paper printed in our State penitentiary called Work and Hope as to the conditions prevailing there at this time. This article was published within the past 60 days:

Protest against crowded conditions in the State penitentiary at Moundsville is sounded in the latest issue of Work and Hope, the prison magazine. What is to be done about the crowded condition, asks a writer in the editorial column of the publication.

There are but 840 cells to accommodate 1,614 prisoners. Almost 2 prisoners for every cell, and before the month ends the few that are now single will have to be doubled up. Many of these cells are small, old-time ones, and positively not large enough for one man. Yet several hundred men spend from 12 to 13 hours in them every day. It is necessary to put the young with the old, the unhardened with the repeater, the healthy with the diseased, and so on. But what can be done about it when 1,614 human souls are herded into a space built to accommodate half this number? The writer suggests that the parole board get busy and give some of the deserving ones another chance.

At no time have I opposed the proposed remedy on the ground that there was no need for some regulation of the liquor traffic. At no time have I opposed the proposed remedy on the grounds of personal liberty, loss of revenue, retention of police power by the States, or any of the stock objections. My objections have been from the beginning, both in our State legislature and at present, based on the fact that this legislation would, in my opinion, bring about a disregard for law that would result in so much greater evil than the evil that it was hoped to abolish; that this disregard for law would go to an extent that it would seriously menace our entire institutions, our entire Government. This view, which I expressed in 1917, was repeated by President Harding last summer in such a vivid and clear-cut manner that it requires no repetition by me at this time. That this is not the view of an alarmist, but is true, can best be evidenced to you by reciting a little experience I had in my own city.

PRESENT-DAY PRACTICE.

It was an occasion such as you have in all your cities when there is a big affair and all the prominent people of your city and your community assemble at a banquet, and on this event the leading men of the time from outside your community are present. Last fall, on a certain date, at a prominent club in my district there were assembled men of the caliber I have mentioned. Being a candidate for office at the time and the affair being of a political character, I was called upon for remarks. Seated among those present were men whom I knew were opposed to my candidacy, although of my political faith, for the sole reason that I had said I would vote to legalize the unrestricted sale of beer of not over 5 per cent alcoholic content. There were men there who told me they would vote for me, but were telling their friends they would not. This being the situation when called upon for remarks, I felt it my imperative duty to convey to them my honest impressions, and I said: "Gentlemen, I appreciate this opportunity of being with you this evening. The time, the occasion, and the surrounding circumstances afford me an opportunity to say something which I believe should be said, regardless of results. We are here not as Republicans or men of any political faith; we are here as American citizens who believe in our laws and who believe they should be upheld. You are gathered from all parts of our country, and particularly of our State—law-abiding citizens, men of culture, men whose example leads their various communities, and what do we find at this time? Here in front of you on the table are a dozen empty whisky bottles and several hundred beer bottles.

"Several of you show the effects of this indulgence. There are none of you present who I know of that have not indulged in this refreshment; but you are not alone, gentlemen. It is now 3 o'clock in the morning. With you during the entire course of the evening have been a dozen or two men who for a few dollars have been waiting upon you. They are not enjoying this affair; they are losing their sleep, and are here merely to serve you. What is your thought as to the impressions these men carry with them from here into their various communities and associates when they tell what takes place here at this time? When they tell of your indulgence in beverages in which they delight and in which the cost has been made prohibitive, when they tell of you men who in public advocate the elimination of these beverages and who in private fill yourselves to the brim with them? How can you, Mr. Manufacturer, complain to-morrow if the men in your employ would refuse to abide by an injunction of the court, to abide by the decisions in the construction of the law, which did not suit their convenience, when you show them by your example that when a law does not meet your convenience it means nothing to you and can be openly violated?

"How can you, Mr. Storekeeper, criticise men who, less fortunate than yourselves in the possession of the world's goods, would forcibly enter your store and take therefrom their necessaries, instead of sitting up here all night to earn the few dollars with which to buy them, when you show them by your example that if a law is inconvenient it means nothing? How could any of you criticize anyone for violating the terms and provisions of any law when you by your example show them that when a law is inconvenient it means nothing? That, gentlemen, in my opinion, is the greatest price that we are paying to-day for the enactment of this law. What can we expect of those whose opportunities have not been as great as ours when we show them by the example set here to-night that law is but man made and need not be respected when it is not desirable? If these men did not respect the law more than you do which protects your property, and which requires them to labor and earn the money necessary, you show them by your example in respect to this law, and this is true, and if it is true of this law, it is true of all law, and, gentlemen, may I presume to sound a note of warning?"

Gentlemen of the Congress, while I have recited the circumstances of this story as to my own community, you know that the same situation is true everywhere; in every city in this country to-day the same thing is going on, whether at banquets at your country clubs or your social clubs, and I ask you what will be the result?

In my announcement as a candidate for Congress when I was first elected, in 1920, I made the following statement over my signature, and, if afforded an opportunity, will cast my vote in accordance with that statement:

I solicit the support of those who wish to throw off the yoke of the Anti-Saloon League, whose dictation in Congress has gone to an extent that must be repugnant to many who lent their assistance to this league for the purpose of eliminating the saloon, but who did not intend that their support should be used for the purpose of creating a dictatorial political machine that would take advantage of its power to the extent that has been done by those at the head of this organization, and who desire to adopt instead of the dictatorial policies of the Anti-Saloon League a sound public policy of education and restriction tending to minimize and in due time abolish the evils attending the excessive use of alcoholic liquors.

The Supreme Court of the United States having held that Congress has the power to fix the alcoholic content of beverages (Ruppert v. Caffey, Jan. 5, 1920), I believe that the sale of light wines and beers of not over 5 per cent alcohol, under United States Government regulations, will do more to remove the evils of excessive drinking than does the attempted enforcement of total prohibition; that the sale of light wines and beers of not over 5 per cent alcohol will tend to create a contented people and will help eliminate mob violence, social unrest, and general disregard for law. I pledge myself, if elected to Congress, to advocate and vote for the manufacture and unrestricted sale of light wine and beers containing not more than 5 per cent alcohol.

In view of the public knowledge as to the medicinal qualities of distilled liquors, such as brandy, whisky, and so forth, it is childish to deprive ourselves of securing this product of nature when necessary to aid the human system in a fight against disease, and I pledge myself, if elected, to vote for a law providing for the distribution of distilled liquors as a medicine under the same restrictions as we now have governing the distribution of narcotic drugs. The issuance by a physician of a registered prescription to a registered druggist of whatever quantity necessary and in compliance with the same restrictions as govern the prescription of narcotics.

At this time, however, gentlemen, I have been convinced that the Supreme Court decisions, rendered since the case cited, have held that over 2¾ per cent beer would be intoxicating. I therefore want to amend my statement made in my original announcement for office, where I stated I would vote for 5 per cent beer, and change the figure 5 to 2¾ per cent, which I am now convinced is the limit that can be written into the Volstead law.

Not only would this bring about much needed relief, but it would secure additional revenue for the Government amounting to $600,000,000 a year, this amount to be procured by a tax of $6 a barrel on this beverage, this tax to be collected at the place of manufacture, and no further tax placed upon the distribution of the beer of this alcoholic content.

When we realize the tax reductions that are possible, according to Secretary of the Treasury Mellon, by reducing the tax receipts approximately by $320,000,000, you can easily see the further relief to the taxpayer of a Federal income of $600,000,000, which tax would be collected only from those who wish to pay it, a large part of whom are to-day paying nothing. I submit this figure of $600,000,000 by reason of the fact that a representative of the Brewers' Association, before the Ways and Means Committee, was the authority for the statement that they could make and dispose of 100,000,000 barrels annually of 2¾ per cent alcoholic light beer.

Unfortunately, there is not before the House at this time a measure which would permit of a vote on modifying the present enforcement, but I feel it my duty to submit my views on this matter by reason of the agitation there has been in Congress on this subject. I realize that my course in voting for such appropriations as have been asked for enforcement of this law has been criticized by those who do not approve of this legislation. I can not agree with them, however, that the fact that we are not in accord with the wisdom of the law should at any time deter us from lending our full aid to its enforcement. Our first consideration at all times must be given to the enforcement of such laws as are on the statute books, that no price is too great to firmly establish the fact that law must be obeyed regardless of the opinion of the individual, and that while at all times it is proper in a due, orderly, and legal way to advocate the modification or repeal of any law that has been placed upon our statute books, at the same time it is the duty of our citizen to lend himself to the enforcement of law and to uphold the hands of those charged with its enforcement; that we must not confuse our personal views of a law with the fact of its enforcement. Our primary consideration must at all times be to maintain at any cost the respect for law which alone makes our country and its institutions possible.

In submitting the observations that I have I do not claim that my views are entirely correct. I merely submit them for your consideration, with the hope that we may arrive at a course of procedure that will inure to the greatest good of the greatest number, and that this experiment, as I regard it.

which we are now conducting in the matter of this legislation will point out some feasible plan of combating the evil that results from the excessive use of intoxicating liquors and that the experiment we are now engaging in, costly as it is, will point out a way to bring about a condition of respect for law, decency, and order.

WASHINGTON'S BIRTHDAY.

The SPEAKER. To-day is Washington's Birthday, and in accordance with the practice of the House, without objection, the Chair will ask the gentleman from Virginia [Mr. MOORE], representing the Mount Vernon district, to read Washington's Farewell Address. [Applause.]

WASHINGTON'S FAREWELL ADDRESS.

Mr. MOORE of Virginia read the address.

[For the address see Senate proceedings of to-day, at page 2932.]

INVESTIGATION OF UNITED STATES SHIPPING BOARD, ETC.

Mr. SNELL. Mr. Speaker, I desire to present a privileged report, accompanying House Resolution 186, for printing in the RECORD under the rule.

MOTOR-VEHICLE FUELS.

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of assessments of the District of Columbia.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks on the subject of assessments of the District of Columbia. Is there objection?

There was no objection.

Mr. ZIHLMAN. Mr. Speaker, on January 27, 1924, when the Committee on the District of Columbia had placed before the House a bill (H. R. 655) to provide for a tax on motor-vehicle fuels, and for other purposes, the distinguished gentleman from Texas [Mr. BLANTON] inserted into the RECORD, under leave to print, as an extension of his remarks, 21 specific items giving the assessed value of properties in the District of Columbia, and in some cases giving the value as claimed by the owners before the Rent Commission, and in other cases merely stating that it was reliably estimated as to what the actual worth of these properties were.

During the debate on February 11, on the same bill, I gave a general statement of assessments in the business section of the District, and I quote my statement herewith:

I have here the figures from the assessor's office, which show that in the business section sales made during the years 1919, 1920, and 1921, aggregating $50,840,848, when compared with assessments of the same property disclose figures of $53,407,937. In the same way, properties in the northeast and southeast show sales of $4,258,945, against assessments of $3,447,344 in 1,218 sales. In the southwest 382 sales were made, at a total value of $1,625,145, and the same property was assessed at $1,384.828. In small apartments, numbering about 200, the sales were $15,185,700 and the assessment of the same property was $13,414,606. In the sales of 20 very large apartments the sales were $13,551,868 and the assessments for the same property were $11,847,347.

In an examination of bank values submitted to the Treasury Department it was found that 50 banks and savings institutions carried their buildings at $16,948,734, against which an assessment had been levied of $15,964,500. If two institutions included in these amounts be eliminated, it will be found that the bank values are $12,505,630, against which there is an assessment laid of $12,791,000, or an excess above the bank valuation.

In the course of this debate the gentleman from Texas [Mr. BLANTON] asked me to give specific items of assessments and sales, and I hereby submit the list of sales in the business section of the city, giving a list of the properties, over 700 in number, which shows the square number, the street number, the assessed value on the tax books of the District, and the sale price for the years 1919, 1920, 1921, and 1922 and up to and including February, 1923:

[Northwest unless otherwise specified.]

Square.	Lot.	Assessment.	Consideration.	Time of sale.	Street number.
217	4	$50,320	$25,500	May, 1919	1407 K.
	4	50,320	40,000	September, 1922	Do.
	5	42,780	45,000	June, 1920	1409 K.
	5, 6	86,160	80,000	July, 1921	1411 K.
	8	[1] 38,880	27,150	September, 1919	1415 K.
	8	[1] 38,880	42,000	July, 1920	Do.
	9	45,180	32,500	December, 1919	1417 K.
	8, 9	88,860	75,000	July, 1921	1415–1417 K.
217	805	[1] $57,210	$60,000	June, 1919	1027 Vermont Avenue. 1418 L.
	38	39,356	[2] 40,000	July, 1919	1400 L.
	48	535,955	500,000	September, 1921	Northeast corner Vermont Ave. and K.
	48	535,955	800,000	January, 1922	Do.
218	9	88,200	127,000	June, 1921	913 Fifteenth.
	14	274,113	300,000	November, 1922	1424 K, The Champlain.
	58–61, 65	261,563	215,000	December, 1921	924–934 Fourteenth. 1414–1418 K.
	58–60	135,459	80,000	January, 1922	1414–1418 K.
	61	60,710	75,000	January, 1922	934 Fourteenth.
	65	59,494	60,000	do	924 Fourteenth.
	69	70,800	59,752	July, 1921	919 Fifteenth.
	69	70,800	75,000	do	Do.
	801	148,337	130,000	April, 1922	1413 I.
	812	57,110	37,500	December, 1919	922 Fourteenth.
	812	57,110	44,000	January, 1920	Do.
	815	43,780	27,000	March, 1919	910 Fourteenth.
	815	43,780	30,000	November, 1919	Do.
	815	43,780	35,000	September, 1921	Do.
220	35	102,640	70,000	June, 1919	823 Fifteenth.
	35	102,640	115,000	July, 1920	Do.
	33	111,040	65,000	March, 1919	819 Fifteenth.
	33	111,040	86,000	April, 1920	Do.
	34	101,940	72,500	July, 1919	821 Fifteenth.
	34	101,940	90,000	April, 1920	Do.
	39	132,700	140,000	May, 1922	1413 H.
	39	132,700	165,000	August, 1922	Do.
	36	137,200	101,500	December, 1918	825 Fifteenth, corner I.
	44	1,874,040	1,805,000	July, 1921	Northeast corner Fifteenth and H (Southern Building).
	44	1,874,040	1,925,000	January, 1922	Do.
	45	120,792	110,000	April, 1922	1405 H.
	48	114,992	110,000	January, 1921	1411 H.
	58	60,540	53,000	February, 1921	1418 I.
	59, 60	126,120	140,000	November, 1921	1414–1416 I.
	800	225,493	210,000	December, 1919	1401 H.
	801	162,225	150,000	do	1403 H.
221	807	111,820	135,000	December, 1920	1510 H.
	809	328,643	325,000	February, 1920	728 Fifteenth, Stock Exchange.
222	804, 805	397,209	[3] 290,000	August, 1920	1408–1414 H.
	803	156,053	100,000	June, 1919	1416 H.
	803	156,053	145,000	April, 1921	Do.
223	8, 9 E	635,200	900,000	December, 1922	Southeast corner Fifteenth and New York Avenue.
	11, 802	258,636	350,000	June, 1922	1415 G.
	19	330,824	325,000	January, 1922	703 Fifteenth, Home Life Building.
	21	641,600	575,000	April, 1922	1420 New York Avenue, Evans Building.
	B	107,086	97,500	June, 1922	1419 G.
	B	107,086	97,500	do	Do.
	G	108,660	90,000	November, 1920	1426 New York Avenue.
	G	108,660	125,000	October, 1922	Do.
	I	138,640	145,000	December, 1922	1410 New York Avenue.
	K	107,940	110,000	December, 1919	1411 G.
	L	110,940	125,000	April, 1921	1409 G.
224	18	1,990,725	1,450,000	May, 1920	Fifteenth and G, Albee Building.
	801	90,020	85,500	May, 1919	1405 F.
	802	94,100	100,000	do	1407 F.
	804	157,152	105,000	do	1419 F.
247	56, 57	16,072	15,000	July, 1921	1317 L.
	59	85,279	70,000	November, 1919	1330 Massachusetts Avenue, Valois apartment.
	59	85,279	85,000	February, 1920	Do.
	66	12,730	17,500	May, 1920	1345 L.
	66	12,730	20,000	August, 1922	Do.
	78	65,875	76,000	April, 1922	1314 Massachusetts Avenue.
	80, 81	24,568	25,000	March, 1922	1100, 1102 Thirteenth.
	80, 81	24,568	27,500	do	Do.
	82	19,723	18,000	May, 1919	1319 L.
	82	19,723	45,000	April, 1922	Do.
	87	4,825	7,500	December, 1920	Rear of 1314 Massachusetts Avenue.
	800	16,368	11,000	February, 1920	1321, 1323 L.
	801	12,019	17,000	April, 1922	1327 L.
	803	3,064	5,000	June, 1920	Rear of 1339 L.
	805, 807	64,629	85,000	April, 1920	1349 L. 1109 Fourteenth.
	809	24,192	[4] 32,000	April, 1921	1115 Fourteenth.
	810	28,187	21,000	January, 1920	1117 Fourteenth.
	811	38,756	35,000	do	1119 Fourteenth.
	814	33,828	40,000	February, 1922	1121 Fourteenth.
	815	32,428	35,000	June, 1922	1123 Fourteenth.
	816	32,428	27,000	November, 1919	1125 Fourteenth.
	817	28,415	30,000	April, 1920	1127 Fourteenth.
	818	22,796	18,000	May, 1919	1129 Fourteenth.
	818	22,796	25,000	August, 1920	Do.
	820	32,109	30,000	July, 1919	1133 Fourteenth.
	820	32,109	45,000	March, 1922	Do.
	821	64,856	57,000	July, 1919	Southeast corner Fourteenth and Thomas Circle, The Clifton.

[1] Land only. [2] In trade. [3] Deed. [4] Default.

Square.	Lot.	Assessment.	Consideration.	Time of sale.	Street number.
247	828	$1,486	$4,000	April, 1922	Rear of 1318 Massachusetts Avenue.
	830	775	2,000	April, 1920	Rear of 1123 Fourteenth.
	831	5,255	10,000	October, 1920	Rear of 1314 Massachusetts Avenue.
	834	11,541	18,000	March, 1922	1120 Thirteenth.
	837	8,484	8,350	January, 1920	1110 Thirteenth.
	837	8,484	9,000	April, 1920	Do.
	837	8,484	11,000	August, 1920	Do.
	839	8,160	8,000	October, 1919	1106 Thirteenth.
	839	8,160	8,200	March, 1920	Do.
	E	9,977	9,000	February, 1919	1118 Thirteenth.
	G	21,217	21,000	October, 1921	1310 Massachusetts Avenue.
	G	21,217	24,000	November, 1922	Do.
	K	8,828	12,500	December, 1921	1307 L.
	N	3,405	9,500	June, 1922	Rear 1110 Thirteenth.
248	19	[1] 84,525	40,000	June, 1921	1339 K.
	23, 24, 806	122,341	71,300	June, 1919	Horner Building, Fourteenth, between K and L.
	807	154,193	200,000	January, 1919	Dewey Hotel, 1330 L.
	36	13,673	12,250	December, 1919	1318 L.
	36	13,673	18,000	January, 1921	Do.
	37	14,273	15,000	January, 1920	1316 L.
	37	14,273	23,500	April, 1922	Do.
	38	13,173	13,500	January, 1920	1314 L.
	38	13,173	17,000	August, 1920	Do.
	38	13,173	22,500	September, 1922	Do.
	51	6,715	10,000	June, 1921	1304 L.
	51	6,715	11,500	July, 1922	Do.
	63	81,763	[3] 85,000	June, 1919	Northwest corner Thirteenth and K.
	52	6,823	9,500	June, 1920	1302 L.
	59	372,108	350,000	July, 1922	Southeast corner Fourteenth and L.
	60	259,210	[1] 300,000	June, 1921	Hamilton Hotel, northeast corner Fourteenth and K.
	800	51,825	45,000	September, 1919	1311 K.
	801	28,648	35,000	November, 1920	1313 K.
	801	28,648	40,000	January, 1921	Do.
	810, 811	24,401	20,000	January, 1920	1315 K.
250	17	195,970	250,000	April, 1920	1336 I.
	35	237,316	300,000	April, 1921	1332 I, Brunswick Apartment.
	37	75,466	37,500	February, 1919	827, 829 Fourteenth.
	37	75,466	58,000	January, 1920	Do.
	37	75,466	60,000	March, 1920	Do.
	39	246,690	225,000	September, 1922	1317-1327 H.
	807	162,900	150,000	January, 1922	821 Fourteenth.
	810, 811	120,580	96,000	September, 1919	831, 833 Fourteenth.
	811	70,400	75,000	March, 1922	833 Fourteenth.
	812	27,384	35,270	August, 1922	1328 I.
	813	25,728	32,810	do	1326 I.
	814	18,268	24,418	do	1324 I.
	817	31,500	13,000	May, 1921	1318 I.
	817	31,500	15,500	September, 1921	Do.
	817	31,500	18,500	do	Do.
	821	41,735	45,000	January, 1919	1312 I.
	825	36,600	[2] 15,750	July, 1918	834 Thirteenth.
	825	36,600	18,750	June, 1919	Do.
	826	12,108	20,000	August, 1922	832 Thirteenth.
	826	12,108	22,500	September, 1922	Do.
	828	12,608	10,500	September, 1919	828 Thirteenth.
	831	19,824	25,500	October, 1920	822 Thirteenth.
	833	19,328	27,500	October, 1922	816 Thirteenth.
252	8	66,313	66,000	February, 1919	1336 New York Avenue.
	11	121,150	127,000	July, 1921	1342 New York Avenue.
	12	300,246	228,160	September, 1919	719, 721 Fourteenth.
	12	300,246	280,000	November, 1922	Do.
	57, 801	205,888	160,000	September, 1919	1307, 1309, 1311 G.
	69	45,288	40,000	March, 1920	1308 H.
	830	188,185	106,500	April, 1922	1331, 1333 G.
	805	105,695	120,000	August, 1922	713 Fourteenth.
	806	217,455	203,000	June, 1922	717 Fourteenth.
	810	167,086	100,000	September, 1919	1312 New York Avenue.
	814	75,286	50,000	June, 1919	728 Thirteenth.
	816	58,477	37,000	May, 1919	724 Thirteenth.
	816	58,477	57,500	November, 1920	Do.
	819	52,589	40,000	June, 1920	718 Thirteenth.
	822	46,573	47,500	April, 1921	712 Thirteenth.
	824	33,750	36,000	May, 1920	706 Thirteenth.
	55	65,734	50,000	February, 1919	1316 New York Avenue.
	827	36,194	17,500	March, 1920	1314 New York Avenue.
253	8	352,712	[5] 13,500; 250,000	February, 1919	1333-1335 F.
	20, 21	393,575	[1] 308,000	August, 1919	1310-1320 G, City Club.
	30, 805	162,202	150,000	December, 1919	1311-1313 F.
	30, 805	162,202	176,000	January, 1920	Do.
	37	118,850	90,000	April, 1919	611 Fourteenth.
	37	118,850	100,000	May, 1919	Do.
	40	82,925	77,500	March, 1920	1337 F.
	40, 832	203,675	299,000	August, 1922	Do. 1339 F.
	832	107,250	77,500	March, 1920	Do.
	45	80,805	75,000	do	1344 G.
	45	80,805	80,000	May, 1921	Do.
	48	119,840	120,000	May, 1920	615 Fourteenth.

[1] Land only. [3] Deed. [5] Improvements.

Square.	Lot.	Assessment.	Consideration.	Time of sale.	Street number.
253	49	$112,620	$110,000	March, 1920	617 Fourteenth.
	53	84,515	80,000	March, 1921	1342 G.
	54	103,925	[2] 110,000	January, 1921	1340 G.
	55	100,550	95,000	April, 1922	1338 G.
	800	139,825	125,000	March, 1920	1301 F.
	803	138,236	135,000	do	1307 F.
	803	138,236	175,000	May, 1922	Do.
	807	541,442	546,000	December, 1919	1319-1321 F.
	807	541,442	600,000	January, 1922	Do.
	820	112,450	90,000	March, 1920	1330 G.
	820	112,450	110,000	June, 1920	Do.
	823	100,888	87,500	September, 1922	1306, 1308 G.
	826	98,471	75,000	August, 1920	612 Thirteenth.
	826	98,471	90,000	October, 1920	Do.
	832	107,250	77,500	March, 1920	1339 F.
254	23, 821	391,696	242,500	June, 1919	1300 F.
	38	73,700	75,000	July, 1922	1311 E.
	802	35,940	26,000	June, 1920	1305 E.
	804	493,827	499,000	June, 1922	New National Theater.
	809	119,920	112,500	August, 1919	1345 E.
285	7	22,600	21,000	February, 1920	1215 I.
	7	22,600	22,500	February, 1922	Do.
	7	22,600	30,000	September, 1922	Do.
	27	33,234	38,000	May, 1921	1227 I Garfield Apt.
	27	33,234	55,000	January, 1922	Do.
	31	13,667	18,000	July, 1920	909 Thirteenth.
	35	[1] 15,008	20,000	April, 1920	1219 I.
	35	[1] 15,008	23,000	April, 1921	Do.
	802	11,565	15,000	March, 1922	1209 I.
	803, 804	23,155	14,500	April, 1922	1211, 1213 I.
	803	11,565	16,000	August, 1922	Do.
	810	21,113	23,000	July, 1920	1214 K.
	817	6,136	4,000	April, 1920	806 Twelfth.
286	15	33,250	28,000	September, 1922	1227 New York Avenue.
	17	14,460	14,000	March, 1920	815 Thirteenth.
	18	11,850	19,500	December, 1922	817 Thirteenth.
	802	16,290	12,100	January, 1920	1209 New York Avenue.
	803	31,098	25,000	December, 1919	1213 New York Avenue.
	803	31,098	26,000	July, 1920	Do.
	803	31,098	26,500	October, 1920	Do.
	L	16,252	18,000	January, 1922	828 Twelfth.
287	1, 14	101,100	75,000	December, 1919	800 to 804 Twelfth.
	13	38,000	30,000	June, 1919	806 Twelfth.
	28	39,900	41,500	May, 1919	808 Twelfth.
288	22	85,316	[6] 90,000	January, 1921	726-728 Twelfth.
	35-40, 830	117,380	[5] 21,900; 80,000	June, 1919	715, 717 Thirteenth.
	41	73,205	55,000	April, 1920	1237 G.
	44	70,580	57,500	July, 1919	1217 G.
	45	70,580	52,500	May, 1919	1219 G.
	45	70,580	65,000	April, 1920	Do.
	46	70,580	52,500	June, 1919	1221 G.
	47	215,170	250,000	September, 1920	729 Thirteenth.
	47	215,170	260,000	April, 1922	Do.
	807	253,400	223,500	October, 1920	1223 to 1229 G.
	809	45,888	[2] 45,000	February, 1920	709 Thirteenth.
	817	42,963	28,000	December, 1919	1226 H.
	817	42,963	35,000	March, 1920	Do.
	819	54,780	65,000	December, 1919	1220 H.
	823	60,950	50,000	January, 1920	740 Twelfth.
	823	60,950	100,000	April, 1920	Do.
	824	29,484	[2] 29,000	March, 1919	738 Twelfth.
289	39	187,050	156,000	July, 1919	1219 F.
	40, 41	271,082	185,000	October, 1919	1209 F. 1208 G.
	803	170,014	175,000	January, 1922	1213 F.
	804	172,250	205,000	August, 1919; November, 1919	1217 F.
	806	81,688	45,000	June, 1919	1216 G.
	806	81,688	65,000	October, 1919	Do.
	806	81,688	70,000	March, 1921	Do.
	808	114,080	103,000	June, 1919	Southwest corner Twelfth and G.
	811, 812	131,771	125,000	May, 1920	612, 614 Twelfth.
	811, 812	131,771	160,000	December, 1921	Do.
	811	66,733	81,000	February, 1922	614 Twelfth.
	813	67,238	67,000	May, 1921	610 Twelfth.
	813	67,238	90,000	December, 1921	Do.
290	35	136,356	115,960	May, 1919	1212 F.
	812	42,431	30,000	December, 1919	517 Thirteenth.
	812	42,431	45,000	January, 1922	Do.
	813	39,525	40,000	January, 1920	519 Thirteenth.
	813	39,525	42,500	January, 1922	Do.
	814	45,200	27,500	October, 1919	521 Thirteenth.
	820	277,620	[5] 87,250; 195,000	May, 1919	1216 F.
	821	100,494	125,000	November, 1921	1210 F.
	823	73,000	75,000	November, 1919	1206 F.
	824, 835	49,935	39,200	December, 1920	526, 528 Twelfth.
	827	30,950	30,000	July, 1922	516 Twelfth.
	39	[1] 329,440	355,000	December, 1922	Cosmopolitan, northeast corner Thirteenth and E.
291	17	73,433	55,000	July, 1921	415 Thirteenth.
	35	33,530	32,000	June, 1922	418 Twelfth.
	809	44,032	45,000	May, 1922	420 Twelfth.
292	803	20,750	15,000	August, 1919	1215 B, 1218 Pennsylvania Avenue.
	803	20,750	16,500	December, 1919	Do.
	804	48,900	33,000	August, 1920	1220, 1222 Pennsylvania Avenue.
	806	32,984	25,000	May, 1921	319 Thirteenth.

[1] Land only. [2] In trade. [5] Improvements. [6] Net.

Square.	Lot.	Assessment.	Consideration.	Time of sale.	Street number.
292	807	$29,441	$22,500	June, 1919	1234 Pennsylvania Avenue.
	A	19,497	15,500	November, 1920	1224 Pennsylvania Avenue.
293	10	17,968	22,000	February, 1919	321-325 Thirteenth.
	10	17,968	41,500	September, 1921	Do.
	22, 23	38,764	40,000	July, 1922	1201-1207 C.
	800	13,743	8,500	April, 1921	1213 C.
	802	5,100	4,000	May, 1921	1223 C.
	804	45,805	[2] 26,500	June, 1920	Northeast corner Thirteenth and C.
	807, 808	24,851	19,155	September, 1919	1226, 1228 D.
	809	10,193	7,000	October, 1919	1224 D.
	811	8,366	4,500	March, 1919	1220 D.
	812	7,870	6,100	August, 1919	1218 D.
	812	7,870	7,500	February, 1920	Do.
	822	12,140	8,000	August, 1921	308 Twelfth.
	822	12,140	13,000	July, 1922	Do.
	823	8,493	10,000	July, 1922	304 Twelfth.
294	809, 810	70,482	58,500	January, 1921	Northeast corner Thirteenth and Ohio.
	808	4,254	3,000	May, 1919	1214 C.
295	801	50,621	40,000	January, 1922	1210, 1212 Ohio Avenue.
317	16	6,900	6,750	March, 1919	915 Twelfth.
	16	6,900	9,700	January, 1922	Do.
	801	14,460	17,000	March, 1922	1107 I.
	808	4,252	5,600	May, 1920	909 Twelfth.
	809	4,299	5,500	November, 1920	911 Twelfth.
	810	4,906	5,000	February, 1920	919 Twelfth.
	812	8,325	10,500	March, 1922	925 Twelfth.
	812, 825	8,663	14,000	May, 1922	Do.
	822	4,063	3,750	June, 1920	916 Eleventh.
	823	7,854	8,500	January, 1920	906, 908, 910 Eleventh.
	823	7,854	10,500	June, 1920	Do.
	A	17,706	14,500	March, 1921	1119 I.
	B	17,292	18,000	do	1121 I.
318	13,14,15	86,025	50,000	March, 1919	1100, 1102 I.
	17-21, 23	143,117	82,500	February, 1919	1108-1116 New York Avenue. 816 Eleventh.
	22	30,825	16,000	do	1106 New York Avenue.
	24, 25	38,040	30,000	do	812, 814 Eleventh.
	26-28	59,650	52,500	May, 1919	806, 808, 810 Eleventh.
	802	29,814	25,000	April, 1920	1105 H.
	809	37,433	41,300	February, 1919	811, 813 Twelfth.
	810	52,166	45,000	do	1118, 1120 New York Avenue.
	G	27,522	28,750	do	815 Twelfth.
	H	36,271	34,000	do	817 Twelfth.
319	17	17,955	35,000	April, 1921	733 Twelfth.
	19	38,362	21,000	February, 1919	725 Twelfth.
	800	64,045	97,818	October, 1921	1107 G.
	801	67,235	100,000	July, 1919	1109 G.
	803	72,500	55,000	January, 1919	1113 G.
	806	34,600	34,600	February, 1920	707 Twelfth.
	813	32,632	30,000	September, 1919	723 Twelfth.
	813	32,632	33,000	do	Do.
	813	32,632	60,000	March, 1922	Do.
	814	34,262	26,000	June, 1919	727 Twelfth.
	815	16,740	11,350	December, 1919	729 Twelfth.
	816	12,295	9,750	April, 1919	731 Twelfth.
	815, 816	29,035	24,500	February, 1920	729, 731 Twelfth.
	817	55,450	63,000	March, 1920	1116 H.
	820	33,096	27,500	August, 1920	1108 H.
	821	33,296	23,000	April, 1922	1106 H.
	826	18,800	15,000	July, 1922	732 Eleventh.
	828	30,879	18,000	September, 1919	726 Eleventh.
	829	42,830	18,000	do	724 Eleventh.
	832	36,830	40,000	July, 1920	718 Eleventh.
	832	36,830	45,000	December, 1922	Do.
	833	41,462	47,500	February, 1921	716 Eleventh.
	834	52,529	60,000	February, 1920	714 Eleventh.
320	17, 808	253,988	[5] 44,250 117,500	December, 1919	608, 610, 612 Eleventh.
	805	86,100	80,000	May, 1921	611 Twelfth.
321	17, 18, 807	451,695	470,000	October, 1919	513, 515 Twelfth.
	806	39,135	46,750	January, 1920	511 Twelfth.
	813	44,847	30,000	February, 1920	508 Eleventh.
	814	29,208	26,250	January, 1920	506 Eleventh.
	815	35,516	29,000	March, 1920	502 Eleventh.
322	802	101,300	100,000	July, 1920	1109, 1111 Pennsylvania Avenue.
	11	[1] 137,600	112,500	September, 1919	420, 422 Eleventh.
345	35	17,367	18,000	October, 1920	722 Tenth.
	38, 800	1,248,444	1,056,160	May, 1922	Corner Eleventh and G, Palais Royal.
	802	30,948	30,500	June, 1921	723 Eleventh.
	802	30,948	36,000	April, 1922	Do.
	803	27,579	27,650	August, 1919	725 Eleventh.
	809	45,296	50,000	July, 1920	739 Eleventh.
	811	22,500	20,000	April, 1922	1008 H.
	812	24,200	26,000	July, 1920	1006 H.
	813	8,230	7,500	April, 1920	1004 H.
	814	71,829	65,000	March, 1920	Lincoln Hotel, southwest corner Tenth and H.
	814	71,829	85,000	December, 1921	Do.
	814	71,829	96,000	do	Do.
	816	14,855	12,000	November, 1922	732 Tenth.
	817	12,555	10,000	March, 1920	730 Tenth.
	818	37,868	30,000	August, 1919	724, 726, 728 Tenth.
	823	12,506	12,000	November, 1919	724 Tenth.
345	825	$13,625	$16,500	July, 1920	733 Eleventh.
	826	12,890	14,000	do	731 Eleventh.
346	803	175,372	150,000	March, 1920	Part Woodward & Lothrop.
	A	100,725	100,000	February, 1920	1001 F.
347	17	26,820	13,000	do	1013 E.
	18, 19, 818, 819	391,858	436,500	November, 1922	1000-1006 F.
	803	30,985	28,500	May, 1920	1007 E.
	804	21,376	18,000	January, 1920	1009 E.
	806	69,464	60,000	April, 1920	1017 E.
	808	42,441	30,600	November, 1920	509 Eleventh.
	811	33,930	35,000	July, 1920	515 Eleventh.
	814	35,450	31,000	January, 1920	521 Eleventh.
	814	35,450	38,000	January, 1922	Do.
	821	29,279	27,500	May, 1920	520 Tenth.
	821	29,279	30,000	March, 1922	Do.
	824	22,173	16,639	April, 1919	514 Tenth.
	824	22,173	19,500	August, 1919	Do.
	825	98,809	30,360	July, 1919	512 Tenth.
348	13	64,500	42,000	June, 1920	1000 E.
	14	44,346	35,000	June, 1922	428 Tenth.
	15	45,332	35,000	March, 1920	422-426 Tenth.
	800	96,520	60,500	June, 1919	1001 D.
	80, 820	60,475	52,000	November, 1919	1003 D. 408 Tenth.
	807	48,410	40,000	February, 1921	409 Eleventh.
	814	49,149	48,000	April, 1920	1010, 1012 E.
349	802, 804	235,136	100,000	do	1014 Pennsylvania Avenue.
	803	111,957	82,000	December, 1920	1016 Pennsylvania Avenue.
	805, 806	118,789	100,000	February, 1922	1008, 1010 Pennsylvania Avenue.
	808	21,479	19,000	November, 1921	308 Tenth.
	D	43,904	25,050	March, 1921	1006 Pennsylvania Avenue.
	D	43,904	28,000	March, 1922	Do.
350	15	21,152	21,000	July, 1920	204 Tenth.
	800	62,685	[7] 48,000	May, 1919	1001 B.
	809	22,565	31,000	June, 1922	210 Tenth.
372	8	17,935	14,750	August, 1919	929 New York Avenue.
	20	4,880	7,500	December, 1919	940 K.
	20	4,880	10,500	May, 1921	Do.
	22	26,526	18,500	May, 1922	905, 907 New York Avenue.
	26	12,375	15,000	January, 1921	931½ New York Avenue.
	800	35,000	[2] 50,000	April, 1919	903 New York Avenue.
	803	15,369	15,000	January, 1920	927 New York Avenue.
	805	21,431	22,500	June, 1920	937 New York Avenue.
	807	2,317	6,000	April, 1922	923 Tenth.
	810	5,324	5,500	June, 1920	929 Tenth.
	815	4,027	4,200	December, 1920	934 K.
373	4	13,073	12,000	November, 1919	919 I.
	4	13,073	18,250	August, 1922	Do.
	7	12,826	8,300	November, 1920	925 I.
	21	25,091	21,000	July, 1919	928 New York Avenue.
	21	25,091	30,000	June, 1920	Do.
	23	27,113	25,000	June, 1922	924 New York Avenue.
	24	28,482	18,000	October, 1919	922 New York Avenue.
	24	28,482	19,500	do	Do.
	24	28,482	42,000	June, 1920	Do.
	28, 29, 815, B, C.	82,453	60,000	June, 1919	Southeast corner Tenth and New York Avenue.
	801	8,300	8,000	February, 1920	907 I.
	802	2,779	2,500	July, 1919	Rear 907 I.
	806	14,901	15,000	January, 1920	915 I.
	806	14,901	16,175	April, 1920	Do.
	812, 813	19,570	36,500	September, 1922	939, 941 I.
	814	5,095	5,750	February, 1920	943 I.
	817	17,072	20,000	September, 1920	938 New York Avenue.
	818	19,319	15,500	April, 1920	936 New York Avenue.
	820	17,665	19,000	October, 1920	932 New York Avenue.
	821	31,812	37,500	November, 1920	920 New York Avenue.
	823	31,388	30,000	March, 1920	916 New York Avenue.
	823	31,388	30,500	January, 1921	Do.
	824	19,753	15,500	December, 1919	914 New York Avenue.
	824	19,753	25,100	December, 1921	Do.
	831, 832	56,945	40,000	January, 1920	900, 902 Ninth.
	832	21,190	15,000	March, 1921	902 Ninth.
	A	28,921	30,000	October, 1920	918 Ninth.
	D	22,696	18,000	August, 1919	910 New York Avenue.
	I	12,100	20,000	March, 1922	945 I.
374	1	19,511	17,000	December, 1919	811 Tenth.
	3	35,050	36,000	January, 1921	815 Tenth.
	30	11,000	12,000	March, 1921	903 H.
	31	11,880	15,750	June, 1922	905 H.
	34	13,545	9,500	April, 1920	809 Tenth.
	39	23,300	15,000	February, 1920	909 H.
	39	23,300	23,000	March, 1920	Do.
	800	43,500	45,000	February, 1922	901 H.
	806	21,199	25,000	August, 1920	929 H.

[1] Land only. [2] Deed. [5] Improvements. [2] In trade. [7] Court trustee deed.

Square.	Lot.	Assessment.	Consideration.	Time of sale.	Street number.
374	807	$26,330	$15,500	July, 1921	931 H.
	807	26,330	17,500	August, 1921	Do
	809	11,471	16,000	January, 1921	935 H.
	821	12,842	10,000	September, 1919	930 I.
	822	9,465	9,000	February, 1922	926 I.
	834, 835	60,869	53,000	May, 1920	826, 828 Ninth.
	836	23,094	14,000	July, 1919	824 Ninth.
	836	23,094	32,000	November, 1920	Do.
	837	27,750	16,500	April, 1920	822 Ninth.
	841	26,130	19,000	May, 1920	814 Ninth.
	841	26,130	21,500	November, 1920	Do.
375	6	43,370	32,500	June, 1919	923 G.
	7	37,870	37,500	June, 1921	925 G.
	8	55,370	52,500	December, 1919	927 G.
	8	55,370	[2] 60,000	January, 1920	Do.
	9, 10	96,840	60,000	June, 1919	929, 931 G.
	10	51,970	49,000	October, 1919	931 G.
	10	51,970	55,000	October, 1921	Do.
	10	51,970	65,000	March, 1922	Do.
	11	61,612	65,000	September, 1921	933 G.
	66	8,937	10,000	November, 1921	6 Grant Place.
	67	8,970	9,000	October, 1921	8 Grant Place.
	70	7,964	11,500	November, 1920	14 Grant Place.
	72	8,164	6,500	April, 1919	18 Grant Place.
	72	8,164	8,700	January, 1920	Do.
	76	8,288	6,250	May, 1919	23 Grant Place.
	77	7,788	9,800	April, 1919	21 Grant Place.
	78	7,888	8,500	December, 1921	19 Grant Place.
	82	8,088	8,140	June, 1921	11 Grant Place.
	84	8,788	6,500	September, 1919	907 Grant Place.
	89	7,250	10,000	October, 1920	30 Grant Place.
	92	13,875	14,250	May, 1921	24 Grant Place.
	102	43,442	40,000	June, 1919	915 G.
	102	43,442	45,000	September, 1921	Do.
	803	13,800	13,000	July, 1920	918 H.
	807	74,220	50,000	July, 1921	735 Eleventh.
	804	14,900	12,000	June, 1920	908 H.
	804	14,900	15,000	April, 1921	Do.
	804	14,900	16,000	January, 1922	Do.
376	64	75,708	60,000	November, 1919	919 F.
377	32	96,250	75,000	August, 1919	912 F.
	32	96,250	90,000	June, 1920	Do.
	34	62,784	70,300	September, 1921	917 E.
	812	37,207	42,500	September, 1922	927½, 929 E.
	813	56,776	42,500	January, 1919	Northeast corner Tenth and E.
	814	13,747	10,500	.....do	507 Tenth.
	821	59,055	65,000	August, 1919	938 F.
	824	63,000	50,000	April, 1921	926 F.
	831	85,880	83,500	July, 1922	908 F.
	832	187,480	167,000	.....do	904, 906 F.
	835	77,824	72,000	April, 1919	516 Ninth.
	837	160,633	145,000	January, 1920	512 Ninth.
	838	66,714	65,000	March, 1920	510 Ninth.
	839	70,992	66,000	December, 1919	506 Ninth.
	840	72,492	66,000	November, 1919	504 Ninth.
378	8	112,862	100,000	August, 1919	Northeast corner Tenth and D.
	41–43, 45, 46	127,803	120,000	December, 1920	936–944 E.
	800	374,956	222,000	March, 1921	400–410 Ninth.
	805	36,826	32,500	December, 1919	933 D.
	805	36,826	33,000	.....do	Do.
	805	36,826	41,000	October, 1921	Do.
	816	21,664	15,000	April, 1921	924 E.
	821	60,830	60,500	November, 1919	440 Ninth.
	822	30,749	33,000	May, 1921	438 Ninth.
	825	80,425	70,000	April, 1920	430, 432 Ninth.
	832	18,883	17,000	June, 1922	921 D.
	834	74,800	75,000	April, 1921	426 Ninth.
	F	2,315	1,500	September, 1919	Rear 414 Ninth.
379	802	91,367	75,000	July, 1919	909 Pennsylvania Avenue.
	803	67,300	65,000	January, 1920	911 Pennsylvania Avenue.
	814	96,000	100,000	November, 1920	318 Ninth.
	816	80,500	82,500	August, 1920	314 Ninth.
380	8	15,296	15,550	April, 1920	305 Tenth.
	803	15,264	16,000	September, 1921	303 Tenth.
	809	29,160	30,000	September, 1920	924 Pennsylvania Avenue.
381	802	70,229	58,000	February, 1922	918, 920 C.
	803	42,918	52,500	January, 1922	919 Louisiana Avenue.
	804	43,043	50,000	January, 1920	921 Louisiana Avenue.
	804	43,043	55,000	October, 1920	Do.
	807	28,118	30,500	March, 1922	925 Louisiana Avenue.
	809	24,774	29,500	.....do	931 Louisiana Avenue.
	812	89,231	90,000	March, 1920	939 Louisiana Avenue.
382	11	31,725	30,000	December, 1920	911 B.
	17–20	116,092	125,000	November, 1919	929, 931 B. 934, 936 Louisiana Avenue.
	17	19,527	29,000	May, 1920	929 B.
	18	18,205	28,500	.....do	931 B.
	19, 20	78,360	83,000	.....do	934, 936 Louisiana Avenue.
	25	45,368	30,000	October, 1919	920 Louisiana Avenue.
	28–31	73,264	65,000	March, 1919	935–941 B.
	35, 36	52,192	50,000	July, 1919	948, 950 Louisiana Avenue.
	802	34,180	27,000	December, 1921	214 Ninth.
403	806, 827	12,544	12,000	April, 1922	813 I.
403	808	$25,820	$18,000	November, 1920	911 Ninth
	814	140,640	[2] 130,000	March, 1920	Frederick Apt., southeast corner Ninth and K.
	818	56,300	[6] 140,000	June, 1919	800 K.
	824	5,882	4,250	August, 1920	914 Eighth.
	827, 828	10,096	[5] 1,800 7,500	August, 1919	811 I.
	828	9,752	9,000	September, 1920	Do.
	828	9,752	12,000	May, 1921	Do.
	B.	33,900	33,000	November, 1919	804 K.
404	11	16,925	16,000	August, 1920	807 H.
	12	13,965	14,000	.....do	809 H.
	12	13,965	16,500	March, 1922	Do.
	13, 14, 15	87,072	71,000	May, 1920	801, 803, 805 Ninth.
	12	13,965	15,500	March, 1922	809 H.
	802	17,650	14,000	January, 1921	805 H.
	802	17,650	16,000	May, 1921	Do.
	804	21,588	17,100	July, 1921	809 Ninth.
	805	19,996	19,000	April, 1921	811 Ninth.
	805	19,996	21,000	September, 1922	Do.
	807	28,940	22,500	January, 1920	815, 817 Ninth.
	809	8,975	7,750	August, 1920	805½ I.
	810	5,375	6,500	December, 1919	805 I.
405	3, 801	264,568	240,000	January, 1922	701 Ninth.
	15	15,396	12,000	December, 1920	800 H.
	18	11,568	6,000	March, 1922	806 H.
	808	15,439	10,250	March, 1919	727 Ninth.
	815	21,651	30,000	July, 1919	734 Eighth.
406	1, 813	118,455	90,000	April, 1920	Northwest corner Eighth and E.
407	16	44,525	41,500	July, 1919	419, 420 Eighth.
	17, 810	118,900	110,000	May, 1922	410–416 Eighth.
	803	39,260	31,000	February, 1922	417 Ninth.
	804	81,960	62,500	July, 1922	419, 421 Ninth.
	809	40,200	27,500	March, 1920	426, 428 Eighth.
	811	12,350	10,000	April, 1919	408 Eighth.
408	13	51,500	45,000	September, 1919	324 Eighth.
	800	126,500	60,000	July, 1921	801 Market Space.
428	806	246,411	165,000	February, 1921	815 Eighth; 812-818 Seventh.
	810	58,668	57,750	January, 1920	804 Seventh.
	810	58,668	65,398	June, 1921	Do.
429	15, 16	90,174	80,000	July, 1922	Northeast corner Eighth and G.
	800, 801	50,000	130,000	November, 1919	700 Seventh; 707 G
	800, 801	50,000	140,000	March, 1921	Do.
	806	10,895	12,500	December, 1921	711 Eighth.
	811	197,848	200,000	January, 1921	Southwest corner Seventh and H.
	812	83,672	60,000	August, 1919	734 Seventh.
	813	71,032	38,000	January, 1922	732 Seventh.
	823	54,245	78,000	December, 1921	708 Seventh.
	825	61,100	70,000	August, 1919	704 Seventh.
	A, B	18,832	24,000	January, 1921	719, 721 Eighth.
	C	9,416	20,000	July, 1921	723 Eighth.
431	23	361,840	300,000	March, 1919	400–404 Seventh.
	23	361,840	405,000	December, 1919	Do.
	23	361,840	427,500	January, 1923	Do.
	802	30,280	31,650	July, 1922	415 Eighth.
	804	130,710	113,500	October, 1922	712 E, corner Eighth.
	805	143,418	120,000	December, 1921	710 E.
	807	56,100	81,250	September, 1919	432 Seventh.
	807	56,100	90,000	January, 1920	Do.
	807	56,100	100,000	November, 1920	Do.
	808	106,424	125,000	July, 1921	430 Seventh.
	810	114,340	125,000	October, 1920	426 Seventh.
	811, 812	290,040	250,000	December, 1919	420–424 Seventh.
	813	125,240	100,250	January, 1919	418 Seventh.
	813	125,240	103,596	August, 1922	Do.
432	809	128,335	125,000	October, 1920	316 Seventh.
	810	93,819	100,000	November, 1919	314 Seventh.
452	809	31,484	30,000	July, 1919	911 Seventh.
	C	6,742	7,000	June, 1920	609 I.
	E	5,050	6,000	January, 1922	613, 615 I.
	F	7,448	6,500	April, 1920	617, 619 I.
	I	6,719	5,000	June, 1920	627 I.
	T	7,359	6,000	June, 1919	606 Massachusetts Avenue.
453	22	10,302	6,000	.....do	627 H.
	26	18,720	15,000	.....do	817 Seventh.
	33	64,440	59,000	September, 1920	833 Seventh.
	35	21,375	14,000	January, 1919	809 Seventh.
	35	21,375	20,000	September, 1919	Do.
	35	21,375	30,000	September, 1922	Do.
	801	9,025	7,850	May, 1921	603 H.
	809	12,557	25,000	May, 1920	623, 625 H.
	810	25,534	9,650	May, 1919	627, 629 H.
	810	25,534	29,000	April, 1922	Do.
	819	9,434	7,900	January, 1922	616 I.
	821	6,390	8,000	May, 1920	610 I.
454	28	46,505	35,000	October, 1919	711 Seventh.
	35	39,563	44,000	November, 1919	709 Seventh.
	803	332,805	350,000	February, 1920	615 G.
	816	28,665	25,000	October, 1921	737 Seventh.
	817	25,965	25,000	July, 1920	739 Seventh.
	818	31,835	[7] 21,000	October, 1919	741 Seventh.
	819	93,000	90,000	February, 1920	743, 745 Seventh.
	821	10,184	7,500	July, 1919	622 H.
	826	7,568	9,500	February, 1922	612 H.
	826	7,568	14,500	April, 1922	Do.
	830	8,645	8,000	.....do	604 H.
	833	3,000	[3] 3,125	July, 1921	746 Sixth.
	833	3,000	4,000	.....do	Do.
	838	5,230	6,100	September, 1919	734 Sixth.
	841	3,028	3,350	January, 1919	725 Sixth.
	845	3,620	4,500	August, 1919	718 Sixth.

[2] In trade.
[3] Deed.
[5] Improvements.
[6] Based on one-fourth interest.
[7] Court trustee deed.

Square.	Lot.	Assessment.	Consideration.	Time of sale.	Street number.
454	846	$7,242	$4,500	August, 1919	716 Sixth.
	847	4,330	6,000	March, 1920	714 Sixth.
	849	4,616	6,000	September, 1921	710 Sixth.
	851	2,894	4,000	January, 1920	706 Sixth.
	856	8,160	8,000	October, 1920	618 H.
455	42	126,614	200,000	February, 1920	635 F, Barrister Building.
	42	126,614	[4] 135,000	March, 1920	Do.
	801	10,285	9,000	November, 1919	603 F.
	818	48,240	40,000	July, 1921	613 Seventh.
	821	32,474	33,500	February, 1922	623 Seventh.
	822	112,070	103,000	July, 1920	627 Seventh.
456	31	50,706	47,500	March, 1921	613 E.
	32	16,904	15,000	October, 1921	607 E.
	36	65,815	90,000	July, 1919	628, 630 F.
	800	39,643	44,500	June, 1921	601 E.
	801	20,412	20,000	August, 1921	603-605½ E.
	802	12,911	8,500	February, 1919	609 E.
	802	12,911	11,000	December, 1920	Do.
	802	12,911	11,772	January, 1921	Do.
	809	19,664	[6] 16,015	February, 1920	629 E.
	811	84,180	97,000	June, 1922	513 Seventh.
	812	84,760	97,000	March, 1922	515 Seventh.
	14, 815	177,211	165,000	June, 1919	521-533 Seventh.
	816	23,706	10,850	April, 1920	626 F.
	824	17,250	26,000	October, 1920	610 F.
	826	29,271	25,850	February, 1923	606 F, Baltic Build-Building.
	818, 834	89,299	65,000	June, 1921	622, 624 F.
	828	25,465	22,500	June, 1920	602 F.
	828	25,465	35,000	.....do	Do.
457	28	8,900	8,100	April, 1919	617 D.
	801, 802, 845	16,848	19,000	October, 1920	404 Sixth. 611 D.
	812	[1] 12,832	19,025	April, 1922	639 D.
	816	39,234	35,000	August, 1922	405 Seventh
	817	39,234	40,000	March, 1920	407 Seventh.
	818	38,994	38,500	December, 1921	409, 411 Seventh.
	822	52,770	55,000	February, 1920	425 Seventh.
	827	16,996	29,000	May, 1922	626 E.
	831	27,367	13,500	May, 1919	610 E.
	834	44,427	35,000	November, 1921	Knights of Columbus Hall.
	837	7,244	9,000	December, 1921	420 Sixth.
	839	10,849	9,500	January, 1921	416 Sixth
	848	12,401	15,000	July, 1920	608 E.
458	6	28,400	22,500	April, 1920	307 Seventh.
	6	28,400	30,000	May, 1920	Do.
	7	32,709	28,600	March, 1921	309 Seventh.
	15, 17	19,701	25,000	July, 1922	629 Louisiana Avenue. 628 D.
	800	11,948	13,250	November, 1919	614 D. 613 Louisiana Avenue.
	805	17,388	17,500	January, 1921	633 Louisiana Avenue.
	813	11,127	12,000	February, 1920	636 D.
	814	9,480	7,200	August, 1921	624 D.
459	12	14,660	17,000	November, 1921	617 C.
	13	8,892	15,000	May, 1922	628 Louisiana Avenue. 619 C.
	803	10,361	8,250	February, 1920	616 Louisiana Avenue.
	803	10,361	11,500	.....do	Do.
	803	10,361	13,000	July, 1921	Do.
	804	6,260	6,200	May, 1920	610 Louisiana Avenue.
	805	8,079	12,000	August, 1920	608 Louisiana Avenue.
	806 D. E.	21,577	20,500	April, 1920	600-606 Louisiana Avenue. 312 Sixth.
	C	6,263	5,000	August, 1919	310 Sixth.
460	803	32,130	30,000	April, 1919	627 Pennsylvania Avenue.
461	11	42,519	50,000	March, 1920	634 Pennsylvania Avenue.
	801	29,705	40,500	February, 1922	602 Pennsylvania Avenue.
	802, 803	22,703	20,000	August, 1919	604 Pennsylvania Avenue. 605 B.
	802, 803	22,703	25,000	April, 1922	Do.
	804	18,357	26,000	.....do	606 Pennsylvania Avenue. 607 B.
	820	64,466	45,000	May, 1922	630 Pennsylvania Avenue.
220	48	[1] 97,692	72,500	October, 1919	1411 H.
	48	97,692	90,000	April, 1920	Do.
247	832	71,762	75,000	October, 1920	1312 Massachusetts Avenue.
	D	31,809	[2] 35,000	February, 1919	1133 Fourteenth.
248	44,45,46	58,858	67,000	February, 1923	1008, 1010, 1012 Thirteenth.
250	819	14,629	[2] 12,500	June, 1921	1314 I.
286	35	130,188	135,000	October, 1922	Southeast corner Thirteenth and I.
289	47	99,170	115,000	February, 1923	1212 G.
380	G	49,200	40,000	.....do	922 Pennsylvania Avenue.

[1] Land only. [2] Deed. [4] Default. [6] Trustee deed.

In view of the statements made by the tax commissioner of Texas, Mr. James A. King, that the revenue and taxation of that State is a screaming farce; that only about 4 per cent of the personal property in the form of bank deposits is taxed; that there is $800,000,000 on deposit subject to check and that only $40,000,000 is assessed; that a vast amount of property escapes taxation every year; that there are millions of acres of land which are not taxed at all; and that if the unreturned property located in the State of Texas subject to taxation under the laws of that State were put upon the statutes and the property already returned was well entered at a just and fair valuation it would raise sufficient revenue to enable the State to pay her debts, to liberally support her public institutions, and to lower the present tax rate from 75 to 15 cents, this would seem to be a conclusive answer to the statements which are being continually made by the gentleman from Texas that property in the District of Columbia is not assessed at a fair and just value and shows that there is ample field for his endeavor to see that all property is justly taxed in his own State of Texas.

REVENUE ACT OF 1924.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill. The question is on agreeing to that motion.

Mr. HOWARD of Nebraska. Mr. Speaker, a question for information.

The SPEAKER. The gentleman will state it

Mr. HOWARD of Nebraska. I am so new here that I do not know what is the practice on an occasion of this kind, but would it not be well now that this House should adjourn as a mark of further respect to the memory of George Washington?

The SPEAKER. The Chair will say that that has not been the custom in the experience of the Chair when there was important business to be transacted.

Mr. GREEN of Iowa. There never was a time when the necessity of legislation was more pressing than now.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Iowa [Mr. GREEN].

The motion was agreed to.

The SPEAKER. The gentleman from Illinois [Mr. GRAHAM] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

The CHAIRMAN. The Clerk will proceed with the reading of the bill for amendment.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend by adding a new section at the end of section 239 (a) as follows:

"SEC. 239 (b). Every person required by this act to make a return shall therein specifically state each item and the amount thereof of all gifts, advances, subscriptions, payments, contributions, and expenditures made, and to whom, in behalf of, or for the purpose of influencing directly or indirectly the nomination or defeat or election or defeat of any candidate or candidates for the office of President, Vice President, Senator, or Representative, or presidential and vice presidential electors, or for use in or in respect to any convention, primary, or election in which there is nominated or elected a candidate for any of the aforesaid offices, but when the aggregate thereof in any taxable year does not exceed the sum of $1,000 no return thereof need be made."

Mr. GREEN of Iowa. While I think this is subject to a point of order it is evidently taking so much time here in the House—— [Cries of "Make the point of order!"] Then some Member make it.

Mr. SANDERS of Indiana. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Virginia.

Mr. MOORE of Virginia. Mr. Chairman, I would like to be heard on the point of order, and I will be very brief.

The amendment which was offered yesterday provided a tax and provided a penalty; this amendment only pertains to the return. There are certain sections of the bill which simply provide for a return of property without the contemplation of a tax. There is a section in the bill, for instance, as the distinguished chairman of the Ways and Means Committee will recall, which requires that a person shall report his tax-exempt securities.

Mr. MILLS. Will the gentleman yield?

Mr. MOORE of Virginia. I will.

Mr. MILLS. The gentleman knows that is made necessary now by the other provisions of the bill, and it does affect the tax.

Mr. MOORE of Virginia. But it is not absolutely necessary.

Mr. MILLS. Excuse me; it is.

Mr. MOORE of Virginia. In what way?

Mr. MILLS. Because we have limited it to the deduction of interest, for instance.

Mr. MOORE of Virginia. You have limited it to the deduction of interest, but that does not necessarily require a report of all the tax-exempt securities; it only requires a report of the deduction.

Mr. MILLS. I will call the gentleman's attention to the fact that in so far as nonbusiness losses are concerned, they are limited to the amount of income from tax-exempt securities, and in order to determine the taxable income under the present bill it is necessary to report tax-exempt securities.

Mr. GARNER of Texas. Will the gentleman from Virginia yield?

Mr. MOORE of Virginia. Yes.

Mr. GARNER of Texas. The gentleman from New York would not contend for a moment that the committee or the House did not have a right to direct what should be made in the return. If I understand the amendment offered by the gentleman from Virginia, it merely directs that in making the return certain things shall be given to the Secretary of the Treasury, and undoubtedly we have that right.

Mr. MILLS. No; I should be inclined to deny that. I should be inclined to deny that the committee had the right to say that a man should state in his return how many rocking-chairs he had in his home, how many automobiles he owned, how many cows he owned, or how many horses he owned. All he should state in his return is what is necessary in order to levy an income tax.

Mr. MOORE of Virginia. Mr. Chairman, if we chose to provide in the bill that he should return all the articles enumerated by my distinguished friend from New York, we could do it, and we would have the right to do it. It would be a matter of taste and expediency, but we would clearly have the right to do it.

Now, there is one substantial reason why we should require——

Mr. FREAR. Will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. FREAR. What could be the objection to having that appear in the record, as long as Congress certainly has the right under the law to impose that duty if it sees fit? Is it a question of shame or regret for a man that he is trying to evade his taxes, or what is the objection and what objection could there be?

Mr. MOORE of Virginia. I was about to say—and it applies to the gentleman's inquiry—that many of us here are being charged with advocating propositions that will tend to injure rich people. Now, it is certainly relevant and legitimate to find what people are doing with their money; not only whether they are putting it in tax-exempt securities or not, but what they are doing with it otherwise.

It would be very informing to the Government, as well as to the public, in determining where to lay taxes and on what particular groups it is wise to place taxes, to ascertain how the money is being spent; to ascertain, for instance, whether a member of a Cincinnati firm is still designing to influence presidential elections by giving hundreds of thousands of dollars in support of the candidate he may favor; to ascertain whether somebody in the State of Illinois, or a few people in the State of Illinois, are intending again to subscribe hundreds of thousands of dollars to influence a presidential nomination.

Mr. MILLS. Will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. MILLS. Why can not the gentleman accomplish exactly the same purpose by amending the corrupt practices act?

Mr. MOORE of Virginia. The difficulty is that the Federal act and all State acts deal with candidates and do not deal with contributors, and I know of no method of discovering the contributors unless they are compelled to make returns.

Mr. MILLS. Why does not the gentleman make the contributors file reports? What would be the objection to that?

Mr. MOORE of Virginia. I am trying to do it now, and what is the objection to this method?

Mr. MILLS. Because it does not belong in an income tax law.

Mr. MOORE of Virginia. How would the gentleman do it? If the gentleman will suggest a method, I will follow it.

Mr. MILLS. Let me point out to the gentleman that he does not accomplish the purpose he is seeking to accomplish, because income-tax returns are not public property.

Mr. MOORE of Virginia. I believe we are going to make them public property, to an extent, before we leave the House to-day, so far as the House is concerned. [Applause.]

Mr. MILLS. Then I am going to ask the gentleman how, even under the terms of the amendment which he will suggest later in the day, it would affect the corrupt practices act to provide that the Ways and Means Committee, if you please, should in certain cases examine returns?

Mr. MOORE of Virginia. Well, if the information is developed in some way—and it would be very interesting information—we will ascertain, for instance, taking a recent case, something about the possible future political contributions of people like Mr. Doheny.

Mr. FREAR. Will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. FREAR. I have a proposition on publicity that will not confine the question to the Ways and Means Committee of the House or the Finance Committee of the Senate, but will throw it open, so that in that way it becomes material.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry. There was so much confusion on this side, I did not hear the basis of the point of order.

The CHAIRMAN. That it was not germane.

Mr. BANKHEAD. That is the only proposition advanced?

The CHAIRMAN. That is the only one the Chair heard. Is there anything further to be said on the point of order?

Mr. SANDERS of Indiana. Mr. Chairman, I just want to state this: In conformity with the ruling of the Chair yesterday, this should be held out of order. There is not any pretense that this has a thing in the world to do with taxation. It is simply a corrupt practices act which does not limit the amount but compels them to make public the amount, which is simply a corrupt practices act. I say "make public," and in saying that I make the statement in connection with what I understand they are going to follow this up with. So it is simply the same proposition the Chair ruled on yesterday.

Mr. TILSON. Mr. Chairman, just a word on the point of order. The gentleman from Indiana states it entirely correctly, that the substance of this amendment is not in any wise related to the tax bill. It is as foreign to it as anything could possibly be. It is a well-established rule of parliamentary procedure that when one portion of an amendment is offensive to the rule that the entire amendment must go out. Assuming for the sake of argument that at this point of the bill we might require certain matters to be included in a return, can we by reason of that authority add to it a corrupt practices act—something entirely foreign to the bill? The portion of the gentleman's amendment that is offensive to the rule vitiates it all.

Mr. YOUNG. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. YOUNG. Under the present law, as I understand it, it is the duty of every taxpayer to state the amount of his income and then to state the amount of deductions properly chargeable against the income. As I understand, it is proposed in this amendment to call for certain other information that is not at all needed to ascertain the net amount of the income.

Mr. TILSON. Yes; and this, with the provisions not related to this bill, vitiates the amendment. The subject matter of this amendment is entirely foreign to a tax bill.

Mr. GARNER of Texas. Will the gentleman yield for a question?

Mr. TILSON. Yes.

Mr. GARNER of Texas. Although I am not a parliamentarian like the gentleman from Connecticut, yet I can not understand, Mr. Chairman, how it is you can not make rules and regulations in any portion of this bill for the purpose of telling the taxpayer what returns he shall make. It seems to me perfectly ridiculous that this committee has not the power under the rules to tell a taxpayer what returns he shall make.

Mr. TILSON. Certainly we have that power so far as such rules and regulations are necessary for the collection of the tax, but when we go outside of the taxing bill entirely and bring in a foreign matter, then it is not germane to this bill and should go out.

Mr. GARNER of Texas. Mr. Chairman, under that philosophy the Chair would have to determine whether or not an amendment was necessary for the collection of the the taxes.

Mr. TILSON. It is perfectly apparent on the face of this amendment that it relates to an entirely different matter. It is a corrupt practices act masquerading under the guise of a taxing provision.

Mr. GARNER of Texas. If you are going to take that position in the committee—that an amendment is out of order because, forsooth, the Chairman himself must determine the effect of the amendment on the law—then you are undoubtedly stretching the rule further than I ever heard of it being stretched before.

Mr. TILSON. Does the gentleman contend for a moment that a provision relating to a corrupt practices act has any sort of relation to the tax bill? The gentleman himself will not so contend. [Cries of "Rule!" "Rule!"]

The CHAIRMAN. The Chair is ready to rule. The title which the committee is now considering is "Title III—Corporations," and deals with the tax on corporations. The particular part of the title which the committee has just finished is headed "Corporation returns," and provides for certain returns to be made by corporations for the purpose of the assessment of their corporation tax, and for no other purpose. Throughout the paragraph relative to returns to be made by the taxpayer nothing else is included except elements upon which this tax may be assessed. To that the gentleman from Virginia seeks to add a new section to be know as 239 (b), which is as follows:

Every person required by this act to make a return shall therein specifically state each item, and the amount thereof, of all gifts, advances, subscriptions, payments, contributions, and expenditures made, and to whom, in behalf of, or for the purpose of influencing directly or indirectly the nomination or defeat or election or defeat of, any candidate or candidates for the office of President, Vice President, Senator, or Representative, or presidential and vice presidential electors, or for use in, or in respect to, any convention, primary, or election in which there is nominated or elected a candidate for any of the aforesaid offices, but when the aggregate thereof in any taxable year does not exceed the sum of $1,000 no return thereof need be made.

There is nowhere in this amendment any statement of any fact which aids and assists the taxing officers in computing the amount of the tax, and that should be the reason for the return to be made by the taxpayer. If there was any information contained in the amendment which would affect the amount of the tax, it would be germane, but there is nothing in it that affects that question. The only thing that is affected by it is that if the taxpayer is a candidate for public office and spends less than $1,000, he need not make this return to the taxing authorities. Therefore, the matter is not in any particular germane to the object to be accomplished, namely, to tax corporations; but this is an attempt, as the Chair last night ruled, and I think properly, to impose upon every candidate for office the necessity of complying with certain corrupt practices provisions under the guise of an income-tax return. If the House, in its wisdom, desires to overrule the Chair on this ruling, it will have the right to do so, but the Chair can not stultify himself, and come to any other conclusion than that he has heretofore expressed, that such an amendment is not germane, and therefore sustains the point of order.

The Clerk read as follows:

TAXES ON INSURANCE COMPANIES.

SEC. 242. When used in this title the term "life insurance company" means an insurance company engaged in the business of issuing life insurance and annuity contracts (including contracts of combined life, health, and accident insurance), the reserve funds of which held for the fulfillment of such contracts comprise more than 50 per cent of its total reserve funds.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. I dislike to interrupt the reading of the bill, and will only do so briefly. This title clear through to the top of page 98 has to do with taxing insurance companies. I think the phraseology as it appears under this section is practically the same as originally written in the income tax law of 1921. It has not been revised or changed by the Ways and Means Committee, and one reason why it has not been revised in any sense is that it seems to be practical in its working methods. I admit to rather a density of understanding, particularly of legal phrases, and therefore I inquired as to just what the provisions of the insurance section did, but I was unable to find out. No one except the experts in the department actually know what these provisions in this section accomplish. It is another illustration of the impossibility of the accomplishment of simplification of tax expressions; the whole law is full of very difficult language to comprehend. That not only applies to the law itself but to the efforts we have made to simplify the forms of the returns. I referred to that matter once before. The returns, unfortunately, after this bill becomes a law will be almost as complicated as they are now. We simply have to follow the phraseology of the experts, follow the original writing of the paragraph, supplemented by the rulings of the department. I am sorry we have here so complicated a law, and I am sorry that the returns are so complicated, but it looks to me as if we were helpless to endeavor to reform them. The only improvement made is on the returns under $5,000.

The CHAIRMAN. The pro forma amendment is withdrawn.

Mr. TILSON. Mr. Chairman, I renew the motion to strike out the last word. It is true, as my friend from Massachusetts says, there are many things in this bill, and necessarily must be in any tax bill, complicated and difficult for the average person to understand. After working for days and weeks in an effort to simplify some of these matters the members of the committee are in unanimous agreement that it is a difficult proposition. The particular title that we are now reading is an exception in this respect. It seems to have given entire satisfaction both to the Treasury in their administration of it and to the insurance companies who must pay under it. There was no request or demand from any source whatever for any change. In the book of regulations, which is quite a volume, the regulations concerning insurance companies are very few, indicating that the law itself is being administered satisfactorily and without serious difficulty. Therefore, Mr. Chairman, I hope that this one title, which is so satisfactory to all, will not be seriously amended in any of its provisions.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed Senate Joint Resolution No. 83, for the appointment of one member of the Board of Managers of the National Home for Disabled Volunteer Soldiers, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed with amendments the joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

H. J. Res. 160. Joint resolution to provide an appropriation for the prosecution of suits to cancel certain leases, and for other purposes.

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

Senate Resolution 169.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. HENRY GARLAND DUPRÉ, late a Representative from the State of Louisiana.

Resolved, That a committee of six Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

And that the President pro tempore had appointed under the second resolution Mr. RANSDELL, Mr. BROUSSARD, Mr. MCKELLAR, Mr. CARAWAY, Mr. LADD, and Mr. STEPHENS.

REVENUE ACT OF 1924.

The committee again resumed its session.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last word. The distinguished gentleman from Massachusetts referred to the forms of returns prepared by the Treasury Department. I think, perhaps, the public will be interested in an observation or two on that subject. The returns have been revised for the present year. Returns for income less than $5,000 have been made very simple. I do not think any citizen will find any difficulty in filling out those returns. With reference to the other returns, this is to be stated: If it were possible

to prepare and issue separate forms of returns to all the different lines of business, occupation, and employment, it would be possible then to work out some further simplification of these returns, but the present returns necessarily cover all kinds of business, and there are many items which each taxpayer will find not applicable to his own situation or his own business. I think that the department is to be complimented and commended for the improvements in the forms of returns that have recently been made.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

(c) Nothing in this section or in section 246 shall be construed to permit the same item to be twice deducted.

PART IV.—ADMINISTRATIVE PROVISIONS.

Mr. BLANTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. BLANTON: On page 98, after line 3, add the following new section:

"SEC. 253(a). No officer, attorney, agent, or other employee of the Bureau of Internal Revenue shall, within two years after severing his connection with such bureau, accept employment concerning income or revenue tax matters from any person, association, partnership, or corporation."

Mr. BLANTON. Mr. Chairman, I do not think the amendment is subject to a point of order, but I want to discuss the merits for five minutes. We have down in the Treasury Department an army of agents and attorneys employed by the Government at fair salaries to prevent taxpayers from evading taxes, from escaping taxes, from dodging taxes, if you please. We educate these employees to do that. We pay the people's money to teach them how to keep the taxpayers from dodging taxes, and just about the time we get them educated they find out that they can go out in the business world and hire themselves out, commercialize the education the Government gives them at the expense of the Treasury, and help tax dodgers in showing them how to evade taxes by representing them in the department.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. COLTON. Is it not a fact that the Secretary of the Treasury has recently issued an order covering the very point the gentleman is seeking to cover?

Mr. BLANTON. Yes; to the extent of obtaining his permission. Mr. Chairman, this is an important matter, and I would not introduce it here if it were not; but so many employees have quit and entered private employment that it has become almost a scandal down there.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. GARNER of Texas. I understood the gentleman from Iowa [Mr. GREEN] to say that he would accept the amendment.

Mr. BLANTON. Oh, no; he is going to make the point of order against it.

Mr. GREEN of Iowa. It has not the slightest thing to do with the bill or anything that is in the bill.

Mr. GARNER of Texas. I was under the impression that the gentleman said he would accept the amendment.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman from Texas yield to me?

Mr. BLANTON. Oh, the gentleman very kindly granted me five minutes, and I hope that he will not take all of my time. I yield.

Mr. GREEN of Iowa. How would we ever get anybody of any ability down there if we cut them off from practicing after they got out? Nobody will vote enough salary to keep a good man there.

Mr. BLANTON. We do not seek to keep them from getting employment anywhere else in the world except in the Treasury Department. We are trying to keep them from commercializing the education that the Government has given them in order to administer this law.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a minute. I first want to answer my friend from Utah, and that will answer the gentleman from Iowa. So many of these employees have lately quit the Treasury Department and have gone out and sold their services to private enterprises, based on the experience the Government has given them, that the Secretary of the Treasury has seen fit to amend a ruling which he made within the last year about practice, hoping to keep them from it. I think the last amendment was made last month. It has not yet taken effect, but he has promulgated it to take effect in a few days. It is to prevent any employee from practicing there for two years after resigning unless he first gets the consent of the Secretary. Why should it be left to the Secretary? If there were employees who wanted to quit and hire themselves out to friends of the Secretary, then he could let them practice there, but if an employee wants to hire out to somebody who is not a friend of the Secretary, the Secretary reserves the right to prevent him from practicing before his department.

Mr. WINSLOW. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. WINSLOW. I would like to ask the gentleman in all friendliness whether he has had an opportunity to follow the results attending the services which these men have offered for sale? I believe myself, although it may not be germane to this discussion, that they have given such mighty poor service to the public that it has almost amounted to a holdup. They have obtained an income by making poor clients think they know something, and when it comes to a show-down they do not know anything at all.

Mr. BLANTON. The gentleman is right. One of the big business men of the country will go down there, we will say, and believe that he has made an honest return. Some of these fellows in the employ of the Treasury Department will say, "You are not entitled to this credit or this deduction," and they disallow some of his deductions. Then he appeals, and later they quit the office and resign and immediately advertise that they will accept private business before the department, and can advantageously represent taxpayers before that department and can save much expense. The taxpayer pays him a good fee and the fellow goes down there, thus commercializing the experience in this connection with that department that the department has paid them for acquiring, and when the taxpayer gets through with him he frequently has to pay his tax just the same. It is thus an imposition on the public in many cases and a direct loss to the Government when they are successful in reducing taxes.

Mr. LUCE. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LUCE. Will the gentleman tell us how he thinks there is any way to keep an ambitious man in the department, keep him from resigning, except by paying a salary somewhere near what he can make on the outside?

Mr. BLANTON. The Secretary of the Treasury says so. Under his ruling of last August he prevents them from practicing there except when they come to him and get special permits, and he has amended that just this last month by an amendment which prevents any employee, for two years thereafter, practicing there unless he gets a permit from the Secretary of the Treasury.

Mr. LUCE. Has the gentleman struck the root of the evil? Is not the root of the evil the unwillingness of Congress to pay the good men enough to keep them there?

Mr. BLANTON. Has the gentleman read that famous memorial sent here by 350,000 farmers that his colleague [Mr. DARROW] put in the RECORD the other day? In which they say to the gentleman from Massachusetts and to the gentleman from Texas, "Quit raising salaries." We make valuable men of many green employees by training them in business at Government expense.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GREEN of Iowa. Mr. Chairman, I insist upon the point of order.

Mr. BLANTON. Oh, let me have two minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, the gentleman from Iowa undoubtedly is in favor of this amendment. I know it because I know that he is a man who has good business judgment. The gentleman from Wisconsin [Mr. FREAR] is in favor of this amendment because he is a man of good business judgment, and I believe my colleague from Texas [Mr. GARNER], the ranking minority member of the committee, is in favor of it because he is a man of good business judgment. I believe that the distinguished gentleman from Massachusetts [Mr. WINSLOW], who is a good business man, is in favor of this amendment, and I believe the majority of the membership of the House is in favor of it. Then why does the gentleman from Iowa in charge of the bill seek to keep us from voting upon it by lodging the point of order against it? I am going to oppose the point of order when he makes it. I do not be-

lieve this amendment is subject to a point of order. Is the gentleman afraid to let us vote on it? It is following the action already taken by the Treasury Department, but making his order applicable to all practitioners.

Mr. GREEN of Iowa. I would certainly be afraid to put into this bill everything that the gentleman from Texas wants put in it.

Mr. BLANTON. The gentleman from Texas is just one out of 435 Members. I have found out that when the membership of this House fully understand a proposition you can depend upon their doing the right thing. They vote wrong only when they do not understand the issue. Lots of times I believe they vote when they do not understand the situation, but let them all fully understand it they will vote right upon it every time. They are just like a jury. I never yet have seen a jury, when all were honest, I do not care how ignorant, which, if they understood the facts and the law and knew how to apply the law to the facts under the charge of the court, but what would do justice in ninety-nine cases out of a hundred. They go wrong frequently because they do not understand either the facts or the law.

Mr. WINSLOW. Mr. Chairman, will the gentleman yield for an interruption?

Mr. BLANTON. I yield.

Mr. WINSLOW. It was not my purpose to go quite so far in my suggestion, so far as the gentleman from Texas has gone; but I realize, on reflection, that he was justified in making the interpretation he did. What was in my mind was this, that there had been so many disappointments on the part of clients because of the employment of these so-called Treasury experts that the difficulty would automatically take care of itself through the discredit of them by those whose money they seek to get in the way of retainers.

Mr. BLANTON. If we have to wait until they cheat everybody in the United States once, we shall wait many years.

Mr. WINSLOW. But we must be cheated once in order to learn anything.

Mr. BLANTON. Yes. Mr. Chairman, I want to be heard on the point of order when the gentleman from Iowa makes it.

Mr. GREEN of Iowa. Mr. Chairman, there is nothing in the bill anywhere that undertakes to regulate the practice in the department, or anything that approaches it.

Mr. BLANTON. Mr. Chairman, this is a general revenue bill. We have come now to the general title, embracing the administrative features of it. We have come down to page 98 in the bill, Part IV, under the general heading, "Administrative provisions." Before anything else is considered under that general head I offer this amendment, which is an administrative provision. It is germane to Part IV. It is germane to the heading, "Administrative provisions," because this is in itself an administrative provision. Why is it not germane to this particular paragraph?

Mr. GREEN of Iowa. In the first place, it is not an administrative provision, and, as I said before, there is nothing in the administrative provisions with reference to the practice in the department.

Mr. BLANTON. Mr. Chairman, this is a bill providing for the collection of revenue to run the Government. It provides for taxes of many kinds and particulars, varied in their nature, and whenever you provide taxes, whenever you provide the levying of taxes, any administrative feature is germane to the taxing features of the bill. Whenever you provide for a tax there must be administrative features in connection with the collection of the tax. It is certainly germane to a tax bill to have an administrative feature connected with it. Otherwise, you could never collect the taxes that you levy. After the taxes were laid you could not collect them.

This is one of the administrative features in connection with the collection of the very taxes that we provide for in this bill. We go on under this head and provide for certain deductions to be made; we provide for certain credits to be made, and the purpose of this amendment is to prevent unfair deductions and credits from being made by private interests employing our own experts. It provides against improper credits to be made in connection with the collection of the taxes, and I submit to the Chair that in this bill it is cerainly germane.

The CHAIRMAN. This is a much closer question than any that has heretofore been presented to the Chair. The section which the Clerk is now reading has to do with administrative provisions and is entitled "Part IV." The administrative provisions in this part of the act have to do with the returns and deal with the administration relative to the collection of taxes from the taxpayer. The amendment which the gentleman from Texas [Mr. BLANTON] presents is as a separate section, 253 (a), and reads as follows:

No officer, attorney, agent, or other employee of the Bureau of Internal Revenue shall, within two years after severing his connection with such bureau, accept employment concerning income or revenue tax matters from any person, association, partnership, or corporation.

Prior to the adoption of the Underwood rule in bills of this kind, while the rule was, as the Chair stated it yesterday, relative to new subject matter attempted to be incorporated by way of amendment, it was never held that proper amendments to the administrative features of an act could not be made on such bills, and it was held repeatedly, as I understand it, that such an amendment would be germane. Now, the question arises, Has this anything to do with the collection of the income taxes mentioned in this bill? It might have. Congress may believe that persons leaving the department should not, within two years after leaving, have anything to do in the way of attorneyship or otherwise with anyone who was subject to the payment of the tax, and the enactment of such a provision might result in the collection of more taxes by the Government. Therefore it does seem to the Chair that it is germane to the purposes and provisions of the act.

Permit the Chair to state, however, that there are two parts in this bill relative to administrative provisions. The first is part 4, which is now being considered, and which deals entirely, as the Chair views it, with the administration of the act as to the making of the returns and collections of taxes. Title X of the bill has to do with general administrative provisions, and certain laws are made applicable thereto and certain penalties are imposed for violation of the provisions of the law, which the Chair supposes the lawmakers thought were essential to carrying out the provisions of the act.

Mr. BLANTON. That is the reason why I offered it under this administrative head, for the reason that it is in connection with the making of returns that these services are offered to the people. It is in connection with the returns that the taxpayer makes that these employees can go out and sell their services, and therefore I thought it was more pertinent to this section than to the other section.

The CHAIRMAN. Of course, it might be germane to more than one portion of the bill, but in view of the presence of Title X in the bill, the Chair is of opinion it would not be germane to this section. But the Chair would like to state, so that there will be no doubt as to his opinion, that, as he views it now, it would be germane to the provisions under Title X. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

RETURNS TO BE PUBLIC RECORDS.

SEC. 257. (a) Returns upon which the tax has been determined by the commissioner shall constitute public records; but they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President: *Provided*, That the proper officers of any State imposing an income tax may, upon the request of the governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation, at such times and in such manner as the Secretary may prescribe: *Provided further*, That all bona fide shareholders of records owning 1 per cent or more of the outstanding stock of any corporation shall, upon making request of the commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries. Any shareholder who, pursuant to the provisions of this section, is allowed to examine the return of any corporation, and who makes known in any manner whatever not provided by law the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any such return, shall be guilty of a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

Mr. FREAR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FREAR: Strike out all of section 257, on page 100, and insert:

"That when returns of any person shall be made as provided in this title, the returns, together with any correction thereof which may have been made by the commissioner, shall be filed in the Treasury Department and shall constitute public records and be open to inspection as such under the same rules and regulations that govern the inspection of other public records.

"All tax proceedings and determinations subect to reasonable regulation shall be public, and an advance calendar of all hearings of contested tax rulings shall be open to the public."

Mr. MOORE of Virginia. Mr. Chairman, if the gentleman from Wisconsin, who has the floor, will indulge me a minute, while I have no purpose to interfere with his effort to secure the adoption of the amendment which has just been read, I have prepared an amendment relating to the same subject, and I ask unanimous consent that the amendment which I have prepared may also be read, so that both can be discussed together.

Mr. GREEN of Iowa. Before that is done, I think the last part of the amendment offered by the gentleman from Wisconsin, if I understood it correctly, is subject to a point of order.

Mr. FREAR. Which part is that?

Mr. GREEN of Iowa. The part with reference to the hearings. Mr. Chairman, I desire to make a point of order against the last paragraph of the amendment offered by the gentleman from Wisconsin. I will confine my point of order simply to that part of the amendment, although I could make a point of order against the whole amendment on that account.

The CHAIRMAN. The gentleman from Iowa reserves a point of order.

Mr. GREEN of Iowa. I make a point of order against the last paragraph of the amendment offered by the gentleman from Wisconsin as not being germane to the bill, but I will reserve my point of order for the moment.

The CHAIRMAN. The gentleman from Virginia preferred some sort of unanimous-consent request.

Mr. MOORE of Virginia. Mr. Chairman, having spoken to the gentleman from Wisconsin in advance, I think he has no objection to the amendment which I have prepared being read at this time for the information of the committee. It deals with the same subject to which the amendment offered by the gentleman from Wisconsin relates.

Mr. SANDERS of Indiana. May I inquire of the gentleman from Virginia whether it is his intention to offer his amendment as a substitute for the amendment offered by the gentleman from Wisconsin?

Mr. MOORE of Virginia. Not just at this moment, but I may later on. I have not had an opportunity to consider the amendment offered by the gentleman from Wisconsin as fully as I would like, and I thought perhaps the committee would like to have my amendment read for its information. Of course, I care nothing about it personally.

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] has reserved his point of order. The gentleman from Iowa will be recognized for five minutes, and then the gentleman from Virginia can prefer his request.

Mr. FREAR. Mr. Chairman, I notice from the reading that subdivision (b) may be included in the proposal I have here, and I have no objection to that at all; but my amendment refers entirely to subdivision (a), and that is the only purpose I have in mind.

I wish to read this amendment to the committee, because I know we often fail to grasp the meaning of amendments from their reading by the Clerk, and we ought to know the provision upon which we are voting. My amendment reads:

> That when returns of any person shall be made as provided in this title, the returns, together with any correction thereof which may have been made by the commissioner, shall be filed in the Treasury Department and shall constitute public records and be open to inspection as such, under the same rules and regulations that govern the inspection of other public records.

Then follows the part to which the point of order has been made:

> All tax proceedings and determinations, subject to reasonable regulations, shall be public, and an advance calendar of all hearings of contested tax rulings shall be open to the public.

The section in the bill is 257 (a), and it provides:

> Returns upon which the tax has been determined by the commissioner shall constitute public records.

And then it provides conditions or restrictions by which you have to go to the President of the United States, subject to rules by the Secretary of the Treasury, before you can ascertain anything from those records.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. FREAR. I will.

Mr. GARNER of Texas. Why not strike out all the balance of the section and just declare them to be records?

Mr. FREAR. That is my purpose.

Mr. GARNER of Texas. To accomplish that why not strike out all the balance of the section and just declare them to be records?

Mr. FREAR. I will discuss that in a moment, because I want to discuss the merits of my amendment now.

To-day we have a close corporation in the Treasury Department. We have a bill before us and no one knows who drew it; we do not know where it was drawn, but we do know that it is claimed there are defects in the collection of taxes in the Treasury Department that need to be remedied and I believe it is correct in that particular. We know that certain gentlemen were called in to help draft the bill, but the Congress of the United States, supposed to know these facts, has no information because these records are secret. All you can find from the records to-day is a generalization from the reports that are furnished in regard to taxable incomes, and that gives one but an indefinite idea as to whether or not there are escapes by reason of tax-exempt securities or whether there is tax escape coming from any other source. We can not ascertain that because all of these matters are contained in the return that is sent in by the taxpayer and the return is confidential.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. GREEN of Iowa. I think my friend's language is calculated to give a wrong impression. When he said nobody knows who wrote the bill, I suppose he referred to the rates, that no one has stated who fixed the rates in the bill, but as far as the form of the bill is concerned, I stated in my opening address to the House that it was prepared by the revision board or committee which was appointed by the Treasury Department, of which the chief members were Mr. Gregg and Mr. Beaman, and they wrote the bill.

Mr. FREAR. I will accept that as true, and I know it must be true coming from the chairman. The chairman's statement, of course, is true.

Mr. GREEN of Iowa. And I sat with them a part of the time, not drawing the bill at all, but listening to what was going on.

Mr. FREAR. I want to say as to those two gentlemen that they are both very able men, but the Congress of the United States, the body which ought to have information on which to draw bills and fix rates, based upon public records, has no knowledge whatsoever and to-day you can not find anything in statutes which permit of that. What an absurd situation is presented to us as intelligent legislators. Here, as I say, is a matter of the utmost importance, a department of the Government to which four or five million men to-day have to send their returns, and what do we know about revenue conditions as affected by escaping taxes? Mr. William Rockefeller dies and we are told $43,000,000 was disclosed by his estate. The information was there in the department but we did not know anything about it. We have to wait for men to die. We seek to have legislation to meet that matter. It is our duty to do it. Publicity of records it seems to me is a proposition that should appeal to every man. What has been the argument against it? Simply that it would be dangerous for anybody to know about them because of business competition or because a man might ascertain some things about another man's business which were supposed to be secret and that this would pry into their affairs. We might give the Secretary of the Treasury some right to determine the purpose and that could be done by rules and regulations which would not disturb the purpose of the statute. To-day we have no means of access except to go to the President of the United States after the Secretary of the Treasury has determined what the rules are. Nobody ever goes or attempts to go.

The Senate of the United States at the last session passed upon this question. I do not know that it was in the identical language, but they voted 35 to 33. There were 33 votes in favor of public records—not as stated here—with restrictions now found in the law that makes it impossible to discover what the facts are.

That is about all I care to say about it. I have discussed the matter frequently on the floor.

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

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. May I have two minutes more, Mr. Chairman?

The CHAIRMAN. Without objection, the gentleman from Wisconsin may proceed for two additional minutes.

Mr. YOUNG. As I understand it, it is not the purpose of the gentleman that notice shall be given of each step.

Mr. FREAR. Only in the hearings.

Mr. YOUNG. Only the hearings?

Mr. FREAR. That is all covered by the amendment.

Mr. YOUNG. For instance, the examiner takes up a report when it comes in and checks it up, this would not refer to that?

Mr. FREAR. No; this only refers to the hearings and records. I understand that to-day over $100,000,000 in tax refunds have been had. We do not know who will get the refunds. Of

course, there is a secret statement sent to the Ways and Means Committee, and I do not question but that these refunds are regular, but it is a tremendous responsibility, and we have no knowledge on the subject. The fact was stated here a few moments ago that many men have been practicing before the department who had just been educated at public expense. That we know from the record. I ask you, gentlemen, as thinking men, why do we tie our hands and say we shall not know about these records and do not permit ourselves to know about them? It is just like it was at the last session of Congress when we could not vote upon a single amendment. We tied ourselves up. We are doing in the same way practically the same act now. The Treasury Department is the only department of government where the public has such vast business affairs and where we confine ourselves simply to reports that are issued from that department without any names being attached; in fact, there is a penalty provided they do attach the names.

Mr. McKENZIE. Will the gentleman yield?

Mr. FREAR. If I have the time.

Mr. McKENZIE. Out in the State of Illinois we have a law that requires the publication in our local newspapers of the assessments of each individual taxpayer. Does the gentleman's amendment provide that the Secretary of the Treasury shall publish this in some newspaper?

Mr. FREAR. Not at all. The gentleman has been listening and understands that there is nothing at all here about that. It does provide that anyone can go to the records. In my State we have publicity of tax records. I think it is one of the few States that has such a law, and there has been no harm come from it.

Mr. McKENZIE. Why do you not go the whole way and give full publicity?

Mr. FREAR. I will be very glad to go to that length, without any harm, so far as I can see.

Mr. MILLS. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. I ask unanimous consent that the gentleman's time may be extended one additional minute.

The CHAIRMAN. The gentleman from New York asks that the time of the gentleman from Wisconsin may be extended one minute. Is there objection? [After a pause.] The Chair hears none.

Mr. MILLS. The gentleman says they have publicity of returns in the State of Wisconsin and that no harm has come from it. How long have they had that?

Mr. FREAR. They have had it since the last session, and I think there will be read in this discussion a letter coming from the governor of the State in reference to that law. There is no reason why there should be any danger. There is no pretense that there has been any danger in the State or that there is liable to be any from the people of Wisconsin, except it will increase the income tax, because it gives added information, and people will not dodge taxes in Federal taxes, as we know they do to-day, because we have had that statement on the floor from practically everyone speaking on the bill who has been connected with affairs here, and that is one reason why we are trying to correct it by these provisions.

Mr. DICKINSON of Missouri and Mr. MILLS rose.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. DICKINSON of Missouri. Mr. Chairman, I am in favor of making public these records. I have an amendment that I would have offered if one had not been offered by either Mr. FREAR or Mr. MOORE of Virginia or someone else. The language of the amendment that I had prepared was to section 257.

The CHAIRMAN. If the gentleman will permit, there is a point of order pending, and the gentleman from Wisconsin [Mr. FREAR] was simply speaking during a reservation of the point of order.

Mr. DICKINSON of Missouri. I am not going to speak to the point of order. I will withdraw for the present. I want to speak on the merits of the amendment.

Mr. SANDERS of Indiana. Inasmuch as the gentleman from Missouri is on his feet, I ask unanimous consent that the gentleman may have five minutes.

Mr. GARNER of Texas. Mr. Chairman, let us have the point of order decided first.

The CHAIRMAN. That was the opinion of the Chair.

Mr. DICKINSON of Missouri. I will withdraw for the present, Mr. Chairman.

Mr. GREEN of Iowa. The point of order, Mr. Chairman, is that certainly the last paragraph of the amendment of the gentleman from Wisconsin is not germane to this provision of the bill, although under an intimation that the Chairman gave it might possibly be germane to some other part of the bill.

The CHAIRMAN. The Chair is ready to rule. This is offered as a substitute for section 257. While the amendment does not say so in its language, I assume that the gentleman from Wisconsin offers it as a substitute for paragraphs (a) and (b).

Mr. FREAR. It was only intended really as a substitute for paragraph (a), although striking out the section was intended.

The CHAIRMAN. As it stands, it is a substitute for the section including both paragraphs.

Section 257 (a) provides for returns to be public records and deals entirely with income-tax returns and records and states that under certain circumstances those income-tax returns shall be public records, and under certain other circumstances they shall not be public records. The gentleman from Wisconsin offers an amendment as follows: To insert in lieu of that language this provision:

> That when returns of any person shall be made as provided in this title, the returns, together with any correction thereof which may have been made by the commissioner, shall be filed in the Treasury Department and shall constitute public records and be open to inspection as such, under the same rules and regulations that govern the inspection of other public records.

Thus far, obviously, the language is germane to the section. Then follows this paragraph:

> All tax proceedings and determinations, subject to reasonable regulation, shall be public, and an advance calendar of all hearings of contested tax rulings shall be open to the public.

The query arises, just what that language means. The language is "all tax proceedings." What sort of tax proceedings? Income-tax proceedings, internal revenue tax proceedings, external revenue tax proceedings, or what sort of proceedings? In other words, it seems to the Chair that the language "all tax proceedings," if this amendment is to be considered germane, should be limited by some appropriate language so that it will be confined to the internal revenue provisions contained in this bill.

Mr. FREAR. Mr. Chairman, that could be obviated by the word "such" after the word "all." I am just offering this instead of reoffering the amendment in a different form.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to modify his amendment by inserting between the words "all" and "tax" the word "such." Is there objection?

There was no objection.

Mr. CHINDBLOM. Will the Chair yield to me for a moment?

The CHAIRMAN. Certainly.

Mr. CHINDBLOM. Will that limit the hearings and notices to the returns of corporations?

The CHAIRMAN. The Chair understands it limits them to the returns dealt with in this section. In view of the modification the Chair overrules the point of order and the Clerk will read.

The Clerk read as follows:

RETURNS TO BE PUBLIC RECORDS.

SEC. 257. (a) Returns upon which the tax has been determined by the commissioner shall constitute public records; but they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President: *Provided*, That the proper officers of any State imposing an income tax may, upon the request of the governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation, at such times and in such manner as the Secretary may prescribe: *Provided further*, That all bona fide shareholders of record owning 1 per cent or more of the outstanding stock of any corporation shall, upon making request of the commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries. Any shareholder who pursuant to the provisions of this section is allowed to examine the return of any corporation, and who makes known in any manner whatever not provided by law the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any such return, shall be guilty of a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

Mr. FREAR. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. FREAR: Page 100, strike out paragraph (a) of section 257 and insert:

"That when returns of any person shall be made as provided in this title, the returns, together with any correction thereof which may

have been made by the commissioner, shall be filed in the Treasury Department and shall constitute public records and be open to inspection as such, under the same rules and regulations that govern the inspection of other public records.

"All such tax proceedings and determinations subject to reasonable regulation shall be public, and an advance calendar of all hearings of contested tax rulings shall be open to the public."

The CHAIRMAN. The Chair calls attention to the fact that the Clerk read paragraph (a) and did not read paragraph (b). I think it may be well, if there is no objection, to read the paragraph (b), and then the amendment will be considered as offered at that point. Is there objection?

Mr. GREEN of Iowa. I think I shall have to object to that, because the gentleman from Virginia is to offer an amendment which I am prepared to accept. I do not think the amendment of the gentleman from Virginia would be in order if we proceed in that way.

Mr. SANDERS of Indiana. May I suggest to the gentleman from Wisconsin that his purpose can be served by offering the amendment as a full substitute for the paragraph, with a notice that if adopted he will move to strike out the second paragraph?

Mr. FREAR. Under the excellent suggestion of the gentleman from Indiana, which is phrased better than I could, I will accept it.

Mr. MOORE of Virginia. Mr. Chairman, I understand if the amendment offered by the gentleman from Wisconsin should not be adopted, I would have the right to offer an amendment to section (a) to perfect the paragraph.

The CHAIRMAN. The parliamentary situation is this: The gentleman from Wisconsin offers his amendment to paragraph (a) with notice that if adopted he will move to strike out paragraph (b). So if the amendment of the gentleman from Wisconsin is not agreed to, the gentleman from Virginia will be recognized to offer an amendment to paragraph (a).

Mr. DICKINSON of Missouri. Mr. Chairman, I want to indicate my approval to this amendment. If no such amendment has been offered, it had been my purpose to offer an amendment reading as follows:

Page 100, strike out lines 8 to 25, inclusive, and lines 1 to 12, inclusive, on page 101, and insert in lieu thereof the following:

"SEC. 257. Returns upon which the tax has been determined by the commissioner and settlements thereon shall constitute public records, and shall be open to extension under rules and regulations prescribed by the commissioner and approved by the Secretary."

An eminent authority often quoted in this House, Dr. Thomas S. Adams, who had been tax advisor of the United States Treasury from 1917 to 1921, made this statement:

What can be wisely done with the upper surtaxes is dependent upon what actually is done with respect to tax avoidance, and that no decision upon the upper surtaxes can be helpfully made until you have decided whether it is practicable to close the larger holes in the income tax.

In another letter addressed to the chairman of the Committee on Ways and Means he stated:

For one reason or another, but surely you will not close the holes.

And then again he said:

The vital fact is that they will be left open.

These big holes should be closed and, in my judgment, the way to close them is to make public the returns and settlement, so that those seeking to avoid income taxes will not be protected by the secrecy that now gives opportunity to conceal and avoid payment of the taxes for which especially those of large incomes are liable.

The upper surtaxes are now being largely avoided, he says. The holes are not closed. I commend the efforts in this bill to close some holes, but the large holes I fear will be left open, and I believe the remedy will not come until the returns are made public—avoid the secrecy that is thrown around these returns. Any discovery of false returns, if revealed by those handling the returns, is made a felony by statute, and the settlement by compromise and otherwise of large amounts involved in the returns of great concerns have been, I fear, in violation of the law. It has been charged that by reason of this secrecy that protects these settlements from disclosures that hundreds of millions of dollars have been lost to the United States Treasury. No official dares to reveal the wrong for fear of punishment. Turn on the light and fewer dishonest returns and settlements will be made, and fat fees for helping to rob the Treasury will cease. I want no further avoidance of payment of income taxes due the Government, and I hope before this bill becomes a law that an amendment for making public the returns, properly safeguarded, will be adopted and written into the bill. Let us have common honesty written into every law and not invite by unholy secrecy criminal conduct on the part of those whose duty it is to administer the law, and if those whose duty it is to make honest returns and honest payment of what is due the Government that safeguards at great expense the property of those most benefited by the Government.

It has been reported in the public press that millions of dollars have been lost by reason of the secrecy that surrounds the making of the returns. No man interested in the settlement dare disclose any settlement of return for fear he would subject himself to the penitentiary sentence and subject himself to the disapproval of those under whom he works. So he does by compulsion what he does not desire to do.

I only wanted in a brief way to state my approval of this amendment, and I may further extend my views in the RECORD.

Mr. MILLS. Mr. Chairman and gentlemen of the committee, the House of Representatives is blessed with a Member who knows probably more about income taxation and its practical workings than anyone but those who are professional experts or those theoretical experts who have had an opportunity to deal with tax administration in a practical way. Unfortunately he has been so busy with other duties that his services have not been available as an adviser either in the Ways and Means Committee or in the House. I speak of the Hon. CORDELL HULL.

Had those services been available I have no doubt that the bill as it stands to-day would be a much better bill.

On the matter of publicity of returns I am going to put in the RECORD, and read in part if the committee will give me the time, one of the most thoughtful and careful analyses made of this whole subject that I have ever read, which appears in a letter dated June 14, 1918, of Mr. HULL's, in which he reviews this question not only in so far as our own experience is concerned but in the light of the experiences of all countries and States that have tried an income tax. After reviewing their experience and after examining with care all of the arguments that have been urged here to-day and will be urged in favor of full publicity, Mr. HULL reaches the flat conclusion that the arguments against it far exceed in strength the arguments in its favor. He deals with it generally under four heads. First, he says publicity is not necessary to expose improper business practices because there are other governmental agencies charged with this duty, such as the Federal Trade Commission and the Department of Justice. He then goes on to point out that the practice in all other countries has been to keep income-tax returns secret. Then he takes up the history of the United States and points out that whereas on one or two occasions, notably in 1909 with the corporation income tax, we provided, first, that returns should be public; within a year it was decided that that practice was so undesirable that Congress reversed its position; that it has been the uniform practice not only in this country but in every other country to keep these returns secret. Finally, he takes up in connection with the argument that publicity is necessary in order to avoid fraud the experience of the States with reference to the administration of the personal-property tax, and he points out that every State in the Union has demanded full returns as to the personal property held by every taxpayer, has made those returns public, and has lamentably failed in every instance to collect the tax.

These, gentlemen, are not arguments of mine, but they are the arguments of the gentleman from Tennessee [Mr. HULL], and in view of his experience and judgment and knowledge of the law they are entitled to the greatest consideration on both sides of the House. What does Mr. HULL say? He says:

May I venture to offer limited comment on the subject of the publicity of income-tax returns, which course has been rather vigorously urged from time to time by certain phases of sentiment in the country?

Mr. WARD of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I am reading a letter of Mr. HULL's.

Mr. WARD of North Carolina. Just one question; what is the date of it?

Mr. MILLS. June 14, 1918.

Mr. WARD of North Carolina. Will the gentleman yield for a moment?

Mr. MILLS. I have very little time, and I want to get Mr. HULL's views before this committee.

Mr. WARD of North Carolina. I wanted to know if Mr. HULL knew then that the atmosphere was rife as it is to-day with charges of fraud, that a little bit of lifting of the lid would enable the Congress to peep into it and see——

Mr. MILLS. Oh, Mr. Chairman, I did not yield for the purpose of having the gentleman make a speech, and I want to say now, and I know that the committee will believe this statement, that I am not indulging in the usual trick of reading the opinion of a Member of the other party, made at another date, in order to accuse him or his party of inconsistency.

Mr. WARD of North Carolina arose.

Mr. MILLS. Mr. Chairman, I refuse to yield.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MILLS. Mr. Chairman, I ask unanimous consent to proceed for five minutes, so as to have the opportunity of presenting Mr. HULL's views.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLS. And I want to say, gentlemen, that I am offering this letter of Mr. HULL, because, so far as I know, it represents the most comprehensive and the most mature and careful analysis of this situation that has ever come to my attention. That letter is as follows:

APPENDIX A.

PUBLICITY OF INCOME-TAX RETURNS.

WASHINGTON, D. C., *June 14, 1918.*

MY DEAR SIR: May I venture to offer limited comment on the subject of the publicity of income-tax returns, which course has been rather vigorously urged from time to time by certain phases of sentiment in the country? I am not quite sure whether the chief reason advanced is that publicity would secure fuller and more accurate returns of taxable income, or whether it is based on the desire which has manifested itself more or less during recent years for unrestricted publicity of the affairs of business generally to the end that any improper trade policies, methods, or conduct might be exposed.

If the demand for publicity rests on the former ground, I should like to set out some of the points of the opposing views; if it rests on the last ground, without regard to the effect of publicity on the success of the tax, I should like in this connection to suggest that, however desirable and necessary this character of publicity may be—and I strongly favor it to the fullest extept suggested by the public interest—the plan should not be coupled with and made a part of the general tax law unless it were calculated to sustain, rather than materially to injure the operation of, the tax law.

Attention may be called to the enactment of the Federal Trade Commission act, one of the prime purposes of which was publicity of the inner affairs, private-trade methods, trade practices, and conduct of business concerns whenever deemed to be in the public interest. This act, however, imposes penalties on any officer or employee of the Federal Trade Commission for divulging any facts of this character developed by the commission, unless first authorized to do so by the commission itself. The commission is only authorized to make public such portions of the information obtained by it "as it shall deem expedient in the public interest," and it is entirely prohibited from making public "trade secrets and names of customers." The report of the commission after an investigation of a business concern on charges of antitrust practices can only be made public in the discretion of the commission. It will thus be seen that careful restrictions against any general publicity are contained in the law, one of the underlying purposes of which is to expose to the condemnation of the public and, by appropriate official proceedings, to curb certain business practices, methods, or conduct, including that prohibited by antitrust and other legislation.

What is, or at least what should be, the main ground on which the policy of publicity of tax returns is urged is to secure fuller and more accurate returns of taxable income. The controlling purpose of any tax statute designed to secure a large revenue yield should be such satisfactory and effective administration as would secure the maximum yield, and no other plan or purpose should be allowed materially to hamper or handicap the law operating to this end.

In the abstract and at the first blush it seems most natural that these tax returns might or even should be subjected to any and every kind of publicity at all times. Assuming, as I have, that the Department of Justice, the Federal Trade Commission, and numerous other governmental agencies and authorities have been given ample statutory authority to deal effectively with any and all acts, trade practices, methods, or other conduct on the part of any citizen or business concern which the Federal laws have thought it wise to suppress or prevent. I have investigated and reached my individual conclusion with respect to the proposed general publicity of income-tax returns solely from the standpoint of the most satisfactory and successful administration of the income tax law and the securing of the largest possible yield of revenue. Viewed from this standpoint, I have been unable to bring myself to the conclusion that publicity would secure the most desirable revenue results. I may first refer to the experience of some governments which have tried out income taxation for the longest periods. England, after 75 years' experience with her present income tax law, retains her policy of keeping the results secret. There is no demand from any source, so far as I am advised, for publicity of English income-tax returns. Holland retains secrecy under her income tax law, which has been in operation some 25 years. Denmark pursues the same policy of secrecy under her income tax law, in operation for 14 years; Austria pursues the same policy under her law, enacted some 75 years ago; Canada's recent income tax law contains the same provision; France in her recent law has some form of secrecy, the exact nature and extent of which I am not definitely informed. This policy of these different countries, after many years' trial, is controlled entirely by the question of the most satisfactory administration and the largest revenue yield of their respective laws. They evidently have not felt justified in allowing considerations of collateral or other government policies, however strongly and plausibly urged, to effect a change of this policy.

Let us now turn to the United States. The first Civil War income tax acts did not prohibit publicity. The Commissioner of Internal Revenue early recommended a provision of secrecy to Congress. This was disregarded, however, until the income tax act of 1870 was enacted. A lengthy debate on this act occurred in Congress, during which Garfield referred to one feature of the income tax "which has made it very odious in many parts of the country," namely, publicity of returns. The outcome of the discussion was the insertion of a provision in section 11 requiring secrecy, and it became a law. The view on which this provision was inserted was that it would meet the complaint that income tax laws are inquisitorial, and also that publicity often discloses secret trade processes, methods, etc., even though ever so legitimate, and that therefore a taxpayer would be more encouraged to make a full and complete return when he had the assurance that his trade secrets, processes, etc., would not be exposed to his competitors.

The strength, stability, and perpetuity of the income tax is based on the rather fixed opinion among the people generally that in both theory and practice it accomplishes relative fairness among the taxpayers more accurately than any other tax method thus far devised. Both now and after the war it is extremely vital that a tax method productive of a larger revenue than any other should be safeguarded by the most effective means. Whatever may be thought or said to the contrary, there is a phase of human nature which while entirely willing to make full and complete returns of income and pay taxes accordingly in the belief that all taxpayers are receiving equitable treatment is at the same time utterly averse to the idea or general publicity of private business methods and private business affairs. The States and the Federal Government can provide for investigations and full publicity of business methods, practices, and affairs generally by separate enactment, as has already been done to a measurable extent. Publicity at this stage, when business conditions and methods have become far more complicated and consist of a far greater variety than those in existence during and following the Civil War period, would be resented by the taxpayer to a correspondingly greater extent than it was during the operation of the Civil War acts. I strongly favor any and every kind of publicity needed with respect to all phases of our financial, commercial, and industrial activities, but I think it unwise in the light of almost universal experience in the past to discredit or break down the income-tax system or seriously jeopardize it by utilizing this law instead of some separate law or laws for publicity purposes.

The Federal income tax act of 1894 in section 34 reenacted section 3167 of the Revised Statutes, containing secrecy of returns, and without special opposition, so far as I now recall. In this connection it is my recollection that when this act was declared invalid by the Supreme Court the Treasury directed that all income-tax returns on file be burned. The Federal corporation excise act of 1909 contained a provision that the returns filed in the office of the Commissioner of Internal Revenue should constitute public records and be open to inspection as such. It was soon deemed wise in the interest of the more successful administration of the law to adopt secrecy, with the result that an appropriation bill which passed Congress in June, 1910, among other things provided that these corporation excise-tax returns should be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President. The Treasury later in the year issued a regulation, which the President approved, restricting inspection of these returns virtually to certain officials of the Government under certain conditions and to stockholders of a given corporation which had filed its return. This regulation also provided that returns could only be inspected in the office of the Commissioner of Internal Revenue. This policy of secrecy was followed without particular objection or complaint until the repeal of the law.

The Federal income tax act of 1913 contains secrecy as to individuals, but allows inspection of corporate returns upon the order of the President, under rules and regulations prescribed by the Treasury and approved by the President, which was the same provision as that contained in the amendment to the corporation excise act of 1909. It contained the additional provision, however, that the proper officers of any State imposing a general income tax may, upon the request of the governor, have access to said returns or to an abstract thereof showing the name and income of each corporation, at such times and

in such manner as the Secretary of the Treasury may prescribe. The President accordingly approved a Treasury regulation under the act of 1913 for the benefit of State officials whose States have a general income tax law. This regulation also allowed Federal officials and stockholders to make inspections under certain conditions very similar to the Treasury regulation allowing inspections under corporation excise act of 1909. The States, however, are only allowed, I believe, to secure the name of the corporation and its income. The character and extent of publicity of income-tax returns above described practically represents the present policy of publicity of the Federal Government under existing income tax law.

Wisconsin has the most moderized, successful, and comprehensive income tax law of any State. It contains a provision requiring secrecy of returns. A new, progressive income tax law of Massachusetts requires secrecy except as to the name and address of the taxpayer. It will thus be seen from the proven experience of foreign countries, of our Federal Government, and of the States, which have had the most successful revenue producing income tax laws and which have been able most successfully to overcome the objection of inquisitorialness, that secrecy of returns has been found essential to this result.

Another consideration and object lesson which arises in connection with the publicity proposal under our Federal law relates to the general property-tax systems in most of the States. It is a fact generally recognized that the general property-tax systems of most of the States have measurably broken down in their administration, with the result that personalty, and especially intangible personalty, almost entirely evades or avoids taxation. Some of the States, such as Connecticut, New York, Pennsylvania, Maryland, and New Hampshire, have always maintained the widest publicity of tax returns under their general property-tax systems, but this system has fallen down just as rapidly and extensively in those States as it has in other States where publicity was not practiced or permitted. This experience of the States with publicity proves, at least, that it was powerless to increase or even maintain the revenue yield, or to prevent the breaking down of the laws. This experience but illustrates that phase of human nature which discourages and gives but little credit to the informer, no matter how good or worthy his intentions. No tax or penal law the successful operation of which is dependent upon facts voluntarily furnished by informers, with or without pecuniary reward, can expect more than a precarious existence.

With respect to the question of securing information, the present income tax law specifically requires, under severe penalties, every citizen who has personal knowledge of the receipt of income by his neighbor or another citizen, by reason of having paid it, to transmit such information in writing to the Commissioner of Internal Revenue, in all cases where the amount of fixed income exceeds $800, and in case of interest from corporate bonds without regard to amount. This provision, therefore, really provides for and requires all direct information, except what might be rumor or hearsay, save as to isolated items or as fixed income under $800.

There is still another condition arising from the operation of the present general property-tax systems of the States which should be considered by the Federal Government in determining the policy of publicity. It is a well-known fact that when a citizen undertakes to make a full return of his property at its full value the present general systems of the States impose a most severe penalty on his honesty by levying practically confiscatory rates, which amount to near 40 per cent of his income on the average. The result is that most citizens in the various States by general consent give in their real property at figures substantially below its value and their personality, on the average, at almost a nominal value. The tax rates of the States are now almost confiscatory when applied to full values, for the reason that they have been raised to considerable heights in order to secure adequate revenue from greatly scaled valuations of property which the citizens are now in the habit of giving in for taxation. From past experience it would appear but natural that if the citizen should make a full and complete return of his income for Federal taxation this would be equivalent to making a like full return to his State in many cases, and the result would be that he would undertake to make the same inadequate return to the Federal Government that he now makes to the States rather than to have the full value of his property subjected to the present practically confiscatory rates of the States. If it would assist the States in rehabilitating their present general property-tax systems and equalizing their tax burdens under these systems, I should strongly favor any reasonable sacrifice on the part of the Federal Government in aiding to bring about this situation; but if instead of revitalizing and putting into successful operation the grossly inequitable and broken-down general property-tax systems of the States, the effect of publicity would be likewise to discredit and more or less break down the Federal income-tax system, I am unable to discover any advantage or benefits which could be reaped either by the States or the Federal Government from such course.

Whenever the States reform their general-property tax systems, or whenever they adopt general income tax laws similar to the Federal law, there could and should be the fullest and freest cooperation between the States and the Federal Government in the successful administration of their respective laws, just as there is cooperation now with respect to State and Federal income tax on corporations.

My individual opinion is that the only effective method by which either the States or the Federal Government will ever be able to reach for taxation in full measure the income from personalty, and especially intangible personalty, will be under a system of so-called collection or retention at the source.

In conclusion I may call attention to the course of the Treasury Department under authority now given it by statute to compile and make public income-tax statistics. Under this statute the Treasury will give amount of the individual and corporate income as a whole, by States, by industries, by classifications as to the number of taxpayers, amount of income and taxes paid as to classes of individuals, the percentage of the income of each to the total amount, as well as the percentage of taxes paid to the total, etc. This information, which will come out annually as to each preceding tax year, should meet practically every requirement, expectation, or desire of the public in considering and dealing with economic conditions, apportioning the tax burdens, and properly curbing or regulating any practice, method, or conduct of general business or any class of business.

Very respectfully, CORDELL HULL.

Mr. Chairman, I wish we were not going to vote on this matter at this time. I wish the matter could go over until tomorrow, so that every Member of this House would have the opportunity of reading this letter in full, and when he weighs in his own mind the arguments made by Mr. HULL against this proposition, with the advantages which may be urged in favor of it, I think he will reach the same conclusion as the gentleman from Tennessee.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Certainly.

Mr. GARNER of Texas. Would the gentleman enlarge upon any of the opportunities now existing in the law in the matter of ascertaining what these returns are?

Mr. MILLS. Let me say to my friend from Texas that in so far as the making of revenue laws is concerned, we have all of the information needed in the way of statistics. The income tax paid by any particular individual is not the kind of information which you need in framing a revenue law. The information which you need is the information with reference to great classes of individuals and the kind and character of their incomes. I am inclined to believe that the information in the case of a single individual frequently might do more harm than good by arousing perhaps the kind of prejudice to which human minds are open, and lead people to frame general laws to meet the necessities of individual and exceptional cases.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MILLS. Mr. Chairman, I ask unanimous consent to insert in the RECORD this letter of Hon. CORDELL HULL, dated Washington, June 14, 1918, appearing in the CONGRESSIONAL RECORD of September 10, 1918, on page 10167.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by the inclusion of the letter mentioned. Is there objection?

Mr. BROWNE of Wisconsin. Mr. Chairman, reserving the right to object, to whom is the letter addressed?

Mr. MILLS. It does not appear. It comes at the end of a speech of Mr. HULL's, and is labeled "Appendix A. Publicity of income tax returns."

The CHAIRMAN. Is there objection?

Mr. RANKIN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Mississippi reserves the right to object.

Mr. RANKIN. I would like to know the number of that page.

Mr. MILLS. It is on page 10167.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. GARNER] is recognized.

Mr. GARNER of Texas. Mr. Chairman, if I could not get anything else but what the gentleman from Wisconsin [Mr. FREAR] has offered, I would accept that rather than the present law.

I want you to understand my position with reference to this matter, and I think I speak the position of the Democratic side of the House, on behalf of the Committee on Ways and Means, when I say that we hold that we are entitled to an opportunity to examine some of these returns in the Treasury Department. We regret—and I speak on behalf of the Democratic side of the Committee on Ways and Means—we regret

exceedingly that Mr. HULL has not been able to give his assistance to the Democratic members of the Committee on Ways and Means or to the entire Committee on Ways and Means in the preparation of this bill. I regret it. If he were here I think the gentleman from New York [Mr. MILLS] would get some kind of publicity with regard to these details. I can not speak for Mr. HULL, but my opinion is that he would now say that conditions are such that he thinks we ought to have an opportunity to examine the returns.

Mr. FREAR. At the time Mr. HULL read the letter the surtax was only 13 per cent, whereas now it is 50 per cent. That letter was written in June, 1918, five years ago.

Mr. GARNER of Texas. I do not think that simply because one may be a Republican or a Democrat you are assuming a different viewpoint. In my humble judgment, if you give publicity to these returns—and they could be properly guarded—it would result in the saving of $50,000,000 a year to the Treasury. I said in the House in opening the debate on this matter that I thought a committee of this House could be trusted in this matter, and, as you will recall, I said that if any committee of the House or of the Senate passed a resolution that requested the Secretary of the Treasury to supply these returns, that request ought to be granted. But under the present law you could not do it. Under the present law, if this House passed a resolution requesting the Secretary of the Treasury to send the returns of JOHN N. GARNER to Congress, he could not do it without violating the law. The law tells him that he can not send it to the House of Representatives without the direction of the President of the United States. So the House of Representatives itself has not the power to get these returns. Now, I think the House of Representatives ought to have the power to ask the Secretary of the Treasury for these returns and get them.

Mr. SANDERS of Indiana rose.

Mr. GARNER of Texas. I will yield later to the gentleman.

Mr. SANDERS of Indiana. I want to ask the gentleman a question to correct the impression that there was a high surtax at the time Mr. HULL read the letter. The letter was written in September, 1918, when we had the highest surtax we ever had. I think the gentleman from Wisconsin was under a misapprehension.

Mr. FREAR. The gentleman from New York [Mr. MILLS] stated to the House that this letter was written in September, 1918. It was in June, 1918. He may have been mistaken when he said it was September.

Mr. CHINDBLOM. He used it in the House in September; in debate in September.

Mr. GARNER of Texas. Oh, that is the difference between tweedledum and tweedledee. When CORDELL HULL read that letter in 1918 the situation was different. I will say that Mr. HULL of Tennessee would not say that the House ought not to have the right, by solemn resolution passed, to have returns existing in the Treasury Department furnished to it. Do you believe that the Committee on Ways and Means, whose duty it is to report revenue bills, if the House had passed a resolution to that effect, ought not to have the right to secure the returns of the 100 largest taxpayers in the United States? Would not the gentleman from New York [Mr. MILLS] agree that we should have the right to have the returns from 100 largest corporations in the United States? We can not do that now. I say that Mr. MILLS and the Treasury Department are somewhat estopped, gentlemen, from coming in and saying that you ought not to do this or that, when they decline to give us an opportunity to acquire the means of publicity. I feel on that question very much as I felt with respect to the amendment offered by the gentleman from Texas [Mr. BLANTON] when he sought to provide no one should be allowed to practice in the Treasury Department until two years after he had left the department. I do not want to legislate on that subject, but I think the Congress has as much right to legislate on that as the Secretary of the Treasury has to regulate that. It ought not to be done by a regulation. I do not think this country should be run by rules and regulations except those made by Congress. [Applause.]

The Secretary of the Treasury declines to help us in this matter. The Secretary of the Treasury declines to afford us opportunity for any publicity, so that we must take what we can get. The gentleman from Wisconsin [Mr. FREAR] has suggested a publicity plan. I would like to compromise the matter. So far as I am individually concerned, I would like to have a provision inserted in this bill telling the Secretary of the Treasury that when any committee of the House or the Senate inquire about tax returns in the Treasury it would be his duty to send it to them.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. GREEN of Iowa. Speaking in my own behalf alone—I have not had time to consult the committee—I am ready to agree to that.

Mr. GARNER of Texas. Very well. If we can get that kind of an amendment, it is a good suggestion, and I am willing to take that in lieu of the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and all amendments thereto close in 10 minutes. The question is on agreeing to that motion.

Mr. GREEN of Iowa. I will ask to have it made 15 minutes.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield for a moment?

Mr. GREEN of Iowa. Yes.

Mr. GARNER of Texas. If the gentleman is in earnest—I know he was in earnest—and wants to select one as between two propositions, one with publicity and one with no publicity, he had better prepare an amendment which will provide that any committee of the House or Senate may call for any papers they want on income-tax returns. The gentleman from Virginia [Mr. MOORE] has an amendment for supplying the Committee on Ways and Means of the House and the Finance Committee of the Senate.

Mr. TILSON. Why should it apply to any other committees?

Mr. GARNER of Texas. Can you not trust any other committee in the House? I do not want to be selfish enough to think I am the only patriotic Member of the House.

Mr. TILSON. But you are a member of the only committee that deals with this subject.

Mr. GARNER of Texas. Let me say to the gentleman that the Committee on Expenditures in the Treasury Department might gain a good deal of information by looking at these papers.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. SANDERS of Indiana. Mr. Chairman, a parliamentary inquiry.

Mr. GREEN of Iowa. Mr. Chairman, my motion was to close debate on this amendment, and not on all amendments.

Mr. SANDERS of Indiana. Mr. Chairman, the parliamentary inquiry I wanted to submit was whether the Chair was putting the question just as the gentleman from Iowa had propounded it. I understood the gentleman's motion to be directed simply to the Frear amendment, while I understood the Chair to put the question on the Frear amendment and all other amendments.

The CHAIRMAN. The Frear amendment and all amendments to the Frear amendment.

Mr. GREEN of Iowa. That is all right.

The CHAIRMAN. The gentleman from Iowa moves that all debate on the Frear amendment and all amendments thereto close in 15 minutes.

The question was taken; and on a division (demanded by Mr. JACOBSTEIN) there were—ayes 80, noes 40.

So the motion was agreed to.

Mr. RAYBURN. Mr. Chairman, may we have the Frear amendment read for information before we go any further?

The CHAIRMAN. Without objection, the amendment will again be read.

The Clerk read as follows:

That when returns of any person shall be made as provided in this title the returns, together with any correction thereof which may have been made by the commissioner, shall be filed in the Treasury Department and shall constitute public records and be open to inspection as such, under the same rules and regulations that govern the inspection of other public records. All such tax proceedings and determinations, subject to reasonable regulation, shall be public, and an advance——

Mr. GREEN of Iowa. Mr. Chairman, that last paragraph is not being submitted at this time, as I understand.

The CHAIRMAN. Yes; that is a part of the amendment.

The Clerk continued to read as follows:

and an advance calendar of all hearings of contested tax rulings shall be open to the public.

The CHAIRMAN. The gentleman from Missouri [Mr. HAWES] is recognized.

Mr. HAWES. Mr. Chairman and gentlemen of the committee, this amendment proposes that in order to secure the punishment of 100 or 500 crooks making dishonest tax returns the private affairs of 6,000,000 people shall be published to the world. It violates every idea of Anglo-Saxon fair play. [Applause.] It destroys the old theory of the right of castle.

A man is entitled to some privacy. My mind is not upon the mighty rich; my mind is upon the man with an income of $5,000, $10,000, or $20,000. Let us all remember that in this Nation of 115,000,000 people this tax is only paid by approximately 3,500,000.

What is to prevent a lawyer in the practice of his business from being attacked by a man who never made an honest dollar in his life? Some outcast in a community to be permitted to inquire into his private affairs and find out what his fees are, what the lawyer's fees are, what the doctor's fees are, what the little corner merchant makes, and what the farmer made off his load of hogs. I do not care about the mighty rich; none of them live in my district; but I do care about the privacy of the home and the privacy that brings the money to support the home.

It seems we are having a new government in America. It seems that Wisconsin rules the House. [Applause.] And Wisconsin rules the Senate—mighty Wisconsin. Well, I will not follow the lead of Wisconsin when it goes into the privacy of the home. [Applause.]

The frontiersmen who crossed the ocean and built their cabins in this land put doors and windows in their homes in order that they might sleep and rise and dress in privacy. Some privacy must attach itself to the business of a man and to his occupation. Income-tax returns are subjected to the closest scrutiny by United States officials, and men who make false returns may be punished and sent to the penitentiary for making false returns. But if we are going to start in here to-day and have those who make no returns pry into the privacy of the home or the place where the funds come from that make the home, then democracy has been struck a powerful blow.

I am not one of those who want to restrict the power of Congress to investigate false returns. I agree with my friend from Texas and I agree with my friend from Iowa that there should be some congressional method found to examine these returns, but I am not willing that every gossip on the corner, every scold in the village, and every nuisance in the neighborhood should be permitted to go into the private affairs of the men and women of this land. It should not be permitted, and it can not be done without striking a fatal blow to our theory of government. [Applause.]

Mr. BROWNE of Wisconsin and Mr. LOZIER rose.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BROWNE] is recognized.

Mr. BROWNE of Wisconsin. Mr. Chairman, I noticed that my distinguished Democratic friend received a great deal of applause from the Republican side of the House and from those who have been ardent supporters of the Mellon plan. But knowing the political antecedents of my friend from Missouri, I am glad to say that if I am going to pick out a Democrat and great Missourian to follow I would rather pick out the gentleman who preceded him, Judge DICKINSON, and who spoke in favor of this publicity of income-tax returns.

Let us look at this proposition a minute. Over 80 per cent of the people of the United States pay no income tax. What kind of a tax do they pay? They pay a tax on real estate and on personal property. Eighty per cent of the money that is raised, and more than that, in the United States from taxes comes from personal property and real estate.

Do these people, this 80 per cent of the population of the United States, have any secrecy about their tax returns? No. Their property and tax returns are an open book, and anyone in that locality can go to the town treasurer, to the county treasurer, or to the State treasurer and find out exactly how much his neighbor is paying, what he pays on, and all about it. There is no secrecy at all and no privacy. And yet when you come to the 20 per cent who do pay income taxes you say there must be secrecy. Why should there be secrecy in one case and not in the other?

Now, we know the arguments which have been presented here against the high surtax and an excess-profits tax. The argument has been that these people would not give in their full income; that they would falsify their returns; and that we would get more money by having a small surtax than we would get by having a large surtax, because of the many ways that the wealth of the United States might invent to get out of paying high surtaxes. That is just the reason why we should have publicity, and I want to say in regard to publicity that publicity in this case would bring in, as my friend from Texas [Mr. GARNER] said, over $50,000,000 a year more income taxes, but I think that is a very small estimate.

Now, in governmental matters the people are demanding that we have more publicity than we have been having. The Senate of the United States, just a few days ago, instead of having a secret executive session when they were considering the men the President had appointed to prosecute the oil grafters, opened its doors so that everyone could see what they were doing, and that is what the people of the United States want. They want all the doors of the Government opened and no secrecy in any department of Government. Just the other day, when a distinguished United States Senator got into a controversy with the Secretary of the Treasury, the Secretary of the Treasury went into the secret income returns there and made the income returns of this Senator public. He, of course, had access to all the income returns and he used the information and made it public. Why give him any more rights in making these facts public than the rest of the people of the United States? Why did not the Secretary of the Treasury give the same publicity to his own income returns?

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BROWNE of Wisconsin. I can not yield for a moment.

Mr. CHINDBLOM. That is not quite true.

Mr. BROWNE of Wisconsin. I have a statement right here made in regard to that by the distinguished Senator from Michigan, wherein he said:

> Nor did I make any reference to the sale of any particular stock I had, and yet the Secretary of the Treasury has violated the law to the extent of going to the records of the Treasury Department to ascertain from confidential records my individual and personal business, something that no other public officer can get and would have no right whatever, if he did have it, to disclose to the public.

Mr. CHINDBLOM. Now, will the gentleman yield?

Mr. BROWNE of Wisconsin. A Senator of the United States or the Senate of the United States could not go to the Treasury and look at a single income-tax return, or get the same information. Yet the Secretary of the Treasury took these secret returns of this Senator and made them public.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FREAR and Mr. JACOBSTEIN rose.

The CHAIRMAN. The gentleman from Wisconsin, a member of the committee, is recognized.

Mr. FREAR. Mr. Chairman, first addressing myself to the remarks of the gentleman from New York who read a letter from Mr. HULL, as I stated at that time, in June, 1918, the time it is claimed the letter was written, there was a 13 per cent surtax which was afterwards raised to 65 per cent. This was in 1918, about the time they were drawing the new law. But that is not the serious question. Gentlemen on both sides of this House have risen here to show the fraud discovered since then; to show the dishonesty discovered by the department since then. This has all been shown recently, and you would bring back, for our guidance, a letter written in June, 1918, to determine a question of this importance, in view of all the tax-free security exemptions that have occurred; in view of all the other questions we are trying to reach in this very bill, judged by our experience since 1918.

Mr. MILLS. Will the gentleman yield?

Mr. FREAR. Just for a brief question, because I do not want to take up too much time.

Mr. MILLS. Will the gentleman cite a single fact showing dishonesty in returns?

Mr. FREAR. Will I show a single fact? That is the very point. Not a Member of this House can. Our hands are tied. We do not know a thing about the records of the department, but we do know that $100,000,000 and more was refunded to various people. We do know that if you will look at Mr. Sully's statement in this week's Saturday Evening Post you will find he cites case after case where the Government was being defrauded and it was later discovered.

Mr. NELSON of Wisconsin. Will the genteman yield?

Mr. FREAR. Yes.

Mr. NELSON of Wisconsin. Does the gentleman know that before the Committee on Rules now we have inquiries by leading men of both parties, especially our friend the gentleman from Alabama [Mr. JEFFERS], asking us to give them the right to look into the returns of Doheny and Sinclair and their corporations and all that sort of thing? No wonder we are not to look into these things. Why should we not look into all of them? [Applause.]

Mr. FREAR. I am anxious not to disturb the condition of the farmer who has got the hogs that my friend from Missouri [Mr. HAWES] is trying to protect. We do not want to injure

the farmer, by any means, but I will say for the State of Wisconsin in response to the conclusion of the gentleman from Missouri [Mr. HAWES], that when it comes to the soldiers' bonus, or when it comes to the Mellon bill, or when it comes to any proposition of that kind, we can not stand with the gentleman from Missouri. Our training has been different. All of our views of life are different from his, I fear. We want publicity now. We want to know these men who have been defrauding the Government. We want to be able to get at these records. We want to see what they are. We have not any fears that the average man is going to be disturbed. There are over 3,000,000 people, as the gentleman said, who make returns, and there would probably only be several hundred of them, in all, examined, but if some of them have been defrauding the Government we want to know about it, and we wish to discover means taken legally to escape taxes, in order to stop the gaps.

I want to suggest one thing for the attention of the committee. When we made our argument on stock dividends, and I stood for that because I thought it was right, some of the gentlemen split up. Later, when it came to undistributed profits, which reached the same end, or when I ask for a real publicity provision, they say, "Oh, let us give it to some committee." Why not give real publicity, just as was proposed in the Senate? Why not have these records made open to the public? This is a most important branch of the Government. I have here a letter from the governor of my State, where we have full publicity, and I will read a portion of his letter:

I have not any doubt but that the effect of the publicity of income-tax returns will indicate more accuracy in making returns and an increase in the returns, not only as to amount but also as to number, as inquiries are already being made whether or not certain parties have made their income-tax returns.

The governor says that is the probability. Of course, that is all he can speak about and he is very fair about it, but he believes from the letters that he has received that there are going to be more who will file tax returns.

Who files tax returns to-day? Who knows about it? Only the men who are sent out as investigators. We will assume, for the sake of argument, they are perfectly honest and fair, but we do know that when men have their records made public, as they have to-day in personal property and in all other tax matters, they are going to be more careful. I concede, for the sake of argument, that personal-property tax has gone out of existence, but it went out of existence when the income tax was made a substitute for it, not only in the States, but now by the Federal Government. We are trying to collect money to run the Government, and we are trying to determine here the question of surtax, which is an important point, and my only request is to ask you gentlemen to vote for a real publicity proposition.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired, and the question is on the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

The question was taken; and on a division (demanded by Mr. FREAR) there were 78 ayes and 133 noes.

Mr. FREAR. I demand tellers, Mr. Chairman.

Tellers were ordered, and the Chair appointed as tellers Mr. FREAR and Mr. HAWLEY.

The committee again divided; and the tellers reported that there were 80 ayes and 158 noes.

So the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. MOORE of Virginia: Page 100, line 12, amend section 257 (a) by inserting, on page 100, after the word "President" and the colon, in line 12, the following additional proviso: "*Provided*, That any standing or special committee of the Senate or House or any joint committee of the Senate and House shall have the right to call on the Secretary of the Treasury, and it shall be his duty to furnish any data of any character contained in or shown by the returns, or any of them, that may be required by the committee, and any such committee shall have the right, acting directly as a committee or by and through such examiners or agents as it may designate or appoint, to inspect all or any of the returns at such time and in such manner as it may determine. And any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or to the House, or to both the Senate and House, as the case may be."

The CHAIRMAN. Let the Chair understand; paragraph (b) has not yet been read. Does not the gentleman think that paragraph (b) should be read?

Mr. MOORE of Virginia. I have no objection, if I do not lose my rights.

Mr. GREEN of Iowa. I think the gentleman would lose his rights.

Mr. GARNER of Texas. The amendment only refers to paragraph (a).

The CHAIRMAN. The Chair thinks it is sufficient as it stands.

Mr. GREEN of Iowa. Does the gentleman from Virginia desire recognition?

Mr. MOORE of Virginia. I think we are ready for a vote.

Mr. GREEN of Iowa. Then, Mr. Chairman, I desire recognition. The House will observe that this is not what I agreed to, and I want to offer an amendment to it. I offer the following amendment:

In the Moore amendment, beginning with the words "any standing or special committee," I move to strike out the words "any standing or special committee of the Senate or House, or any joint committee of the Senate and House," and insert "the Ways and Means Committee of the House or the Finance Committee of the Senate."

The CHAIRMAN. The gentleman from Iowa offers an amendment to the amendment, which the Clerk will report:

The Clerk read as follows:

Amendment to the amendment: Strike out the words "any standing or special committee of the Senate or House, or any joint committee of the Senate and House," and insert in lieu thereof "the Ways and Means Committee of the House or the Finance Committee of the Senate."

Mr. WATSON. Will the gentleman from Iowa yield?

Mr. GREEN of Iowa. Yes.

Mr. WATSON. Is it understood that this is an individual amendment or comes from the committee?

Mr. GREEN of Iowa. Oh, no; this is an individual amendment. Mr. Chairman, as the amendment of the gentleman from Virginia is now offered it is not what I expected, although the gentleman had a perfect right to change it. In my judgment it would be practically as bad as the amendment that has just been voted down. All that is necessary in order that the tax laws may be reformed, if necessary at all, is to give the two committees who have charge of tax matters the right to call for these returns and pass upon them after they receive them. If every committee of the House can call for these returns and scatter them around through the House, everyone knows that they will become public property.

The amendment of the gentleman from Virginia differs in its effect but very little from the amendment offered by the gentleman from Wisconsin [Mr. FREAR]. I do not consider it necessary to take much time, for I consider the amendment very objectionable and subject to the same criticism as was made against the amendment of the gentleman from Wisconsin.

Mr. HOWARD of Nebraska. Will the gentleman yield for a question?

Mr. GREEN of Iowa. Yes.

Mr. HOWARD of Nebraska. I want to ask a question for information. I want to know—suppose this House shall be investigating in a few days now some of the legislative irregularities in the Department of the Treasury with reference to income-tax returns and a special committee from this House should desire information. Under the amendment offered by the chairman of the Ways and Means Committee that would be entirely out of order, and we would have to get it through the chairman of the Committee on Ways and Means.

Mr. GREEN of Iowa. No; it would go through the President. I think that is perfectly proper, and I have never known of an investigation before the House——

Mr. MOORE of Virginia. Have we ever gotten any special information of a return through the President?

Mr. GREEN of Iowa. We never asked for it. We have obtained it when needed.

Mr. MOORE of Virginia. No; he speaks through the Secretary of the Treasury, and we do not get it from the Secretary of the Treasury.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. YOUNG. Such a special committee could get special authority in the resolution that creates the committee.

Mr. GREEN of Iowa. Moreover, I would say that we have on several occasions gotten specific information with reference to returns made from the Secretary of the Treasury in a number of instances.

Mr. CASEY. Is not the effect of the gentleman's amendment under the practice now that the majority members of the Ways and Means Committee can get this information by barring the

minority out and the minority will never get the facts or the views of the Secretary of the Treasury?

Mr. GREEN of Iowa. No; and the gentleman knows that that is not the fact. The minority members of the Ways and Means Committee have been able to get just as much information as I have.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate upon this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Iowa that all debate upon this amendment close in 15 minutes.

Mr. JEFFERS. Mr. Chairman, I move to amend the motion and make it 30 minutes instead of 15 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Alabama to amend the motion of the gentleman from Iowa by making it 30 minutes instead of 15 minutes.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the motion of the gentleman from Iowa to close debate in 15 minutes.

The motion was agreed to.

Mr. GARNER of Texas. Mr. Chairman, I desire only two minutes, and then I want to give the remaining three minutes of my time to the gentleman from Missouri [Mr. LOZIER], if I may. I think I am as egotistical as any man in this House in believing that I serve on the best committee in Congress, but it is not the only committee in Congress. I think there are other committees that we can trust. I am not afraid to trust the Congress. You do not want to trust the public, you do not want to trust the newspaper men to look into these returns, but can you not trust the Congress? Can you not trust the committees that we make up? If you can not, for God's sake what can you trust? Do you want to reflect on yourselves by refusing another committee of the House the same privilege that you would ask for yourself? It is a serious matter to me that you should select one committee of the House of Representatives and one committee of the Senate in which you can place implicit trust, and at the same time say that you can not trust any other committee in the Senate and in the House.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. CRISP. Is not this true, that under this amendment there is this check and safeguard that the individual members of these committees can not get this information, but the committee by a majority vote has to act before it can be obtained?

Mr. GARNER of Texas. They not only have to act, but the papers have to be sent to them, and if they are patriotic, wise men, as I hope and believe they are, they will see that the taxpayer does not suffer through any negligence on their part. It is preposterous to me that you say to the House of Representatives, "I can not trust any committee except the Ways and Means Committee; that is the only committee I can trust to get papers from the Treasury Department." I am not willing to do that, although, like my friend from Iowa [Mr. GREEN], I think it is a very important committee and can be trusted. I think other committees of the House can be trusted. It does not seem to me that this is acting in good faith. I voted against the Frear amendment. I want to be careful, I want to be cautious, about what I do in this bill. I have repeated that several times. I want to be careful about the amendments that I put on the bill, and I am unwilling to put an amendment like the Frear amendment on the bill. No one can object to this amendment. I understood that the gentleman from Iowa [Mr. GREEN] would accept the proposition I made when I was on the floor of the House, as a compromise.

The CHAIRMAN. The gentleman from Texas has occupied two minutes.

Mr. GARNER of Texas. Very well.

Mr. LOZIER. Mr. Chairman, I am a new Member and conscious of my limitations, but I have the ordinary powers for observation and reflection, in the exercise of which I am irresistably forced to the conclusion that nine-tenths of the time consumed in the consideration of this revenue bill has been spent in an effort to devise ways and means by which the swollen wealth of this country can be required to pay its just proportion of our national taxation. It is a sad commentary on existing conditions when practically all the debate on a revenue bill must be given over to devising methods to stop the leaks through which the owners of great fortunes escape taxation, especially in view of the fact that the major portions of these fortunes were accumulated as a result of war-time profiteering.

What is the situation? Why, every time amendments are offered which are designed to compel a just return of taxable incomes by vast aggregations of capital the gentleman from New York [Mr. MILLS] or some other Representative from one of the great centers of wealth and population, with all the eloquence and logic they can command, openly, publicly, and at times arrogantly tell us in substance: "Your amendments will be ineffectual; they will accomplish nothing; they can be evaded, and wealth will find a way to vitiate the amendments and nullify this legislation." In other words, gentlemen, they tell us that great corporations and men of great wealth will continue to evade and avoid taxation, and that their staff of high priced income-tax experts will find or make a gap in any law that Congress may enact. When we were discussing the amendments relating to tax on stock dividends and undistributed profits what did the able gentleman from New York say? Did he not tell us that Congress could not enact a law which would accomplish the purpose intended? Did he not say that some of the amendments which have been adopted were mere gestures in the direction of the desired relief? Did he not say, in substance: "Wealth will find a way to get around these amendments"; that Congress was impotent and powerless to compel corporations to pay a tax on their undistributed profits or on profits distributed in the form of stock dividends?

He frankly told us that if necessary to evade paying a tax on these profits corporations would go through the mock ceremony of disorganizing and then reorganizing their concerns, or would sell their stocks and take a "paper loss" and then go in the market and buy back the same stocks or stocks of a similar character, a process or circumlocution utilized for the sole purpose of evading the payment of their just proportion of national taxation. The taxable returns are dwindling to such an extent as to justify no other conclusion than that the returns do not reflect the taxable incomes of the Nation. I am making no war on wealth where it has been accumulated honestly, and I am not insisting on wealth paying more than its just proportion of the public tax burden. But I do say that the income-tax returns from the great centers of wealth and population have dwindled so rapidly and so tremendously as to justify no other conclusion than that the great aggregations of wealth are not reporting their taxable incomes.

Moreover, three-fourths of the clerical work in the income-tax unit of the Treasury Department and probably nine-tenths of the expense of maintaining and operating that bureau are made necessary by reason of the failure of great corporations and owners of great fortunes to make honest tax returns under the law; and a great army of auditors, inspectors, statisticians, and experts must be maintained by the Government to check over and audit these false or evasive returns to the end that the Government may exact from these parties and organizations an equitable contribution toward the maintenance of our Government.

You can not fool the country. You can not fool the American people. There is a widespread conviction that the great corporations and the owners of great fortunes are escaping taxation by making evasive and at times fraudulent income-tax returns. Under the present system of secrecy Congress has no power to expose these practices or to correct the abuses by which hundreds of millions of dollars are being wrongfully withheld annually from the Government. This House knows and the country knows why wealth and the great corporate interests are opposing this amendment.

The people know that the owners of swollen fortunes and the representatives of great corporations oppose this amendment because it strikes at the root of a great evil and is intended to prevent a continuance of the wrongful practices by which a few privileged classes have escaped paying their just proportion of our national taxes. These powerful organizations oppose this amendment because it seeks to remove, under well-guarded restrictions, the cloak of secrecy under the protection of which they have so long evaded taxation. The corporation or individual who makes an honest tax return does not oppose and has nothing to fear from the adoption of this amendment. It will only reach and restrain those who have been defrauding the Government by a fraudulent or evasive tax return.

These great aggregations of capital and these predatory corporations viciously opposed and for a long time delayed the ratification of the income tax amendment to our Federal Constitution. Since the ratification of the income tax amendment to our Constitution these same forces have sought by every

known device that ingenious minds, astute lawyers, and expert statisticians could formulate to prevent a reasonable construction and a fair and just administration of our income tax laws, and legal proceedings have been repeatedly instituted and vigorously prosecuted in a sinister and sordid attempt to nullify our income tax laws entirely or render them innocuous and impotent.

I do not favor an investigation of income-tax returns, except in cases where it is very evident or there is strong reason to believe that the returns are fraudulent and manifestly unfair. This amendment is not radical. It violates the rights of no individual, and no ill results can flow from its adoption. It is nonsense to say that Anglo-Saxon civilization will be threatened or destroyed by the adoption of this amendment. This amendment does not affect honest men or honest corporations who make honest tax returns. It is designed to reach those who persistently and deliberately evade the law and defraud the Government out of hundreds of millions of dollars.

Let me say to you, gentlemen, you will either take this amendment now or you will be forced to take a more drastic amendment at some time in the near future. If you deny to the American people the right to investigate these fraudulent tax returns, if you allow the great corporations and owners of swollen fortunes to defy the Government, ignore our income tax laws, and escape taxation, then sooner or later the people will hold you responsible for a continuation of these grave abuses and may demand the enactment of a more radical and far-reaching amendment than the one now under consideration. I want to add that in my opinion the greatest enemy that capital has in this Nation is the greed and lust of men and organizations who persistently and arrogantly ignore our laws and refuse by fraud and evasion to contribute their just proportion of the expenses incident to the maintenance of our institutions. Corporate greed, evasion, and disrespect for the law, and the baneful and sinister influence of swollen and unearned wealth are doing infinitely more to stimulate the growth of socialism in America than all other causes combined. [Applause.]

Now, gentlemen, let us be reasonable and look this situation squarely in the face. The country has the right to know whether or not the tax returns made by the idle rich and by the gigantic corporations are fair and reasonable or based on evasion, fraud, and circumlocution. Under this amendment the rights of the ordinary citizen and ordinary corporation are safeguarded. The power will never be exercised, except in a comparatively few cases where there is conclusive, or at least persuasive, evidence that there have been gross evasions and fraudulent concealments of such magnitude as to shock the conscience and justify an investigation, and then the returns can only be examined by a duly authorized committee from the Senate or House and under reasonable and proper regulations. I am sure that no committee of the House or Senate will ever abuse this privilege or use the power recklessly. If you gentlemen defeat this proposition, the country will hold you responsible, and when legislation on these lines comes later it will be far more drastic and far-reaching than is proposed in the pending amendment. [Applause.]

Mr. TYDINGS. Mr. Chairman, I ask to be recognized.

Mr. JEFFERS. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman from Maryland is recognized.

Mr. TYDINGS. Mr. Chairman and gentlemen of the House, I have not had anything to say heretofore during this session, but this country is patterned on the premise and the principle that certain rights of the people of this Nation are sacred. The Constitution of the United States provides that the citizen has the right to be secure in his person, in his house, in his papers and effects against unreasonable searches and seizures. While it may seem to be reasonable in this case to allow somebody to inquire into the records of the Treasury Department in certain cases, yet to throw the inspection of income-tax returns, making private business public, wide open, violates every principle of liberty that has come down to us from the fathers.

But there is another point. So many propositions may be put into this bill before it is finally passed that the President of the United States can, on sound ground, veto this measure, and leave my colleagues and myself in the position of having a good bill that has been amended so frequently that the President can veto it, not because of the surtax provision but because of its un-American character if the amendment proposed by the gentleman from Virginia were put into it. [Applause.]

I therefore hope that the amendment offered by the gentleman from Iowa [Mr. GREEN], which is sound and reasonable, will be adopted. There should be somebody to check up on the returns in the Treasury Department if fraud is alleged to exist there, and the body named in his amendment is the proper body to handle this thing. [Applause.]

Mr. HOWARD of Nebraska. Mr. Chairman, if I understand the attitude of the gentleman from Maryland [Mr. TYDINGS], it is that we must be very careful here in our legislative functions lest we run up against Executive opposition.

Now, will the gentleman who has made the statement, warning us not to run up against presidential opposition, also ask us not to take the same course when we come to the consideration of the bonus measure?

Mr. TYDINGS. I will say to the gentleman from Nebraska, in answer to his question, that the opposition I speak of is the opposition of the voters who pick out the President. [Applause.]

Mr. HOWARD of Nebraska. We are ready to confront that.

Mr. JEFFERS. Mr. Chairman and gentlemen of the committee, I feel that there is a sentiment in the House sufficiently strong to require proper investigation of these records at the proper time, but I feel that the amendment offered by the gentleman from Iowa [Mr. GREEN] restricts this proposition too much. You have a Committee on Expenditures in the Treasury Department in this House. Now, why, if any committee of the House is to be empowered to look into any particular record, should it not be, for example, the Committee on Expenditures in the Treasury Department? It is the proper function of that committee. There is no reasonable excuse at all for cutting them out of the picture and leaving it entirely to one certain committee. Taking it as it now stands, if the Committee on Expenditures in the Treasury Department should in its judgment feel that a certain income-tax record should be investigated, that committee could not be empowered to so investigate.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS. I regret I can not yield. It could be investigated by the Committee on Expenditures in the Treasury Department under the amendment offered by the gentleman from Virginia [Mr. MOORE] but not under the amendment offered by the gentleman from Iowa; and so I feel, gentlemen, that the amendment to the amendment should be voted down. I think the amendment of the gentleman from Virginia itself is safe. Surely you can safely trust to a committee of the Congress of the United States to be wise, and it is unnecessarily and arbitrarily discriminatory to limit it to the one committee which has been mentioned. I know the Ways and Means Committee is a great and a powerful committee, but even so the Ways and Means Committee ought not to try to hog the whole show.

Mr. MOORE of Virginia. Will the gentleman allow me to ask him what reason is there to so exalt the Committee on Ways and Means of the House and the Committee on Finance of the Senate beyond all other committees?

Mr. JEFFERS. I do not know of any.

Mr. GREEN of Iowa. Those committees are named not because these committees claim that exaltation, such as the gentleman from Virginia states, but because they are the only committees of the House that have to deal with the questions about which information should be sought. There is no other committee having anything to do with the income tax.

Mr. JEFFERS. The Committee on Expenditures in the Treasury Department is a proper tribunal.

Mr. JACOBSTEIN rose.

The CHAIRMAN. The Chair recognizes the gentleman from New York.

Mr. JACOBSTEIN. Mr. Chairman and gentlemen, I wonder if you know that at one time—1918—the Treasury Department did actually reveal the information which some of you now so strenuously object to revealing?

Mr. GREEN of Iowa. I have just stated that that has been done.

Mr. JACOBSTEIN. This valuable data was supplied in response to a specific request, but such information ought to be available to the public at all times. Senator BORAH offered a resolution in the Senate June 6, 1918, requesting the Treasury Department to supply concrete information regarding corporate earnings. I called up the Treasury Department the other day and asked for returns on corporations and the actuarial department said there was no such data; but I unearthed a volume, published by the Treasury Department in 1918 in response to Senator BORAH's request for this information, which gives the following data. The returns were segregated into groups representing recognized industries, trades, and occupations into which the business life of the country has been differentiated. Each of these groups pre-

sents the data called for in a separate statistical table exhibiting the following information for each tax return:

1. Capital stock, 1917.
2. Invested capital, 1917.
3. Net income, 1917.

Tax 1917:

4. Income tax.
5. Excess-profits tax.
6. Total tax.
7. Per cent of total tax to net income, 1917.
8. Net income after deducting tax, 1917.
9. Per cent of net income to capital stock, 1917.
10. Per cent of net income to invested capital, 1917.
11. Per cent of net income after deducting tax to capital stock, 1917.
12. Per cent of net income after deducting tax to invested capital, 1917.
13. Capital stock, 1916.
14. Net income, 1916.
15. Per cent of net income to capital stock, 1916.
16. Excess of the per cent of net income to capital stock for 1917 above the percentage for 1916.

It apparently was not very dangerous at that time to give this data to the public. This report is entitled "Corporate Earnings and Government Revenues, 1918," published as a public document, Senate Document 259, Sixty-fifth Congress, second session, being a letter from the Secretary of the Treasury in response to a Senate resolution calling for facts, figures, and data regarding income and excess-profit tax returns of corporations. There are returns here of 31,500 corporations, covering 19 important groups of industries in the United States, covering 275 specific business enterprises.

What sort of information do you think they give to the country? They give the capital stock, the capital invested, the net income, the income tax, the profits tax, the proportion of total tax to the income, the per cent of net income to the capital stock. And listen to this: It gives also the per cent of net income to capital invested, and a lot of other valuable and detailed information with respect to 31,500 corporations. Every corporation in the United States earning as much as 15 per cent on capital stock is listed here.

I desire to call attention to this fact, that this information is given by code.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. GREEN of Iowa. Of course, that does not name the corporation.

Mr. JACOBSTEIN. Exactly, and I was coming to that point. To the gentlemen here who are afraid we are undermining the Anglo-Saxon principles of government respecting the rights of individual privacy I want to say that this information can be given to the public by code as it is here presented. Every corporation is listed 1, 2, 3, 4, 5, 6, and so forth, and each group is given a symbol or code letter, so that we get all the information we want for a specific corporation without revealing its identity. I wanted the information in order to draw up an intelligent schedule of rates for taxing corporations. The Treasury Department could not supply me with recent data, and I had to make use of the only published data that I know of available, printed in 1918. And even this data would not have been available if Senator BORAH had not requested it back in 1918.

So because the resolution introduced by the gentleman from Virginia would enable us to get just this kind of information, which the country requires, desires, and should have, I shall vote for it. Wise and discreet publicity does more good than harm. We learned this in dealing with the railroad situation.

Mr. SANDERS of Indiana. Of course, any time that either the House or Senate wanted specific information by resolution they could get it.

Mr. JACOBSTEIN. But the trouble with that is this: I called upon the Treasury Department a couple of weeks ago for information with respect to the net income of corporations, and they told me it was not available and that it would take too long to get it. I say that if these committees were authorized by the amendment to secure necessary and valuable data we would naturally have available for our use just the kind of information we want when a revenue bill is under consideration. It is futile to wait until the emergency arises, for then statistics are either unavailable or unreliable.

The CHAIRMAN. The time of the gentleman has expired, and all time has expired.

Mr. BOYCE rose.

The CHAIRMAN. For what purpose does the gentleman from Delaware rise?

Mr. BOYCE. I desire to offer a substitute.

The CHAIRMAN. The gentleman from Delaware offers an amendment, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. BOYCE to the amendment offered by Mr. GREEN of Iowa to the amendment offered by Mr. MOORE of Virginia: Strike out the amendment offered by Mr. GREEN and insert "the Ways and Means Committee of the House or the Finance Committee of the Senate or a special committee of the Senate or House."

Mr. TILSON. Mr. Chairman, has all time expired?

The CHAIRMAN. All time has expired. The question is, first, on the amendment to the amendment offered by the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, ought not the vote to first come on the substitute last offered?

The CHAIRMAN. The vote is first on the Green amendment. The question is on the amendment offered by the gentleman from Iowa [Mr. GREEN].

Mr. SANDERS of Indiana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SANDERS of Indiana. Mr. Chairman, where will the vote come on the substitute just offered?

The CHAIRMAN. The Chair's understanding of the parliamentary situation is this: That the matter offered by the gentleman from Delaware constitutes a substitute for the Moore amendment.

Mr. SANDERS of Indiana. No; it is offered as a substitute for the Green amendment.

The CHAIRMAN. It is not offered in that way.

Mr. SANDERS of Indiana. Mr. Chairman, I ask unanimous consent that the amendment last offered be again reported, so it will be clear.

The CHAIRMAN. The Chair does not understand that a substitute for the amendment to the amendment would be in order.

Mr. SANDERS of Indiana. The question is not whether it was in order, because no point of order was made against it.

The CHAIRMAN. The Chair can raise it himself.

Mr. SANDERS of Indiana. Yes; the Chair can raise the question himself.

The CHAIRMAN. And in the opinion of the Chair that would be an amendment in the third degree.

Mr. SANDERS of Indiana. I think so.

The CHAIRMAN. If the Chair is wrong about that he would like to be corrected.

Mr. GREEN of Iowa. Mr. Chairman, then I make a point of order against the substitute.

Mr. WINGO. Mr. Chairman, by reading the matter sent up by the gentleman from Delaware this whole matter will be cleared up, will it not?

The CHAIRMAN. For the information of the committee the Clerk will again report the substitute offered by the gentleman from Delaware.

The Clerk read as follows:

The Ways and Means Committee of the House or the Finance Committee of the Senate or a special committee of the Senate or House.

Mr. SANDERS of Indiana. If that is all that was sent to the desk I make the point of order that the amendment does not indicate where it goes, and, therefore, is not in order.

The CHAIRMAN. The Chair will be inclined to sustain the point of order on the form of the substitute. If the gentleman from Delaware will take his substitute and make it a substitute for the entire Moore amendment and offer it, then it will be in order.

Mr. BOYCE. That is what I undertook to explain, but the Chair requested that it be sent to the desk.

Mr. GREEN of Iowa. Mr. Chairman, I make the point of order that it is not now in order to offer a substitute for the amendment to which an amendment is pending.

The CHAIRMAN. Well, the Chair thinks it is.

Mr. BOYCE. Mr. Chairman, I offered the substitute as an amendment to the Moore amendment.

Mr. CONNALLY of Texas. Mr. Chairman, I would like to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNALLY of Texas. Mr. Chairman, I would like to propound this question to the Chair: If the Green amendment is voted down, would it not then be in order for the gentleman from Delaware to offer his substitute as an amendment to the amendment offered by the gentleman from Virginia?

The CHAIRMAN. It would; and the point of order is sustained. The question is now on the amendment to the amendment offered by the gentleman from Iowa [Mr. GREEN].

The question was taken; and on a division (demanded by Mr. GREEN of Iowa) there were—ayes 104, noes 134.

So the amendment was rejected.

Mr. TILSON. Mr. Chairman, has all time expired?

The CHAIRMAN. All time for debate has expired. The question is now on the amendment offered by the gentleman from Virginia [Mr. MOORE].

Mr. TILSON. Mr. Chairman, I offer the amendment just offered by the gentleman from Delaware [Mr. BOYCE] as an amendment to the Moore amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment to the amendment which the Clerk will now report.

The Clerk read as follows:

Amendment offered by Mr. TILSON to the amendment offered by Mr. MOORE of Virginia: Strike out "any standing or special committee of the Senate or House or any joint committee of the Senate or House" and insert "the Ways and Means Committee of the House or the Finance Committee of the Senate or a special committee of the Senate or House."

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Connecticut.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 127, noes 125.

Mr. GARNER of Texas. Tellers, Mr. Chairman.

Tellers were ordered and the Chairman appointed as tellers Mr. TILSON and Mr. MOORE of Virginia.

The committee again divided; and the tellers reported—ayes 148, noes 139.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Virginia [Mr. MOORE], as amended.

The question was taken; and on a division (demanded by Mr. MOORE of Virginia) there were—ayes 158, noes 100.

So the amendment was agreed to.

Mr. MOORE of Virginia. Mr. Chairman, may we have the amendment reported now as adopted, just for information?

The CHAIRMAN. Without objection, the Clerk will report the amendment as adopted.

The Clerk read as follows:

Amend section 257(a) by inserting on page 100, after the word "President" and the colon, in line 12, the following additional proviso: "*Provided*, That the Ways and Means Committee of the House or the Finance Committee of the Senate, or a special committee of the House or Senate, shall have the right to call on the Secretary of the Treasury and it shall be his duty to furnish any data of any character contained in or shown by the returns or any of them that may be required by the committee; and any such committee shall have the right acting directly as a committee or by and through such examiners or agents as it may designate or appoint, to inspect all or any of the returns at such times and in such manner as it may determine; and any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House or to both the Senate and House as the case may be."

Mr. BARKLEY rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BARKLEY. I offer an amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BARKLEY: Page 100, lines 13 and 14, strike out the words "imposing an income tax."

Mr. BARKLEY. Mr. Chairman, the language of this bill as it now stands authorizes the proper officers, which are the taxing officers, of any State imposing an income tax to have access to the income-tax records in the Treasury Department on the request of the governor of the State. I am in favor of that provision, but I think it ought to go farther. I assume that the reason that was inserted is that these records ought to be available to the State officers in order that they may determine whether the income-tax reports made by the same corporations or individuals for State purposes have been different from those reported for Federal taxes.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BARKLEY. And it would offer an opportunity for a check up, to determine whether the corporation or individual were defrauding either the State or the Federal Government in the report of income taxes. I now yield to the gentleman.

Mr. GREEN of Iowa. The gentleman is quite correct. It was put in for that purpose and I would like to inquire who would be the proper officer if they do not impose an income tax. How would any officer be the proper officer to make the inquiry?

Mr. BARKLEY. My amendment will give the State taxing authorities of any State, whether it imposes an income tax or not, the right to inspect these income-tax records, and I will state to the gentleman why I think that ought to be done.

Mr. GREEN of Iowa. The gentleman simply goes back to the original amendment which a long time ago we voted down, namely, that anybody could have access to these returns, or practically anybody, because this would include any State officer.

Mr. BARKLEY. If my amendment is adopted it will permit the tax authorities of any State, upon the request of the governor of that State, to have access to these income-tax reports. My reason for urging this is because every income-tax report by a corporation or individual involves a question of valuation. It so happens that I know there are many corporations which fix a valuation upon their property for income-tax purposes to the Nation ten to fifteen times the value they fix upon it for State purposes for taxation by the State or county or city in which it may be located. Now, if it is proper for these State officers, who are the taxing officers of a State, to have access to these reports in order to determine whether a corporation or individual is defrauding the State of income tax, it is just as proper to give them access to these income-tax reports to determine whether they have fixed a ridiculously low value upon their physical property in order to defraud the State out of taxes levied upon the valuation of the property. I yield to the gentleman.

Mr. GREEN of Iowa. I am sure the gentleman does not intend just what he states. They have no occasion to fix any value on their property for income-tax purposes since we repealed the excess-profits tax.

Mr. BARKLEY. Oh, yes; they do, on account of the question of depreciation and depletion.

Mr. GREEN of Iowa. That is not what the gentleman said.

Mr. BARKLEY. It enters into the amount to be deducted by reason of depreciation and depletion so as to fix the value of the property for income-tax purposes. Certainly the State authorities ought to have the right to know what the valuation of physical property has been fixed at by income-tax payers for Federal purposes, if by reason of that it gives them an idea of the value for local taxation purposes. This amendment, if adopted, will aid the States in fixing a fair valuation upon physical property where its owner seeks to cheat the State by an undervaluation of the property.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. BARKLEY. I yield to my friend from Tennessee.

Mr. DAVIS of Tennessee. I call attention to the fact that the valuation is also very important for use by public-utility commissions in fixing the rates that the respective public-utility corporations are permitted to charge.

Mr. BARKLEY. I do not think any corporation or individual should be allowed to value his property for State taxing purposes at one-tenth of what he values it for taxing purposes of the Federal Government. If my amendment is adopted it will do no harm to any honest corporation or any individual, but will enable the States through the tax authorities to find out what valuation is put upon the physical property for Federal purposes, and whether it is higher than that fixed for local purposes.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. WILLIAMSON. Is it not a fact that the lower value for taxation by the States often comes from the fact that one part of the property is located in the State and another part out of the State, and when reporting to the Federal Government they value it as a whole?

Mr. BARKLEY. No; the gentleman is not correct. There are many instances where the physical property of a corporation is wholly within the State, and I happen to know cases where they value it in the income-tax return at over a million dollars and for State and county purposes they have fixed the valuation at less than $75,000. There ought not to be any such avenues of escape from State taxation.

Mr. GREEN of Iowa. If the gentleman's last statement is true, the officials are acting foolishly.

Mr. BARKLEY. I think the gentleman misunderstands the effect of my amendment. It gives to the taxing officers of all States, whether they impose an income tax or not, the right to examine these income-tax reports to ascertain whether any form of State taxation is being evaded.

Mr. GREEN of Iowa. I know what it will do; it will permit the State officers to have access to these tax returns. Let me say to my friend that if the States are satisfied there is an un-

dervaluation of property, whose fault is it? The State has the right to put the value on it, and they do not need any information. The property is right there under the sight of the officers. If the assessors are not doing their duty, whose fault is it?

Mr. BARKLEY. Often the property is of such a nature that they can not ascertain the value of it. The corporation fixes the value of it for Federal purposes, and then they deceive the local officers.

Mr. GREEN of Iowa. I do not know what kind of property that can be.

Mr. BARKLEY. Well, for illustration, mineral property. Local assessing officers frequently are unable to know its value. There are also other forms of property in the same situation.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment close in five minutes.

The motion was agreed to.

Mr. WINGO. Mr. Chairman and gentlemen of the committee, the gentleman from Iowa is evidently misled as to the effect of the amendment of the gentleman from Kentucky. The bill already provides the very thing which the gentleman from Kentucky asked for in every State where they have an income tax. The gentleman from Kentucky simply provides by this amendment that those States imposing no income tax, under proper restriction, shall have access to these tax records as already provided in the bill for States that have an income tax. The gentleman from Kentucky wants the authorities of the other States that are not imposing income taxes to have the same opportunity under the same restrictions if necessary to get the facts. Let me suggest that there is another question other than an income tax that may arise, and I am not speaking from imagination but by reason of a practical proposition that I know has arisen in one State. That is upon the question of a proper severance tax. It is contended that certain values are there, that certain income is derived from raw material taken out of the ground by a subsidiary corporation and sold to a parent corporation in another State and used by the parent corporation, and the books of the parent corporation are closed to the tax authorities in that State, and are closed to the courts of that State in its effort to present facts to maintain the tax against the charge of being confiscatory. Can not you trust those States and those courts to the same extent that you can those States that have an income tax and to whom you give access by this bill to these records? My State imposes an income tax. It can come in, but as a lawyer I have had my attention addressed to this practical proposition that will affect the other States. The amendment of the gentleman from Kentucky, as I understand it, is that these officials in other States other than the income-tax States shall get the returns and then only under the order of the governor of the State, and subject to the regulations of the Secretary of the Treasury. Can not you trust the governor of the State to get the information for a proper purpose?

A MEMBER. Not the governor of my State. [Laughter.]

Mr. WINGO. One gentleman says he can not trust the governor of his State. If he can trust him for income-tax purposes can not he trust him to get the returns for proper official use on a severance-tax question? This amendment does not open these records to a legislative committee of the State, but whenever the proper tax authorities, through the governor, ask for this power they shall have it, as already provided in the same provision reported by the committee and now in the bill.

That is granted in certain States, and why should you withhold it from other States where the governor and the taxing power, under their oaths and duty, say that it is necessary in order to enable them in the discharge of their official duties to have the same information as other States? Why should Kentucky be denied that information and my State of Arkansas be given it? That is the situation, if you vote down the gentleman's amendment. It is carefully safeguarded. We ought to allow Kentucky and these other States that have no income tax laws to have the same right that the Governor of the State of Arkansas and every other State that has an income tax law has.

Mr. CONNALLY of Texas. And the gentleman notices in the next line that the shareholders are permitted to examine the returns of a corporation. Would it not be equally important to permit the State to examine the returns of its own corporations?

Mr. WINGO. Certainly. It does look as if one could trust the governor and the taxing authorities of a State for one purpose if for another, as now provided in the bill. The governor passes on whether the taxing authorities want to do this for a legitimate purpose, and while you get a bad governor now and then, I think a great majority can be trusted in the States where they have not an income tax law. I think the amendment ought to be adopted and that the State of Kentucky shall be given the same right as the State of Arkansas and some other States have under the bill as reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. GREEN of Iowa) there were—ayes 101, noes 107.

Mr. BARKLEY. Mr. Chairman, I demand tellers.

Tellers were ordered; and Mr. BARKLEY and Mr. TILSON were appointed to take their places as tellers.

The committee again divided; and the tellers reported—ayes 120, noes 119.

So the amendment was agreed to.

Mr. MOORE of Virginia. Mr. Chairman, I offer the amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Page 100, line 15, strike out the word "corporation," and the word "corporation" in line 16, and insert in lieu thereof the word "person."

Mr. MOORE of Virginia. Mr. Chairman, this amendment is simple and easily understood. The provision to which the amendment applies gives State authorities the right to inspect the returns of corporations. They ought to have the right to inspect the returns of everybody as defined by the word "person" in the beginning of the bill, which includes not only corporations but individuals, estates, and trusts. The amendment is suggested to me by tax officials of the State of Virginia. Our State allows the Federal officials to examine local returns. All that I ask is that the State may have the corresponding right to examine the returns of natural persons, trusts, estates, as well as of corporations, made to the Federal Government. One of the officials writes me that the permission to make an examination of corporation returns has been of much advantage to the State and that there is a great disadvantage attaching to the restriction upon the right to go further. What I desire is to open the doors a little further to the States, including my own State, to ascertain the nature of the returns.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate upon this paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. MURPHY. Mr. Chairman and gentlemen of the House, it seems to me that this would be a good time for the House of Representatives to stop, to look, and to listen. The American taxpayer to-day seems to be playing the hare to the hounds, and it seems that 435 Representatives of the people——

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. MURPHY. No. The 435 Representatives of the people have combined to chase the American prosperous business man, to hound him, do everything they can to make him the opposite of prosperous. Russia in the time of the Romanoffs did not attempt anything more drastic than this House is doing this afternoon. I hold no brief for the very rich man. You, like myself, would all like to be the possessor of an income sufficiently large to benefit by some of the provisions of this bill, but it seems to me that if you are going to frame a bill that will stand the test of fair play you ought to stop this afternoon just a little to think of the prosperous American citizen. He has been honest all of these years, and he is honest to-day. In the name of American fairness stop and think of the American taxpayer. Do not try to find some new way to place a burden upon him. The time has come when you ought to try to lift some of the burdens from his back instead of fastening more upon him. I merely sound this word of warning. Treat the American prosperous business man as you hope to be treated when you become prosperous. [Applause.]

Mr. MILLS. Mr. Chairman, I want to point out to the committee the effects of this provision. We have been debating for two hours the question of whether returns should be made public. We voted on different forms of publicity and the committee finally agreed that it was willing to grant the right to examine returns to either a select committee of the House or the standing Committee on Ways and Means. Having done that and having reached the definite conclusion, we next voted in another amendment which would give authority to any State officer, if the governor certifies that he is the proper officer, to examine corporate returns. I told the gentleman from Virginia that if that last amendment was voted down I thought

his amendment might be proper, because his State has an income tax also, and it is only fair that the State government and the Federal Government should exchange information about income-tax returns. But this amendment goes further than that. All that a governor has to do is to certify that an official is the proper official, and then he will come down and examine the income-tax returns of any individual in the United States for any purpose he sees fit and make those returns public. In other words, the House is asked to reverse the very action it took an hour ago; not openly, not squarely, by making all returns public, but by allowing some political official for some political purpose to go and pry into the individual tax returns of any citizen of the United States for any purpose that some other political official may certify is proper.

I want to say to this House that this bill as originally introduced and reported by the Committee on Ways and Means was a measure designed to reduce taxes and to put our revenue-producing system on an approximately peace-time basis. For the last week, however, this bill has become nothing but an instrument for either party or personal politics. It is rapidly being destroyed piecemeal. It is being made a political bill from beginning to end, and in the course of the process you are not only destroying this bill but you are destroying the income tax law which has been built up in the course of the last six or seven years, and built up, I may say, by your party as well as by mine.

The preceding speaker [Mr. MURPHY] stated very truly, gentlemen, that the bill as introduced and reported was a measure intended to relieve the taxpayer. You are making of it a bill to harass the taxpayer, not only by failing to relieve him of his financial burden but by making the income tax an object of hatred and derision to everyone who is unfortunate enough to come under its provisions. [Applause.]

The CHAIRMAN (Mr. DOWELL). The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. MOORE of Virginia. A division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 74, noes 122.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. EDMONDS. Mr. Chairman, I have an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 100, line 18, after the word "prescribe," insert "provided upon the sworn statement of any three neighbors of a taxpayer that they suspect a taxpayer of not paying enough taxes they shall be allowed to inspect his return and comment upon it to the public or the collector."

[Laughter and applause.]

Mr. GREEN of Iowa. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. The point of order is sustained. [Laughter.]

Mr. WINGO. Mr. Chairman, is all debate on this section closed?

The CHAIRMAN. It is. The Clerk will read.

The Clerk read as follows:

(b) The commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal-revenue district and in such other place as he may determine, lists containing the names and the post-office addresses of all individuals making income-tax returns in such district.

Mr. WINGO. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Arkansas moves to strike out the last word.

Mr. WINGO. Mr. Chairman, the only time that I addressed the committee in this entire debate of many days was on the amendment just adopted by the committee and offered by the gentleman from Kentucky [Mr. BARKLEY]. I should not offer any further remarks now were it not for the unseemly and wholly unjustified statement in condemnation of that amendment and misrepresentation of its effect made by the gentleman from New York [Mr. MILLS]. He said we had just adopted an amendment which would permit any Dick, Tom, and Harry—any officer selected by a governor—to come and nose around for returns of corporations or otherwise.

Can we not be fair about this? I shall not impute any improper motive to the gentleman from New York or impute any lack of intelligence to him, but I simply impute to him misinterpretation of the wording of his own bill. Section 257 (a), to which the amendment offered by the gentleman from Kentucky [Mr. BARKLEY] was directed, reads as follows:

Returns upon which the tax has been determined by the commission shall constitute public records; but they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President: *Provided*, That the proper officers of any State imposing an income tax—

The words "imposing an income tax" were cut out by the Barkley amendment—

may, at the request of the governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation, at such times and in such manner as the Secretary may prescribe.

All on earth we did to that amendment was to give the State of Kentucky the same right that the State of Arkansas has. If it is wise and sound for an official of the State of Arkansas, upon the request of the governor, to come here and inspect the income-tax returns, then I ask why it is not fair for the Governor of the State of Kentucky to send here whatever officer he may select and examine the returns and ascertain whether or not there has been fraud involving the taxation returns of the great natural resources of the State of Kentucky? You are not going to get anywhere by imputing bad motives to people who differ from you.

The gentleman from New York said something about making a football of this bill, something about personal interest and political considerations. I would rather be charged with entertaining political considerations than be charged with personal interest in the framing of a tax bill. [Applause.] I have no interest whatever other than that which goes to any citizen of the land. I have not been extreme in my views with respect to this bill. I have been one of those who wanted a fair and square reduction, which granted the same reduction and the same relief to every class of taxpayer in the land.

I have gone further, and in my votes upon the question of the inspection of records I have wanted to relieve the public apprehension that is founded upon facts that are within the knowledge of Members of this House, that there have been some irregularities which the representatives of the taxpayers of this land, charged with that duty, ought to look into. I voted for a provision which would enable this House, through a special committee, to determine whether or not there was fraud upon the part of any taxpayer and the Treasury. Any man who is opposed to doing that because he is afraid there will be some chance of a man being blackmailed does an injustice to the taxpayer. If a man is afraid of being blackmailed it is because he has something in his income-tax return that is either morally bad or constitutes a legal fraud upon the Treasury which he is afraid will be exposed. I have nothing in my return, nor will any honest man, which I am ashamed to have examined and inspected in a proper way and as provided by the provisions we are putting in the bill.

Let us have done with this misrepresentation and imputing bad motives to men who differ with him by the gentleman upon a great question like taxation. The gentleman from New York does not have a monopoly of either the intelligence or the virtues of this House. [Applause.]

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

PUBLICATION OF STATISTICS.

SEC. 258. The commissioner, with the approval of the Secretary, shall prepare and publish annually statistics reasonably available with respect to the operation of the income, war-profits, and excess-profits tax laws, including classifications of taxpayers and of income, the amounts allowed as deductions, exemptions, and credits, and any other facts deemed pertinent and valuable.

Mr. KETCHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KETCHAM: Page 101, line 20, after the word "valuable," strike out the period, insert a colon, and add the following: "*Provided*, That such publication shall include the total amounts of such taxes paid in each county."

Mr. KETCHAM. Mr. Chairman, the purpose of the amendment which I have offered is simply to make it possible to

have available better information concerning the general application of present laws relating to income and corporation taxes than is available at the present time, and also to determine, as we face new propositions, such as we are considering in this revenue bill, the local application of it.

My proposal does not go into the field of revealing anything of the individual taxpayer's interest whatsoever. I am opposed to such individual publicity and voted against it a few moments ago. I only wish to carry a step further the very fine information which is already made available in this publication, Statistics of Income. If you refer to the closing pages of it you will find therein listed the number of income-tax returns from counties; there is also listed the number of income-tax returns from each city. That is all very helpful. Then, you will find in the front part of the volume a statement showing the average income tax paid by your State, and by using this information you can approximate the local effect of the law. But I maintain that this added bit of information, which would in no sense reveal the amount of taxes paid by the individual, would be very helpful indeed in determining what the effect would be upon particular counties; and it is with that idea and with that purpose in mind that the amendment is offered.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. GREEN of Iowa. What does the gentleman want this information for? I do not understand.

Mr. KETCHAM. Individually I want it for the purpose of forming a more intelligent opinion upon the operation of a revenue law and its effect upon the counties that are included in my own congressional district. If I am going to vote intelligently and express the wishes of my constituents, I can see no reason in the world why I ought not to have this information. It would be an added step and mean but very little expense in compilation in connection with the information already found in the very excellent publication which I hold here.

Mr. GREEN of Iowa. The gentleman has not answered my question, because I do not know yet what he wants to do with this information.

Mr. KETCHAM. I want to say to the chairman of the committee, if he will permit, as an illustration I could use the information in connection with my study of the very important proposition which we are soon to face with reference to the soldiers' adjusted compensation. If I had that information right at this time, I could give the House some very definite figures as to the application of that proposed law, not only in my own congressional district but in others as well. It would be likewise helpful in considering other legislative proposals.

In my own county, for instance, there are 460 income-tax returns filed, and in going through this publication I find there is also listed the number of income-tax returns from each city. Now, I could quite definitely ascertain the application of the law, if I had this additional information, as to how much Federal income tax was paid in the county as a total. I do not care for the individual amounts but the total. There can be no possible objection to it that I can see.

Mr. MICHENER. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. MICHENER. My colleague has suggested that this would be a step further. Now, has the gentleman considered the fact that congressional districts, in many instances, are made up of parts of counties, townships in counties, and parts of cities?

Mr. KETCHAM. I have.

Mr. MICHENER. And to compile the very thing the gentleman wants would be a very difficult task, and it is a difficult task to-day to get that information through any of the departments. I happen to have one of those districts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

Mr. KETCHAM. Mr. Chairman, I ask permission to proceed for three minutes additional in order to answer questions which may be asked.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to proceed for three additional minutes. Is there objection?

There was no objection.

Mr. KETCHAM. In response to the question asked by my colleague I will say that I have considered that proposition, but in order to make the law of widest application, and to meet the largest possible number of situations, I believe the language I have used would be the only language possible. I recognize perfectly well that in the situation of New York City it would not be possible to gather that information, but, of course, on the other hand, that can be gathered because New York City is listed and the number of returns from New York are found in statistics of income. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I am trying to get recognition in my own time.

Mr. KEARNS. Does the gentleman want this information in order to know what effect the bonus would have on his county or district, so that if the gentleman should find his district would not have to pay much of it the gentleman would vote for a big bonus? Is that what the gentleman wants?

Mr. KETCHAM. I had nothing to say about that. I simply felt I would be able to vote much more intelligently if I had the information.

Mr. KEARNS. What other possible good could it do the gentleman?

Mr. KETCHAM. I think it would be useful in a great many ways, and I can see no possible objection to having this information in view of the fact that we already have recognition of the desirability of the information so far as the number of returns are concerned and the post-office addresses, and so on.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. KETCHAM. I yield.

Mr. COLE of Iowa. We are supposed to be reducing taxes, are we not?

Mr. KETCHAM. Yes.

Mr. COLE of Iowa. Will this not increase taxes?

Mr. KETCHAM. I can not see how it would increase taxation to any degree whatsoever.

Mr. COLE of Iowa. It will increase expenditures, will it not?

Mr. KETCHAM. I would say not, because already within this volume are included the statistics to which I made reference, and the only possible expense would be in the additional compilation, which would be very, very small.

The CHAIRMAN. The time of the gentleman has expired, and the question is on the motion of the gentleman from Iowa [Mr. GREEN] that all debate close in five minutes.

Mr. GREEN of Iowa. On this paragraph and all amendments thereto.

The CHAIRMAN. On this paragraph and all amendments thereto.

The motion was agreed to.

Mr. TREADWAY. Mr. Chairman——

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. TREADWAY. Mr. Chairman, I listened very carefully to the argument made by my friend from Michigan in favor of his motion and I must confess I heard no argument for the amendment that he has suggested. It is very easy to say that a compilation of the additions of all amounts paid by taxpayers in every county in every State in the United States could be made at very small expense, but I can not agree with the gentleman from Michigan in that conclusion, and what earthly good could it do him or any other Congressman to know the aggregate amounts paid by taxpayers in any one county in any one State, he certainly failed to make clear to me. I am sure there can be no benefit whatever derived from an amendment of this nature. Just what benefit that could be to anyone I can not understand.

Mr. KETCHAM. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KETCHAM. May I say that the language contains nothing except the total amounts paid in each county?

Mr. TREADWAY. On the various items as submitted in paragraph 258, operation of the income, war profits and excess profits tax laws, including classifications of taxpayers and of income, the amounts allowed as deductions, exemptions, and credits, and any other facts deemed pertinent and valuable. Now, with all those items submitted, there is to be no expense incurred in figuring up the aggregate sums in dollars and cents. If that is true, I do not know what compilations of statistics cost.

Mr. YOUNG rose.

Mr. KETCHAM. Will the gentleman yield?

Mr. TREADWAY. I ought to yield to my colleague eventually.

Mr. YOUNG. These returns, as I understand, are not now segregated or assembled as to counties?

Mr. TREADWAY. It is absolutely impossible to carry out the provisions of the gentleman's amendment without very material expense and without changing the method of compilation of statistics.

Mr. KETCHAM. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KETCHAM. Mr. Chairman, will the gentleman say that the publication of returns by collection districts which we already have is not valuable?

Mr. TREADWAY. I think we publish altogether too many statistics. I do not think one-tenth part of the statistical information that is submitted in various publications of this Government is worth a hurrah, nor are they ever looked at by one in a million taxpayers of the country. The proposed amendment adds one more element to this sort of foolish statistics.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

EXAMINATION OF RETURN AND DETERMINATION OF TAX.

SEC. 271. As soon as practicable after the return is filed the commissioner shall examine it and shall determine the correct amount of the tax.

Mr. BLACK of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK of Texas: Page 108, line 13, after the word "tax," strike out the period, insert a colon, and add the following language:

"*Provided*, That except in cases of fraud, such determination as to returns under this act shall be made within two years from the time said return is filed."

Mr. GREEN of Iowa. Mr. Chairman, I make a point of order on that, and I will ask the gentleman from Texas if he will not consult the draftsman and have it offered at the right place.

Mr. BLACK of Texas. I think it is offered at the right place.

Mr. CHINDBLOM. On page 115, under the heading of "Period of limitation upon assessment and collection of tax," are the limitations.

Mr. BLACK of Texas. I understand that provision, and if my amendment is adopted it will be a very simple matter to amend that particular provision. I think my amendment is offered at the proper place.

Mr. GREEN of Iowa. There is a whole section devoted to that particular matter beginning on page 115.

Mr. BLACK of Texas. This is section 271.

The CHAIRMAN. Does the gentleman from Illinois make the point of order?

Mr. CHINDBLOM. Yes, Mr. Chairman, I make the point of order that the amendment is not germane. May we have the amendment again reported?

The Clerk again read the amendment.

Mr. CHINDBLOM. Mr. Chairman, the language used in this section 271 is general. It provides that "as soon as practicable" after the return is filed the commissioner shall examine it and shall "determine" the correct amount of the tax. The important element in it is that the action shall be taken by the commissioner "as soon as practicable." It does not go into any detail with reference to the assessment of the tax or the collection of the tax. It does not go into the subject of limitation on the action of the commissioner. The bill proceeds in an orderly fashion, and on page 115 we begin a section containing limitations upon these various acts of the department. While it may be that under a very liberal construction of the language under section 271 we may go into details with reference to the collection of the payment of taxes, the assessment of taxes, still, inasmuch as there is a section of the bill devoted to special subjects and we are following in a general way the law of 1921, I submit that there being a proper place for this amendment where the other limitations are fixed, this provision being in the nature of a limitation, it should go in at the same place. I am inclined to appeal to the gentleman from Texas, and I may say to him that I have some question technically whether the point of order does lie. I will submit further to the Chair, however, that orderly procedure in the consideration of a bill, in putting in amendments where they belong under the order adopted, ought to be considered in determining a point of order of this kind. It relates to the orderly procedure in the consideration of legislation. I can not speak for others, but I will say that as for myself I certainly would not offer objection to the substance of the gentleman's amendment if it may be considered at the right place.

Mr. BLACK of Texas. I think the proper place is where I have offered it, although I have a very high regard for the gentleman's judgment.

Mr. CHINDBLOM. Section 271 is the introductory section to the whole subject.

Mr. BLACK of Texas. If my amendment is adopted, it will be easy to make an amendment to section 277.

The CHAIRMAN. The Chair is ready to rule.

Section 271 is headed "Examination of return and determination of tax," and reads:

SEC. 271. As soon as practicable after the return is filed the commissioner shall examine it and shall determine the correct amount of the tax.

To which the gentleman from Texas wants to add the following proviso:

Provided, That except in cases of fraud such determination as to returns under this act shall be made within two years from the time said return is filed.

The section is intended to have these returns passed upon as soon as practicable. Suppose the section had said within two years after the return. There is a time limit in one case "as soon as practicable," but this might have been put in other language defining a certain period of limitation.

The gentleman from Texas simply desires to modify that by language "that except in cases of fraud the determination shall be made within two years." There might be a better place in the bill for the amendment, and it might be advisable for the committee to refuse to adopt such amendments except to a later section, but that is a legislative question and not a question of parliamentary law. The Chair thinks that if the gentleman from Texas insists upon his amendment it is germane, and overrules the point of order.

Mr. CHINDBLOM. I can see the force of the Chairman's ruling, but would it not be better to let it go over until we reach page 115 when we get into the subject of limitations?

Mr. BLACK of Texas. If the gentleman would agree that the committee will accept the substance of the amendment, certainly I would be willing to do that.

Mr. CHINDBLOM. No; I could not do that.

Mr. BLACK of Texas. Unless I get that agreement, I prefer to consider the matter now.

Mr. CHINDBLOM. I could not do that. It contravenes the general theory of the bill. The general theory of the bill is to make a uniform period of limitation on all these matters of four years, both for the Government and for the taxpayer.

Mr. BLACK of Texas. Surely, and when we reach that provision, if this amendment be adopted, I propose to offer another amendment that as to returns filed under this particular act all assessments must be made within two years after the return is filed.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. GREEN of Iowa. Has the gentleman consulted any of the experts in the Treasury Department?

Mr. BLACK of Texas. No; I have not, because I thought the matter was not in need of any expert advice.

Mr. GREEN of Iowa. I assure the gentleman he has the wrong idea. I have not consulted them, but I am satisfied that they will tell the gentleman that if he succeeded in carrying out the purpose he has in mind it would cost the Government at least $50,000,000, but that will not be carried out at all. What the officials down there will be compelled to do, if the amendment carries, would be to clap on a great big assessment for the outside figure which they think is needed to cover the Government and to make the taxpayer all imaginable trouble.

Mr. BLACK of Texas. They could not do that except by the exercise of the grossest kind of injustice, and I do not believe the Treasury officials will be guilty of that.

Mr. GREEN of Iowa. If they do not, they will be grossly negligent in the performance of their duty.

The CHAIRMAN. The point of order is overruled.

Mr. BLACK of Texas. Mr. Chairman, I want it distinctly understood that I have no desire whatever to protect any taxpayer from a just assessment upon the part of the Government if an error has been made. Not only that, but I am absolutely willing that the Government shall have a reasonable length of time after the return is filed within which to inspect the returns and, if necessary, to cause an audit to be made of the taxpayer's books, and then upon such inspection and upon such audit a correction of the assessment; but I think there ought to be a time limit within which that shall be done. It is unjust and unfair for the Government, through the agency of its internal revenue collectors, to come along four or five years after the original return was filed and make demand for additional taxes.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. In just a moment. We have the revenue act of 1917, or we did have, and we had the revenue

act of 1918, and now have the revenue act of 1921, and are about to adopt the revenue act of 1924. Millions of returns have been filed under the acts of 1917, 1918, and 1921. My amendment would not seek to disturb the situation as to any of those returns, but it would state to the Commissioner of Internal Revenue that as to all returns filed under the 1924 act he must make an audit and a correction of the tax within two years after the returns are filed.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. CHINDBLOM. Would the gentleman be willing to correspondingly limit the taxpayer to the period of two years within which he may file a claim for refund or abatement?

Mr. BLACK of Texas. I would not have any particular objection to that. It is not pertinent at this point, however. I will say this: Regardless of the time the taxpayer has within which to file his claim for refund, he is usually a long time in getting his money back.

Mr. CHINDBLOM. Does not the gentleman think the Government ought to have the same time in which to examine returns that the taxpayer has in which to file objections?

Mr. BLACK of Texas. If the gentleman has any amendment that he wants to offer with reference to time for filing claims for refund, let him offer it. Here is the point that I am making to the gentleman from Illinois and other Members of the House. I do not know of anything that causes more real hardship to a taxpayer than for the Government, some four or five years after he has filed his return, to pile up a big additional assessment and demand its collection under entirely different conditions from those which prevailed at the time he filed the original return. Take the great cattle industry of the State of Texas, which State I have the honor in part to represent. In 1918 that industry was in a highly prosperous condition. Now conditions are radically changed, and the Government of the United States is coming along six years after those returns were filed, in many cases, making heavy additional assessments, and it finds the taxpayer in practically a bankrupt condition and in no position to pay. Other cases where equal hardships have resulted could be cited. I submit the Government ought to make an audit sooner than that in order that the taxpayer may have an opportunity to meet the additional tax when he is in a position to pay it. My amendment does not seek to compel the Government to make this final audit within two years as to any taxpayer who has been guilty of fraud against the Government. The language of the amendment especially protects the Government in all such cases.

Mr. KINDRED. Will the gentleman state whether or not in his opinion his amendment is distinctly in the interest of the Government as well as in the interest of the taxpayer?

Mr. BLACK of Texas. I think so. I think it is always in the interest of the Government to be fair, and it is in the interest of the taxpayer for the Government to be fair and considerate in the collection of the taxes. No one single thing is causing so much dissatisfaction with the administration of the income tax laws as this action of the Government in waiting such a long time after the original tax return is filed before making a final audit.

If my amendment is adopted, section 271 will read as follows:

As soon as practicable after the return is filed the commissioner shall examine it and shall determine the correct amount of the tax: *Provided*, That except in cases of fraud such determination as to returns under this act shall be made within two years from the time said return is filed.

I urge adoption of the amendment.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate upon this amendment close in five minutes.

The motion was agreed to.

Mr. CHINDBLOM. Mr. Chairman, I say to the gentleman from Texas [Mr. BLACK] and to the members of the committee that the Committee on Ways and Means would be very glad indeed if it were possible to inaugurate the system which the gentleman proposes, but that is absolutely impossible so far as the work in the department is concerned. The department is now finishing the audit of the 1917 and 1918 returns. Those are the returns which contained the large, important, excess-profits matters, which occupy a great deal of time.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. I can not yield. If you adopt this provision, the Treasury Department will have to come to Congress for additional appropriations of millions of dollars and will have to go out and secure further employees to go into the department to do this work. They could not possibly keep up with the current work and assume this obligation now. When we get to page 115 of the bill, as I stated before, you find a particular section devoted to the matter of limitations, both upon the Government and upon the individual taxpayer. There is a limitation of four years inserted in each case. That has been reduced from five years under the 1918 act. At this point, when we have not reached the subject under the arrangement with reference to debate and can not go into all of the details with reference to the action of the department on these matters and the rights of the taxpayers in filing their claims for refunds and abatements, I plead with the committee not to rush hurriedly into the determination of this matter at this time.

The matter will be in order when we get to page 115 of the bill, when it and the section to which I have referred ought to be considered together with all the other questions which affect the rights of the taxpayers as well as the needs and the necessities of the department in fixing the period of limitation. To require that the Government should now, upon the adoption of this bill, upon the enactment of this law, proceed to determine all the current questions relating to returns, within two years, and finish up particularly the work with reference to the years 1917 and 1918, much of which is still pending, would simply mean an amount of labor to be devolved upon the department which can not be performed, and it would result in the loss of many, many millions of dollars in taxes to the Government for the years that are gone.

Mr. BLACK of Texas. It does not affect the past year at all.

Mr. CHINDBLOM. They have got to do the work of past years as well as the current work.

Mr. GREEN of Iowa. Mr. Chairman, I want to plead with the committee in behalf of the Government and on behalf of the taxpayer not to adopt this amendment. You could not possibly do anything worse for the large taxpayer.

Mr. ABERNETHY. I was going to suggest three years. This five years is an objectionable period.

Mr. CHINDBLOM. It is only four years.

Mr. GREEN of Iowa. If this amendment passes, the Government will have to put on an assessment which they are sure will cover anything, because they have not the time to go over the returns. There is no way in the world to do that. I am sure that if the gentleman had taken the opportunity to go over this matter carefully with the committee and the committee had submitted to him the figures in regard to it he would not have dreamed of offering that suggestion.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. CELLER. The statute of limitations is five years, is it not?

Mr. GREEN of Iowa. No; four years.

Mr. CELLER. Does not the Government save that longer time by saying to the taxpayer, "If you will not sign a waiver, we will make an assessment." That is the practice now, is it not?

Mr. GREEN of Iowa. That has been the practice in some cases where the Government would not be able to conclude the return within the time limit.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BLACK].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. BLACK of Texas. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 34, noes 97.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 274. (a) If, in the case of any taxpayer, the commissioner determines that there is a deficiency in respect of the tax imposed by this title, the taxpayer, except as provided in subdivision (d), shall be notified of such deficiency by registered mail. Within 30 days after such notice is mailed the taxpayer may file an appeal with the board of tax appeals established by section 900.

Mr. ALLEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ALLEN: Page 109, line 20, after the word "mail," strike out the entire sentence and insert "within 60 days after such notice has been received the taxpayer may file an appeal with the board of tax appeals established by section 900."

Mr. ALLEN. Mr. Chairman, I hope this amendment, this slight change in the section, will not be objected to by the chairman of the committee.

Mr. GREEN of Iowa. Will the gentleman be willing to have his amendment read again? I did not catch it.

The CHAIRMAN. Without objection, the amendment will be again reported.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. ALLEN. Yes.

Mr. CHINDBLOM. I will say to the gentleman that as a matter of time we are not much concerned about the difference between 30 days and 60 days, but as to the proposition that the law should provide a sufficient time after the notice has been received there is much danger in compelling the department to prove the actual receipt by the addressee.

Mr. ALLEN. Of course, the department sends out all these notices by registered mail. They would have, undoubtedly, their proof that the notice had been received. The main point that I desire to make here is the time the Government takes, three or four years, in taking up and auditing the returns, and it gives the taxpayer only 30 days in which to make his appeal.

Mr. CHINDBLOM. Of course, it has been held that proof of mailing is, prima facie, receipt of notice by the addressee. The department can know when it mails a letter, while it can not know when the addressee received it. The addressee may be away from home or he may have moved, and other things may have occurred which would make it unfair to compel the department to prove that the addressee received the letter.

Mr. ALLEN. That could be remedied if you would strike out the word "received."

Mr. CHINDBLOM. That can be done by changing the word "thirty" to the word "sixty."

Mr. ALLEN. That would be satisfactory.

Mr. CHINDBLOM. I understand the gentleman wishes to change it.

Mr. GREEN of Iowa. How would it read then?

The CHAIRMAN. The gentleman from Iowa would like to know how the language would appear otherwise if you strike out "thirty" and insert "sixty."

Mr. GREEN of Iowa. If the gentleman from West Virginia would just withdraw his amendment and move to strike out "thirty" and insert "sixty," I would not object.

Mr. ALLEN. Mr. Chairman, I ask unanimous consent to withdraw my amendment and offer another amendment.

The CHAIRMAN. The gentleman from West Virginia asks unanimous consent to withdraw his amendment and offer another amendment. Is there objection?

There was no objection.

Mr. ALLEN. I move to strike out the figures "30" and insert in lieu thereof "60."

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from West Virginia.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(d) If the commissioner believes that the assessment or collection of a deficiency will be jeopardized by delay such deficiency shall be assessed immediately and notice and demand shall be made by the collector for the payment thereof. In such case the assessment may be made (1) without giving the notice provided in subdivision (a) of this section, or (2) before the expiration of the 30-day period provided in subdivision (a) of this section even though such notice has been given, or (3) at any time prior to the final decision by the board upon such deficiency even though the taxpayer has filed an appeal. If the taxpayer does not file a claim in abatement as provided in section 279 the deficiency so assessed (or, if the claim so filed covers only a part of the deficiency, then the amount not covered by the claim) shall be paid upon notice and demand from the collector.

Mr. CHINDBLOM. Mr. Chairman, in order to conform to the amendment adopted a moment ago, I move that on page 110, line 20, the figures "30" be changed to "60," striking out "30" and inserting in lieu thereof "60."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CHINDBLOM: Page 110, line 20, strike out the figures "30" and insert in lieu thereof the figures "60."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Period of limitation upon assessment and collection of tax.

Mr. BLACK of Texas. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. GREEN of Iowa. I hope the gentleman will not insist on his point of order. I think there is a quorum present.

Mr. BLACK of Texas. Unless there is a quorum present I shall press my point of order.

Mr. GREEN of Iowa. Surely the gentleman from Texas wants to get along with the bill, and we are for the first time to-day at a place where we can get along.

Mr. BLACK of Texas. I am anxious to get along with the bill.

Mr. GREEN of Iowa. Then I hope the gentleman will withdraw his point of no quorum.

Mr. BLACK of Texas. No; I will not withdraw it.

The CHAIRMAN. The gentleman from Texas makes a point of order that there is no quorum present. The Chair will count.

Mr. GARNER of Texas. Mr. Chairman, may I ask the gentleman from Iowa a question while the Chair is counting? As I understand it, the gentleman from Iowa intends to go along this afternoon and get down to estate taxes and then stop?

Mr. OLDFIELD. No; I object to that, because there is going to be an amendment offered just before we get to estate taxes on page 124, line 17.

Mr. GARNER of Texas. That will give them a chance as to excess profits.

Mr. GREEN of Iowa. Yes; I will stop at that point.

Mr. GARNER of Texas. My understanding with Mr. FREAR was that we would read to that place and allow him to offer his amendment as to excess profits to-morrow morning.

The CHAIRMAN (after counting). One hundred and fourteen Members are present, a quorum. The Clerk will read.

The Clerk read as follows:

SEC. 277. (a) Except as provided in section 278 and in subdivision (b) of section 274 and in subdivision (b) of section 279—

(1) The amount of income, excess-profits, and war-profits taxes imposed by the revenue act of 1921, and by such act as amended, for the taxable year 1921 and succeeding taxable years, and the amount of income taxes imposed by this act, shall be assessed within four years after the return was filed, and no proceeding in court for the collection of such taxes shall be begun after the expiration of such period.

(2) The amount of income, excess-profits, and war-profits taxes imposed by the act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, the act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, the revenue act of 1916, the revenue act of 1917, the revenue act of 1918, and by any such act as amended, shall be assessed within five years after the return was filed, and no proceeding in court for the collection of such taxes shall be begun after the expiration of such period.

(3) In the case of income received during the lifetime of a decedent, the tax shall be assessed within one year after written request therefor by the executor, administrator, or other fiduciary representing the estate of such decedent, but not after the expiratoin of the period prescribed for the assessment of the tax in paragraph (1) or (2) of this subdivision.

Mr. BLACK of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK of Texas: On page 115, line 9, after the word "years," strike out the language "and the amount of income taxes imposed by this act"; and in line 10, after the word "years," insert the following language: "And the amount of income taxes imposed by this act shall be assessed within three years after the return was filed."

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this paragraph and all amendments thereto close in five minutes.

Mr. JONES rose.

The CHAIRMAN. Does the gentleman from Texas desire to make a point of order?

Mr. JONES. No.

The CHAIRMAN. Then for what purpose does the gentleman rise?

Mr. JONES. I wanted to ask the gentleman from Iowa to withdraw his motion so that I might have a little time.

Mr. GREEN of Iowa. Mr. Chairman, I will withdraw the motion temporarily. How much time does the gentleman want?

Mr. JONES. About three minutes; and I would like to offer an amendment to the amendment offered by the gentleman from Texas [Mr. BLACK].

Mr. GREEN of Iowa. Gentlemen think they are offering amendments in the interest of the taxpayers, but they are not; they are going to make the situation of the taxpayers worse.

Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in eight minutes.

The motion was agreed to.

Mr. CHINDBLOM. Mr. Chairman, I want to assure the committee, as I did a moment ago, that the Members of the Committee on Ways and Means were very anxious to do everything possible to help the taxpayer in matters of this sort, but I want to tell gentlemen just what they are doing. You can not prevent the Treasury Department from assessing a tax; they will do that and they will have to assess it upon the best information they have and make it just as high as possible so that they will know they are getting enough; then the taxpayer will get a review and you will have the same situation that we have had with regard to the 1917 and 1918 returns, where taxpayers have been compelled to file waivers in order to avoid an arbitrary assessment.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. CHINDBLOM. The time has been limited. I can not yield. The department is organized upon a basis of a certain amount of appropriations and upon the basis of a certain number of employees. They are working as best they can with the force they have and with the money we give them. They are not organized for this three-year period, and as between three years and four years I dare say the choice is not very large. If we could cut it down to two years or one year, I would much prefer that, but they still have a large number of cases growing out of the excess-profits muddle in 1917 and 1918. That is an inheritance that the present administration of the Treasury Department got from the prior administration. They can not help it. They have got to go through those cases. They are now finishing up the 1917 and 1918 cases, and in all probability all of them will be disposed of within less time than a year. With that work on hand they can not possibly go ahead and accelerate their work, as would be contemplated by this amendment, unless one of two things occurs—either they would have to be able to get additional employees, which they can not do because they can not train them and put them right into the work, or they would have to neglect the examination of these reports, resulting on the one hand in losses of revenue to the Government or, on the other, if they render arbitrary assessments, in a great many hardships upon the taxpayers themselves.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JONES. Mr. Chairman, I offer an amendment to the Black amendment by striking out "three years" and inserting "two years."

The CHAIRMAN. The gentleman from Texas offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES to the amendment offered by Mr. BLACK of Texas: Strike out "three years" and insert in lieu thereof "two years."

Mr. GREEN of Iowa. Mr. Chairman, I make the point of order that that proposition was voted on a short time ago.

Mr. JONES. No; this is not the same proposition. The amendment that was offered before was connected in an entirely different way. The other was with reference to making the tax determination and this is with reference to imposing taxes and making levies. It is an entirely different proposition.

The CHAIRMAN. The Chair thinks it is not subject to a point of order, and the gentleman from Texas is recognized.

Mr. JONES. Mr. Chairman, I have been trying for two years to get the Ways and Means Committee to correct the evil of having additional assessments made four or five years after reports are in, when conditions have entirely changed, and when there has been no fraud or concealment. It frequently means ruin to business men who could have paid the tax without trouble at the time. I think the time limit ought to be two years. It does not take any more time for the Treasury Department to check the returns under this bill within the first year or any more clerical help than it does to correct them five years behind. It takes just so much time to review returns. This amendment allows them all the time they want to check up the old returns, but requires them to keep up hereafter with current returns, or at least to get no more than two years behind. They have to do the work sometime, and it is just as easy to do it within the first two years as it is five years afterward; in fact, it would take less time for them to make a check up on the returns if they undertook to check them up earlier rather than if they wait a long time.

Mr. GREEN of Iowa. They have got to take them in their order.

Mr. JONES. It seems to me they could take the old ones in their order and keep more nearly up to date with the new ones. I want to say that it often happens that a taxpayer is in a position to pay additional taxes at the time his return is made if he were notified that additional taxes were required, but he goes ahead and makes his return, apparently everything is all right, and he invests his money again. Sometimes panics come or something goes wrong with his investments, and three or four years later his Government suddenly and unexpectedly asks for a lot of additional money when he can not pay it without going broke. If he opens his books freely and makes no concealment, this Government should be able to make a check up within two years.

They can go ahead and take the time that is necessary with reference to these old laws. The damage has already been done in those instances, but when the Government makes its assessments under the new law it requires no more clerical help; it requires no more time to make review within two years than it does to spread the work over four or five years.

The CHAIRMAN. The time of the gentleman from Texas [Mr. JONES] has expired, and the gentleman from Texas, Mr. HUDSPETH, is recognized.

Mr. HUDSPETH. Mr. Chairman, this is the first time I have intruded myself into the discussion of this bill; but this amendment, I want to state to my friend from Iowa—and, by the way, I have voted with him nine times out of ten against the radical amendments that have been offered on this side or that—he ought to accept. I want to state to him that if they have not enough force in the Treasury Department to keep from harassing the citizens of this country they ought to secure larger appropriations and put a larger force at work upon them.

Mr. GREEN of Iowa. They can not get them.

Mr. HUDSPETH. They can get them if they have sufficient funds, I will state to my friend. Nineteen hundred and eighteen was the heyday of the cowman or the livestock producer. That is when he made his money. But they have gone back now. He is not a bookkeeper; but he is honest, as a rule. They have now gone back on him for six years, and they have broken many of them throughout the West by levying larger assessments than were levied at that time. He had no books; and you gentlemen who come from the West know that the average livestock producer is not a bookkeeper and does not have a splendid set of books like a banker or those engaged in other lines of business.

Mr. GREEN of Iowa. I want to say that I sympathize with my friend in his complaint, and I think he is entirely right. I am trying to stop that at the department, but this will not stop it.

Mr. HUDSPETH. I think the time has come when there ought to be a period of peace for the taxpayer, and he ought to have some consideration when we are passing measures of this kind. I am not a radical. I have stood by the bill; but I say to you that there is grave danger existing, and it ought to be stopped by an amendment of this kind, and I think a period of three years is ample for the Government to go back upon a citizen who has made a rendition. I think the amendment ought to be adopted.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Texas [Mr. JONES].

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. This vote is on the motion of the gentleman from Texas providing for two years?

The CHAIRMAN. On the amendment to the amendment offered by the gentleman from Texas [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JONES] there were 21 ayes and 61 noes.

Mr. JONES. Mr. Chairman, I make the point that no quorum is present.

Mr. YOUNG. Mr. Chairman, I call for tellers.

Mr. SANDERS of Indiana. The gentleman can not demand tellers when the point of no quorum is presented.

Mr. JONES. Mr. Chairman, I withdraw the point of no quorum for the moment and ask for tellers.

The CHAIRMAN. The gentleman from Texas demands tellers. All in favor of taking the vote by tellers will rise. [After counting.] Nineteen Members have risen, not a sufficient number, and tellers are refused.

Mr. JONES. Mr. Chairman, I make the point that no quorum is present.

Mr. GARRETT of Tennessee. Mr. Chairman, has the Chair developed the fact that no quorum is present; has the Chair announced that the amendment failed?

The CHAIRMAN. The Chair has not announced it.

Mr. BLANTON. Mr. Chairman, I ask for a recapitulation of the teller vote.

Mr. SANDERS of Indiana. That is not permissible in Committee of the Whole.

The CHAIRMAN. It is evident from a count of the House, which the Chair has made, that there is no quorum present.

Mr. GARRETT of Tennessee. If the Chair has counted, that ends it.

Mr. GREEN of Iowa. Has the Chairman announced the vote?

The CHAIRMAN. The Chair has not announced the vote.

Mr. NEWTON of Minnesota. It is my impression that the Chair announced the vote, whereupon the gentleman from Texas demanded tellers and there was not a sufficient number to get tellers.

The CHAIRMAN. The parliamentary situation is this: While the division was being made the point of no quorum was made and the Chair counted and found there was no quorum.

Mr. GREEN of Iowa. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6715, the revenue bill, and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 3198. An act to authorize the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bridge across the Chattahoochee River at or near Eufaula, Ala., connecting Barbour County, Ala., and Quitman County, Ga.

AGRICULTURAL APPROPRIATION BILL.

Mr. ANDERSON, from the Committee on Appropriations, by direction of that committee, reported the bill (H. R. 7220, Rept. No. 223) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1925, and for other purposes, which, with accompanying papers, was ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. BLANTON reserved all points of order.

OTTO H. KAHN'S VIEWS ON TAX REVISION.

Mr. MILLS. Mr. Speaker, in the minority report of the revenue bill there is a quotation from testimony given by Otto Kahn three years ago. Mr. Kahn has written a letter in which he desires to give his interpretation of that testimony, and I ask unanimous consent that the letter may be printed in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

The letter is as follows:

OHEKA COTTAGE,
Palm Beach, Fla., February 18, 1924.

Hon. OGDEN L. MILLS, M. C.,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN MILLS: In a report in the New York Times of February 12, summarizing the report of the minority of the Ways and Means Committee on the pending tax revision proposals, I find the following statement:

"The minority quotes Otto H. Kahn as having testified he thought the maximum a man ought to pay in surtaxes ought to be one-third of his income and that the highest bracket would be higher than 30 to 33 per cent. The minority quotes Professor Seligman as saying a reduction of surtaxes to an outside limit of 40 per cent will ultimately, in all probability, entail no diminution in revenue.

"The foregoing citations," says the minority, "could not now be explained away by their authors, even if they should be disposed to attempt to do so. They are in direct contradiction of Secretary Mellon and his propaganda as to maximum surtax rates, and are merely offered to show that Secretary Mellon is not infallible * * *."

I have no intention to explain away anything I said. The statement above quoted is a correct rendering of the views I expressed in December, 1920.

But there is no inconsistency in my having expressed these views more than three years ago under the then prevailing circumstances, and in my now supporting the Mellon plan, as I do.

It so happens that several weeks before this minority report came to my attention I prepared an article, soon to be published, on the Mellon tax plan, in which article I refer to my testimony of December, 1920, as follows:

"During the war, and for the first year or so after its conclusion, there was little endeavor, as proved by the income-tax returns, by those subject to the higher surtaxes to avoid them, even though tax-exempt securities and other legally permissible means of mitigating the rigor of such taxation were available. Capital felt under a moral compulsion, in the face of extraordinary circumstances of governmental requirements, to resign itself to bearing extraordinary burdens.

"It was only when capital came to realize that these extraordinary circumstances, and with them the justification for extreme surtaxes, no longer existed, when it came to feel that the maintenance of such taxes was due not to the needs of the country but to political considerations or to class prejudice or sectional animosity, and that their continued exaction was something not far removed from economic violence—it was only then that capital took such steps as were lawfully open to it to escape from what it regarded as unwarrantably and unnecessarily burdensome taxation. This statement is clearly borne out by the following figures of surtaxes collected by the Government on incomes of $300,000 or above:

1917	$201,937,975
1918	220,218,131
1919	243,601,410
1920	134,709,112
1921	84,797,344

"In December, 1920, two years after the close of the war, testifying before the Committee on Ways and Means of the House of Representatives, I said that 'a tax which did not raise surtaxes and normal taxes together above a highest average rate of approximately 30 to 33 per cent would be a moderate and reasonable tax under existing conditions, and would be willingly paid by everybody, and would not be evaded by investment in tax-exempt securities or by other means that are legitimately open.' I added that 'this would mean that the highest brackets might probably come as high as 40 per cent'—dependent, of course, upon the way in which the surtax schedule was graded (and assuming that our taxation system did not include a sales tax, the principle of which, fairly and wisely applied, I favored then and favor now).

"At that time the general situation, as well as the fiscal situation, of the Government was wholly different from what it is now. Men of means were not then justified—even though they believed, as I have always believed, that a reasonable surtax would yield at least as much revenue as a very high surtax—to advocate such a reduction in the surtax schedule as is now fully warranted both by the financial position of the Government and by the since undeniably proven fact that high surtaxes do not yield high returns to the Government. Furthermore, since that time various measures of tax relief for the benefit of the masses of the people have been enacted and additional and very substantial relief for those of small means is provided for in the Mellon proposals.

"There is nothing inconsistent in the attitude I took in 1920, as above stated, and in the attitude I am taking now in indorsing Secretary Mellon's recommendation that the highest surtax rate be 25 per cent. The situation has definitely changed. It is perfectly manifest that with surtaxes not exceeding the rate of 25 per cent and with materially lowered taxes all round the Government is able easily to meet its requirements. Under existing conditions surtax rates higher than those recommended by Secretary Mellon could not be looked upon as being required by the needs of the Government or as being the most effective means of producing revenue, but would be regarded as being dictated manifestly by considerations of politics or by a disposition to penalize success.

"Moreover, when I contemplated a scale of surtaxes graduated to a maximum as high as, or even higher than, 33 per cent I never suggested or thought that the maximum rate would be applied to incomes of $94,000, as the Democratic tax measure proposes, or even to incomes of $200,000. I thought then, as I think now, that the progressive scale of surtaxes ought to be spread over wide spacing of income brackets, much wider than that represented by the difference between $10,000 as the lowest bracket and $94,000 as the highest bracket, or wider even than that between $10,000 and $200,000. In other words, the application of the maximum rate, whatever it be, should, in my opinion, be confined to what may be ranked as maximum income classes. It seems to me manifestly incongruous that under the theory of a progressive tax a man with an income of $94,000 should be taxed at approximately the same rate as a man with an income of $940,000."

May I suggest, if you think it worth while, that you give publicity to this letter by having it read into the CONGRESSIONAL RECORD or in whatever other way you may deem best?

Very faithfully yours, OTTO H. KAHN.

WASHINGTON, THE CITIZEN.

Mr. COLLIER. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech delivered by my colleague, the Hon. B. G. LOWREY, at the Masonic Temple last night.

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

There was no objection.

Mr. COLLIER. Mr. Speaker, under the leave granted me I insert a speech delivered by my colleague, Hon. B. G. LOWREY, of Mississippi, at Masonic Temple, Washington, D. C., at a celebration of Washington's Birthday, February 22, 1924, which is as follows:

You have requested me to discuss George Washington, the citizen. Of course there is much that might be said of the man as a military leader, or as a legislator in the broad sense of the word, or as the first President of our great Republic. In all these relations he served with dignity, wisdom, honor, and ability, generous in his devotion and earnest in his consecration.

And yet what higher relation can any man have in this life than the simple relation of citizenship? It is here that we find the quality of his greatness unmodified—unadorned and not distorted by the glamor of dramatic issues. Here we find the most unmistakable tests of his personality—his loyalty, his unselfishness, and his sterling virtue.

In speaking their praise of a man as a citizen we often hear his fellows refer to him as a Christian citizen, as a public-spirited citizen, as a progressive citizen, as a successful citizen, as a useful citizen. Every trait described by these various adjectives was preeminent in the citizenship of George Washington.

He was not simply a nominal church member; he was a man who exemplified the Christian virtues in a clean, manly life; a man who believed in religion as the only safe basis of morality and as the most potent factor in the maintenance of civilization. His was not driveling sentimentality, or fiery vehemence, or cold rigidity. His was a sane and constant faith in God and love for his fellow man. Traditionally, we are cited to his praying at Valley Forge. But I submit without meaning to be facetious that almost any man would have prayed at Valley Forge. It was time to pray. Dreadful circumstances such as Washington faced there always cause men, great or small, to reach out toward God. Yet Washington's hold on God was unshaken not only in misfortune, but in good fortune. That is the real test.

After Braddock's defeat he wrote: "By the all-powerful dispensation of Providence, I have been protected beyond all human probability." On returning his commission to Congress at the close of the Revolution, at a time when he was receiving personal adulation such as seldom has been heaped on a living man, he said, "I consider it an indispensable duty to close this last act of my official life by commending the interests of our dearest country to the protection of Almighty God, and those who have the superintendence of them to His holy keeping."

And again in his Farewell Address, when he had reached the pinnacle of human achievement, "In all those dispositions which promote political happiness, religion and morality are essential props. In vain does he claim the praise of patriotism who labors to undermine these great pillars of human happiness." And again, "Can we in prudence suppose that national morality can be maintained in exclusion of religious principles?"

In a word, the Father of His Country was a great Christian citizen, with profound faith in God as the only source of power and wisdom, and of safety for himself, his fellow man, and his country.

A public-spirited citizen is one whose patriotism and philanthropy, love of country and love of fellow man, lead him to sacrifice freely for the public good. Throughout Washington's whole career we find unfailing proof of the largeness of this spirit. When called by Congress to take charge of the Revolutionary Army, he said, "As to pay, sir, I beg to assure the Congress that as no pecuniary consideration could have tempted me to accept this arduous employment at the expense of my domestic ease and happiness, I do not wish to make any profit from it. I will keep account of my exact expense. That is all I desire."

Keep exact account he doubtless did. That was his business habit through life. But not only did he contribute that expense, when the war closed he had contributed as well from his own private fortune $60,000 to his country's cause and had suffered immense loss in the depreciation of his splendid Virginia estates, which he visited only once during the eight years of the war. And this financial sacrifice was only the beginning of his personal sacrifice.

His letters and utterances from the beginning of the war abound in appeals to his fellow citizens that they forget their own comforts and fortunes and give themselves and their means to the cause of liberty. There seem to have been both profiteers and slackers in those days, and many gentlemen of rank and fortune were looking after their private interests while their country bled. His greatness is the measure of their smallness.

In his life as a country gentleman and farmer at Mount Vernon we find, not from tradition only but from abundant and reliable records, that Washington displayed every characteristic of a useful, progressive, and successful private citizen. He was a champion of every good community movement after he became a leader of far-reaching reputation as well as before. He took an active interest in roads and schools and practical farming problems. He was concerned in the election of the humblest local officials. He stood for the best care and treatment of slaves, and finally for their emancipation; but he also demanded industry and systematic work and made Mount Vernon the best kept and most progressively managed place in Virginia.

His business accounts show that in making his annual orders from his European brokers he secured the best and latest books on agriculture and kindred subjects, by which he contributed both to his own success and to the success of his neighbors. They seem to have looked to him not only to advise them how they should deal with the King of England but how they should plant and harvest their crops as well.

Withal he was not the type of man who pushes himself into leadership, but the type to which men naturally turn for leadership. After his return from the war with the French and Indians, and his marriage, his fellows elected him to represent them in the House of Burgesses. Thayer relates that on his first entrance to take his seat Mr. Robinson, the speaker, welcomed him in the name of the Colony and praised him for his high achievements. Washington rose from his seat, but was so embarrassed that he was unable to speak. Whereupon Mr. Robinson, the speaker, welcomed him in the name of the colony equal to your valor, and that surpasses the power of any language I possess."

He made no reputation as a brilliant debater or orator, and yet so trusted did he become as a leader that later, when he entered the Continental Congress, Patrick Henry declared, "For solid information and sound judgment Colonel Washington is unquestionably the greatest man on the floor."

His attitude was ever that not of a man "aiming at prominence and power, but a man moved by an obligation to serve a cause."

A man of large wealth and of large power to increase that wealth, he spent eight years serving and suffering in desperate want with his soldiers of the American cause, while his splendid estate diminished almost to bankruptcy. To him wealth, position, and influence were not ends, but means—means not to self-gratification, but to service. We find him constantly yielding his own comfort and preference that he might use these powers to this purpose. He accepted the command of the American Army and retained it through eight terrific years; he accepted the Presidency of the young Republic, accepted a second term, and refused a third term, always moved by a determination to do what he believed to be best for his fellow men, never once asking after his own personal profit.

This third-term proposition is worth noting. Washington knew that to accept a third term would mean, practically, to accept life tenure. He knew that there were men in the country who desired to see the Government revert to parliamentary monarchy. He knew that his was almost the only name that had been mentioned in this connection. He had good reason to believe that there had never been a time when he could not have made himself king had he sought to do so. He knew that other men might rise to power who would be more susceptible to Cæsar's ambition. Hence, as he had accepted high office motivated by pure patriotism, so he declined to continue in high office.

And so I make no apology for repeating that George Washington's ruling passion as a citizen was fervent devotion to his country, and the fundamental principle of that devotion was implicit obedience to her laws and adherence to her Constitution. This he ever placed above party allegiance, personal interest, or sectional tie. In his farewell address he says, "Children of a common country, that country claims and ought to concentrate your affections." Again he speaks of "the benign influence of good laws under a free government," and condemns "all obstruction to the execution of laws" and "all combinations or associations under whatever plausible characters to control, counteract, or awe the regular action of the constituted authorities. The free constitution which is the work of our hands must be sacredly maintained."

Was there ever spoken, or written, or lived, greater political wisdom or more wholesome philosophy of government?

Far up Pennsylvania Avenue, in a little circular park bearing his name, stands an equestrian statue of George Washington. It has been there for many decades. Some months ago it was found that the metal was yielding to atmospheric conditions, and the statue had to be taken down and renewed. Metal wastes while character endures.

"I met a traveler from an antique land
Who said, Two vast and trunkless legs of stone
Stand in the desert. Near them on the sand,
Half sunk, a shattered visage lies, whose frown
And wrinkled lip and sneer of cold command
Tell that its sculptor well those passions read
Which yet survive, stamped on those lifeless things,
The hand that mocked them and the heart that fed.
And on that pedestal these words appear:
'My name is Ozymandias, king of kings;
Look on my works, ye mighty, and despair!'
Nothing beside remains. Round the decay
Of that colossal wreck, boundless and bare,
The lone and level sands stretch far away."

So it is ever with a man whose life object is personal aggrandizement. The selfish works of man, the material monuments of man, fail and fall. "Enduring as bronze" is a proverb. Yet in this case the bronze of the Washington statue has failed, while his fame is only in its bud.

Ozymandias must have lived contemporaneously, or almost contemporaneously with a certain man named Moses. This Moses, too, built. He built not in granite but in service. His law was the law of service and of love.

Washington also had contemporaries to build on things material—men who called him dreamer and impractical idealist, that he should attempt to lead his people up out of bondage and through the wilderness. Round their monuments the lone and level sands stretch far away.

But the name and fame of Washington will thrill the hearts of men when every statue that adorns this Capital City shall have fallen into dust. Though this Potomac may be dry and these fair hills may become barren desert, he shall stand, like Moses, the servant of God and the servant of man. Down through all the ages men shall see his monument graven in the progress of the race.

TAX REDUCTION.

Mr. TILSON. Mr. Speaker, I ask unanimous consent to extend remarks in the RECORD made by me on the subject of tax reduction at a meeting on the evening of February 20 at the Fortieth Annual Banquet of the Old Town Merchants and Manufacturers' Association of Baltimore.

The SPEAKER. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, by permission of the House heretofore granted, I submit for printing in the RECORD some remarks made by me on February 20, 1924, at the fortieth annual banquet of the Old Town Merchants and Manufacturers' Association, of Baltimore:

Mr. Toastmaster and gentlemen, the change made in the order of speakers on your program is a wise and fortunate one for two reasons: The first is that it enables me to catch my train. The second, and by far the more important, reason relates directly to you. By the time I have finished my tax speech you will probably need to be resuscitated, and since spirituous stimulants can no longer be served—that is, publicly—it is a happy solution that as soon as I have finished you are to have a spiritual stimulant administered to you in the person of the famous baseball parson, the Rev. Thomas W. Davis.

My first knowledge of Baltimore came to me as a small boy in my Tennessee mountain home when my two older brothers went away to the far-off city of monuments and medical schools to secure a medical education. A few years later I journeyed northward, and, passing through Baltimore, had a very fine worm's-eye view of the city from the depths of the Pennsylvania Railroad tunnel. I must say that the impression your city makes from that viewpoint is not particularly pleasing.

You may have lost on that account a perfectly good settler—poor, but honest, and quite able-bodied. At any rate, I went on to Yankeeland, which received me hospitably and soon made me feel quite at home. Years went by, as the story books say, and the people of my adopted State sentenced me to two years' hard labor at Washington. The sentence has been extended from time to time, which has given me additional opportunities to see your beautiful city from the "Pennsy" tunnel and the B. & O. as well. The scenery is much the same in both, though one can see it better in the latter.

All the while Baltimore continued to be a quiet suburb of the National Capital until one cold, bleak November day the District of Columbia was, by act of Congress, annexed to the Sahara Desert. Then Baltimore came into her own. It is a great thing to be an oasis when numerous thirsty statesmen are wandering in the desert near by. Your streets soon became familiar to some who had scarcely known of your existence. Some went even as far as Orleans Street, which your honored mayor has this evening paved with good intentions. Even in those pre-Volsteadian days doubtless Senators could walk about your streets with a greater degree of safety than they now can walk along Pennsylvania Avenue in the Capital City of the country.

I am glad to be here on the invitation of my friend and colleague, JOHN PHILIP HILL. He has not told you, but it is a fact, that I am one Member of Congress who spends most of his time in Washington attending to the business for which I was sent there. I seldom accept invitations to speak outside of Washington, but I could not refuse the request of your distinguished Representative from the third district.

When Colonel HILL arrived at the Capitol I soon became attracted to him by his good looks, fine presence, and attractive personality. It soon developed that his fine appearance and pleasing personality were an accurate index of his fine character and ability. He has made good. Few men in the House have more quickly earned a noteworthy place among their fellow Members, and no one has maintained the position gained for himself with greater courtesy, courage, industry, or capacity.

I have come here to talk to you on the subject of tax reduction. You will, of course, expect me to discuss the question with candor, and therefore from my own viewpoint, which is that of a Republican. Taxation is a dry subject at best and I shall not try by any artifice of mine to lift it into the realm of entertainment. Its very great importance, however, warrants an effort on my part, with a corresponding patience and endurance on your part, to give you something in the way of a clearer insight into the problem as it exists on Capitol Hill in Washington to-day.

Let me call your minds back for a moment to the fiscal situation of our Government 10 years ago. The income-tax amendment had been recently added to the Federal Constitution with the hope and general understanding that, although a positive necessity for a great emergency like a great war, it would not be used extensively except in such an emergency.

The emergency came all too soon. We became involved in the greatest war of all history. Unheard of sums of money were called for to carry on the war. We began to talk billions instead of millions. Taxation and still more taxation was necessary. Pelion was piled upon Ossa in every conceivable form of taxation and still the mountain of indebtedness grew. Taxes were imposed which were known to be inordinate and oppressive. Rates which were then admitted to be impossible if applied to peace times were adopted; but the people bore them patiently, hoping and believing that the war would soon be over and that soon thereafter the burden might be lightened.

After all the taxes imposed during its progress the war closed with our national debt increased from one billion at the beginning to nearly twenty-five billions at the close. The annual interest due on this sum was about equal to the entire national debt at the beginning of the war, and substantially equal to the entire annual expense of running the Government, including interest on the public debt, prior to the war. The current expenses of administering the Government had also increased unduly by reason of the war.

With such a situation it was clear and still is clear that for a long time to come the amount of money to be raised by taxation must be very much in excess of any sums heretofore raised in times of peace. Therefore, with patience and fortitude, the overburdened taxpayer staggered on with his load, looking forward to the day when a proper adjustment would lighten the load or more equitably distribute the burden.

In 1921 an effort was made to remove some of the more oppressive and harmful taxes. The very unsound, unjust, and vicious excess-profits tax was lopped off and some others that had been found particularly annoying or oppressive. It had become evident at that time that the surtax rates were altogether excessive, both from the standpoint of securing the greatest amount of revenue and the effect upon business. An effort was made to reduce the maximum rate from 65 per cent to 32 per cent but it failed, and the rate was fixed at 50 per cent, which, together with a normal tax of 8 per cent, made a tax on individual incomes of 58 per cent.

It was perfectly apparent to those who studied the subject that such a rate would continue to drive large incomes out of the taxable field, and it did so, as the figures in the Treasury clearly show.

Toward the end of the fiscal year 1923 it became apparent that while the sources of taxation in the higher incomes were drying up, the yield from incomes at the lower rates and from other sources was such that there would be a surplus in the revenues, so that a real tax reduction might be made. Experts were set to work preparing the statistics and other data necessary for working out a sound, constructive plan of tax reduction. The so-called Mellon plan was the result. It was first embodied in a communication to Judge GREEN, acting chairman of the Ways and Means Committee. Afterwards it was submitted in the form of a proposed bill embracing a complete and thorough revision of the administrative features of the revenue law.

The proposed revision of the tax laws, with a systematic, well-constructed, well-balanced plan for reducing the burden of war taxes, was put forward as a nonpartisan proposition. What could be more nonpartisan than taxes? It was at first hoped that it might be considered in Congress on a nonpartisan basis. The national platforms of both the great parties in 1920 were sound on this subject. Listen to this. It reads like President Coolidge's Lincoln Day address, but it is in fact from the Democratic platform of 1920:

> "We advocate tax reform and a searching revision of the war revenue acts to fit peace conditions, so that the wealth of the Nation may not be withdrawn from productive enterprise and diverted to wasteful or nonproductive expenditures."

I am compelled to admit that this Democratic plank on tax reduction is clearer and better than the corresponding plank of my own party. It clearly embodies the principle on which the Mellon plan was constructed. It was backed up by two able Democratic Secretaries of the Treasury, GLASS and Houston, and by the late President Wilson. It would seem that the Democrats in Congress, just as sound

Democrats all over the country have done, would have jumped at the opportunity to help enact into law the principles enunciated by their own soundest and best financial leaders. I am personally very fond of JOHN GARNER, but if I were a Democrat and called upon to follow in financial matters either GARNER or former Secretary GLASS, there would be no hesitation in choosing the latter.

What do we find the Democrats in Congress doing? Playing politics every minute and, in my judgment, poor politics; for if they succeed in making this a party issue and array the party in opposition to genuine tax reduction, in my judgment they are digging their own political graves.

They held a caucus and bound themselves to vote for the Garner rates, regardless of opinions or convictions. Yesterday, by a combination of the solid Democratic vote in the House and about 20 so-called insurgent Republicans, the Garner rates were written into the tax bill, although it was made perfectly clear by figures from the Treasury Department that such a change would lose revenue to the extent of over $600,000,000 and produce a deficit in the Treasury of about $300,000,000 per year.

Just what do the high rates carried in the Garner bill mean? No economic principle has been more thoroughly established than that of the diffusion of taxes. A few days ago, in debate in the House, Mr. BURTON, of Ohio, quoted a writer of the time of the Merry Monarch in England, who wrote concerning the land tax that—

> "It is not only the landlord pays, but every man who eats an egg or an onion of the growth of the lands, or who uses the help of an artisan, which feedeth on the same."

He quoted the same author as saying that the tax "doth ultimately fall on the consumptioners."

The quaint language of this seventeenth-century writer expresses clearly the views of sound economists of every age who have studied the subject. We say that the tax is passed on, and it is passed on wherever it can be done, so that in the last analysis the ultimate consumer pays the tax.

High surtaxes not only impose a heavy burden upon the nontax-paying consumer, by way of added cost of production, but they also fail in their primary purpose. The first object of any tax is to produce revenue for governmental expenses. High surtaxes are rapidly failing to produce revenue. The tax figures of the last five years demonstrate this fact beyond question. One need be no further schooled than elementary arithmetic to know that a million dollars multiplied by 25 will produce more revenue than a quarter of a million dollars multiplied by 50, and yet if the present Democratic plan should be written into law we shall continue to hamstring business and in the end lose revenue, all for the sole purpose of substantiating the shadow claim of "soaking the rich."

Some of those who would at any cost discredit the Mellon plan go so far as to scoff or sneer at the claim that a reduction of the present impossible 50 per cent surtax rate to 25 per cent—the maximum rate in the Mellon proposal—will cause capital to flow more freely into productive channels. I believe that I can demonstrate by a simple problem in arithmetic that it will do so. The chart on the wall before you is but a group of examples in multiplication, subtraction, and percentages; but it tells the story why large incomes leave the productive field, where they are taxed to death, and seek refuge in the haven of tax-exempt securities.

I assume that, as successful business men, you will need no argument to prove that, other things being equal, men having capital to invest will invest it where it promises to be most productive of income. In other words, if it is profitable for them to do so, men with brains and capital will use them to engage in active business. By their doing so society as a whole will be benefited, living costs will tend toward lower levels, and in the end, through the greater well-being of all, the aggregate of governmental revenues will be increased.

If the tax rates are so high on the fruits of productive enterprise that it is more profitable to invest in tax-exempt securities, men will do so, retire from active business, and clip coupons for a living. While thus employed they have no business worries and contribute not a "brownie" toward the expenses of Government. Examine my chart and decide under which of the four plans a man of large income having capital to invest will engage in active business and under which he will be driven to seek income, as well as safety, in tax-exempt securities. The chart follows:

PRESENT LAW—NORMAL TAX 8 PER CENT+SURTAX 50 PER CENT=58 PER CENT.

Amount to be invested.	Rate.	Income.	Tax.	Net yield.	Net rate.
	Per cent.				*Per cent.*
$100,000	6	$6,000	$3,480	$2,520	2.52
$100,000	7	7,000	4,060	2,940	2.94
$100,000	8	8,000	4,640	3,360	3.36
$100,000	9	9,000	5,220	3,780	3.78
$100,000	10	10,000	5,800	4,200	4.20
$100,000	11	11,000	6,380	4,620	4.62

FREAR PLAN—NORMAL TAX 4 PER CENT+SURTAX 50 PER CENT=54 PER CENT.

Amount to be invested.	Rate.	Income.	Tax.	Net yield.	Net rate.
	Per cent.				*Per cent.*
$100,000	6	$6,000	$3,240	$2,760	2.76
$100,000	7	7,000	3,780	3,220	3.22
$100,000	8	8,000	4,320	3,680	3.68
$100,000	9	9,000	4,800	4,200	4.20
$100,000	10	10,000	5,400	4,600	4.60
$100,000	11	11,000	5,940	5,060	5.06

GARNER PLAN—NORMAL TAX 6 PER CENT+SURTAX 44 PER CENT=50 PER CENT.

Amount to be invested.	Rate.	Income.	Tax.	Net yield.	Net rate.
$100,000	6	$6,000	$3,000	$3,000	3.00
$100,000	7	7,000	3,500	3,500	3.50
$100,000	8	8,000	4,000	4,000	4.00
$100,000	9	9,000	4,500	4,500	4.50
$100,000	10	10,000	5,000	5,000	5.00
$100,000	11	11,000	5,500	5,500	5.50

MELLON PLAN—NORMAL TAX 6 PER CENT+SURTAX 25 PER CENT=31 PER CENT.

Amount to be invested.	Rate.	Income.	Tax.	Net yield.	Net rate.
$100,000	6	$6,000	$1,860	$4,140	4.14
$100,000	7	7,000	2,170	4,830	4.83
$100,000	8	8,000	2,480	5,520	5.52
$100,000	9	9,000	2,790	6,210	6.21
$100,000	10	10,000	3,100	6,900	6.90
$100,000	11	11,000	3,410	7,590	7.59

In making up the tables on my chart I have assumed that the taxpayer has reached the top bracket of the surtax under all of the plans, but for the purposes of the chart it makes no difference at what figure the top bracket is reached. Having reached the top bracket, so that any additional income will be taxed at the highest rate, I assume that the taxpayer has $100,000 and is trying to decide how to invest it so as to net him the highest return. If he knows what rate of income his investment in business will pay, my tables will tell him what his net return on his investment will be after paying his income taxes under the present law, the Frear plan, the Garner plan, and the Mellon plan.

If you will compare the first line of the four tables you will note that under the present law at 6 per cent the supposed investment nets a return of 2.52 per cent, under the Frear plan 2.76 per cent, under the Garner plan 3 per cent, while under the Mellon plan the net return is 4.14 per cent. It is said that good tax-exempt bonds can be bought to yield anywhere from 4 to 5½ per cent. Not being fortunate enough to own any tax-exempts I can not verify this from personal knowledge. It is thus clear that unless the investment pays more than 6 per cent it will not go into business under any of the plans.

Next take an 8 per cent investment. Under the present law it nets 3.36 per cent, under the Frear plan 3.68 per cent, under the Garner plan 4 per cent, while under the Mellon rates it nets 5.52 per cent, or a fraction better than the tax-exempts. Still we should not expect many very prudent investors to rush into business at this rate.

Then let us suppose that an opportunity for a 10 per cent investment appears. We now approach the speculative realm, where even the principal may be lost; but assuming that the investment pays 10 per cent, the net return will be as follows: Present law, 4.20 per cent; Frear plan, 4.60 per cent; Garner plan, 5 per cent; Mellon plan, 6.90 per cent. Large and careful investors will not need to be instructed as to the meaning of these figures. Those of the present law tell the tragic story of capable men still in the prime of life retiring with their capital from active business to become idlers, rich tramps, rendering no service worth while, not even contributing to the support of the Government that protects them, and all because our tax laws are such that it pays them better to invest in tax-exempt securities and be idle than to invest in productive enterprise and use their abilities for the betterment of mankind. Neither the Garner plan nor the Frear plan offers any substantial relief from present conditions. The Mellon proposal at least opens the door of hope and gives to active and venturesome spirits, upon whose activities so much of progress depends, the promise of fair consideration in case they work instead of play.

It is quite generally believed that if Democrats in Congress were free to vote their convictions the Mellon plan would be adopted substantially in toto; but they are bound by party caucus. On the other hand, there is a small group elected on the Republican ticket who would, in order to make the futile gesture of "soaking the rich," go even beyond the Democrats, and these, combined with the solid Democratic vote, give the combination a clear majority of Congress. What kind of a tax law will come out of the struggle no one can now foretell. The country can only hope for the best. It is fortunate that in the White House is a man who to a remarkable degree commands the confidence of the people and they rely upon him to prevent the worst.

For a long time the burden of war taxes has been patiently borne. At last, through the most successful and brilliant fiscal administration since Hamilton's time, we have arrived at a place where the

burden may be lightened. A well worked out, scientifically constructed plan of relief to all has been proposed, one which is so admirably adjusted that it effects the greatest economic benefit to the whole country with the least loss to the Treasury. It ought to be enacted into law. Will the people of this country stand complacently by and see partisan and factional politics defeat this proposal, thus depriving them of this boon? If I correctly interpret their attitude in this matter, they will not. They have learned that they may with complete confidence rely upon the financial sagacity and ability of the modest little wizard who now presides over the Treasury; and I believe that they are going to stand back of him and see that his plan is put across, even if party lines must be crossed in order to do so.

COUNSEL FOR PROSECUTION OF SUITS TO CANCEL LEASES.

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 160, to provide an appropriation for the prosecution of suits to cancel certain leases, and for other purposes.

This is a resolution passed, I think, unanimously, except for one vote. I ask to agree to the Senate amendments.

Mr. GARNER of Texas. What are the Senate amendments?

Mr. LONGWORTH. One strikes out the whereas and the other provides that the appointment shall be with the advice and consent of the Senate.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I shall not object, but I want to ask the gentleman from Ohio [Mr. LONGWORTH] if he is prepared to say that the one vote was not, after all, the correct vote?

Mr. LONGWORTH. Oh, I prefer to spare the gentleman's feelings.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk severally reported the Senate amendments and they were severally agreed to.

BOARD OF MANAGERS, NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate Joint Resolution 83, for the appointment of one member of the Board of Managers of the National Home for Disabled Volunteer Soldiers, and agree to the same, and that a similar House joint resolution do lie upon the table.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of Senate Joint Resolution 83, a similar House resolution having been reported favorably by the Committee on Military Affairs. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate joint resolution.

The Clerk read as follows:

Senate Joint Resolution 83.

Resolved, etc., That John J. Steadman, of California, be, and he is hereby, appointed a member of the Board of Managers of the National Home for Disabled Volunteer Soldiers of the United States, to fill the unexpired term of Henry H. Markham, deceased.

The SPEAKER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

A similar House joint resolution was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. STRONG of Pennsylvania, for one week, on account of the death of his sister.

HOUR OF MEETING TO-MORROW.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, is there an agreement between the gentleman from Texas [Mr. GARNER] and the gentleman from Iowa about this?

Mr. GARNER of Texas. There is not.

Mr. GREEN of Iowa. I did not suppose that the gentleman from Texas would object to it.

Mr. GARNER of Texas. Oh, the gentleman from Iowa must know that I would object to it, because I told him, as I recall, that we are working from six to eight hours a day on this bill and he is rushing it now when he could have had it in here a week or 10 days ago. I have tried to facilitate the passage of this bill, and I am willing to do all I can toward that event.

Mr. GREEN of Iowa. The gentleman has not facilitated it very much to-day.

Mr. GARNER of Texas. Reserving the right to object, the gentleman knows that we were trying to have a conference this morning of members of the Ways and Means Committee to get together on some amendments, and we did not have even 30 minutes in which to confer on important amendments, and yet the gentleman wants us to meet at 11 o'clock in the morning.

Mr. GREEN of Iowa. I hope the gentleman will not object to this. I have just made an arrangement to suit his convenience.

Mr. GARNER of Texas. Oh, my convenience is that of the convenience of the House, and whatever the House wants to do concerning this bill.

Mr. GREEN of Iowa. I hope the gentleman will not object.

Mr. GARNER of Texas. Mr. Speaker, I object.

TAX LEGISLATION.

Mr. GREEN of Iowa. Mr. Speaker, under leave to extend my remarks I insert herewith the following letter:

AN OPEN LETTER TO DR. T. S. ADAMS.

Dr. T. S. ADAMS, *New Haven, Conn.*

MY DEAR DOCTOR ADAMS: The approach to completion of the revenue bill by the Ways and Means Committee has given me the first opportunity to carefully read the open letter which you addressed to me under date of January 26.

If I agreed to the premises which you lay down in your letter I might come to the same conclusions, but I do not; and I do not know of anyone who has had a better opportunity to inform himself thereon than I have. My duties and inclinations have for many years made me a student of tax problems. As a member of the Ways and Means Committee I think I can safely say that for the last four or five years no one has taken a more active part in framing national tax legislation than I have. I am quite sure that I have had a better opportunity to understand the inner workings of that committee, and also of the Finance Committee of the Senate, than anyone outside of Congress could possibly have.

That there are certain "holes," as you call them, in our revenue law I am quite ready to admit. There are in all revenue laws, as you are well aware. I will go further and say that there are more than there ought to be, and certainly more than are necessary. But, contrary to the views expressed in your letter, the reasons why these "holes" exist is because in the past there has been little effort to close them, but, instead, much has been done to open them wider. For the first time, in the present bill, something substantial has been done to close the gaps that were open for evasion, although the bill in my judgment does not go as far as it ought to go in this respect, and certainly not as far as it might go without subjecting it to criticisms of the kind that you mention in your letter.

When the 1916 law was passed the whole subject was new, and evasions that might be practiced were not then invented. When the 1918 act was passed the door was opened to evasion by the reorganization provisions and other changes quite proper in their general purpose but unfortunate in their wording. Other provisions equally proper in purpose but equally unfortunate in wording followed in the 1921 act. Without some experience it was difficult to foresee how these provisions would operate.

The reason why little has been done since 1921 to close the gaps in that act can not be fully made to appear without personal references, which I do not wish to make any more definite in this letter than to say that they would have no application to yourself.

You say that Congress will not close the gaps because the remedies are "probably unconstitutional" or "novel and bizarre," etc. Will you say this of the methods that we have taken in the pending bill? I think not. Nor can this be said of other steps in the same direction which we might very well take. As an example I might say that one of the most common instances of what is most often referred to as evasion of taxes is by division of estates among the members of a family, thereby reducing the high surtaxes. It would be perfectly easy to check this practice by a tax on transfer of gifts, as to the constitutionality of which there could be no question. That this would entirely correct the situation I do not claim, but if we would accept no income tax but one that can not be evaded in some ways everyone knows that we would have none. Every student of the subject knows that the same could be said of nearly every other tax, and that on the whole the income tax, which is based on the ability to pay, works far more fairly than any other.

The statement which you make is an astonishing one to me. It amounts to this: That the extremely wealthy now defy the Govern-

ment and intend to continue to defeat it out of its just share of their taxes; therefore we should cut their tax in two. It is unnecessary to say that the political party which proclaims such a doctrine would seal its doom with the announcement. You say that they will not pay and we can not make them. But Canada makes them pay a much higher tax than we have now, and England makes them pay a higher tax than any which is now proposed for the new bill, so far as I know—certainly very much higher than any I would advocate. If other nations can do this, what reason can we give for not doing it? There is no answer except to point to tax-exempt securities, which I shall discuss later on. You say, in effect, that they will not pay 35 per cent, which I have advocated. I say that the man with immense wealth, who will evade taxes at 35 per cent, will do so at 25 per cent. In neither case has he any need for the money which he keeps from the Government.

I agree with you in your criticisms of legislators who champion the extremely high surtaxes and at the same time favor tax-free bonds, but here again I make the assertion that a reduction from 35 per cent to 25 per cent as the maximum surtax will have little effect on the investments of the extremely wealthy in tax-free securities, and it will still be largely to their advantage to invest in them. It would require a still lower rate to make them unattractive to the multimillionaires. Also, no matter how low the maximum surtax is, there will still be the same amount of tax-exempt securities in circulation and the same amount withdrawn from active business for investment therein, and about the same amount in taxes lost to the Government. The fact is that while the Government has lost much by the tax-exempt securities, it has not lost so much in the extreme upper brackets of the income tax from this cause as it has from the division of estates which, unless checked, will continue just as much at 25 per cent as at 35 per cent or 40 per cent.

You say Congress will not take the action which it ought. If this is so, so much the worse for Congress, but I shall decline to take the responsibility for such a course. When Congress once has the opportunity to make needful corrections in and through a general revenue bill I have faith that Congress will act. If not, we must admit that the control of wealth over our Government is supreme, and I deny the assertion no matter how much demagogues and agitators may repeat it.

You speak of the complexities of the law. Surely you are aware that these exist for the most part by reason of the efforts of Congress to adjust and equalize its application. Thus allowances, deductions, and exceptions are granted that no other government gives, but the complications were inevitably increased, and in some cases opportunity for evasion have unnecessarily been created.

It is true as you state that there is much complaint against the income tax, especially among those who possess great wealth, and this spirit of late is being diligently fostered with a view to shifting its burdens to shoulders least able to bear it. It is lamentable that in this country, where men of great wealth are taxed less than in any other comparable country in the world; where they have not only been permitted but encouraged to accumulate fortunes which would seem to be beyond the wildest dreams of avarice; where allowances and deductions are given them which are granted nowhere else; where they owe so much to the work and thrift of the toiling masses and to a Government without which these fortunes never could have been created; and so much to the loyalty of the common people to that Government; that notwithstanding all this in so large a number of instances we find that the patriotic spirit which exists with reference to the payment of taxes in Canada and England is lacking. Is it not possible that the scorn and contempt that you assert exists against the law is, among the people at large, pointed in a very different direction?

Very truly yours,

W. R. GREEN.

ADJOURNMENT.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 41 minutes p. m.) the House adjourned until to-morrow, Saturday, February 23, 1924, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 186. A resolution directing the Speaker of the House of Representatives to appoint a select committee to inquire into the operations, policies, and affairs of the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation; without amendment (Rept. No. 221). Referred to the House Calendar.

Mr. SNYDER: Committee on Indian Affairs. H. R. 6355. A bill to authorize the Secretary of the Interior to issue certificates of citizenship to Indians; with an amendment (Rept. No. 222). Referred to the House Calendar.

Mr. ANDERSON: Committee on Appropriations. H. R. 7220. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1925, and for other purposes; without amendment (Rept. No. 223). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 7207) granting an honorable discharge to John Sanders, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HUDSPETH: A bill (H. R. 7214) authorizing the acquisition of a site and the erection thereon of a Federal immigration building at the city of El Paso, county of El Paso, State of Texas, and for housing and furnishing of offices to Federal employees and the various departments connected with and attached to the Immigration Service, and appropriating money therefor; to the Committee on Public Buildings and Grounds.

By Mr. LILLY: A bill (H. R. 7215) to amend the revenue act of 1921, relating to tax on passenger automobiles for hire; to the Committee on Ways and Means.

By Mr. SABATH: A bill (H R. 7216) to amend an act entitled "An act relative to the naturalization and citizenship of married women," approved September 22, 1922; to the Committee on Immigration and Naturalization.

By Mr. RATHBONE: A bill (H. R. 7217) for the purchase of the Oldroyd collection of Lincoln relics and the erection of a monument or tablet to mark the spot where Lincoln died; to the Committee on Public Buildings and Grounds.

By Mr. STALKER: A bill (H. R. 7218) to authorize a reduction of postage on books in circulation to or from certain public libraries; to the Committee on the Post Office and Post Roads.

By Mr. BYRNES of South Carolina: A bill (H. R. 7219) to extend the time for the construction of a bridge over the Savannah River at or near Augusta, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON: A bill (H. R. 7220) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1925, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. TINKHAM: A bill (H. R. 7221) to amend an act entitled "An act in reference to the expatriation of citizens and their protection abroad," approved March 2, 1907; to the Committee on Foreign Affairs.

By Mr. CLEARY: Joint resolution (H. J. Res. 198) authorizing the President of the United States to pay just and meritorious claims for loss of and/or damage to freight in transportation arising during Federal control and declaring the intent of section 206a of transportation act, 1920, in relation to the provision thereof authorizing actions at law against an agent appointed by the President; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE of Virginia: Joint resolution (H. J. Res. 199) relative to the celebration of the bicentennial of the birthday of George Washington; to the Committee on Industrial Arts and Expositions.

By Mr. LAGUARDIA: Resolution (H. Res. 189) providing for the appointment of a select committee of seven Members of the House for the Sixty-eighth Congress to investigate interpretation and practice of the bankruptcy laws of the United States, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BRAND of Georgia: A bill (H. R. 7222) for the relief of S. C. Davis; to the Committee on Claims.

Also, a bill (H. R. 7223) for the relief of Maud H. Wright; to the Committee on Claims.

Also, a bill (H. R. 7224) for the relief of J. H. B. Wilder; to the Committee on Claims.

By Mr. FITZGERALD: A bill (H. R. 7225) granting a pension to Issola T. Shipley; to the Committee on Invalid Pensions.

By Mr. FLEETWOOD: A bill (H. R. 7226) granting a pension to Agnes Touchette; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 7227) granting a pension to Rachel Tweedle; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 7228) for the relief of George W. Allison; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 7229) granting a pension to Joseph H. McKenna; to the Committee on Pensions.

By Mr. THOMPSON: A bill (H. R. 7230) granting an increase of pension to Rachel Smith; to the Committee on Invalid Pensions.

By Mr. TUCKER: A bill (H. R. 7231) for the relief of Paul E. Haden; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 7232) authorizing the President to appoint Edward S. West to the position and rank of captain in the United States Army and immediately to retire him with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H. R. 7233) granting an increase of pension to Zebulon A. Shipman; to the Committee on Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 7234) granting an increase of pension to Laura C. Rexroat; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

1285. By the SPEAKER (by request): Petition of the University Cabinet of the National University, approving resolution of Congressman COOPER of Wisconsin to recognize the independence of the Philippine Islands; to the Committee on Insular Affairs.

1286. Also (by request), petition of citizens of Carrington, N. Dak., urging Congress to increase the duty on wheat from 30 cents per bushel to 60 cents per bushel; also to repeal the drawback provision and the milling-in-bond privilege of the Fordney-McCumber Tariff Act of 1922; to the Committee on Ways and Means.

1287. By Mr. ALDRICH: Petition of Societa di Maria Santissima della Carita, of Providence, R. I., protesting against the passage of the Johnson Immigration bill; to the Committee on Immigration and Naturalization.

1288. By Mr. BIXLER: Petition of Sons of Italy Lodge, Giordano Bruno, No. 875, opposing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1289. By Mr. ALDRICH: Petition of Eagle Council No. 8, Junior Order United American Mechanics, of Providence, R. I., indorsing the Johnson immigration bill and urging its passage; to the Committee on Immigraiton and Naturalization.

1290. By Mr. CROWTHER: Petition of 46 residents of Schenectady, N. Y., indorsing the Mellon plan of tax revision; to the Committee on Ways and Means.

1291. Also, petition of nine residents of Schenectady, N. Y., indorsing the Mellon plan of tax revision; to the Committee on Ways and Means.

1292. Also, petition of certain residents of Amsterdam, N. Y., at an open meeting of the men's class of the Second Presbyterian Church of Amsterdam, N. Y., held February 13, 1924, indorsing the Mellon plan of tax revision; to the Committee on Ways and Means.

1293. By Mr. FENN: Petition of the Civitan Club of Hartford, Conn., with reference to the military-naval policy of the United States; to the Committee on Military Affairs.

1294. Also, petition of the Italian Society of Windsor Locks, Conn., protesting against the passage of the so-called Johnson immigration bill; to the Committee on Immigration and Naturalization.

1295. Also, petition of the protective committee of the stockholders of the State of Connecticut, held at New Britain, Conn., in favor of House bill 5649, a bill for the relief of the Polish-American Navigation Corporation; to the Committee on Merchant Marine and Fisheries.

1296. By Mr. GALLIVAN: Petition of L. Candee, treasurer New England Investment & Security Co., Springfield, Mass., recommending early and favorable action on the Kelly bill to increase salaries of postal employees; to the Committee on the Post Office and Post Roads.

1297. Also, petition of Associated Y. M. and H. W. H. A. of New England, Boston, Mass., protesting against Johnson immigration bill; to the Committee on Immigration and Naturalization.

1298. Also, petition of Cadillac Automobile Co., of Boston, Mass., recommending removal of tax from automobile parts and accessories; to the Committee on Ways and Means.

1299. By Mr. KING: Petition of February 12, 1924, by the Chamber of Commerce, of Geneseo, Ill., in favor of the adjusted compensation bill; to the Committee on Ways and Means.

1300. By Mr. LEAVITT: Petition of the Helena (Mont.) Commercial Club, urging that no congressional legislation be passed at this time, since it is believed to do so would be detrimental to the public interest and retard the development and prosperity of the country generally and of Montana in particular; to the Committee on Interstate and Foreign Commerce.

1301. By Mr. O'CONNELL of Rhode Island: Petition of members of the Societa di Maria Santissima della Carita, of Providence, R. I., opposing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1302. By Mr. SABATH: Petition of executive committee of the Chicago Association of Commerce, favoring the enactment of legislation as will create an independent board of tax appeals; to the Committee on Ways and Means.

1303. By Mr. VARE: Memorial of Philadelphia Board of Trade, opposing the passage of legislation creating a department of education; to the Committee on Education.

SENATE.

SATURDAY, *February 23, 1924.*

(*Legislative day of Friday, February 22, 1924.*)

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

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Adams	Edge	Jones, Wash.	Ralston
Ashurst	Elkins	Kendrick	Robinson
Ball	Ernst	Keyes	Sheppard
Borah	Ferris	La Follette	Shipstead
Brandegee	Fess	Lenroot	Shortridge
Brookhart	Fletcher	Lodge	Simmons
Bruce	Frazier	McKinley	Smith
Bursum	George	McLean	Smoot
Cameron	Gerry	McNary	Swanson
Capper	Glass	Mayfield	Trammell
Colt	Gooding	Moses	Walsh, Mass.
Couzens	Harris	Neely	Walsh, Mont.
Cummins	Harrison	Norbeck	Warren
Curtis	Heflin	Norris	Watson
Dale	Howell	Oddie	Weller
Dial	Johnson, Minn.	Overman	Willis
Dill	Jones, N. Mex.	Phipps	

Mr. HARRISON. I wish to announce that the junior Senator from Utah [Mr. KING] is necessarily absent on public business.

Mr. ROBINSON. The senior Senator from Louisiana [Mr. RANSDELL], the Senator from Tennessee [Mr. MCKELLAR], the junior Senator from Louisiana [Mr. BROUSSARD], the junior Senator from Arkansas [Mr. CARAWAY], and the Senator from Mississippi [Mr STEPHENS] are absent on business of the Senate.

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

MEMORIAL ADDRESSES ON THE LATE SENATORS NELSON AND NICHOLSON.

Mr. PHIPPS. Mr. President, after consultation with the senior Senator from Minnesota [Mr. SHIPSTEAD] we have decided to ask that a day be set apart on which we may address ourselves to the memory of the late Senators NELSON and NICHOLSON, who passed away during last year. We request unanimous consent that the day of Sunday, March 9, be set aside to hold memorial services for those two Senators, and that on that day the Senate convene at the hour of 12 o'clock meridian for that purpose.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Colorado? The Chair hears none, and the day suggested by the Senator from Colorado is set apart for that purpose.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment joint resolutions of the following titles: