

Col. Egbert Frank Bullene (lieutenant colonel, Chemical Warfare Service), Army of the United States.

Col. Arthur William Pence (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Sidney Erickson, Infantry.

Col. William Oliver Reeder (lieutenant colonel, Signal Corps), Army of the United States.

Col. Robert Falligant Travis (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States), Army of the United States—Air Corps.

Col. Edward Brigham McKinley (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Edwin Daviess Patrick (lieutenant colonel, Infantry), Army of the United States.

Col. Aaron Bradshaw, Jr. (lieutenant colonel, Coast Artillery Corps), Army of the United States.

Col. Ludson Dixon Worsham (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. John Ferral McBlain (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Henry Benton Sayler (lieutenant colonel, Ordnance Department), Army of the United States.

Col. John Henry Gardner (lieutenant colonel, Signal Corps), Army of the United States.

Col. John Charles Palmer Bartholf, Infantry.

Col. Harold Napoleon Gilbert (lieutenant colonel, Adjutant General's Department), Army of the United States.

Col. George Eitle Hartman (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Emil Charles Kiel (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Edmond Harrison Leavey (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Harry Frank Thompson (lieutenant colonel, Infantry), Army of the United States.

Col. Martinus Stenseth (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Ralph Harvard Goldthwaite, Medical Corps.

Col. Joseph Augustus Baer, United States Army.

Col. Uzal Girard Ent (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States), Army of the United States—Air Corps.

Col. George Anthony Horkan (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Calvin DeWitt, Jr. (lieutenant colonel, Cavalry), Army of the United States.

Col. Gilbert Xavier Cheves (lieutenant colonel, Cavalry), Army of the United States.

Col. Lucas Victor Beau, jr. (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. James Washington Curtis (lieutenant colonel, Infantry), Army of the United States.

Col. Glenn Oscar Barcus (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. John Andrew Porter (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Edgar Peter Sorensen (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Joseph Burton Sweet (lieutenant colonel, Infantry), Army of the United States.

Col. Harold Arthur Barnes (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Frank Camm (lieutenant colonel, Field Artillery), Army of the United States.

Col. William Benjamin Kean (lieutenant colonel, Infantry), Army of the United States.

Col. William Brooks Bradford (lieutenant colonel, Cavalry), Army of the United States.

TO BE MAJOR GENERAL

Brig. Gen. Arthur Hazelton Carter (colonel, Inactive Reserve), Army of the United States.

TO BE BRIGADIER GENERALS

Col. Robert Wood Johnson, Army of the United States.

Col. John Merryman Franklin, Army of the United States.

Col. Boykin Cabell Wright, Army of the United States.

IN THE NAVY

Capt. Carleton F. Bryant to be a rear admiral in the Navy for temporary service, to rank from the 25th day of September 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 4 (legislative day of May 3), 1943.

UNITED STATES MARSHALS

Chester S. Dishong to be United States marshal for the southern district of Florida.

William H. McDonnell to be United States marshal for the northern district of Illinois.

COLLECTOR OF CUSTOMS

Charles E. Kemper to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.

POSTMASTER

NEVADA

Donald S. Shaver, Ely.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 4, 1943

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

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

Eternal God, our Father, whose seal is on all Thy works, take out of our hearts all resentment and unworthy ambition. We pray that the spirit of the Lord may be magnified in human weakness and that we may carry ourselves as becometh the sons of God. O Thou who art the path, the goal, and all that is and evermore shalt be, keep us from that fatal delusion which extends intellectual boundaries and contracts spiritual frontiers; give deliverance to any who, having a form of godliness, yet deny and freeze the springs of the immortal soul.

O Master, lead on and on the better processes of our natures, inspiring us to meet the claims of Thy holy will and ever to feel the constraints which are upon us. Thou who givest abundantly, instill into our lives the living truth that our love and faith are tested by what we are willing to suffer and sacrifice; Thou hast appointed a cross for everyone who is to wear the crown. Let us know of that peace which is experienced on those fair tablelands of the soul, where the abiding values of life are revealed and which surpass all the dreams of time. There fears are torn away and Thy pres-

ence beats a pathway through the tides of sin and sorrow, and nothing will ever eclipse the glory of our Saviour. In His holy name. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled, "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of the Navy.
2. Post Office Department.
3. Department of War.
4. Executive Office of the President.

URGENT DEFICIENCY BILL, FISCAL YEAR 1943

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the joint resolution (H. J. Res. 115) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for other purposes, with Senate amendments.

The Clerk read the title of the joint resolution.

The SPEAKER. Is their objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, we have all agreed that the amendments which have been added to this bill by the Senate, with the exception of No. 5, should be concurred in. Therefore, I suggest that the chairman ask unanimous consent to concur in these items en masse when we get to them and not take up any more time than we should.

Mr. CANNON of Missouri. Mr. Speaker, the gentleman from New York has stated the situation very accurately. There are nine amendments here in eight of which we wish to concur without amendment. On one amendment we we shall move to concur with an amendment.

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

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House concur in Senate amendments Nos. 1, 2, 3, 4, 6, 7, 8, and 9.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Senate amendment No. 1: Page 1, after line 5 insert the following:

"LEGISLATIVE

"SENATE

"Senate Restaurants: For payment to the Architect of the Capitol in accordance with the act approved September 9, 1942 (Public, 709, 77th Cong.), fiscal year 1943, \$10,000."

Senate amendment No. 2: Page 2, line 9, after "and" insert "not to exceed \$14,000 additional or a limit of."

Senate amendment No. 3: Page 3, line 8, after "expended" insert "not to exceed \$2,000 additional or a limit of."

Senate amendment No. 4: Page 3, after line 11 insert the following:

"DISTRICT OF COLUMBIA

"COLLECTION AND DISPOSAL OF REFUSE

"For an additional amount for dust prevention, sweeping and cleaning streets, avenues, alleys, and suburban streets, fiscal year 1943, including the objects specified under this head in the District of Columbia Appropriation Act, 1943, \$57,000.

"For an additional amount to enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, and so forth, fiscal year 1943, including the objects specified under this head in the District of Columbia Appropriation Act, 1943, \$190,000.

"DIVISION OF EXPENSES

"The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia Appropriation Acts for the respective fiscal years for which such sums are provided."

Senate amendment No. 6: Page 4, after line 18 insert the following:

"DEPARTMENT OF STATE

"FOREIGN INTERCOURSE

"Salaries, Ambassadors and Ministers: Effective March 25, 1943, the appropriation 'Salaries, Ambassadors and Ministers,' contained in the Department of State Appropriation Act, 1943, shall be available for salaries of Ambassadors Extraordinary and Plenipotentiary to Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, and Nicaragua, at the rate of \$10,000 per annum each."

Senate amendments Nos. 7, 8, and 9: Page 5, after line 2 insert the following:

"TREASURY DEPARTMENT

"BUREAU OF ACCOUNTS

"Division of Disbursements, salaries and expenses: For an additional amount for 'Division of Disbursement, salaries and expenses,' fiscal year 1943, including the objects specified under this head in the Treasury Department Appropriation Act, 1943, \$550,000.

"SECRET SERVICE DIVISION

"Suppressing counterfeiting and other crimes: For an additional amount for 'Suppressing counterfeiting and other crimes,' fiscal year 1943, including the objects specified under this head in the Treasury Department Appropriation Act, 1943, \$28,000."

Mr. CANNON of Missouri. Mr. Speaker, in explanation of the Senate amendments:

Senate amendment No. 1 provides \$10,000 additional for Senate restaurant, fiscal year 1943.

Senate amendments Nos. 2 and 3 are form amendments. They make no change in the purport or money in the House text.

Senate amendment No. 4 provides for the District of Columbia, payable from District revenues, as follows: Street Cleaning Department, \$57,000; collection and disposal of refuse, \$190,000. Increase for street cleaning is due to wage scale increase for per diem employees effective December 1, 1942, not provided in origi-

nal appropriation. Increase for collection and disposal of garbage due to three items: Increase in wages of per diem employees effective December 1, 1942, \$120,000; salvage campaign—scrap metal, tin, and so forth—\$25,000; and increased volume of work, \$45,000.

Senate amendment No. 6 makes existing appropriations available to pay salaries of our representatives as heads of missions in seven Central American countries as ambassadors instead of as ministers. There is no change in salary. These changes have been made and ambassadors have all been confirmed as of March 26, 1943. These countries have likewise raised their missions from legations to embassies in this country.

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

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. What does the gentleman understand to be the difference between a minister and an ambassador other than the fact that a minister deals through subordinates of a foreign power, while an ambassador deals directly with the head of the government?

Mr. CANNON of Missouri. There is no other essential difference. The change is necessitated by the increased burden of diplomatic exchanges with our sister nations in Central and South America. It is also indicative of the warm friendship and close cooperation between the nations of the western continent.

Mr. Speaker, Senate amendment No. 8 appropriates \$550,000 additional for Division of Disbursement of the Treasury Department, due to increased volume of checks issued over those estimated and to handling War Savings bond purchases of Government employees through payroll deductions.

Senate amendment No. 9 increases the Secret Service appropriation by \$28,000 in connection with protection of the President, obviously needed in time of war.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

The SPEAKER. The Clerk will report Senate amendment No. 5.

The Clerk read as follows:

On page 3, after line 2, insert the following:

"DEPARTMENT OF COMMERCE

"OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

"War Training Service: Pay at a rate of \$50 per month to persons, not on active service or training and service in the land or naval forces of the United States, who are undergoing flying training under the supervision of the Civil Aeronautics Administration War Training Service, or who have successfully completed any such course of training and are awaiting order or assignment to advance courses under the direction or supervision of the Civil Aeronautics Administration, or to active service or training and service in the land or naval forces of the United States, fiscal year 1943, \$3,500,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House concur in Senate amendment No. 5 with an amendment.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House concur in Senate amendment No. 5 to House Joint Resolution No. 115 with an amendment as follows: In lieu of the matter inserted by such amendment insert the following:

"DEPARTMENT OF COMMERCE

"OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

"War Training Service: For pay at a rate of \$50 per month from and after December 15, 1942, to Army Air Corps enlisted reservists on inactive status, while undergoing training or during one or more periods while awaiting assignment between courses (not exceeding 2 months between any two courses), fiscal year 1943, \$3,500,000."

Mr. CANNON of Missouri. Mr. Speaker, Senate amendment No. 5 provides pay for inactive Army Reservists in training under the Civilian Aeronautics Administration. This amount is retroactive to December 15, 1942.

Approximately 14,000 in the Army Reserve placed in inactive status to take flying training from Civil Aeronautics were urged to take these courses by Army and Civil Aeronautics and expected to be through in 6 to 11 months. However, due to shortage of training planes these courses have been delayed. Naval Reservists, training at the same fields with these men, have been paid \$75 per month during their training by the Navy. This amendment proposes to eliminate this discrimination.

The substitute offered by committee proposes to pay these Army inactive Reservists at \$50 per month from December 15, the same date on which Naval Reservists began training at \$75 per month, until their courses are finished. Pay while waiting between courses is to be limited by the proposed language to not to exceed 2 months. If they wait longer it will be without pay.

The Senate language is faulty in that it takes in certain classes of trainees who are already being paid and should not receive double pay, and is much broader than the language proposed by the House.

Many of these men gave up jobs to take these courses, and have been forced to wait on their training without compensation. They are not suitable for combat pilots, but are eligible to qualify in other flying capacities such as glider pilots, civilian pilots, and so forth, and are entitled to this compensation and recognition.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the motions was laid on the table.

EXTENSION OF REMARKS

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include a short editorial.

The SPEAKER. Is there objection?

There was no objection.

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

include a very interesting article by Robert Norton that appeared in the Boston Sunday Post of last Sunday.

Mr. SPEAKER. Is there objection? There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include certain letters.

The SPEAKER. Is there objection? There was no objection.

Mr. LUDLOW. Also, Mr. Speaker, I ask unanimous consent that the Commissioner from Puerto Rico [Mr. PAGÁN] may have permission to extend his remarks and include certain remarks of Raphael Carrion, of Puerto Rico, before the Senate Committee on Territories and Insular Affairs on May 3, 1943.

The SPEAKER. Is there objection? There was no objection.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address delivered by the Assistant Secretary of State, Mr. Dean Acheson.

The SPEAKER. Is there objection? There was no objection.

MR. WILLIAM RANDOLPH HEARST

Mr. WELCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks, and include therein a tribute paid to Mr. William Randolph Hearst on the anniversary of his eightieth birthday.

The SPEAKER. Is there objection? There was no objection.

[Mr. WELCH addressed the House. His remarks appear in the Appendix.]

LEAVE OF ABSENCE

Mr. EATON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. THOMAS] be granted leave of absence until May 24, on account of official business.

The SPEAKER. Is there objection? There was no objection.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a recent editorial.

The SPEAKER. Is there objection? There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include several clippings.

The SPEAKER. Is there objection? There was no objection.

Mr. LeCOMPTE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a set of resolutions of the Lucas County Conservation Club.

The SPEAKER. Is there objection? There was no objection.

Mr. COMPTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Polish Constitution Day.

The SPEAKER. Is there objection? There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Detroit News.

The SPEAKER. Is there objection? There was no objection.

FAMILY WEEK

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include in my remarks an editorial from the Tablet, of New York.

The SPEAKER. Is there objection? There was no objection.

[Mr. RABAUT addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I have an estimate from the Government Printer on the inclusion in the Appendix of an article by John Pearson, which I would like to include. They say it will run 2½ pages and will cost \$120. I ask unanimous consent that it be published in the RECORD notwithstanding.

The SPEAKER. Is there objection? There was no objection.

TRADE TREATY ACT—PERMISSION TO FILE MINORITY VIEWS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the minority members of the Committee on Ways and Means may have permission until tomorrow midnight to file separate views on the joint resolution to extend the authority of the President under the Trade Treaty Act.

The SPEAKER. Is there objection? There was no objection.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of an editorial from the Endicott Bulletin.

The SPEAKER. Is there objection? There was no objection.

THE FOOD CONFERENCE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, last night I listened to Mr. William L. Shirer, in his regular evening comment, and he had something to say about the food parley which is soon to be held in Hot Springs, Va. It seems that they are going to allow the newsmen as far as the courtyard of the hotel in which the conference is to be held. The powers that be will allow them to talk to the delegates from the yard, but will not allow them to go inside into the conference room, where the wires will be pulled. Mr. Shirer also said that he has attended some of these conferences and that the only ones from which he had ever known newspapermen to be barred were the two which were presided over by Adolf Hitler—a commentary into which I think the White House should look and take note of before it persists with the present arrangement of doing business behind closed doors.

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

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, by

inserting an article on the Reverend Father George Hilner, one of the eminent clergyman and agricultural scientists of America.

The SPEAKER. Is there objection? There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of business on the Speaker's desk and any other special orders, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection? There was no objection.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that on tomorrow, after any other special orders, I be permitted to address the House for 10 minutes, and that following my remarks, my colleague from Ohio [Mr. Lewis] be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection? There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next, upon the conclusion of the legislative business of the day and any other special orders, I may address the House for 15 minutes.

The SPEAKER. Is there objection? There was no objection.

THE FOOD SITUATION

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, information comes to the members of the Committee on Agriculture that thousands of acres of tomatoes, peas, beans, and other vegetables are going to rot because of inaction on the part of the War Labor Board to permit a slight increase in wages in order to secure labor to harvest and can those crops. Our country is on the verge of a tremendous shortage of food in the large consuming areas of the United States. It seems to me it is about time for the Members of the House and Senate as representatives of the people to take some action which will force our key agencies to act in order to get food for the people of this country. The situation is critical and action must be taken now if we are going to get canned vegetables for the people of America, our armed forces, and our allies.

Waste of food should not be tolerated. When a governmental agency prevents the employment of workers to harvest and process canned foods, it is criminal waste, and believe me, when the shortages appear next winter and the people are not able to secure food, the responsibility for the shortages will be laid on the doorsteps of the War Labor Board, the Office of Price Administration, and other Federal agencies. If any Member is interested, I would suggest that you call on the War Labor Board to find out why they are not permitting a slight increase in wages so as to permit canners to hire workers to harvest and can the crop.

EXTENSION OF REMARKS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to add to some remarks that I will make today some charts which I propose to explain.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

Mr. CUNNINGHAM. Mr. Speaker, yesterday I filed at the Clerk's desk a request that the gentleman from Iowa [Mr. HOEVEN] be excused. I understand that request was lost in the shuffle somewhere yesterday. I therefore ask unanimous consent that my colleague from Iowa [Mr. HOEVEN] be excused as of yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. COMPTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a memorial from the Senate and House of the State of Connecticut.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CURRENT TAX PAYMENT BILL OF 1943

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 2570, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, first, the Ruml tax plan means releasing or giving away by the Government of \$10,000,000,000. In a time of great depression or deflation it could possibly be defended, but it cannot under any circumstances be defended at a time when our country is facing ruinous inflation. The releasing of this much money at a time like now, when we have so much excessive purchasing power, would start us on the road toward the German type of inflation.

Second. If the Ruml plan is adopted and \$10,000,000,000 is given to income-tax payers on money that was earned last year and upon which the taxpayers are expecting to pay, it will compel the Government to seek this money through printing-press sources, so the proposal is tantamount to a printing-press money proposition.

Third. At this time we should be interested in mopping up or absorbing all possible purchasing power through sales of bonds and stamps and other methods and should not, under any circumstances,

resort to releasing \$10,000,000,000 at a time when it is calculated to cause runaway inflation.

Fourth. The Ruml plan will cost \$20,000,000,000 instead of \$10,000,000,000. If \$10,000,000,000 is given away by the Government, that amount will have to be replaced by borrowing from commercial banks which create the money to furnish to the Government. Interest will have to be paid. By the time long-term bonds are paid, as much is paid in interest as on the principal. Our debt is now so large that possibly \$2 or \$3 interest will be paid on every \$1 principal, so the Ruml plan will cost not only the \$10,000,000,000 but will cost \$20,000,000,000 or more by the time the debt is paid to pay the cost of the Ruml plan.

Fifth. The Ruml plan will force a sales tax, which will result in placing our Congress in the idiotic position of giving war millionaires the profits that they made in 1942 and replacing the money with the pennies from the poor through a sales tax. In other words, the Ruml plan means releasing money paid upon ability to pay and requiring the poor to make up for it.

Sixth. A fight for the Ruml plan is a fight for the rich and against the poor.

Seventh. The Ruml plan is nothing more nor less than a \$10,000,000,000 bonus. Much of it will go to war millionaires. I cannot understand why the Republican Party can afford not to support the Democrats' plea that there will be no millionaires made in this war. The Ruml plan will start off with making war millionaires. It represents a bonus to the rich. It will give one citizen nothing, another \$5 and another \$5,000,000. Some of the highest salaries were made last year, 1942, during the early part of this war before there was sufficient experience for the Government to determine fair profits.

Eighth. The Ruml plan will sabotage the President's efforts to stop inflation. The President has asked for \$16,000,000,000 more in taxes. If we give a \$10,000,000,000 release instead, we are going in the opposite direction of the President, who is trying to prevent war millionaires and stop inflation.

Ninth. Today our country has a huge dam that is protecting the United States from ruinous or run-away inflation. The base of this dam may be considered price control, which has been very effective and without which we would now be suffering from inflation. Above price control another substantial part of the dam is savings—tied-up capital in war bonds or through other methods. The top of the dam that prevents the great excess of purchasing power may be designated taxes which Congress will require the people to pay to hold back ruinous inflation. The top of that dam now is the \$10,000,000,000. If we lower it through the Ruml plan by giving away the \$10,000,000,000, the inflationary excess purchasing power will be released and go over the dam and ruin the value of our money.

Tenth. The Ruml plan is in favor of the rich but it will destroy the poor and

the middle class. Our people on fixed salaries and fixed incomes cannot survive \$100 shoes, \$100 hats, and bread that will cost several dollars a loaf.

Eleventh. The so-called soldier's bonus for veterans of World War No. 1 after 1931 amounted to about \$2,000,000,000. Some of the same people who are now clamoring for the Ruml plan, which would give the war profiteers a bonus of \$10,000,000,000, were then saying that \$2,000,000,000 would break the Government and cause ruinous inflation. The unthrottling or releasing of \$10,000,000,000 of purchasing power would put us on the road to ruinous inflation.

Twelfth. Most of the clamor is for a bonus to big taxpayers. That is where most of the noise comes from. Not one of them is willing to say, "Give me \$4,000,000 from the United States Treasury" or "Give me \$5,000 from the United States Treasury," but the enactment of the so-called Ruml plan would mean just that.

Thirteenth. The two most important problems facing the American people today are:

First. Winning the war.

Second. Preventing inflation.

If the Ruml plan is adopted, even when we win the war, our country will be injured to the extent that our loss will be almost as heavy on the domestic front as if we had lost the war. So let us do both—win the war and prevent inflation.

A vote for the Ruml plan is a vote for a sales tax; a vote for runaway inflation; a vote for printing-press money; and a vote to favor the rich at the expense of the poor.

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

Mr. KNUTSON. Mr. Chairman, I yield myself 1 minute.

It had been my hope that we would be able to conclude this debate by confining remarks to fact and reason, but it appears not. The gentleman who has just taken his seat [Mr. PATMAN] had displayed an amazing lack of information on the subject on which he spoke. I want to say to the gentleman that under the Carlson plan the Government will not lose a single dime in this year or next year or in any subsequent year.

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

Mr. KNUTSON. No. I do not yield to any more demagogues.

Mr. PATMAN. Mr. Chairman, I ask that the words of the gentleman be taken down.

Mr. KNUTSON. I withdraw them.

Mr. PATMAN. I object to that, Mr. Chairman. I ask that the gentleman's words be taken down.

Mr. Chairman, I ask that the gentleman take his seat under the rules.

Mr. KNUTSON. Mr. Chairman, I ask that the gentleman from Texas take his seat.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. KNUTSON. No; I do not yield to any more demagogues.

Mr. KNUTSON. Mr. Chairman—
Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. The gentleman from Minnesota has no right to speak until this matter is disposed of. I demand that the gentleman take his seat until the matter is disposed of.

The CHAIRMAN. The gentleman will please be seated.

The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and that he here-with reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. KNUTSON. No; I do not yield to any more demagogues.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I think the Clerk failed to record sufficient of the gentleman's remarks to make it intelligible. What preceded should have been reported also; otherwise the Speaker is not advised of what the gentleman was talking about.

Mr. RANKIN. Mr. Speaker, I wish to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman briefly.

Mr. RANKIN. I wish to supplement what was said by the gentleman from Texas [Mr. LUTHER A. JOHNSON]. The gentleman from Texas [Mr. PATMAN] arose and asked the gentleman from Minnesota [Mr. KNUTSON] if he would yield. Then is when the gentleman from Minnesota said:

"No; I do not yield to any more demagogues," which was in violation of the rules of the House, as it was an offensive expression used toward the gentleman from Texas [Mr. PATMAN].

Mr. HOFFMAN. Mr. Speaker, may I be heard?

The SPEAKER. The Chair will hear the gentleman briefly.

Mr. HOFFMAN. Mr. Speaker, with reference to that point, not so long ago I rose to a question of personal privilege. The charge was made against me that I was a demagog and was demagoging. I recall very distinctly that at that time the Speaker ruled that that was not a violation of the rule and did not raise the question of personal privilege.

Mr. RANKIN. Mr. Speaker, may I be heard?

The SPEAKER. The Chair will hear the gentleman.

Mr. RANKIN. Mr. Speaker, on that point, the difference between the present situation and the case referred to by the gentleman from Michigan [Mr. HOFFMAN] is that in the case of the gentleman from Michigan it was something said about him in the press. This was language used toward a Member on the floor

of the House. "Trifles light as air," a Supreme Court judge once said, "taken in the light of surrounding circumstances, may have a violent import." This was an offensive expression directed at the gentleman from Texas by a Member on the floor of the House and therefore violated the rules of the House.

Mr. DITTER. Mr. Speaker, may I be heard?

The SPEAKER. The Chair will hear the gentleman from Pennsylvania.

Mr. DITTER. Mr. Speaker, may I direct the Speaker's attention to the definition of a demagog? It certainly seems to me that if the gentleman from Texas was in any way affronted by the observation of the gentleman from Minnesota that he should refresh his memory with reference to definitions.

Mr. Webster says that a demagog is—and I quote:

A leader or orator and popular with or identified with the people.

The SPEAKER. The Chair would like to interrogate the gentleman from Pennsylvania. Did the gentleman from Pennsylvania read all of the definition?

Mr. DITTER. No, no; but I should like to make the further observation to the Speaker that it neither lies in the Speaker's mind, nor is it possible for the gentleman from Mississippi or the gentleman from Texas to determine which definition the gentleman from Minnesota used. The gentleman from Minnesota might just as well have intended a gracious compliment as an affront of any kind, and I submit that the discretion of the Chair does not permit a latitude by which the Chair can determine which use the gentleman from Minnesota was making of the word.

The SPEAKER. The Chair is inclined to say, however, that it was quite apparent.

Mr. RANKIN. Mr. Speaker, may I have just a moment to reply to the gentleman from Pennsylvania [Mr. DITTER]? Evidently the gentleman from Minnesota was thinking in the lower brackets; that is, the definitions the gentleman from Pennsylvania did not read. The gentleman from Minnesota refused to yield to the gentleman from Texas to answer him, which shows that the gentleman from Minnesota was using his expression "in the lower brackets" in an offensive manner to the gentleman from Texas.

Mr. DITTER. Mr. Speaker, may I be heard in answer to the gentleman from Mississippi?

Mr. RANKIN. I would like to have the gentleman read the rest of the definition in the lower bracket.

The regular order was demanded.

The SPEAKER. The Chair is going to call for the regular order pretty soon.

Mr. DITTER. Mr. Speaker, I shall not indulge the patience of the Speaker any further as I feel I have convinced him that he will not overstep the bounds of discretion that he always exercises within proper limitations, and that he will not impute to the gentleman from Minnesota anything other than what he intended.

The SPEAKER. That is correct. Of course, this situation can readily be

cured without the Chair having to pass upon the matter. The Chair did pass upon an identical thing some time ago and made a ruling which he is not going to change at this time.

Mr. MARTIN of Massachusetts. Mr. Speaker, the gentleman from Minnesota did ask unanimous consent that the words be stricken from the Record.

The SPEAKER. Does the gentleman make that request at this time?

Mr. KNUTSON. Only on condition that the Speaker rules in support of the position I have taken.

The SPEAKER. The Chair held that words accusing a Member of demagog did not avoid personalities and he must rule the same way today.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to withdraw the words.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. KNUTSON]?

Mr. PATMAN. Mr. Speaker, reserving the right to object, and I shall not object, with this understanding: I think the House has permitted things to go on here that are really a disgrace. We have been calling one another names we should not call, and I believe it is putting the House in disrepute. The minority committee report of the gentleman used that word twice in it in referring to the majority members of the Ways and Means Committee, his own colleagues on his own committee, and I think it is going too far. With the understanding that the gentleman will refrain from doing so in the future I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota that the words be withdrawn?

There was no objection.

The SPEAKER. The Committee will resume its session.

Thereupon the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 2570, with Mr. BULWINKLE in the chair.

Mr. KNUTSON. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, this Carlson-Ruml plan seems to have excited more or less feeling. Just why, it is difficult for me to understand. I do not see how it can be charged that a man is a demagog because he supports or opposes one version or the other. When the bill was before the Committee of the Whole House on the state of the Union on the 25th of March, you will see that those who supported the Carlson-Ruml plan were charged by a member of the majority with being either fools or scoundrels. I would like to ask the gentleman from Mississippi [Mr. RANKIN] or the gentleman from Texas [Mr. PATMAN] whether that is parliamentary language? The charge was that those who supported the Carlson-Ruml plan were fools or scoundrels. Let us have a rule that applies to both sides of the Chamber.

Mr. DOUGHTON. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Mississippi.

Mr. DOUGHTON. I challenge the gentleman to find those words in the

majority report. You are putting words in there that are not in there.

Mr. HOFFMAN. I did not yield to the gentleman from North Carolina, but I will answer. I was not referring to the majority report. I was calling attention to language used on the floor of the House on March 29—you will find the words on page 2619 of the RECORD, end of first paragraph, middle column. I yielded to the gentleman from Mississippi [Mr. RANKIN]. If we are to have rules of the House, let us have them apply to all.

Mr. RANKIN. I may say to the gentleman from Michigan that if any such language was used on the floor of the House it was in violation of the rules of the House and it was the duty of the gentleman to have the words taken down at that time.

Mr. HOFFMAN. I do not set myself up as a critic, and I am not a school-teacher finding fault with everything that is said here. I do not yield any further. You will also find in the RECORD of March 25—page 2494—the charge that those on the minority side who supported the Carlson substitute were accused of stabbing the soldiers in the back. Was that parliamentary language or was it a violation of the rules? Give us a little credit on this side and do not jump on us all the time. We raised no point of order when those charges were made against us. I remember distinctly standing back here on the floor and asking permission to speak on a question of personal privilege because I had been charged with being a demagog and being guilty of demagogery.

The charge was not made against me as an individual, it was made against all of the Members of the House, and, being a Member of the House, it was my contention that it raised a question of personal privilege. The charge was made in an editorial of the Washington Daily News of May 13, 1941, which was entitled "Demagogues at Work." The editorial contained this statement:

Another District day in the House has come and gone. Again efforts of earnest men to solve intricate District problems have been leered at, jeered at, stamped upon, and discarded by demagogues. (Permanent RECORD, p. 4308.)

The Speaker ruled—permanent RECORD, page 4308—that—

There is nothing in this matter that refers to the gentleman from Michigan [Mr. HOFFMAN] either individually or in his official capacity. The Chair would hesitate to hold a question of personal privilege of Members of the House lies in a general criticism of the action of the House.

It was my contention then, it would be my contention now, if the question arose, that charging that all Members of the House were demagogues included the charge that an individual was a demagog and raised the question of personal privilege, even though I was not named.

Two precedents from 3 Hines section 1834, and section 1835, sustained that view. Nevertheless, forced to accept the ruling of the Chair, the contention was then made by me that the editorial

raised a question of the privilege of the House, inasmuch as it charged that Members of the House were unprincipled politicians; that they sought to make capital of political discontent in order to gain political influence or office.

A demagog is defined by Webster's Collegiate Dictionary as:

A popular leader or orator; a speaker who seeks to make capital of social discontent and gain political influence.

Webster's unabridged also gives this definition:

One skilled in arousing the prejudices and passions of the populace by rhetorical, sensational charges, specious arguments, catchwords, cajolery, and so forth, especially a political speaker or leader who seeks thus to make capital of social discontent and incite the populace, usually in the name of some popular cause, in order to gain political influence or office.

Funk & Wagnalls' unabridged defines a demagog as:

An orator or leader who seeks to influence the people by pandering to their prejudices and passions.

An unprincipled politician.

The Speaker then said—RECORD, page 4308:

The Chair has Webster's International Dictionary before him, and in that the word "demagog" is defined as follows:

"1. A leader or orator popular with or identified with the people."

It is only fair to say that there is a notation under that that it is obsolete or historical.

"2. One who plays an insincere role in public life for the sake of gain, political influence, or office; a poser in politics; especially one who panders to popular prejudice or seeks to inflame reasonless passions in the advancement of his personal interests."

For the moment at least the Chair would hesitate to hold that the gentleman's resolution is privileged. The Chair assures the gentleman that he would like to look into it further. He would hesitate to hold at this time that the general criticism of Members of the House is a matter so involving the privileges of the House that a resolution of this kind would be in order.

It was then agreed that the matter would be taken up at some subsequent time. Subsequently, if recollection serves correctly—and I am sure it does—the Member from Michigan was advised by the Parliamentarian that inasmuch as there was more than one definition of a demagog, one which held an individual so characterized up to public scorn and the other complimentary, that no one could say that the critical definition was the one intended to be applied. Having been so advised, the Member from the Fourth Michigan District let the matter drop and did not thereafter, as recollection serves, raise that issue. That construction of the term "demagog" would be a correct one if the context surrounding its use or if the circumstances under which it was uttered did not supply the needful interpretation.

It was my contention on that occasion that the unfavorable characterization of a demagog was intended because the editorial itself contained these words:

House Members were willing to punish the District in the hope that it would win votes back home.

That was a direct charge that the Members of the House voted as they did on that occasion in order to win political support. An unworthy motive, an unjustifiable action, but as stated, the Chair did not officially pass upon the question at the time and an official decision was not sought in the House because of the reason heretofore stated.

If it could not be gathered from that editorial, which the Members if interested will find reprinted on page 4308 of volume 87, part 4, of the permanent RECORD of the Seventy-seventh Congress, first session, that the term "demagog" was used by way of criticism, I respectfully submit it must have been extremely difficult for the Chair to say that the word "demagog" was today used with the intent that it should carry with it the unfavorable, rather than the favorable, interpretation. Let the rules be the same, whether applied to the membership on the right or the membership on the left of the Chair.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, in reply to the gentleman from Michigan [Mr. HOFFMAN] I desire to say that if he heard words used toward a Member that were offensive and in violation of the rules of the House it was his duty to have them taken down. But he must discriminate between language used in a newspaper about a man being a demagog and words thrown into a man's face on the floor of the House in an offensive manner.

I know that I get into as many acrimonious debates as almost any other Member of the House, but I do try to respect the feelings of the other Members. But if I should say anything offensive to a Member or in an offensive manner, then it would be his duty to have those words taken down and move that they be stricken from the RECORD. That is the question before the House at this time.

But as for matters stated in a newspaper about a man's being a demagog, that is entirely different from a Member standing on the floor of this House and in an offensive manner refusing to yield to a man and branding him to his face as a demagog, with all its far-reaching implications.

The CHAIRMAN. The Chair wishes to call to the attention of the Committee that under the unanimous-consent agreement debate was to be upon the bill.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, there is a selection in one of the old readers we used to read when we were children in school, the last sentence of which is this:

Let us now return to the more important concerns of the day.

We have spent the last 10 or 15 minutes straightening out a little incident that I am sorry occurred.

We have before us today a very important decision to make. I doubt that

it is within the experience of any Member of this House that he has ever known a legislative problem that has excited more general attention in the Republic than this so-called pay-as-you-go tax plan. Everybody has been talking about it for months. When I say "everybody," I mean all the newspapers, all the magazines, the students everywhere in the colleges and in the schools, and the people on the street. The working people, the rich people, the professional people, and everybody else have been tremendously interested.

We are going to decide this matter this afternoon. I feel sure we are going to decide something. I have been sort of ashamed of myself for a long time, and I think practically every member of the Committee on Ways and Means has had the same feeling, in that we have apparently been so futile in our efforts. For 3 or 4 months now we have been wrestling with this proposition and have arrived at no conclusion. Never before in my experience have I seen the Congress or the committee so willing to reject propositions and so ready to refuse to accept or ratify something. We have turned down many plans under many circumstances, in the committee and on the floor of this House, but we have never adopted or passed anything. We have never come to the place yet where we could agree on anything. The people are tired of it and we are going to be criticized very severely if we do not finish this thing up today, and I think we will.

Let me give you a reason or two why we have had all this delay. It is not altogether the fault of the Committee on Ways and Means. It is not altogether the fault of this House. It is largely the fault of the Treasury of the United States. I do not want to place any undue burden on the Treasury of the United States, but the Treasury of the United States in connection with this bill has been unusually active. It has changed its colors and changed its position many times.

In peacetimes the Treasury is not such a very important factor in the congressional set-up of the Government, but in wartimes, when we are spending millions and millions of dollars every day more than we take in, the Treasury should have a policy and it should adhere to it as one would adhere to a principle. But what kind of a policy has the Treasury had in the consideration of this bill?

The first thing the Treasury did was to attack this man Ruml. I do not know why they developed such an antipathy to him. He is one of their own new dealers. I have never heard of him being a Republican. He does not belong on our side. But I have seen it in print many times that they turned it down because he came out with a plan they did not know about.

What did Mr. Ruml do that was at all reprehensible? The first thing he did was to go to the Treasury with his plan. The Treasury gave him no encouragement and then proceeded to bring out a plan of its own. I want to cite to you the different positions the Treasury has

taken on this matter to illustrate how vacillating the Treasury has been.

The Treasury came out with a plan of its own, and what was that plan? It got its plan ready and submitted it to different people. Among them was the C. I. O. It got the approval of the C. I. O. What is that plan that the C. I. O. approves today? It is the Forand plan. That is the plan under which the Treasury at that time agreed to forgive \$7,600,000,000. You talk about forgiveness. My good friend from Texas said that would break up the Nation. Oh, what a flood of inflation it would open. But the Treasury prepared that bill, and it was O. K'd by the C. I. O. At that time the Treasury was willing to forgive \$7,600,000,000 out of \$9,200,000,000.

That bill provides greater forgiveness than any bill except the Carlson bill. Let us not be too ready to put our finger on a lot of hypothetical and theoretical matters such as those presented to us a few minutes ago by the gentleman from Texas [Mr. PATMAN]. Let us confine our discussions to practical matters. What was the next position that the Treasury took? It said, when we had the big fight on the floor of the House a few weeks ago, that they were for the committee bill. That bill was rejected by the House by a tremendous vote. They said they were not willing to forgive anything. They shift with phenomenal alacrity from a bill carrying billions of forgiveness to a bill that the chairman [Mr. DOUGHTON] supported so vigorously. The chairman of the committee had been consistent all the time until now. He did not want forgiveness. The Treasury said, "No; we must not have forgiveness," but today the Treasury comes on with a forgiveness of \$5,000,000,000, and so does the chairman, who heretofore has been adamant. That is the great Treasury of the United States. Mr. Morgenthau said at one time that he was in favor of one plan, and the next time he said that he was in favor of something else, and what are we going to do about this today?

We have undertaken and have proven that the Treasury is not to be depended upon. We need pay no more attention to the Treasury. We should now attempt to do what the people desire us to do. The people have had plenty of time to study this proposition. There is only one time under a democracy when a legislator might be justified in rejecting the voice of the people, and that is when the people cannot have had a chance to study a proposition, but when the American people have studied a proposition thoroughly and have had a chance to know and digest it, I tell you that it is then dangerous to turn deaf ear to the voice of the people. The voice of the people is the most potent force in a republic next to the voice of God. The people have decided that they want a pay-as-you-go bill. They want to accept both the word "pay" and the word "go." When they pay they want to go some place. In this case when they pay they want to be current. They do not want us to throw their money to the winds. They want to go as well as pay.

What else do they want? They have spoken emphatically that they do not want any doubling up. They have said that emphatically in the newspapers of New York, and the newspapers of Cleveland, and in all the newspapers and magazines of the country, and in other ways. They do not want any doubling up.

Let me discuss for a minute these two plans, the Treasury plan and the Carlson plan. What does the committee bill purport to do? Here is the bill. Let me read the title of the bill. Here it is, "A bill to provide for the current payment of the individual income tax, and for other purposes." In other words, they say that they have dedicated themselves to the preparation and enactment of a bill that will do what? Make provision so that the people can be current with their tax paying. What do I mean by that?

My distinguished friend from Tennessee [Mr. COOPER] yesterday would have you believe, if I understood correctly, and if I did not understand him correctly I want to be corrected, that a currency in taxation means that if a man were to pay up all his tax installments, one at a time, he is current. That is not what it means. What it means is that if a tax has been levied on you to be paid within a certain time that you will be current only when your taxes are all paid up. That is, if you levy a tax for 1942, you pay it in 1942, and then you are current. Let us see what this bill does. Let us take the new Treasury bill. I do not claim to be an expert, but from a somewhat extensive study of these bills I know that the Carlson bill will give more relief to the average American people than will this makeshift bill which is known as the Doughton committee bill. Why? Because the Carlson bill has elements of currency about it that the other bill does not have. I make that as a positive statement. How can I substantiate that statement?

The Carlson bill, if adopted, in 1943 will make 97 percent of the taxpayers of the country current. There is no question about that. Let me talk about these figures on this blackboard here. I am sorry that I may not be able to make these illustrations very readable for the CONGRESSIONAL RECORD, but I shall do my best. Here we have 1941, 1942, 1943, 1944, 1945, and 1946—these are all in a row. And why do I put them there? Because that long line of dates represents the time it takes one to pay his taxes under the committee bill. What do I mean? Last year, the year 1942, it took almost all year, all up to October to pass the 1942 tax bill. Never before in the history of the country that I remember did Congress take so much time to pass a tax bill as we did to pass the 1942 bill, and that was supposed to be a model bill. Let us see what this committee bill does? With reference to the 1942 tax bill it throws the 1942 bill out of the window and it goes back and takes the 1941 tax bill as the measure by which the 1942 taxes are measured. In other words, it applies the 1941 rates to the 1942 income.

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

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. JENKINS. It substitutes the 1941 bill for the 1942 bill and throws the 1942 bill out of the window, and for what purpose? They want to practice a little forgiving themselves. They know that the 1941 rates are only about one-half as high as the 1942 rates, and they propose to forgive the difference. The 1942 tax bill brought in 7,000,000 new taxpayers. Seven million people went to a notary public and made their returns last March because of the passage of the 1942 tax bill. That was primarily because the 1942 tax bill lowered the exemptions. And now they propose by this committee bill to say to that 7,000,000 people, "We will relieve you from the burden of the 1942 tax bill." Why? Because they cannot legislate. Because the majority cannot stand up and demonstrate leadership as such men as Claude Kitchin would have done. Men of that kind who have operated on this floor for your party like Oscar Underwood. The Democratic majority cannot operate because you have not stood on principle. You cannot do it because you are not right.

You throw out the 1942 tax bill, and go to 1943, and levy a tax on 1943. And let me ask you to follow me further on this board. You, in your bill, started out with 1941, and you threw 1942 out, and you come to 1943, and then you go to 1944, and that is when you make your first payment under 1943, and then you have 2 more years to pay on, and most taxpayers will have to do that, so that you run along from 1941 to 1946. That is not currency. You offer to give them 6 percent if they pay up in 1944. But if they do not pay up at that time, then they can pay it in 1945 and 1946. Can any of you have the temerity to claim that that is currency. If so, I pause to permit you to assert yourselves.

Mr. KNUTSON. That is the 1942 tax they are paying in 1945 and 1946?

Mr. JENKINS. Yes; but as far as this committee bill is concerned, 1942 goes out. It would take the best lawyer in the country to keep anybody straight on that plan. You have agreed with the American people that you want currency, and how will you get it out of that formula? It is preposterous enough to be ludicrous. You cannot do it. That is the reason this House turned down the bill which the committee presented to this House 3 or 4 weeks ago. The House turned it down by about 150 votes because it was patchwork. That is all this is—patchwork. Patchwork legislation just will not do. This House will not accept this committee bill. It is not grounded in principle but is a product of expediency.

Now let me go to the Carlson bill. What will the Carlson bill do? It has been amended so that the limit of \$20,000 contained in the other Carlson bill has been reduced down to \$5,000. In other words, any man whose taxable income is less than \$5,000 in 1943 will pay his tax

in full this year 1943. Under the Carlson plan all taxpayers whose net taxable incomes are less than \$5,000 will be current with their taxes by the end of 1943. There will be no going back, no going forward about it. Any plan that will make 97 percent of the taxpayers current by the end of 1943 without any doubling up comes nearly being current. That is exactly what the people want.

The Democratic leadership should bestir themselves and appreciate the situation and act accordingly. You should throw aside some of these political New Deal entanglements that put a rope around your neck and see how it feels to be free from any domination of any kind. You are dealing with 44,000,000 taxpayers today and it behooves you to heed their opinions and respect their wishes. Then we come back to 1942 and we say, "Now, in 1942 you made some money that you made rather easy. You had a windfall there. Let us see how much did you have. You had the difference between 1941 and 1942, or the difference between \$20,000 and \$70,000 which is \$50,000." We say to you, "My dear friend, you made \$50,000 as a windfall there, so under the Carlson plan that \$50,000 is taxed at the regular rate right straight up to the top, just as under the present law, and your tax on that \$50,000 windfall will be \$28,000. So in that case the man who earned \$100,000 in 1943 and earned \$70,000 in 1942, and earned \$20,000 in 1941 will pay a tax of \$69,000, plus \$28,000, or \$97,000 in all. That is the way we make him current.

He pays it. He has got to pay, so you see that under the Carlson plan we get all the taxes that we should get in all good conscience.

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

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. JENKINS. Now, I want to show you in these figures down here at the bottom of this chart some figures that are astonishing. They astonished me when I first saw them. Yesterday Members talked on this floor about a capital levy. Somebody said, "The committee bill will result in a capital levy." What does that mean? That means that when a taxpayer pays a greater tax than the amount he earns and has to go to his bank and borrow the money or go down to his safety deposit box and get the money to pay his taxes. That is a heck of a situation when a man has to go down into his reserve or into his capital to get the money with which to pay his taxes. That is confiscation pure and simple. You will find no such situation developing under the Carlson plan. Let me show you what these figures show that I have on this blackboard. I am going to insert this table in the Record.

Now, here is the situation: Let us take these figures down here near the bottom and take a man who has an income of \$250,000. Under the committee bill he will pay \$260,000 every year if he takes the 3-year extension. He will pay \$10,000 more every year than he receives.

TABLE 10.—Married person, no dependents—Total current burden

Net income before personal exemption	Current tax, including gross Victory tax ¹	Current tax plus unforgiven 1942 tax		
		If unforgiven 1942 tax is paid in full on or before Mar. 15, 1944	If unpaid balance of unforgiven 1942 tax is paid on or before Mar. 15, 1945 ²	If one-third of unforgiven 1942 tax is paid on each installment date
\$1,200.....	\$35.47	\$35.47	\$35.47	\$35.47
\$1,500.....	100.13	100.13	100.13	100.13
\$1,800.....	172.00	192.30	182.59	179.20
\$2,000.....	219.91	257.51	239.51	233.24
\$2,500.....	339.69	420.53	381.83	368.36
\$3,200.....	507.38	648.76	581.08	557.51
\$3,300.....	534.33	685.76	613.27	588.03
\$5,000.....	992.58	1,328.72	1,167.81	1,111.78
\$10,000.....	2,676.36	3,890.76	3,309.40	3,107.00
\$15,000.....	4,854.12	7,396.42	6,179.37	5,755.65
\$20,000.....	7,531.91	11,838.13	9,776.64	9,058.93
\$25,000.....	10,577.69	16,992.93	13,921.65	12,852.49
\$50,000.....	28,074.58	47,243.81	38,067.05	34,872.18
\$100,000.....	69,584.36	119,124.80	95,408.64	87,151.89
\$250,000.....	207,857.69	356,372.05	285,274.75	260,522.36
\$500,000.....	441,746.58	766,416.94	610,980.64	556,877.91
\$1,000,000.....	900,000.00	1,588,901.56	1,259,108.26	1,144,291.33
\$2,000,000.....	1,800,000.00	3,231,492.16	2,546,203.36	2,307,621.33
\$5,000,000.....	4,500,000.00	8,187,473.26	6,422,193.56	5,807,614.37

¹Computed on a gross income reduced by 10 percent in arriving at specified net income. Assuming equal payments made in 1944 and 1945.

That is not simply for 1 year. That is the situation when the taxpayer has paid his taxes as shown by this table when he takes advantage of every day that he can under the terms of this Doughton bill. The man will have to go to the bank and borrow \$10,000 every year to pay his taxes. That is not right. You cannot vote for that kind of a bill and go back home and justify yourself. You cannot do that.

Mr. REED of New York. Will the gentleman yield?

Mr. JENKINS. I yield to my distinguished friend from New York.

Mr. REED of New York. He also has to pay his other taxes in addition?

Mr. JENKINS. Yes, certainly. He has to pay all other taxes. The levying of taxes is a science and this kind of a procedure is clearly violative of all the true principles of just taxation.

Now, here is a man who has an income of \$500,000. His tax will be \$556,000 per year under this terrible bill. In other words, this man not only gives to the tax man all he earns but he must borrow \$56,000 every year to pay his taxes.

Let us go to the \$1,000,000 man. He has to borrow \$144,000 every year. He turns over to the tax man all he earns and \$144,000 additional every year. The \$5,000,000 man has to borrow \$800,000 every year to meet his taxes. My dear friends, how can you be so unjust as to defend such a plan?

You talk about soaking the rich. This is more than soaking; this is dishonest. That cannot be fair. You ask me, Where do I get these figures? I get them from the report of the members of the Ways and Means Committee made by the chairman, the gentleman from North Carolina [Mr. DOUGHTON]. I am glad that we the Republican members of the committee do not sponsor such an unfair piece of legislation. These figures came from the Treasury Department. But here is a much more striking joker than the one I have just cited you. Please follow me as I make these observations. Here is a man whose income is \$25,000. Do you know how much he has got to pay? This chart shows he has to pay \$12,850 every year. How much does he then have left? After he pays out over these years the sum of \$12,850 each year he will have left \$12,150 per year.

Let us go down to this man, the \$50,000 man. According to these figures, he will pay \$34,000 per year. He will then have \$15,000 left; but the \$100,000 man, he will pay \$87,151, and he will only have \$12,849 left. The man who makes \$100,000 only has \$12,849 left. The man who makes \$25,000 has \$12,150 left, and the man who makes \$100,000 only has \$699 more left than the \$25,000 man has. Is not that a funny system? My friends, it is not only funny, it is crazy. It is absolutely crazy. Mr. Chairman, I repeat, this committee bill is wonderfully and fearfully made. It does a grave injustice which the people will not tolerate. I blame this on the Treasury of the United States and I blame it on this hodge-podge system of legislation. This is the most important day, you might say, in the tax life of this Nation. Yet this House, this great legislative body, is asked to pass such an unreasonable bill.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. No; I am sorry but I cannot yield. We have to decide this important matter today. Let us lay aside politics and do it right. Let us pass this Carlson bill that makes 97 percent of the people free. It is good to be free. What a profound proof of democracy is freedom. Financial freedom, legislative freedom, the "four freedoms," and every other kind of freedom; but to be bound down by worry and by strife and by political inability to agree is a terrible calamity for a legislative body.

Now, gentlemen, let us take these figures, ponder them well, and do our duty.

The CHAIRMAN. The gentleman from Ohio yields back 1 minute.

Mr. KNUTSON. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I again find myself in a position which I do not envy in the least, because I am forced to break with my leader, the gentleman from Massachusetts, JOE MARTIN, and with my dear friends and colleagues on the Republican side, and through not supporting the Ruml cancellation bill. Some weeks ago I appeared before the Committee on Ways and Means in opposition to Mr. Ruml's proposal for canceling taxes. At that time I made myself very clear. I think I was the first member of our party who raised a public protest. I stated emphatically that I was opposed to canceling taxation on the more than \$114,000,000 national income which our people received in 1943, and I stated why I was opposed to canceling that tax assessment. I also stated that where trouble—economic trouble—arose in the affairs of an individual because of the fact that he did not, while he was receiving income, set aside the proportion which belonged to the Government according to the laws of this country that the Treasury, the Congress, and the Government together should be cooperative enough with that individual to make it possible for him to pay that liability, although he had not previously provided for it according to law.

I find a situation here where the committee bill extends the time of payment and to that extent does the very thing I recommended at the time when I said we should make it possible for the taxpayer to pay. The committee bill has, in my opinion, done that very thing. I also find where the committee bill does not actually cancel as such but lowers the burden on the taxpayer by making the 1942 rates and the 1942 exemptions applicable as of January 1, 1943, instead of 1942 and by letting 1941 rates and 1941 exemptions apply against the income received by our people in the calendar year 1942. No one under the committee bill thus receives high incomes which are not taxed as provided by the Ruml cancellation bill. Some people may call the committee bill a cancellation proposal; some may call it making the tax act apply in advance instead of making it retroactive. I do not care anything about quibbling over that part of the question. In other words had we made the October 1942 tax rates apply as of January 1, 1943, when we passed that bill instead of applying as of January 1, 1942, as the law now provides, we would have accomplished the very thing in that respect which I understand the committee bill now accomplishes. So to that extent at least the committee bill has come to my views of easing the burden and thus making it possible, by extending the due dates and lowering the amount to be paid, for taxpayers to meet their obligations for taxes; not because I so recommended, but because of this contest that has been going on throughout the country. Yesterday afternoon the gentleman from Kansas [Mr. CARLSON] was exceedingly kind in giving some of the Members additional information with reference to his bill, and after we had left

the floor. If I understand him correctly, and if I understand this blackboard presentation correctly, it operates something like this. Here is the \$50,000 to be taxed. Is that right? I ask the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Under the Carlson bill we tax every nickel of it.

Mr. CRAWFORD. This \$50,000 will be taxed?

Mr. JENKINS. Yes.

Mr. CRAWFORD. Is this whole \$20,000 income for 1941, \$70,000 for 1942, and \$100,000 for 1943 taxed?

Mr. JENKINS. The Carlson bill does not tax that \$20,000; that has been taxed in 1941.

Mr. CRAWFORD. Let me ask it this way: Are those three incomes taxed under the Carlson bill?

Mr. JENKINS. They certainly are.

Mr. CRAWFORD. I understood from the gentleman from Kansas [Mr. CARLSON] that they are not. Now, may I ask the gentleman from Kansas [Mr. CARLSON]: Are those three items taxed under his bill?

Mr. CARLSON of Kansas. The \$20,000, of course, was taxed on 1942, not on 1941 income.

Mr. CRAWFORD. I do not make myself clear. I do not want to confuse anyone here at all, and I do not want to be confused myself.

Mr. CARLSON of Kansas. Neither do I.

Mr. CRAWFORD. Does the Carlson bill call for the application of the tax laws in such a manner as to tax all of the income for the 3 years indicated as having been received by the party?

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

Mr. CRAWFORD. I yield.

Mr. JENKINS. Certainly the Carlson bill does not go back and tax 1941.

Mr. CRAWFORD. Let us not confuse it. Let me make it clear. The 1941 tax law taxed the 1941 income, and we will assume the fellow paid the 1941 tax in the year 1942.

Mr. JENKINS. That is right.

Mr. CRAWFORD. Now, in 1942 the taxpayer received \$70,000.

Mr. JENKINS. Yes.

Mr. CRAWFORD. Does the Carlson bill tax all of that \$70,000?

Mr. JENKINS. No; it does not tax the \$20,000.

Mr. CARLSON of Kansas. All right; now, do not bring that into the picture; that has been disposed of. Is all that \$70,000 taxed under the Carlson bill?

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

Mr. CRAWFORD. No; I will yield to the gentleman from Ohio to answer that question.

Mr. JENKINS. That is taxed. That would be 1943 on the 1943 tax.

Mr. CRAWFORD. Then is this other taxed under the Carlson bill?

Mr. JENKINS. That is the 1943 tax to be paid in 1944.

Mr. CRAWFORD. No; the Carlson bill does not call for paying taxes in 1944 on 1943 income, as I understand it. If so, the taxpayer would not be on a current, or pay-as-you-go, basis.

Mr. JENKINS. I thought you meant in due course.

Mr. CRAWFORD. I mean exactly what I am asking.

Mr. DEWEY. Will the gentleman yield?

Mr. CRAWFORD. I would like for the gentleman from Ohio to state whether or not under the Carlson scheme this total of \$200,000 is taxed.

Mr. JENKINS. I told the gentleman this—

Mr. CRAWFORD. I do not care what you told me. Let us start all over again.

Mr. JENKINS. What are you asking me about? I said in the beginning you pay in 1943 on \$100,000 and you go back and you get what would have been a windfall in 1942 and you pay on that. You pay on \$50,000 completely.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, let us go back to the Carlson proposition and let me ask the gentleman from Kansas [Mr. CARLSON] this question. If in 1941 I received \$200,000 income, in 1942 I received \$250,000 income, and in 1943 I received \$200,000 income, that is a total of \$650,000 income—under your bill, supposing your bill is converted into law within the next few days, would I pay a tax on the total \$650,000 I received under the tax laws of this land?

Mr. DEWEY. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. You will pay on the higher of the 2 years. You paid on the 1941 year previously.

Mr. CRAWFORD. Then that leaves a lot of income in there that is not taxed and that is what I am trying to develop here. In that manner the Carlson bill does not lead to the taxing of all of the income received by the taxpayer.

Look at this, for instance. Here we have just completed selling to our people some sixteen or seventeen billion dollars worth of bonds. Mr. Chairman, I do not know of any way on earth to more quickly or more completely destroy the economy of our people than for us to proceed on a program which inflates the currency and inflates the buying power of the dollar—and those bonds are redeemable in dollars—than to proceed on a basis which hands back to those people upon the maturity of those bonds dollars which buy less than those same dollars will buy today.

There is a necessity for paying taxes today to the limit of our ability. I repeat, there is a necessity for us to pay taxes. I have said to my people, and I say so very sincerely here today, that if there is anything I thank God for today it is the privilege of paying taxes to the Federal Treasury because of the fact that my sisters, my brothers, my nephews, my nieces, my aunts, my uncles, and my fellow citizens are making the sacrifices incident to war, on the battlefields and otherwise, for this country. Here I stay back in the good old United States and draw a salary. I am willing to live on anything that keeps

body and soul together and to put the balance into the tax box. I ask for no outright cancellation and I shall not advocate and support cancellation in total on the income received by our people in 1942. The committee bill cancels or removes far less than the Ruml bill. Now, let me make that clear. I am construing this committee bill as a revision of the law.

Yes; I weigh my words, I speak my conviction, I fear no man in the position I take and no political party. Some of my friends have called me a political adventurer, but I will take the medicine, I will take the consequences and I will take a position in private life, if necessary. That is FRED CRAWFORD's responsibility. But I will not go back and face my people as one who advocates cancellation. I held several meetings with them last week—I am getting the mail in now. I know what the situation is—I will not go back and face them and tell them I voted to cancel out entirely the tax liability assessed by the laws of this land.

I took the position before the Ways and Means Committee that we should go ahead and liquidate the tax liabilities by paying them. My father was a steward in the Methodist Church for 40 years and he said to me, "Son, be careful when you make your liabilities. After you make them, you pay them if it takes your heart's blood to do so." That is the kind of economic doctrine under which I grew up, that is exactly where I stand today, that is the way I teach my son, and that is the only sound economic philosophy I know. It is the economic doctrine which made this country a great Nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Chairman, I was very much interested in what my distinguished colleague from Michigan had to say about trying to ascertain how much tax was to be paid out of the 1941, 1942, and 1943 incomes. It is perfectly clear there is nothing unknown about this matter. It is known that certain portions of the 1942 tax year are to be abated under the Carlson plan and that the tax clock is to be put ahead to 1943. There is no mystery or nothing new in that at all.

I will now explain some of the details in reference to how the tax is paid. It may come from me with little grace, not being a lawyer, to depreciate the clarity of legal language, but sometimes legal language is complicated. I feel that the language of this tax bill appears to be complicated, and complicates a very simple thing. I shall attempt to show exactly what happens under the Carlson bill.

The Carlson bill recognizes two classes of taxpayers: those people with an income of less than \$5,000 on which is assessed a tax bill of \$1,050 or less, and those with an income of \$5,000 or more. Those of our citizens who have a tax bill of \$1,050 or less have no choice as to when they pay their taxes. They pay them in 1943 out of 1943 income. They

pay them as I show on this blackboard. Here is 3-15-43, 6-15-43, and along comes 9-15-43. On this September 15 they make a declaration at that time, having had 9 months' experience with their income, as to whether their estimate made March 15, 1943, was correct or not. On September 15 they make their third payment. Then on December 15 they make their final installment on account of 1943, and they are current in tax payments in 1943. All of those people with a tax of \$1,050 or less. On March 15, 1944, they make their return for 1944, and if there is any slight adjustment in their 1943 tax bill, if they have overpaid or underpaid, it is adjusted at that time. Those are all of our good fellow citizens with an income of \$5,000 or less, on which there is a tax bill of \$1,050 or less. They represent 97 percent of all taxpayers, all of whom will be placed on a current pay-as-you-earn basis.

Now let us go to the next class, Mr. X and Mr. Y. Mr. X has an income higher than \$5,000 in 1942. This line represents the income of Mr. X.

Mr. MAY. How high does it go?

Mr. DEWEY. It will go to any height, from \$5,000 up.

We will say that Mr. X in 1942 had an income of \$125,000. In 1943 Mr. X had an income of \$150,000. This line represents that income.

Under the Carlson bill what happens? The Carlson bill chooses the higher of those two incomes as being Mr. X's tax liability, and he is, therefore, charged his tax for 1943 on \$150,000, that being the higher of the two incomes.

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

Mr. DEWEY. I yield.

Mr. DOUGHTON. Will not the taxpayer have income for those 2 years?

Mr. DEWEY. Yes. I shall come to that in just a minute.

Mr. DOUGHTON. Will he pay taxes on the income of both years?

Mr. DEWEY. He will pay partially 1 year and fully on the other as I will show.

Mr. DOUGHTON. That is easy to answer. If he has an income for those 2 years he should pay taxes for those 2 years.

Mr. DEWEY. If the gentleman will wait a minute, I shall be glad to answer, but of course, I am always happy to yield to my chairman.

He pays his tax on the higher of the two incomes, which is in 1943. We believe that Mr. X has had a war profit in 1942. We use as the yardstick his income in 1941. We find that Mr. X had an income in 1941 of \$100,000. The bill allows a \$5,000 margin of fluctuation because any income may go up or down that amount with no contact whatsoever with war industry or war profits. So we take that \$5,000 and add it to the income of Mr. X, making \$105,000 that he had in 1941. The difference between \$105,000 and Mr. X's \$125,000 in 1942 we consider a war profit that should be taxed. So, just as my good and distinguished colleague, the gentleman from Ohio [Mr. JENKINS] showed that \$105,000 is subtracted from his 1942 income, leaving \$20,000 of presumable war profits,

which are taxed at the 1942 rate and added to the 1943 income tax of Mr. X and paid with it on March 15, 1944.

If the war profits tax creates a hardship to Mr. X by application to the Commissioner of Internal Revenue he will be given 36 months to pay any hardship amount with interest at 4 percent.

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

Mr. DEWEY. I yield to the gentleman from South Carolina.

Mr. FULMER. What becomes of the \$105,000?

Mr. DEWEY. There is no mystery about it. The Carlson plan contemplates abating 1 tax year by putting the tax clock ahead. That is what you have all known. We have talked about it for 3 months. There is no new mystery here today. You either like it or you do not like it. It is either wicked or it is not wicked. It is either efficient collection of taxes or it is not. I am not going to be dragged into an argument as to whether or not there is 1 year of forgiveness. Of course there is 1 year partially abated for some. That is what we are all talking about.

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

Mr. DEWEY. I yield to the gentleman from New Jersey.

Mr. KEAN. Does that \$20,000 get added on top of the \$150,000 so that it reaches the high bracket, or does it form a new group?

Mr. DEWEY. The tax rates of 1942 are applied to the \$150,000 and the tax rates of 1942 are applied to the \$20,000, as two separate items, and the two taxes are added together and must be liquidated by March 15, 1944, unless permission is given to extend the time in which payment is to be made.

Mr. KEAN. Then he has the benefit of the exemptions again on the \$20,000?

Mr. DEWEY. No, they have nothing to do with it. There is no exemption about it at all. The rate is the normal tax, 6 percent, then the first bracket, 13 percent, and it goes on up with the usual progress of rates as under the 1942 schedule.

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

Mr. DEWEY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman should state to the House that the party he has in mind paid the tax on his 1941 income in 1942.

Mr. DEWEY. Of course, that taxpayer paid a tax on his 1941 income under the 1941 rates, which were then existing, and that tax was deducted from his 1942 income.

Mr. KNUTSON. That was taken out of his 1942 income.

Mr. DEWEY. That is taken out of the 1942 income already, of course.

Mr. KNUTSON. That ought to be emphasized.

Mr. DEWEY. I do emphasize it, and I thank the gentleman for drawing it to my attention. That \$125,000 has already been reduced by the amount of the tax on 1941 income.

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

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 5 minutes more.

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

Mr. DEWEY. I yield.

Mr. McCORMACK. The gentleman is talking on net income.

Mr. DEWEY. I am talking about the net taxable income after personal exemption and credit for dependents.

Mr. McCORMACK. I wanted to make that observation, so that the committee would clearly understand that it is net income, after all deductions.

Mr. DEWEY. It is the net taxable income—these amounts that I am speaking of. Now, may I take one more minute. It really makes no change, but let us suppose a Mr. Z had an income in 1942 of \$150,000, and that he suffered a loss in 1943, and that his income in 1943, was but \$125,000. His income will go back to 1941, exactly the same, as Mr. X—\$100,000; but in this case as in the case of Mr. X, under the Carlson plan, the higher of the 2 years is chosen so that the income of 1942 will be used as the tax liability of 1943. So the 1942 rates would be applied to the 1942 tax income, and will be considered as the 1943 tax and liquidate that liability. In 1943 Mr. Z also had \$125,000 income. This compared to that received in 1941, which shows a difference of \$20,000, so that his tax is exactly the same as was Mr. X's.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. Yes.

Mr. VORYS of Ohio. And there is no lower limit to these war profits adjustment? For instance, I have heard of a Government clerk who made, say \$3,500 in 1941, and then jumped into the big money on some war contracts. If he made \$3,500, will you just explain what his tax would be for 1942 and 1943?

Mr. DEWEY. If a clerk made \$3,500 in 1941, and \$50,000 in 1942, and \$50,000 in 1943, you would add this \$5,000 fluctuation to the \$3,500, and that would make \$8,500. Eight thousand five hundred dollars deducted from \$50,000 would leave \$41,500 war profit on which he would pay the 1942 rates, and in 1943 he would pay 1942 rates on \$50,000.

Mr. VORYS of Ohio. So that a war profiteer—

Mr. DEWEY. Gets caught.

Mr. VORYS of Ohio. For all of it.

Mr. DEWEY. For all of it under the 1942 rates.

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

Mr. DEWEY. Yes.

Mr. MUNDT. Back to the example in purple-chalk figures on the board. I am not sure what happens to that \$20,000. Is that taxed as a separate income, or added to the \$150,000?

Mr. DEWEY. No; it is taxed as a separate item, with the 1942 rates on \$20,000.

Mr. MUNDT. Starting at the low brackets?

Mr. DEWEY. Starting at the 6-percent normal and 13-percent surtax.

Mr. KNUTSON. And boiling the whole thing down, there is no abatement on war profits?

Mr. DEWEY. No; there is no abatement on war profits.

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

Mr. DEWEY. Yes; I yield, although with a certain amount of trepidation, as I respect the ability of the gentleman from Tennessee in all argumentative matters.

Mr. COOPER. Does the distinguished gentleman really want the House to understand that he believes the so-called antiwindfall provision in the Carlson plan takes all these war profits out?

Mr. DEWEY. I think we can only judge by one thing. What are war profits? If you take the 1941 income as a yardstick, any profits that are earned in excess of 1941 income is taxed at the 1942 rate. In my opinion, they are all taxed.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, first I compliment the distinguished gentleman from Illinois [Mr. DEWEY]. His is the frankest presentation of the Ruml plan that I have heard. The gentleman has taken the Well and has frankly presented the case of the Ruml plan. He says you can take it or leave it, whether it is wicked or not as you view it, and all of us, no matter how much we may disagree with the gentleman in his views, must respect him for his candor and his frankness, as I do. However, I disagree with the gentleman, but in disagreement I cannot refrain from expressing my feelings of pleasure in the very frank presentation that he made to the House.

Is 1941 a normal year? The gentleman from Tennessee [Mr. COOPER] very adequately answered that question yesterday on page 3846 of the RECORD, when he called the attention of the House to 13 men, whose names I shall not repeat, who received in 1941 very large salaries, 11 of them more than in preceding years. In one case one gentleman received 205 percent more salary in 1941 than in 1940. He received a salary of \$121,184 for 1941—205 percent more than he received in 1940—and under the Ruml plan that gentleman will only pay \$4,722 taxes. It is very clear that the gadgets in the Ruml plan do not catch the war profits, because 1941, as we all know, was a year of war activity, of activity in preparing ourselves for defense.

Mr. COOPER. The 13 cases I cited were taken from the CONGRESSIONAL RECORD of March 23, 1943, and were furnished by the Securities and Exchange Commission. Of those 13 cases of large incomes from war activities, all of them but 2 would entirely escape under the so-called antiwindfall provision of the Carlson bill, and the other 2 would only be affected slightly.

Mr. McCORMACK. Let me call another matter to the attention of the House. It is not so many weeks ago when the \$25,000 net-income order of the President was repealed, in the wisdom of Congress. The President, as we know, had reduced salaries to \$67,200, or

about that amount, to bring about a net of \$25,000. Congress, in its wisdom, repealed it. Automatically those who were getting \$100,000, \$125,000, \$200,000, and \$250,000 went back to that salary. Along comes the Ruml plan and they want to forgive the tax on those salaries for last year. What an inconsistent position for the Congress to be placed in. One week before the last appearance of the Ruml plan, a bill came up to wipe out the \$25,000 net limitation on the large salaries that certain persons were receiving in 1941 and 1942, representing increases of salary up to \$200,000 and \$250,000; 1 week later the Ruml plan proposed to forgive payment completely of any tax on that salary for 1 year, at a time when men and youths are dying to preserve the liberties of our country.

Mr. COOPER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COOPER. The gentleman will recall that one of the main arguments used by the advocates of the repeal of the \$25,000 salary limitation was that we were going to get it by taxation. Now a plan is offered to forgive taxes.

Mr. McCORMACK. There is not any question about it.

Mr. JENKINS. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JENKINS. Does the gentleman know that the reason that bill was passed was because of the fact that the President had exceeded his authority and had violated the law?

Mr. McCORMACK. But the fact remains, without regard to why it was passed, that it brought salaries back to the higher ranges, and by the Ruml plan you are forgiving the payment of taxes for 1 year. You cannot get away from that fact.

There is no question but that the Ruml plan is misunderstood by many well-meaning persons, but they will find out sooner or later. The political significance of this vote is not today or this year, but in the primaries and the election of 1944. As the people become acquainted with the Ruml plan, and the extent it goes in its forgiveness, then opinions will completely change.

While I am supporting the committee bill because it is fair and just, speaking from a political angle, anyone who votes for the Ruml plan is thereby creating a living and telling issue against himself in the primary and election of 1944. How can any Member explain the fact that while our men and boys were dying to win victory and save our country, most of them receiving less than \$75 a month, Members voted to forgive or abate taxes completely for one year to persons well able to pay?

It is possible that there are some Members who voted for the Ruml plan the last time because they felt that some forgiveness should be given, particularly among the smaller-income groups, in order to make the collection-at-the-source method successful and not impose additional hardships on such groups. At that time the Ruml plan was the only opportunity they had to express such

an opinion through their vote. That condition does not exist today. The committee bill, which is just and equitable, and based upon ability to pay, gives such Members a better opportunity to express their views than the Ruml plan does.

Let us look at the tax paid. Take the 1942 law, for a married person with no dependents, and let us see what will happen under the 1942 law and under the Ruml plan and the committee bill. We must bear in mind the great majority of the people have in mind the original Ruml plan. Under the present law, a man receiving \$1,500, a married person with no dependents, would pay \$48. Under the committee bill, he would pay nothing. A man receiving \$1,800 would pay \$103 under the present law. Under the committee bill he would pay \$21.60. A man earning \$2,000 under the 1942 law would pay \$140. Under the committee bill he would pay \$40. A man receiving \$2,500, under the 1942 law, would have to pay \$232. Under the committee bill, he would pay \$86. A man receiving \$3,200 would pay \$360.60 under the existing law; \$150.40 under the proposed committee bill.

When you reach the \$5,000 mark, under existing law, the man would pay \$746. Under the committee bill he would pay \$357.60. In other words, up to \$5,000, the forgiveness is from 100 percent down to 52.06 percent.

Now, let us look further. Take the person receiving \$50,000. Under existing law he would pay \$25,000. Under the committee bill he would pay \$20,000 plus. Under the Ruml plan, for 1 year he would pay nothing.

At \$100,000, under existing law, a taxpayer would pay \$64,000. Under the committee bill he would pay \$52,000 plus. Under the Ruml plan, for 1 year he would pay nothing.

A man receiving \$500,000—and there are some who receive that in this country—under existing law he would pay \$414,000. Under the committee bill he would pay \$345,000 plus. Under the Ruml plan, for 1 year, nothing.

Let us go to the \$1,000,000 class, and there are some persons who receive a million-dollar net income. Under the existing law he would pay \$854,000. Under the committee bill he would pay \$732,000. Under the Ruml plan, for 1 year, he would pay nothing.

Let us take the \$2,000,000 income group.

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

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. McCORMACK. Let us look at the \$2,000,000 net income group. Under existing law that person would pay \$1,734,000; under the committee bill he would pay \$1,522,000 plus; under the Ruml plan he would pay nothing.

Take the case of the person receiving \$5,000,000 net income last year: Under the present law he would pay \$4,374,000; under the committee bill he would pay \$3,922,000 plus; under the Ruml plan for 1 year he would pay nothing.

TABLE 1.—Single person, no dependents—Amount and percent of 1942 tax forgiven under H. R. 2570

Net income before personal exemption	1942 tax under existing law	1942 tax under H. R. 2570	Amount of 1942 tax forgiven	Percent of 1942 tax forgiven
\$500.....				
\$600.....	\$15.40		\$15.40	100.00
\$750.....	43.00		43.00	100.00
\$800.....	52.20		52.20	100.00
\$1,000.....	89.00	\$14.70	74.30	83.71
\$1,200.....	125.80	32.00	93.80	73.85
\$1,500.....	181.00	60.50	120.50	66.57
\$1,800.....	236.20	88.10	148.10	62.70
\$2,000.....	273.00	106.50	166.50	60.99
\$2,500.....	365.00	152.50	212.50	58.22
\$3,000.....	472.00	206.00	266.00	56.36
\$5,000.....	920.00	462.00	458.00	49.78
\$10,000.....	2,390.00	1,490.90	920.10	38.87
\$15,000.....	4,366.00	2,949.48	1,416.52	32.44
\$20,000.....	6,816.00	4,868.64	1,947.36	28.57
\$25,000.....	9,626.00	7,157.32	2,468.68	25.65
\$50,000.....	25,811.00	20,803.35	5,007.65	19.40
\$100,000.....	64,641.00	53,173.21	11,467.79	17.74
\$250,000.....	194,616.00	158,499.12	36,116.88	18.56
\$500,000.....	414,616.00	345,929.92	68,686.08	16.57
\$1,000,000.....	854,616.00	733,422.24	121,193.76	14.18
\$2,000,000.....	1,734,616.00	1,522,418.40	212,197.60	12.18
\$5,000,000.....	4,374,616.00	3,922,410.72	452,205.28	10.31

Table 2 shows the amount and percent of 1942 tax forgiven in the case of a married person with no dependents.

TABLE 2.—Married person, no dependents—Amount and percent of 1942 tax forgiven under H. R. 2570

Net income before personal exemption	1942 tax under existing law	1942 tax under H. R. 2570	Amount of 1942 tax forgiven	Percent of 1942 tax forgiven
\$1,200.....				
\$1,500.....	\$48.00		\$48.00	100.00
\$1,800.....	103.20	\$21.60	81.60	79.07
\$2,000.....	140.00	40.00	100.00	71.43
\$2,500.....	232.00	86.00	146.00	62.93
\$3,200.....	360.80	150.40	210.40	58.31
\$3,300.....	382.20	161.10	221.10	57.85
\$5,000.....	746.00	357.60	388.40	52.06
\$10,000.....	2,152.00	1,291.92	860.08	39.97
\$15,000.....	4,052.00	2,704.56	1,347.44	33.25
\$20,000.....	6,452.00	4,581.08	1,870.92	29.00
\$25,000.....	9,220.00	6,824.40	2,395.60	25.98
\$50,000.....	25,328.00	20,392.80	4,935.20	19.49
\$100,000.....	64,060.00	52,702.60	11,357.40	17.73
\$250,000.....	194,000.00	157,994.00	36,006.00	18.56
\$500,000.....	414,000.00	345,394.00	68,606.00	16.57
\$1,000,000.....	854,000.00	732,874.00	121,126.00	14.18
\$2,000,000.....	1,734,000.00	1,522,864.00	211,136.00	12.18
\$5,000,000.....	4,374,000.00	3,922,844.00	451,156.00	10.31

The committee bill gives the lower income groups the larger percentage of forgiveness, ranging from 100 percent down to 10.31 in the case of a person receiving \$5,000,000 net income.

It is based upon ability to pay; it is equitable and fair; it meets the problem that confronts us; it protects the Government's interests, but at the same time is fair to the taxpayer. How any man in wartime when we are fighting for our very existence, when men to the number of millions are wearing the uniform ready to give up their lives for our country, if necessary—how under such circumstances any man can vote to forgive large sums of money like that I cannot understand. Such action is indefensible. It is beyond my power of comprehension. It cannot and should not be done in wartime by the Congress of the United States.

Mr. Chairman, I yield back the balance of my time.

Mr. KNUTSON. Mr. Chairman, I yield 17 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Chairman, I listened with great interest to the dramatic appeal of the majority leader and the premise upon which he based that appeal. His observations convinced me that he had not read what happens under the Carlson bill and the Ruml plan. He cited instances where a taxpayer would pay a certain amount under the present law, a certain amount under the pending bill, and then said that the same taxpayer under the Carlson-Ruml plan would pay nothing at all for 1 year and deprive the Government of needed revenue in wartime. As a matter of fact, under the Carlson program—and this is based on the testimony of Mr. Randolph Paul who is the counsel and tax adviser of the Treasury Department—the flow of revenue to the Treasury from any individual will not be suspended under the program of the Carlson bill. The effect of any abatement does not come until some time in the future when: (1) Either the Government winds up or (2) when the individual taxpayer loses his ability to pay through business adversity or death. Meanwhile he pays his taxes annually just as he does at the present time. To convey the impression that any individual will have no taxes to pay for 1 year under the dramatic circumstances outlined by the majority leader is committing a fraud upon the American people and misleading them as to the purposes of the legislation now before us.

The income tax is not a tax on income. It is a tax out of income. It is that portion of an individual's income which belongs to the Government and which the taxpayer holds in trust for the Government from the time it is received until it is paid. The effort we are making is to provide a simplified method for getting the Government's share of the taxpayer's income into the Treasury.

We all realize that the best interests of the Government will be served if the law requires that income taxes should be paid when the taxpayer has the ability to pay, that is to say, out of current income. Because of a false start in 1913 when the income tax was first adopted, we find ourselves facing a perplexing problem. Under our present system the portion of the national income which belongs to the Government in a given year is not paid out of current earnings, but is paid out of the income of the subsequent year. We are all agreed that this is wrong, and seek a new method of assessment and collection so that the taxes for the current year shall be paid out of current income.

In every plan that has been offered to accomplish this purpose we are confronted with one major difficulty, namely, that in making the transition 2 years' taxes must be paid in a single year. It is agreed that would be unfair and, in many instances, impossible, because of reasons that have been heretofore discussed.

Many plans for making the transition have been offered. They all recognize the necessity for abating all or a portion of the tax on 1 year's income. On a previous occasion there were many arguments against the abatement of any portion of any year's tax. Those who so

argued now favor some abatement. I think I see the reason for their change of mind. It is this: we are dealing with a principle which does not lend itself to compromise, and, until that principle is recognized and has accomplished its purpose, it will continue to give us trouble. That principle is that income taxes must be paid out of current income on a pay-as-you-earn basis.

The gentleman from Tennessee said yesterday—I pause here to pay a compliment to that gentleman. We frequently compliment the chairmen of committees for the excellent work they do but we forget those who give unstintingly of their time, their energy, and their equipment to the work of the committee; they are often lost sight of. There is no member of the Committee on Ways and Means, there is no Member of Congress, more conscientious, more studious, more patriotic, more useful; no one who is more regular in attendance to his duties on the Committee on Ways and Means than the gentleman from Tennessee [Mr. JERE COOPER]. I reserve the right of course to disagree with him on the matters we are called upon to determine, but I respect his industry and sincerity of purpose.

The gentleman from Tennessee said yesterday that under the committee bill, 30,000,000 of the 44,000,000 taxpayers will become current by the end of 1943. Such a statement is inconsistent with the provisions of the bill extending the time for payment of 1942 taxes. If it is so, then 30,000,000 taxpayers, except those who are paying income taxes for the first time, will have the taxes on their 1942 income entirely abated. To dispose of the unabated portion of the 1942 tax the gentleman from Tennessee said that the portion of the 1942 tax which would be carried to 1944 would not be due until 1944.

The fact remains that such installments require the payment of tax on 1942 income out of the income of subsequent years and is exactly the situation we seek to avoid, and it cannot be said that those having such deferred payments to make are paying their taxes currently.

We are permitting political consideration to draw us away from our objective. We are allowing our imaginations to convince us that if we abate the tax on 1 year's income in order to effect a change so much needed and desired, we will as has been said, be favoring those in the higher income brackets. In other words, we are permitting the economy of the taxpayer to guide us in our deliberations rather than the needs or best interests of the Government. In so doing we put self-interest above patriotic service.

I favor the Carlson bill, because it is the most expeditious, the simplest, the least expensive method of accomplishing the desired result. It is the most businesslike, as I will show by using the committee's proposal as an illustration. The committee bill recognizes the need for some abatement of the 1942 tax.

The first step in such abatement suggested by the committee is to reduce the 1942 tax by the adoption of the 1941 rates and exemptions. It is then proposed to permit the payment of the reduced tax in three annual installments

beginning in 1944. A further abatement is provided for to those who are capable of making advance payments and who will be allowed a discount, and further concessions are to be granted to those who will find any of these methods of payment a hardship and whose payments may be further extended. The whole proposal is given a rosy hue in anticipation of the collection of a considerable portion of the 1942 tax. It is even suggested that the amounts to be collected will make it unnecessary to increase the personal income-tax rates in the immediate future.

So, it appears to me that one of two things have prompted the proponents of this measure in its preparation—either, one, it is a treasure hunt to increase the Government income for 1944, 1945, and 1946 without increasing rates; or two, it is a unique method whereby the 1942 taxes can be gradually abated or washed out.

The proponents of the committee bill apparently have not looked at the other side of the picture. No estimate has been made of the cost of the administration to collect these deferred payments. No estimate has been made of the losses which are bound to occur over a 3-year period—and more so over a period which may be longer in hardship cases. No estimate has been given as to the extent discounts made may reduce the amount realized. No intimation can be had of the attitude of future Congresses and the effect of this thought on those who might otherwise pay in advance were it not for the possibility that at some time in the future the law may be changed to the advantage of those who have not yet paid and to the disadvantage of those who have done so. In other words the cost of collection may exceed the revenue anticipated.

I am reminded of a story that used to go the rounds in the business world about an individual who went into the business of refining oil. He got a lot of his friends to purchase stock in the company and when the plant was built he invited the stockholders to an inspection. A very fine buffet luncheon was served. The stockholders were taken through the plant and shown the beautiful white-tiled floors, the plate-glass partitions, the nickel-plated furnishings, and the machinery all running smoothly and perfectly. One of the stockholders asked the quantity of oil refined, and the number of barrels sold in a given period, whereupon the refiner replied, "We don't sell any oil. It takes all we refine to run the plant."

This is not the first time that a legislative body has faced this problem. Recently the State of Washington resolved it by the adoption of a plan comparable to the so-called Ruml plan, and, likewise, the Legislature of the State of Wisconsin, after struggling with the problem over a period of years in a situation very much the same as we have here, resolved it by the abatement of the tax on 1 year's income. You will find the Wisconsin experience in my extension of remarks at page A1550 of the Appendix of the CONGRESSIONAL RECORD.

Now that the principle has been recognized, let us face the problem fearlessly

without regard to the political effect of appealing to class prejudice. The Carlson bill should be adopted. It is fair to the Government. The flow of revenue to the Treasury, the majority leader to the contrary notwithstanding, will not abate. It is agreed by everyone that the change in the method of collection of income taxes will increase the revenue. It will protect the revenue not only now but for all time to come. As against other proposals it provides the most economical system of administration. It recognizes and adopts and puts immediately into effect the principle of collecting income taxes out of current income when the taxpayer has the ability to pay.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, it has been admitted on the floor of this Chamber today by some of its proponents that the Ruml plan would forgive or abate completely 1 year's taxes. With our sons in the service, probably at this moment under fire, I cannot bring myself to favor any such plan. I am opposed to it. For every dollar of tax indebtedness forgiven will mean a dollar to be borrowed to carry on this war and to be later paid with accrued interest throughout unnumbered years in the future. Of course, those who are now fighting this war and are fortunate enough to survive it will be called on to pay a part of this, which we who stay at home in safety with fairly pleasant surroundings ought ourselves to pay. When I mention members of our fighting force I do not do so sentimentally, though God knows I have a right to be sentimental in the matter; I mention it as a sober fact that the Ruml-plan bill will ease up the matter on the American taxpayer and shift the burden to someone else, and that someone else includes the members of our armed forces.

If I wanted to deal in sentiment, I could discuss our obligations to our boys over there, but I could also deal sentimentally with the plight of those who are over here, who may or may not be taxpayers, but who would suffer from the inflation which the Ruml plan, if put into effect, would enormously boost. Do not doubt for 1 minute that this Ruml plan would have enormous effect upon inflation. It would have that effect in two respects: Taxpayers owe the Government ten thousand million dollars on their incomes in 1942. If they are released by forgiveness from paying that enormous sum to Uncle Sam, they will have just that much more to spend on consumer goods and thus hike the cost of living accordingly. I think I am right in assuming that some of that ten thousand million dollars would be spent on consumer goods, for I cannot believe that all, or practically all, of it would be invested in United States War bonds. If the ten thousand million dollars of 1942 taxes forgiven should not be invested in War bonds, a part of that sum would have to be borrowed by Uncle Sam from commercial banks and such borrowing is highly inflationary. Such tax forgive-

ness they propose could hurt even those forgiven.

Even assuming a violent assumption that every individual forgiven his 1942 income tax would invest at least that amount in War bonds, it would still mean that he had lent his money to the Government instead of paying it as taxes as he should have done.

When this matter was before us several weeks ago, I took the stand against any forgiveness of the 1942 tax obligation, except perhaps in the case of members of our armed services. On March 30 I voted against the Ruml plan and when it carried in the committee, but was defeated in the House, I later voted not to recommit the committee bill. I felt that the committee bill at that time—although not quite what I had hoped for—because it did require a little more doubling up than I thought the taxpayers should be called on to bear—but it was near enough the thing best suited to war conditions that we were apt to approach. The bill was recommitted and now what have we before us today?

I feel that the bill which the committee has brought in now is an answer to the mandates of the House on March 30 last. I believe the minority bill today is so little different from the minority bill at that time that it would require a magnifying glass to see the difference. Today the Rumlites are virtually asking us to accept the very thing which the House rejected on March 30. The committee bill now does call for a certain amount of forgiveness of 1 year's taxes, but according to the explanation given by the chairman and by the gentleman from Tennessee [Mr. COOPER] I feel that the amount of forgiveness contained in the committee bill is justifiable. It is justifiable to my mind, and I am about as staunch an opponent of forgiveness of taxes on war income as can be found in this chamber. I hope to have a chance to vote for the bill which the committee presents today.

I resent having anyone say that I voted against the pay-as-you-go plan. The committee bill which the House re-committed several weeks ago did embody the features of a pay-as-you-go plan. The committee bill today—which we may or may not have a chance to vote on squarely—certainly embodies a pay-as-you-go plan. Both bills made it possible for individual taxpayers to get on a pay-as-you-go basis without paying 2 years' taxes in one. My contention is that the real issue has been beclouded and the Rumlites have tried to make it appear—and through radio and press have made it appear—that their plan involving total forgiveness is the only possible pay-as-you-go plan possible of adoption.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WASIELEWSKI].

Mr. WASIELEWSKI. Mr. Chairman, about 6 or 7 weeks ago when the House debated the various pay-as-you-go tax collection plans, I emphatically opposed the Carlson-Ruml bill and every other measure that carried with it the for-

give, excuse, or skip-a-year feature. I am still of the opinion that a Nation at war needs every dollar, every penny, it can get into its Treasury. If we do not need money to carry on the fight to victory, why then, do we have War bond drives and the constant beseeching of the public for funds?

Within the past couple weeks I visited my district, and I failed to find any clamor for a forgiveness of the 1942 taxes as has been repeatedly portrayed on the floor by the supporters of the Ruml plan. Since the House had acted on the pay-as-you-go tax-collection bills, I have had but 20 or 25 letters on the subject. Of these but 5 or 6 came from my district. The letters that reached me from my State, three were for the Ruml plan and three against it. Certainly, no one would refer to this as a demonstration or cry for forgiveness, excusing, or skipping of a year's taxes. The people of the Nation are awake to the situation ahead of us. They are ready and willing to do their part. They know that every tax dollar they pay now will mean so many less tax dollars to be paid in the future.

When the tax bill reported by the Ways and Means Committee, now before the House, was originally discussed in the Committee, I opposed it.

This bill possesses more merit than any of the others now before the House. A perfect tax measure was never written. Each bill in this sphere of legislation is the result of a compromise. I am supporting the Doughton bill because it appears imperative that some system of installment collection must be adopted if the Treasury is to collect the money needed to successfully finance our way to victory.

The bill now before us represents a departure from our normal way of collecting taxes. There are certain features about it that I find distasteful. I am not particularly keen about the provision in the bill that provides that the employer is to make tax deductions from the taxpayer's pay envelope. There are two principal objections: First, it may be construed that the Government is taking the position that either the taxpayer cannot be trusted or that he is incompetent to handle his fiscal affairs and, therefore, it is necessary to withdraw the tax payment from his pay check without his even getting the "feel" of the money. At the moment no better practical means of collection has been suggested. I sincerely hope, however, that this objectionable feature in the system of collection can be removed in order to help the taxpayer retain his self-respect.

The second feature of the bill that disturbs me is that it makes the employer a tax collector. This entails considerable expense and liability to the employer. True, the employer has been collecting social-security taxes for some time now, and during the past several months has been collecting the Victory tax, but now he is also to have the income-tax collection thrust upon him. I believe that most employers are most happy to be of service to their Government, but I believe that it is the duty of

the Government to avoid unduly imposing upon this volunteer service. To this end I hope that the system of computation and collection may be kept in the simplest form possible so that it may not unduly detract the employer from his gainful pursuit.

The 1942 tax bill is a definite legal obligation. It should stand and be paid. No one supporting its forgiveness has charged that Congress was wrong in enacting it; no one advocating its excuse or abatement has claimed that its rates are excessive and might cause undue hardship. If Congress was wrong in enacting the tax bill or the tax now appears oppressive, then there might be some excuse for changing the rates or otherwise mitigating its pressure upon the taxpayer. However, under no circumstances would Congress be justified in wholly wiping out this once-created liability of the taxpayer.

The 1942 tax bill was not enacted into law until late in October of 1942. The bill by its terms was retroactive to January 1, 1942. There might be some reasonable questions raised as to whether or not the taxpayer under these circumstances has had a fair opportunity to set aside the funds to meet the tax payment. The 1942 tax act provided not only for an increase in rates but also a reduction of the exemptions. In view of the fact that we are now endeavoring to bring income-tax collection on a pay-as-you-go basis, and in view of the fact that the taxpayer has had no proper notice of the extent of his tax on his 1942 income, it seems only fair and reasonable that the 1942 tax rates should be suspended and the 1941 tax rates and exemptions applied to the 1942 income.

We are faced with the problem of raising 16,000,000,000 additional dollars during the next fiscal year. Certainly forgiving in toto an existing tax obligation is no way to raise it. The more we can pay off the war expenditures through present taxation the less it will cost the taxpayers in the long run. Now, when our national income is greater than ever, when we are concerned with inflation because of the surplus consumer dollars, when our banks are bulging with idle money, now is the time to collect the moneys needed to pave the way to an early and decisive victory.

Mr. REED of New York. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, we have heard a good deal of idealizing on this bill. Much of this idealizing, or whatever it might be called, sounds to me something like demagoguery. That is not an indictment of any particular individual. I hope the words are not offensive. Probably you are sincere in it. But I do not like to see the boys in the Army and Navy made a whipping post for this tax bill. There would be about as many Ruml-plan boys there as those representing the opposition. That argument should not appeal in the framing of this tax bill.

Mr. MURDOCK. Will the gentleman yield?

Mr. GIFFORD. No, I paid the gentleman a compliment. He is one of the sincerest men I know.

One point I want to bring out is that "of late progress has to me been simply a swapping of old troubles for new."

I repeat what I have often said before, "I am enthusiastic for the Ruml plan as against the committee plan." I would not care to face my constituents and say, "We have doubled the taxes on you." I should prefer personally that the present method of collection prevail and that I pay when I know what I owe. But I do feel that the people want a pay-as-you-go plan, and I agree with the gentleman from Ohio [Mr. JENKINS] that they ought to have what they want even though they may regret it later.

I recall saying that "he who keepeth the whole law but faileth in one point is guilty of all." How some of you can now face this House and say you will forgive one-half, after the arguments you made a few short days ago, is beyond my comprehension. Will you now compromise with evil? I am sorry to have to indict my friends after this manner.

I say to my friend, the gentleman from Michigan [Mr. CRAWFORD], with whom I generally am in agreement, that he had a good deal to say about forgiving, and it would seem that he would now vote against the committee plan and state his preference for the old method of collection. Then he would support his original view as to the forgiveness idea he so strongly criticized.

Yesterday I asked a question of the gentleman from Tennessee. He understands this bill; he is a very able man. I asked him on yesterday to tell us about the \$50,000 man. He would not do it, but he afterward placed the information in the RECORD. The \$50,000 man whose actual income after taxes is \$24,000 would have \$25,000 added each year for 3 years, or a little more than 1 year's entire income taken. For 3 long years he has to pay more than he receives. How does he pay his other taxes? How does he meet his living expenses? A little further on he blandly asserts:

It may not be possible to pay more than 1 year's taxes out of 1 year's income, but, with few exceptions, persons in the higher brackets have assets that they can use to pay it.

If that is not a capital levy, then may I be forgiven for lack of reasoning power.

I am somewhat amazed that in 1943 no payment of the 1942 taxes will be required. The gentleman told us a few weeks ago that we had it in our jeans to pay the 1942 taxes in 1943, but now, even though we may have it in our jeans, he is not going to require us to pay in 1943, but we can wait until 1944, 1945, and 1946. That money now in our jeans may have been dissipated by that time.

How far they have come in their attempt to compromise! How can they excuse such backtracking? Only because they know the people want a pay-as-you-go plan and they now do not dare insist upon full payment, but will compromise on a half payment.

If we are responsible to the people, we should know how this House will vote

today. If instead we are responsible to the party whip, we also know how this House will vote. The Democrats have the majority. If ever there was a time to try men's souls it is today. It is party loyalty against the people. I think if the Carlson bill fails, another motion to recommit will be joyfully voted.

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

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If the \$50,000 taxpayer to whom the gentleman has referred has not saved and cannot pay, then what happens to him?

Mr. GIFFORD. Why, he goes into bankruptcy. Where does the gentleman suppose he ought to go?

Mr. HOFFMAN. What would the Government get out of that?

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

Mr. DOUGHTON. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I was somewhat surprised at the charge of demagoguery made by the gentleman who has just preceded me against those of us who speak of the tax burden that will fall upon the returned soldier if the \$10,000,000,000 of 1942 income tax is forgiven. This forgiven or abated tax is an asset of the Government, already levied, and \$6,000,000,000 of it has already been paid. If it is abated, it will mean the projection of that much tax burden into the future for future taxpayers to pay.

Within the past 2 weeks I have received more than a dozen letters from officers and men in the Army commending me upon the stand I have taken against the forgiveness of income taxes for 1942. I tell you that no proponent of forgiveness has ever told you when this 1942 tax will be paid if the Ruml-Carlson bill is passed. The reason they do not tell you is because they know it will never be paid.

There is justification for my stand here this morning in favor of this committee bill, even though it carries what they say is a partial forgiveness. If you will recollect, the 1942 tax bill was not passed until October 23, 1942. It was retroactive in its nature to January 1, 1942. Seven million new taxpayers were thereby told in the late fall, just before the beginning of the new year, that they owed taxes for 1942. This 7,000,000 class had had no notice and no chance to save their money to meet their tax bill. This committee bill by applying the 1941 rate to the 1942 income takes care of that situation.

Another thing, to be perfectly fair with the taxpayer, I feel that the Government should let him know on January 1 of each year what his taxes for that year will be in order that he may plan his economy and be prepared to pay his tax bill when it is due. I think the 1942 tax bill should not have been retroactive to January 1 of that year but should have been effective January 1, 1943, thereby giving everybody ample opportunity to make their financial arrangements.

I am supporting this committee bill not on the ground that it is forgiving a cent, but because I take the stand, and always will, that this country, with \$29,000,000,000 in the savings banks, and with a national income of \$119,000,000,000, should pay its tax for last year and not have that burden spread out in the future and extended as it will be if the Ruml-Carlson bill is passed, so that it will have to be paid by whoever pays taxes in the future, and that will have to be the returned soldier. Call this demagogery, call it anything, but I tell you that the boys in our armed forces will have to bear this \$10,000,000,000 tax burden if the 1942 taxes are forgiven, and you know it.

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

Mr. CAMP. Yes.

Mr. MURDOCK. If ten thousand million dollars are forgiven of the 1942 taxes, as Ruml proposes, will not that forgiveness increase the bonded indebtedness of the Nation needed to carry on this war?

Mr. CAMP. Yes.

Mr. MURDOCK. And will not such a course greatly increase the indebtedness to be paid on the soldier's return, as well as increase the burden of every other citizen?

Mr. CAMP. Certainly. These men who got the money last year will become old and brittle and pass out of the tax picture, and the men to take their places are the young men of this country.

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

Mr. CAMP. Yes.

Mr. HARE. In view of the fact that he has touched upon this point, I am wondering whether he would grant me enough time to read an extract from a letter from one of my boys?

Mr. CAMP. I would like very much to have the gentleman read it and to hear it.

Mr. HARE. This letter was written on March 26. The letter writer says:

Saw a newspaper yesterday for the first time in several days. I note the attitude of the paper toward the proposed income-tax law. There seems to be quite a drive for the Ruml plan which, as I gather, would forgive or forget the tax for 1942. The paper did not offer any argument against it. What seems to me to be pretty cogent is that if the 1942 taxes are forgiven it will mean that much less money collected at the present time which will mean just that much more national debt to be borne by the servicemen when they get home from the war. It seems to me they expect us to fight and win the war and then pay for it.

Mr. CAMP. Yes; that is what it means. I have something else to say, and then I will close.

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

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield to me for a question?

Mr. CAMP. My time has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. MORRISON of North Carolina. Will the gentleman yield for a question?

Mr. CAMP. Yes.

Mr. MORRISON of North Carolina. The whole object of this forgiving seems to be to get on a current-payment plan.

Mr. CAMP. That is right.

Mr. MORRISON of North Carolina. May I ask why the committee did not undertake to put corporations under the current payment plan as well as individuals, and make them make the preliminary report required of individuals and pay their tax quarterly as individuals?

Mr. CAMP. A corporation can do it just as well as an individual, regardless of what Mr. Ruml said of them. It is not in the bill. We have collected \$6,000,000,000 of these taxes and if you forgive that, it has either got to be returned to the taxpayer, or applied on next year's taxes.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, I want to make a passing observation on this new political philosophy which has appeared in our midst in recent weeks. I have always understood that it was the province—rather the general rule—that the minority usually was the loyal opposition. This is the first time that I have ever heard of a minority insisting on writing a tax bill. Of course, I realize that our esteemed minority leader, the gentleman from Massachusetts [Mr. MARTIN], is credited with the statement that "no majority of 222 can control a minority of 209." So if you want the responsibility of passing this tax bill, take it. It is yours. You have insisted on having it, and I hope you will enjoy it—from now on.

I joined up with you on the \$25,000 limitation to which the majority floor leader, the gentleman from Massachusetts [Mr. McCORMACK], referred a moment ago, and you and I came to this well and urged the passage of this legislation, and more than once we did claim that the tax statutes that we already have in effect, and the tax bills that we shall pass, would take care of the men with the large salaries, and here you are urging that the taxes be returned to them, be forgiven.

So that there will be no mistake about my position on the matter, I have reduced this part to writing:

The Ways and Means Committee is the agent and servant of the House. It will be remembered, in fact it will not soon be forgotten, that the committee brought into the House a bill for collection of taxes at the source, those taxes collected at the source to be applied on the 1942 tax liability, that the committee bill provided for no forgiveness of taxes, that the Ruml plan was offered as a substitute forgiving the 1942 taxes to the extent of \$10,000,000,000, that the House rejected both the Ruml plan and the committee's bill.

The committee could not be in a position of impeding legislation. By the action of the House the committee was rather compelled to return to the House

with a bill embodying a mean between the two extremes or to refuse to bring in legislation of any kind. It chose the former course. It has been said that all legislation is the result of compromise. This bill exemplifies that theorem because it takes a position that is midway between the two extremes.

Many members of the committee are in the position that I am—against any forgiveness of taxes. Personally, I would prefer an amortization of the 1942 taxes over a period of 7 to 10 years, but this did not meet with the approval of the majority of the committee.

Every argument against forgiveness of taxes that can be applied to the Ruml plan applies to the present bill, except that the present bill is a compromise of the two extremes.

It seemed wise to the committee in view of all circumstances and in view of the fact that the 1942 tax bill was not passed until late in 1942, to revert to the 1941 rates and exemptions of 1942 liability and amortize the remainder over a period of 3 years. In effect the use of the 1941 rates and exemptions for the 1942 liability amounts to the application of the 1942 bill to the 1943 taxes, rather than making the 1942 revenue bill retroactive to January 1, 1942. This appears to be a reasonable solution of the problem.

In fact, this would be a complete solution of the problem if we were not confronted with the most serious problem of inflation that has ever faced the Nation. It is conceded that we have an inflationary gap of at least \$40,000,000,000—that we have at least \$40,000,000,000 in money in the hands of the people—that is much more than the balance of the people's money can buy. In other words, we have at least \$110,000,000,000 in money and not more than \$70,000,000,000 in goods and services. Consequently, inflation prices, unless curbed, will be disastrous to the purchaser of goods, regardless of his income, if inflation pushes up his prices.

One of the strongest curbs to inflation is taxation. So we should be taxing more instead of less. We should be collecting taxes rather than forgiving taxes, if inflation is to be halted. A most serious discussion of this matter entitled "Inflation Clouds," by Peter Edson, appeared in a recent issue of the Washington News. It reads as follows:

INFLATION CLOUDS

(By Peter Edson)

The thunderheads of inflation now forming on the economic horizon get bigger and blacker every hour. Prices are rising, wages are rising, national income is spiraling up in a whirlwind that carries with it increased purchasing power and in whose vortex is a \$40,000,000,000 inflationary gap.

Despite this storm warning, there is every indication that when the House again takes up tax legislation next week, it will put through some form of tax forgiveness. It may not be the pure Ruml plan, which in its original conception called for forgiveness of a whole year's taxes to put tax collection on a current basis. It will probably be a compromise with that idea, tailored to fit the whims of Congress and the popular notion that forgiveness of taxes is nice.

And it would be good news to many taxpayers to learn that half of their tax bill for 1942 would be forgiven, as the new bill reported out by the House Ways and Means Committee proposes. But what has been entirely overlooked is that for every tax dollar whose collection is canceled, the threat of inflation is just that much more real, comes just that much closer.

It is seriously to be questioned if this is any time to think of canceling any taxes. Maybe it's too late to talk of avoiding inflation. Inflation may already be here. But if the menaces of inflation are to be kept under any kind of control at all, now is the time not to talk of forgiving taxes, but, if anything, of increasing them.

That is the highly unpopular doctrine to espouse, and that is why you no longer hear the golden voices rising to Congress or out to decry the idea of tax forgiveness and to plead for higher taxes and still higher taxes to stop inflation.

The administration has fought a losing battle on this policy right from the start. Treasury Secretary Morgenthau has expressed himself as satisfied with the tax bill now before the House. He could do little else. At this late date it is essential that the Treasury know what its tax program is to be for the coming year, and the administration seems to be riding along on the assumption that any kind of a tax bill now is better than no tax bill at all.

Last year it was October before tax legislation was completed. This year to delay passage beyond May 15 would be disastrous. The tax reforms proposed in shifting to a pay-as-you-go tax plan are admittedly important, requiring careful consideration and full deliberation. The war can't be stopped, however, while Congress whittles away in old gaffer fashion. Just over the hill are these storm clouds of inflation.

"The Ruml Plan" is a good trade name that catches the eye and the ear. It is a bottle of medicine that has been smartly merchandised, but oversold as something that would put tax collections on a current basis. That it would do, but the hidden ingredient in the bottle and the potential poison is its power to induce inflation by forgiving taxes.

The Ruml plan in its original form was not pay-as-you-go taxation. Pay-as-you-go taxation means deducting taxes from your pay envelope and other income at the source, before you get your hands on it. The revised House tax bill is on sound ground in advocating these withholding taxes of 20 percent, for they are definitely anti-inflationary. Tax forgiveness in any form isn't.

As contemplated, the forgiveness of taxes, there arises in my mind another serious consideration. Somerset Maugham has made a statement we should ponder today:

If a nation values anything more than freedom, it will lose that freedom; and the irony of it is that if it is comfort or money that it values more, it will lose that too.

If a nation would have freedom it must pay the price of that freedom. In a democracy such as ours that price is paid by the individual citizen, according to his ability. We are approaching the test of whether the citizen of a free nation can lay aside all selfish instincts and pay the price necessary to guarantee that freedom. To pay that price out of his own money; to accept the responsibility that goes with that price. Free men of America are paying that price in life and limb and in sacrifice of income, health, and comfort on every battle front. The free American taxpayer will pay that price at home, unless he be taught to avoid that responsibility—

urged by his political leaders to avoid that responsibility. No sacrifice however great of the citizen taxpayer at home can compare with the privations of the soldier in the field.

Forgiveness of responsibility is the hand-maiden to repudiation. Forgiveness of taxes may well be a forerunner to repudiation of our bonds. If we forgive billions, why add the taxes for more billions? What assurance has the purchaser of Government bonds, if our credit is impaired by the abatement of the very taxes which apply to the interest and principal of these bonds? If the psychology of abating taxes become dominant we may well look with foreboding on the days of depression when some demagogic appeal for repudiation may find favor in the minds of the people, led by skillful political maneuvering, devoid of principle.

The psychology of getting something for nothing has always been with us. It is akin to the avoidance of taxes. In instances, States and municipalities under unprincipled guidance have avoided their obligations.

The integrity of our credit is basic and fundamental to the stability of our various systems of government. We dare not impair the integrity of our Government's credit.

And I want to spell out exactly how the Ruml plan would do just the opposite.

Our country is today faced with the direct need for revenue it has ever known. Unless and until we here in Congress legislate additional taxes, the Government will have to go on borrowing over \$70,000,000,000 a year. What that means is clear—we shall have to provide additional tax revenue. No plan for forgiving taxes can ignore this compelling fact, that revenue must be provided to fight this total war. It follows as a matter of logic and simple arithmetic, that if we drop out 1 year's taxes for old taxpayers, there are only two ways to make up the difference. One is to shift the burden for the "lost year" to new taxpayers. But if we adopt the Ruml plan and skip a year, let us not forget that the new taxpayers, who will eventually have to help make up the difference, will in considerable part be the young men and women now serving in the armed forces.

The other way to recoup for the lost year and to get the added revenue we must have is to raise our tax rates, or to impose new taxes. At this point the full implication of the skip-a-year Ruml plan becomes clear. At the top of the income scale, where rates already reach 90 percent, the handout given by the Ruml plan and its variants would be a permanent gift. Even if resort were had to a new tax, like the sales tax, the upper income group would feel little of its weight. I repeat, the Ruml plan would confer an enormous permanent gift on the upper income groups.

Now let us turn to the middle and lower income groups. They are the ones who would bear the brunt of the tax increases which would be imperative to recoup the Ruml-plan forgiveness. They are the ones for whom income-tax rates can be increased. A 90-percent rate at the top

is capable of very little increase. A rate of 40, 30, or 20 percent at the bottom is susceptible of very substantial increase. And, at the same time, it is exactly these brackets which would bear the major burden of a sales tax. In other words, the gift bestowed on the lower income groups by the Ruml plan is that undesirable kind of a gift that we have come to call an Indian gift. What the Ruml plan would give, the increased taxes would take away.

Let us look beyond the bottom of the income-tax scale. Here we find a group who would get no benefit whatsoever from the Ruml plan or its variants. Yet if a sales tax were to follow hard upon the heels of the skip-a-year tax plan, the millions of persons in the lowest brackets would participate in providing the revenue lost by bestowing unwarranted tax benefits on the higher income groups.

Surely it is a perversion of our established principles of democratic taxation to give a huge bonanza to the few at the top, at the expense of the many at the middle and bottom. Yet this is precisely what the Ruml-Carlson bill would do. Inherent in that plan, even with its so-called antiwindfall provisions, is a redistribution of the tax burden from the few to the many, in direct violation of the just and fundamental principle of ability to pay.

I do not for a moment contend that it would be reasonable to demand 2 full years' taxes in 1 from the American taxpayer, but I have said and I will say again that in an hour of dire revenue need, it is a counsel of folly and inequity to cancel taxes and then recoup the loss in a way that completely upsets our tax system, in a way that gives to him who hath and takes from him who hath not. Whatever plan this Congress adopts to put the income tax on a pay-as-you-go basis must permit us to raise the revenue we need for the weapons of war and the good works of peace, in full accord with the established principle of ability to pay. In war, even more than in peace, we should be guided by that principle.

Mr. Chairman, the Carlson bill is faulty. Mr. CARLSON himself, in conversation we had, has already admitted that the self-employed have a distinct advantage over those on wages and salaries, and there is no other way to handle the matter except under his bill, and that they have the advantage of not paying any taxes until along toward the end of the year. It is, in my judgment, full of mistakes of that kind, but fundamentally I believe it is unfair to come to the House and make the claim that these windfall provisions that you are so hazy about cure those defects. The gentleman from New Jersey [Mr. McLEAN] vouched for Mr. Cooper, and accepted him and paid him high compliment. These figures I am about to read, referred to by the majority leader, are in the RECORD, and if there is any mistake in these figures, surely some of the minority would have called attention to them and would have corrected them.

In the case of Charles Marcus, of the same Bendix Co., only \$177 in taxes would be payable on the 1942 income of

\$77,000. These figures are in the RECORD and are undisputed.

J. D. A. Morrow, of the Joy Manufacturing Co., would, under the antiwindfall provisions, pay only \$282 on an income of \$55,000. J. W. Frazer, of the Willys-Overland, would pay \$447.22 on a \$123,000 income. His income was 205 percent over the 1941 income.

Now, if that feature of the antiwindfall section of the Carlson bill cures those defects, I hope it satisfies you gentlemen who are going to vote for this substitute.

Now, it is said to be demagoguery to refer to the soldiers. I would like to read to you a few lines from Ernie Pyle's article appearing in yesterday's Daily News about the battle in Tunisia. I do this particularly to remind you that the people in America are here in comfort and in good health, with plenty of money to pay taxes and plenty of food to eat. He says:

A narrow path comes like a ribbon over a hill miles away, down a long slope, across a creek, up a slope and over another hill.

All along the length of this ribbon there is now a thin line of men. For 4 days and nights they have fought hard, eaten little, washed none, and slept hardly at all. Their nights have been violent with attack, fright, butchery, and their days sleepless and miserable with the crash of artillery.

The men are walking. They are 50 feet apart, for dispersal. Their walk is slow, for they are dead weary, as you can tell even when looking at them from behind. Every line and sag of their bodies speaks their inhuman exhaustion.

On their shoulders and backs they carry heavy steel tripods, machine-gun barrels, leaden boxes of ammunition. Their feet seem to sink into the ground from the overload they are bearing.

They don't slouch. It is the terrible deliberation of each step that spells out their appalling tiredness. Their faces are black and unshaven. They are young men, but the grime and whisks and exhaustion make them look middle-aged.

In their eyes as they pass is not hatred, not excitement, not despair, not the tonic of their victory—there is just the simple expression of being here as though they had been here doing this forever, and nothing else.

The line moves on, but it never ends. All afternoon men keep coming round the hill and vanishing eventually over the horizon. It is one long, tired line of ant-like men.

There is an agony in your heart and you almost feel ashamed to look at them. They are just guys from Broadway and Main Street, but you wouldn't remember them. They are too far away now. They are too tired. Their world can never be known to you, but if you could see them just once, just for an instant, you would know that no matter how hard people work back home they are not keeping pace with these infantrymen in Tunisia.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That (a) this act may be cited as the "Current Tax Payment Act of 1943."

(b) Meaning of terms used: Except as otherwise expressly provided, terms used in this act shall have the same meaning as when used in the Internal Revenue Code.

Mr. CARLSON of Kansas. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment in the nature of a substitute by Mr. CARLSON of Kansas: Strike out all after the enacting clause and insert the following:

"That (a) this act may be cited as the 'Current Tax Payment Act of 1943.'

"(b) Meaning of terms used: Except as otherwise expressly provided, terms used in this act shall have the same meaning as when used in the Internal Revenue Code.

"Sec. 2. Relief from double payments in 1943.

"(a) General rule: This subsection shall be applicable with respect to taxable years beginning in 1942 but shall not take effect until September 1, 1943. Except in cases of fraud, the liability of any individual (other than an estate or trust and other than a nonresident alien subject to withholding under section 143 (b) of the Internal Revenue Code) for the tax imposed by such chapter for such taxable year is discharged.

"(b) Special rule where 1942 net income \$5,000 or more: In case the tax of an individual (other than an estate or trust and other than a nonresident alien subject to withholding under section 143 (b) of the Internal Revenue Code) for the taxable year 1942 is \$1,050 or more, subsection (a) shall not apply. If such case if such tax is greater than that for the taxable year 1943, except in cases of fraud, the liability of the individual for the tax imposed by such chapter for the taxable year 1942 is discharged and the tax for the taxable year 1943 is increased by the excess of the tax for the taxable year 1942 over \$1,050 in case the tax for the taxable year 1943 (determined without regard to this section) is less than \$1,050; or over the tax for the taxable year 1943 (determined without regard to this section) in case the tax for the taxable year 1943 (so determined) is \$1,050 or more. If the tax under such chapter for the taxable year 1942 is not greater than that for the taxable year 1943, except in cases of fraud, the liability of the individual for the tax imposed by such chapter for the taxable year 1942 is discharged. This subsection shall be applicable with respect to taxable years beginning after December 31, 1941, and before January 1, 1944, but shall not take effect until the date prescribed for the making of the return for the taxable year beginning in 1943, except that the provisions making subsection (a) inapplicable shall take effect immediately.

"(c) Special rule where both 1942 and 1943 income is substantially greater than 1941 income: In case the surtax net income both for the taxable year 1942 and for the taxable year 1943 exceeds by more than \$5,000 that for the taxable year 1941, then in order to avoid windfalls the tax imposed by chapter 1 of the Internal Revenue Code for the taxable year 1943 (determined without regard to this subsection but with regard to subsection (b)) shall be increased by an amount equal to a tentative tax for such taxable year computed as if the portion of the surtax net income for the taxable year 1942 which (1) exceeds the sum of \$5,000 plus the surtax net income for the taxable year 1941, and (2) does not exceed the surtax net income for the taxable year 1943, constituted both the surtax net income for the taxable year 1943 and the net income for such taxable year after the allowance of all credits against net income, and as if section 450 of such chapter were not applicable.

"(d) Extension of time for payment of increase in 1943 tax under subsection (c): Where it is shown to the satisfaction of the Commissioner that the payment of the tax for the taxable year 1943 as increased under subsection (c) upon the date prescribed for the payment thereof will result in undue hardship to the taxpayer the Commissioner under regulations prescribed by the Commissioner, with the approval of the Secretary, may grant an extension for the payment of such tax, to the extent of the amount of such

increase, for a period not in excess of 18 months, and, in exceptional cases, for a further period of not in excess of 18 months. If an extension is granted, the Commissioner may require a taxpayer to furnish a bond in such amount, not exceeding double the amount of the installment, with such sureties as the Commissioner deems necessary, conditioned upon the payment of the installment in accordance with the terms of the extension. If the time for the payment of such tax is extended, there shall be collected, as a part of the tax, interest on the amount with respect to which the extension is granted at the rate of 4 percent per annum for the period of the extension, and no other interest shall be collected on such amount for such period. If the amount the time for the payment of which is so extended is not paid in accordance with the terms of the extension, there shall be collected, as a part of the tax, interest on the unpaid amount at the rate of 6 percent per annum for the period from the time fixed by the terms of the extension for its payment until it is paid, and no other interest shall be collected on such unpaid amount for such period.

"(e) Special rule where taxpayer dies in taxable year 1942: If the individual dies during the taxable year 1942, subsections (a) and (b) shall not apply, and the liability for the tax imposed by chapter 1 of the Internal Revenue Code for such taxable year is discharged to the extent of not more than \$1,050.

"(f) Treatment of payments prior to September 1, 1943, on account of 1942 tax: Any payment (other than interest and additions to the tax) made prior to the effective date of subsection (a) or (b), whichever is applicable (or on or after such date pursuant to any extension of time granted by the Commissioner before such date), on account of the tax imposed by chapter 1 of the Internal Revenue Code upon an individual (other than an estate or trust and other than a nonresident alien subject to withholding under section 143 (b) of such chapter and other than an individual to whom subsection (e) is applicable) for a taxable year beginning in 1942 shall be held and considered as payment on account of the estimated tax for 1943. In the case of any extension of time for the payment of such tax granted by the Commissioner prior to such date, payment of the portion thereof which if such extension had not been granted would have been payable under section 56 (b) prior to such date shall be made notwithstanding subsections (a) and (b).

"(g) Use of term "taxable year": For the purposes of this section the terms "taxable year 1941," "taxable year 1942," and "taxable year 1943" mean, respectively, the taxable year beginning in 1941, 1942, and 1943, respectively; and "taxable year" as applied to the taxable year 1942 shall not include any period of less than 12 months unless occasioned by the death of the taxpayer.

"Sec. 3. Collection of tax at source on wages.

"(a) In general: Part II of subchapter D of chapter 1 of the Internal Revenue Code (relating to collection of tax at source on wages) is amended to read as follows:

"Part II—Collection of tax at source on wages

"Sec. 465. Definitions.

"As used in this part—

"(a) Wages: The term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

"(1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay included in gross income, or

"(2) for agricultural labor (as defined in section 1426 (h)), or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, or

"(4) for casual labor not in the course of the employer's trade or business, or

"(5) for services by a citizen or resident of the United States for a foreign government or for the Government of the Commonwealth of the Philippines, or

"(6) for services performed by a nonresident alien individual, other than a resident of a contiguous country who enters and leaves the United States at frequent intervals, or

"(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Commissioner with the approval of the Secretary, or

"(8) for services for an employer performed by a citizen or resident of the United States while outside the United States (as defined in section 3797 (a) (9)) if the major part of the services for such employer during the calendar year is to be performed outside the United States, or

"(9) for services performed as a minister of the gospel."

"For the purpose of paragraph (8) services performed on or in connection with an American vessel (as defined in section 1426 (g)) under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, or on or in connection with any vessel as an employee of the United States employed through the War Shipping Administration, shall not constitute services performed outside the United States.

"(b) Pay roll period: The term "pay roll period" means a period for which a payment of wages is ordinarily made to the employee by his employer.

"(c) Employee: The term "employee" includes an officer, employee, or elected official of the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

"(d) Employer: The term "employer" means any person for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the wages paid to an individual are paid by a person other than the person for whom the services are or were performed, the term "employer" (except for the purposes of subsection (a)) means the person paying such wages.

"(e) Single person: The term "single person" means a person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that such person is single, or is married and not living with husband or wife, and is not the head of a family.

"(f) Married person: The term "married person" means a person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that he is married and living with husband or wife.

"(g) Married person claiming all of personal exemption for withholding: The term "married person claiming all of personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that for the purposes of this part his spouse is claiming none of the personal exemption.

"(h) Married person claiming half of personal exemption for withholding: The term "married person claiming half of the personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that for the purposes of this part such person claims half of the personal exemption.

"(i) Married person claiming none of personal exemption for withholding: The term "married person claiming none of the personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 466 (h) making no claim with respect to the personal exemption for the purposes of this part.

"(j) Head of family: The term "head of a family" means a person with respect to whom a withholding exemption certificate is in effect under section 466 (m) stating that he is the head of a family.

"(k) Dependent: The term "dependent" means a person included in a withholding exemption certificate in effect under section 466 (h) as a person dependent upon and receiving his chief support from the employee and either under 18 years of age or incapable of self-support because mentally or physically defective.

"Sec. 466. Tax collected at source.

"(a) Requirement of withholding: Every employer making payment of wages to any individual shall withhold and collect upon such wages a tax as follows:

"(1) 17 per centum of the excess of each payment of such wages over the withholding exemption allowable under subsection (b) (1) (A), and

"(2) 3 per centum of the excess of each payment of such wages over the withholding exemption allowable under subsection (b) (1) (B).

"(b) Withholding exemption:

"(1) In computing the tax required to be withheld under subsection (a), there shall be allowed as an exemption with respect to the wages paid for each payroll period—

"(A) in computing the portion thereof required to be withheld under subsection (a) (1), an amount determined in accordance with the following schedule:

	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent, other than the first dependent in the case of the head of a family
"Pay-roll period"					
Weekly.....	\$11	\$26	\$13	0	\$8
Biweekly.....	22	52	26	0	16
Semi-monthly.....	23	55	27.50	0	17
Monthly.....	46	110	55	0	34
Quarterly.....	138	330	165	0	102
Semi-annual.....	276	660	330	0	204
Annual.....	552	1,320	660	0	408
Daily or miscellaneous (per day of such period).....	1.50	3.60	1.80	0	1.10

"(B) in computing the portion thereof required to be withheld under subsection (a) (2), an amount determined in accordance with the following schedule:

"Pay-roll period:	Withholding exemption
Weekly.....	\$12.00
Biweekly.....	24.00
Semi-monthly.....	26.00
Monthly.....	52.00
Quarterly.....	156.00
Semi-annual.....	312.00

"Pay-roll period:	Withholding exemption
Annual.....	\$624.00
Daily or miscellaneous (per day of such period).....	1.70

"(2) If wages are paid with respect to a period which is not a pay-roll period, the exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous pay-roll period containing a number of days equal to the number of days in the period with respect to which such wages are paid.

"(3) In any case in which wages are paid by an employer without regard to any pay-roll period or other period, the exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous pay-roll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than 1 week, at the election of the employer the excess of the aggregate of the wages paid to the employee during the calendar week over the exemption allowed by this subsection for a weekly pay-roll period may be used in computing the tax required to be withheld.

"(c) Wage bracket withholding:

"(1) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be withheld under subsection (a):

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
0	\$10						
10	15	\$0.30					
15	20	1.30	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	2.30	.50	.30	.30	.30	.30
25	30	3.30	1.50	.50	.50	.50	.50
30	40	4.80	3.40	2.00	.70	.70	.70
40	50	6.80	5.40	4.00	2.70	1.30	1.00
50	60	8.80	7.40	6.00	4.70	3.30	2.00
60	70	10.80	9.40	8.00	6.70	5.30	4.00
70	80	12.80	11.40	10.00	8.70	7.30	6.00
80	90	14.80	13.40	12.00	10.70	9.30	8.00
90	100	16.80	15.40	14.00	12.70	11.30	10.00
100	110	18.80	17.40	16.00	14.70	13.30	12.00
110	120	20.80	19.40	18.00	16.70	15.30	14.00
120	130	22.80	21.40	20.00	18.70	17.30	16.00
130	140	24.80	23.40	22.00	20.70	19.30	18.00
140	150	26.80	25.40	24.00	22.70	21.30	20.00
150	160	28.80	27.40	26.00	24.70	23.30	22.00
160	170	30.80	29.40	28.00	26.70	25.30	24.00
170	180	32.80	31.40	30.00	28.70	27.30	26.00
180	190	34.80	33.40	32.00	30.70	29.30	28.00
190	200	36.80	35.40	34.00	32.70	31.30	30.00

\$200 or over.....	20% of the excess over \$200 plus					
	\$37.60	\$36.40	\$35.00	\$33.70	\$32.20	\$31.00

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	.30	.30	.30	.30	.30	.30
25	30	.40	.40	.40	.40	.40	.40
30	35	.50	.50	.50	.50	.50	.50
35	40	.60	.60	.60	.60	.60	.60
40	45	.70	.70	.70	.70	.70	.70
45	50	.80	.80	.80	.80	.80	.80
50	55	.90	.90	.90	.90	.90	.90
55	60	1.00	1.00	1.00	1.00	1.00	1.00
60	65	1.10	1.10	1.10	1.10	1.10	1.10
65	70	1.20	1.20	1.20	1.20	1.20	1.20
70	75	1.30	1.30	1.30	1.30	1.30	1.30
75	80	1.40	1.40	1.40	1.40	1.40	1.40
80	85	1.50	1.50	1.50	1.50	1.50	1.50
85	90	1.60	1.60	1.60	1.60	1.60	1.60
90	95	1.70	1.70	1.70	1.70	1.70	1.70
95	100	1.80	1.80	1.80	1.80	1.80	1.80
100	105	1.90	1.90	1.90	1.90	1.90	1.90
105	110	2.00	2.00	2.00	2.00	2.00	2.00
110	115	2.10	2.10	2.10	2.10	2.10	2.10
115	120	2.20	2.20	2.20	2.20	2.20	2.20
120	125	2.30	2.30	2.30	2.30	2.30	2.30
125	130	2.40	2.40	2.40	2.40	2.40	2.40
130	135	2.50	2.50	2.50	2.50	2.50	2.50
135	140	2.60	2.60	2.60	2.60	2.60	2.60
140	145	2.70	2.70	2.70	2.70	2.70	2.70
145	150	2.80	2.80	2.80	2.80	2.80	2.80
150	155	2.90	2.90	2.90	2.90	2.90	2.90
155	160	3.00	3.00	3.00	3.00	3.00	3.00
160	165	3.10	3.10	3.10	3.10	3.10	3.10
165	170	3.20	3.20	3.20	3.20	3.20	3.20
170	175	3.30	3.30	3.30	3.30	3.30	3.30
175	180	3.40	3.40	3.40	3.40	3.40	3.40
180	185	3.50	3.50	3.50	3.50	3.50	3.50
185	190	3.60	3.60	3.60	3.60	3.60	3.60
190	200	3.70	3.70	3.70	3.70	3.70	3.70
\$200 or over		20% of the excess over \$200 plus					
		\$35.20	\$33.90	\$32.50	\$31.10	\$29.80	\$28.40

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	.30	.30	.30	.30	.30	.30
25	30	.40	.40	.40	.40	.40	.40
30	35	.50	.50	.50	.50	.50	.50
35	40	.60	.60	.60	.60	.60	.60
40	45	.70	.70	.70	.70	.70	.70
45	50	.80	.80	.80	.80	.80	.80
50	55	.90	.90	.90	.90	.90	.90
55	60	1.00	1.00	1.00	1.00	1.00	1.00
60	65	1.10	1.10	1.10	1.10	1.10	1.10
65	70	1.20	1.20	1.20	1.20	1.20	1.20
70	75	1.30	1.30	1.30	1.30	1.30	1.30
75	80	1.40	1.40	1.40	1.40	1.40	1.40
80	85	1.50	1.50	1.50	1.50	1.50	1.50
85	90	1.60	1.60	1.60	1.60	1.60	1.60
90	95	1.70	1.70	1.70	1.70	1.70	1.70
95	100	1.80	1.80	1.80	1.80	1.80	1.80
100	105	1.90	1.90	1.90	1.90	1.90	1.90
105	110	2.00	2.00	2.00	2.00	2.00	2.00
110	115	2.10	2.10	2.10	2.10	2.10	2.10
115	120	2.20	2.20	2.20	2.20	2.20	2.20
120	125	2.30	2.30	2.30	2.30	2.30	2.30
125	130	2.40	2.40	2.40	2.40	2.40	2.40
130	135	2.50	2.50	2.50	2.50	2.50	2.50
135	140	2.60	2.60	2.60	2.60	2.60	2.60
140	145	2.70	2.70	2.70	2.70	2.70	2.70
145	150	2.80	2.80	2.80	2.80	2.80	2.80
150	155	2.90	2.90	2.90	2.90	2.90	2.90
155	160	3.00	3.00	3.00	3.00	3.00	3.00
160	165	3.10	3.10	3.10	3.10	3.10	3.10
165	170	3.20	3.20	3.20	3.20	3.20	3.20
170	175	3.30	3.30	3.30	3.30	3.30	3.30
175	180	3.40	3.40	3.40	3.40	3.40	3.40
180	185	3.50	3.50	3.50	3.50	3.50	3.50
185	190	3.60	3.60	3.60	3.60	3.60	3.60
190	200	3.70	3.70	3.70	3.70	3.70	3.70
\$200 or over		20% of the excess over \$200 plus					
		\$37.40	\$36.10	\$34.70	\$33.30	\$32.00	\$30.60

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

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"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
20	25	1.00	1.00	1.00	1.00	1.00	1.00
25	30	1.20	1.20	1.20	1.20	1.20	1.20
30	35	1.40	1.40	1.40	1.40	1.40	1.40
35	40	1.60	1.60	1.60	1.60	1.60	1.60
40	45	1.80	1.80	1.80	1.80	1.80	1.80
45	50	2.00	2.00	2.00	2.00	2.00	2.00
50	55	2.20	2.20	2.20	2.20	2.20	2.20
55	60	2.40	2.40	2.40	2.40	2.40	2.40
60	65	2.60	2.60	2.60	2.60	2.60	2.60
65	70	2.80	2.80	2.80	2.80	2.80	2.80
70	75	3.00	3.00	3.00	3.00	3.00	3.00
75	80	3.20	3.20	3.20	3.20	3.20	3.20
80	85	3.40	3.40	3.40	3.40	3.40	3.40
85	90	3.60	3.60	3.60	3.60	3.60	3.60
90	95	3.80	3.80	3.80	3.80	3.80	3.80
95	100	4.00	4.00	4.00	4.00	4.00	4.00
100	105	4.20	4.20	4.20	4.20	4.20	4.20
105	110	4.40	4.40	4.40	4.40	4.40	4.40
110	115	4.60	4.60	4.60	4.60	4.60	4.60
115	120	4.80	4.80	4.80	4.80	4.80	4.80
120	125	5.00	5.00	5.00	5.00	5.00	5.00
125	130	5.20	5.20	5.20	5.20	5.20	5.20
130	135	5.40	5.40	5.40	5.40	5.40	5.40
135	140	5.60	5.60	5.60	5.60	5.60	5.60
140	145	5.80	5.80	5.80	5.80	5.80	5.80
145	150	6.00	6.00	6.00	6.00	6.00	6.00
150	155	6.20	6.20	6.20	6.20	6.20	6.20
155	160	6.40	6.40	6.40	6.40	6.40	6.40
160	165	6.60	6.60	6.60	6.60	6.60	6.60
165	170	6.80	6.80	6.80	6.80	6.80	6.80
170	175	7.00	7.00	7.00	7.00	7.00	7.00
175	180	7.20	7.20	7.20	7.20	7.20	7.20
180	185	7.40	7.40	7.40	7.40	7.40	7.40
185	190	7.60	7.60	7.60	7.60	7.60	7.60
190	200	7.80	7.80	7.80	7.80	7.80	7.80
\$200 or over		20% of the excess over \$200 plus					
		\$39.60	\$38.30	\$36.90	\$35.50	\$34.20	\$32.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is head of a family and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	.30	.30	.30	.30	.30	.30
25	30	.40	.40	.40	.40	.40	.40
30	40	.50	.50	.50	.50	.50	.50
40	50	.60	.60	.60	.60	.60	.60
50	60	.70	.70	.70	.70	.70	.70
60	70	.80	.80	.80	.80	.80	.80
70	80	.90	.90	.90	.90	.90	.90
80	90	1.00	1.00	1.00	1.00	1.00	1.00
90	100	1.10	1.10	1.10	1.10	1.10	1.10
100	110	1.20	1.20	1.20	1.20	1.20	1.20
110	120	1.30	1.30	1.30	1.30	1.30	1.30
120	130	1.40	1.40	1.40	1.40	1.40	1.40
130	140	1.50	1.50	1.50	1.50	1.50	1.50
140	150	1.60	1.60	1.60	1.60	1.60	1.60
150	160	1.70	1.70	1.70	1.70	1.70	1.70
160	170	1.80	1.80	1.80	1.80	1.80	1.80
170	180	1.90	1.90	1.90	1.90	1.90	1.90
180	190	2.00	2.00	2.00	2.00	2.00	2.00
190	200	2.10	2.10	2.10	2.10	2.10	2.10

"If the pay-roll period with respect to an employee is biweekly"

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$1.90	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	3.90	1.10	.60	.60	.60	.60
50	60	5.90	3.10	.90	.90	.90	.90
60	80	8.90	6.10	3.40	1.40	1.40	1.40
80	100	12.90	10.10	7.40	4.70	2.00	2.00
100	120	16.90	14.10	11.40	8.70	6.00	3.30
120	140	20.90	18.10	15.40	12.70	10.00	7.30
140	160	24.90	22.10	19.40	16.70	14.00	11.30
160	180	28.90	26.10	23.40	20.70	18.00	15.30
180	200	32.90	30.10	27.40	24.70	22.00	19.30
200	220	36.90	34.10	31.40	28.70	26.00	23.30
220	240	40.90	38.10	35.40	32.70	30.00	27.30
240	260	44.90	42.10	39.40	36.70	34.00	31.30
260	280	48.90	46.10	43.40	40.70	38.00	35.30
280	300	52.90	50.10	47.40	44.70	42.00	39.30
300	320	56.90	54.10	51.40	48.70	46.00	43.30
320	340	60.90	58.10	55.40	52.70	50.00	47.30
340	360	64.90	62.10	59.40	56.70	54.00	51.30
360	380	68.90	66.10	63.40	60.70	58.00	55.30
380	400	72.90	70.10	67.40	64.70	62.00	59.30
\$400 or over		20% of the excess over \$400 plus					
		\$74.90	\$72.10	\$69.40	\$66.70	\$64.00	\$61.30

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly"

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$1.70					
40	50	4.30	\$1.60				
50	60	6.30	3.60	\$0.80	\$0.30	\$0.30	\$0.30
60	80	8.30	5.60	2.80	.60	.60	.60
80	100	10.30	7.60	4.80	2.10	.90	.90
100	120	13.30	10.60	7.80	5.10	2.40	1.40
120	140	17.30	14.60	11.80	9.10	6.40	3.70
140	160	21.30	18.60	15.80	13.10	10.40	7.70
160	180	25.30	22.60	19.80	17.10	14.40	11.70
180	200	29.30	26.60	23.80	21.10	18.40	15.70
200	220	33.30	30.60	27.80	25.10	22.40	19.70
220	240	37.30	34.60	31.80	29.10	26.40	23.70
240	260	41.30	38.60	35.80	33.10	30.40	27.70
260	280	45.30	42.60	39.80	37.10	34.40	31.70
280	300	49.30	46.60	43.80	41.10	38.40	35.70
300	320	53.30	50.60	47.80	45.10	42.40	39.70
320	340	57.30	54.60	51.80	49.10	46.40	43.70
340	360	61.30	58.60	55.80	53.10	50.40	47.70
360	380	65.30	62.60	59.80	57.10	54.40	51.70
380	400	69.30	66.60	63.80	61.10	58.40	55.70
400		73.30	70.60	67.80	65.10	62.40	59.70
\$400 or over		20% of the excess over \$200 plus					
		\$79.30	\$76.60	\$73.80	\$71.10	\$68.40	\$65.70

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly"

And the wages are		And such person is the head of a family and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	.60	.60	.60	.60	.60	.60
50	60	1.40	1.40	.90	.90	.90	.90
60	80	4.40	4.40	1.70	1.40	1.40	1.40
80	100	8.40	8.40	5.70	3.00	2.00	2.00
100	120	12.40	12.40	9.70	7.00	4.30	2.60
120	140	16.40	16.40	13.70	11.00	8.30	5.60
140	160	20.40	20.40	17.70	15.00	12.30	9.60
160	180	24.40	24.40	21.70	19.00	16.30	13.60
180	200	28.40	28.40	25.70	23.00	20.30	17.60
200	220	32.40	32.40	29.70	27.00	24.30	21.60
220	240	36.40	36.40	33.70	31.00	28.30	25.60
240	260	40.40	40.40	37.70	35.00	32.30	29.60
260	280	44.40	44.40	41.70	39.00	36.30	33.60
280	300	48.40	48.40	45.70	43.00	40.30	37.60
300	320	52.40	52.40	49.70	47.00	44.30	41.60
320	340	56.40	56.40	53.70	51.00	48.30	45.60
340	360	60.40	60.40	57.70	55.00	52.30	49.60
360	380	64.40	64.40	61.70	59.00	56.30	53.60
380	400	68.40	68.40	65.70	63.00	60.30	57.60
\$400 or over		20% of the excess over \$400 plus					
		\$70.40	\$70.40	\$67.70	\$65.00	\$62.30	\$59.60

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly"

And the wages are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30	\$0.30					
30	40	2.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	4.30	1.40	.60	.60	.60	.60
50	60	6.30	3.40	.90	.90	.90	.90
60	80	9.30	6.40	3.50	1.30	1.30	1.30
80	100	13.30	10.40	7.50	4.60	1.90	1.90
100	120	17.30	14.40	11.50	8.60	5.70	2.90
120	140	21.30	18.40	15.50	12.60	9.70	6.90
140	160	25.30	22.40	19.50	16.60	13.70	10.90
160	180	29.30	26.40	23.50	20.60	17.70	14.90
180	200	33.30	30.40	27.50	24.60	21.70	18.90
200	220	37.30	34.40	31.50	28.60	25.70	22.90
220	240	41.30	38.40	35.50	32.60	29.70	26.90
240	260	45.30	42.40	39.50	36.60	33.70	30.90
260	280	49.30	46.40	43.50	40.60	37.70	34.90
280	300	53.30	50.40	47.50	44.60	41.70	38.90
300	320	57.30	54.40	51.50	48.60	45.70	42.90
320	340	61.30	58.40	55.50	52.60	49.70	46.90
340	360	65.30	62.40	59.50	56.60	53.70	50.90
360	380	69.30	66.40	63.50	60.60	57.70	54.90
380	400	73.30	70.40	67.50	64.60	61.70	58.90
\$400 or over		20% of the excess over \$400 plus					
		\$75.30	\$72.40	\$69.50	\$66.60	\$63.70	\$60.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$26, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly"

And the wages are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	.60	.60	.60	.60	.60	.60
50	60	.90	.90	.90	.90	.90	.90
60	80	3.90	1.30	1.30	1.30	1.30	1.30
80	100	7.90	5.00	2.10	1.90	1.90	1.90
100	120	11.90	9.00	6.10	3.20	2.50	2.50
120	140	15.90	13.00	10.10	7.20	4.30	3.10
140	160	19.90	17.00	14.10	11.20	8.30	5.40
160	180	23.90	21.00	18.10	15.20	12.30	9.40
180	200	27.90	25.00	22.10	19.20	16.30	13.40
200	220	31.90	29.00	26.10	23.20	20.30	17.40
220	240	35.90	33.00	30.10	27.20	24.30	21.40
240	260	39.90	37.00	34.10	31.20	28.30	25.40
260	280	43.90	41.00	38.10	35.20	32.30	29.40
280	300	47.90	45.00	42.10	39.20	36.30	33.40
300	320	51.90	49.00	46.10	43.20	40.30	37.40
320	340	55.90	53.00	50.10	47.20	44.30	41.40
340	360	59.90	57.00	54.10	51.20	48.30	45.40
360	380	63.90	61.00	58.10	55.20	52.30	49.40
380	400	67.90	65.00	62.10	59.20	56.30	53.40
\$400 or over		20% of the excess over \$400 plus					
		\$69.90	\$67.00	\$64.10	\$61.20	\$58.30	\$55.40

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$26, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly"

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$1.50	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	3.00	.60	.60	.60	.60	.60
50	60	5.50	2.00	.90	.50	.90	.90
60	80	8.50	5.00	2.80	1.30	1.30	1.30
80	100	12.50	9.00	6.80	3.90	1.90	1.90
100	120	16.50	13.00	10.80	7.90	5.00	2.50
120	140	20.50	17.00	14.80	11.90	9.00	6.10
140	160	24.50	21.00	18.80	15.90	13.00	10.10
160	180	28.50	25.00	22.80	19.90	17.00	14.10
180	200	32.50	29.00	26.80	23.90	21.00	18.10
200	220	36.50	33.00	30.80	27.90	25.00	22.10
220	240	40.50	37.00	34.80	31.90	29.00	26.10
240	260	44.50	41.00	38.80	35.90	33.00	30.10
260	280	48.50	45.00	42.80	39.90	37.00	34.10
280	300	52.50	49.00	46.80	43.90	41.00	38.10
300	320	56.50	53.00	50.80	47.90	45.00	42.10
320	340	60.50	57.00	54.80	51.90	49.00	46.10
340	360	64.50	61.00	58.80	55.90	53.00	50.10
360	380	68.50	65.00	62.80	59.90	57.00	54.10
380	400	72.50	69.00	66.80	63.90	61.00	58.10

"If the pay-roll period with respect to an employee is semimonthly"

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20	\$1.70					
20	30	4.20	\$1.40				
30	40	6.20	3.30	\$0.40	\$0.30	\$0.30	\$0.30
40	50	8.20	5.30	2.40	.60	.60	.60
50	60	10.20	7.30	4.40	1.50	.90	.90
60	80	13.20	10.30	7.40	4.50	1.70	1.30
80	100	17.20	14.30	11.40	8.50	5.70	2.80
100	120	21.20	18.30	15.40	12.50	9.70	6.80
120	140	25.20	22.30	19.40	16.50	13.70	10.80
140	160	29.20	26.30	23.40	20.50	17.70	14.80
160	180	33.20	30.30	27.40	24.50	21.70	18.80
180	200	37.20	34.30	31.40	28.50	25.70	22.80
200	220	41.20	38.30	35.40	32.50	29.70	26.80
220	240	45.20	42.30	39.40	36.50	33.70	30.80
240	260	49.20	46.30	43.40	40.50	37.70	34.80
260	280	53.20	50.30	47.40	44.50	41.70	38.80
280	300	57.20	54.30	51.40	48.50	45.70	42.80
300	320	61.20	58.30	55.40	52.50	49.70	46.80
320	340	65.20	62.30	59.40	56.50	53.70	50.80
340	360	69.20	66.30	63.40	60.50	57.70	54.80
360	380	73.20	70.30	67.40	64.50	61.70	58.80
380	400	77.20	74.30	71.40	68.50	65.70	62.80
\$400 or over		20% of the excess over \$400 plus					
		\$79.20	\$76.30	\$73.40	\$70.50	\$67.70	\$64.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$20, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly"

And the wages are		And such person is a head of a family and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
30	40	.60	.60	.60	.60	.60	.60
40	50	.90	.90	.90	.90	.90	.90
50	60	1.20	1.20	1.20	1.20	1.20	1.20
60	80	1.50	1.50	1.50	1.50	1.50	1.50
80	100	1.80	1.80	1.80	1.80	1.80	1.80
100	120	2.10	2.10	2.10	2.10	2.10	2.10
120	140	2.40	2.40	2.40	2.40	2.40	2.40
140	160	2.70	2.70	2.70	2.70	2.70	2.70
160	180	3.00	3.00	3.00	3.00	3.00	3.00
180	200	3.30	3.30	3.30	3.30	3.30	3.30
200	220	3.60	3.60	3.60	3.60	3.60	3.60
220	240	3.90	3.90	3.90	3.90	3.90	3.90
240	260	4.20	4.20	4.20	4.20	4.20	4.20
260	280	4.50	4.50	4.50	4.50	4.50	4.50
280	300	4.80	4.80	4.80	4.80	4.80	4.80
300	320	5.10	5.10	5.10	5.10	5.10	5.10
320	340	5.40	5.40	5.40	5.40	5.40	5.40
340	360	5.70	5.70	5.70	5.70	5.70	5.70
360	380	6.00	6.00	6.00	6.00	6.00	6.00
380	400	6.30	6.30	6.30	6.30	6.30	6.30
\$400 or over		20% of the excess over \$400 plus					
		\$69.00	\$66.90	\$64.80	\$62.70	\$60.60	\$58.50

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$20, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly"

And the wages are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40						
40	50	\$1.60	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	3.60	.40	.40	.40	.40	.40
60	70	5.60	.70	.70	.70	.70	.70
70	80	7.60	1.00	1.00	1.00	1.00	1.00
80	100	9.60	1.30	1.30	1.30	1.30	1.30
100	120	11.60	1.60	1.60	1.60	1.60	1.60
120	140	13.60	1.90	1.90	1.90	1.90	1.90
140	160	15.60	2.20	2.20	2.20	2.20	2.20
160	180	17.60	2.50	2.50	2.50	2.50	2.50
180	200	19.60	2.80	2.80	2.80	2.80	2.80
200	220	21.60	3.10	3.10	3.10	3.10	3.10
220	240	23.60	3.40	3.40	3.40	3.40	3.40
240	260	25.60	3.70	3.70	3.70	3.70	3.70
260	280	27.60	4.00	4.00	4.00	4.00	4.00
280	300	29.60	4.30	4.30	4.30	4.30	4.30
300	320	31.60	4.60	4.60	4.60	4.60	4.60
320	340	33.60	4.90	4.90	4.90	4.90	4.90
340	360	35.60	5.20	5.20	5.20	5.20	5.20
360	380	37.60	5.50	5.50	5.50	5.50	5.50
380	400	39.60	5.80	5.80	5.80	5.80	5.80
\$800 or over		20% of the excess over \$800 plus					
		\$150.60	\$144.80	\$139.10	\$133.30	\$127.50	\$121.70

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly"

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40						
40	50	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	.40	.40	.40	.40	.40	.40
60	70	.70	.70	.70	.70	.70	.70
70	80	1.00	1.00	1.00	1.00	1.00	1.00
80	100	1.30	1.30	1.30	1.30	1.30	1.30
100	120	1.60	1.60	1.60	1.60	1.60	1.60
120	140	1.90	1.90	1.90	1.90	1.90	1.90
140	160	2.20	2.20	2.20	2.20	2.20	2.20
160	180	2.50	2.50	2.50	2.50	2.50	2.50
180	200	2.80	2.80	2.80	2.80	2.80	2.80
200	220	3.10	3.10	3.10	3.10	3.10	3.10
220	240	3.40	3.40	3.40	3.40	3.40	3.40
240	260	3.70	3.70	3.70	3.70	3.70	3.70
260	280	4.00	4.00	4.00	4.00	4.00	4.00
280	300	4.30	4.30	4.30	4.30	4.30	4.30
300	320	4.60	4.60	4.60	4.60	4.60	4.60
320	340	4.90	4.90	4.90	4.90	4.90	4.90
340	360	5.20	5.20	5.20	5.20	5.20	5.20
360	380	5.50	5.50	5.50	5.50	5.50	5.50
380	400	5.80	5.80	5.80	5.80	5.80	5.80
\$800 or over		20% of the excess over \$800 plus					
		\$139.70	\$134.00	\$128.20	\$122.40	\$116.60	\$110.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly"

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40						
40	50	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	.40	.40	.40	.40	.40	.40
60	70	.70	.70	.70	.70	.70	.70
70	80	1.00	1.00	1.00	1.00	1.00	1.00
80	100	1.30	1.30	1.30	1.30	1.30	1.30
100	120	1.60	1.60	1.60	1.60	1.60	1.60
120	140	1.90	1.90	1.90	1.90	1.90	1.90
140	160	2.20	2.20	2.20	2.20	2.20	2.20
160	180	2.50	2.50	2.50	2.50	2.50	2.50
180	200	2.80	2.80	2.80	2.80	2.80	2.80
200	220	3.10	3.10	3.10	3.10	3.10	3.10
220	240	3.40	3.40	3.40	3.40	3.40	3.40
240	260	3.70	3.70	3.70	3.70	3.70	3.70
260	280	4.00	4.00	4.00	4.00	4.00	4.00
280	300	4.30	4.30	4.30	4.30	4.30	4.30
300	320	4.60	4.60	4.60	4.60	4.60	4.60
320	340	4.90	4.90	4.90	4.90	4.90	4.90
340	360	5.20	5.20	5.20	5.20	5.20	5.20
360	380	5.50	5.50	5.50	5.50	5.50	5.50
380	400	5.80	5.80	5.80	5.80	5.80	5.80
\$800 or over		20% of the excess over \$800 plus					
		\$149.10	\$143.30	\$137.50	\$131.70	\$125.90	\$120.10

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly"

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40	\$3.40					
40	50	7.60	\$1.90				
50	60	9.40	3.70	\$0.10	\$0.10	\$0.10	\$0.10
60	70	11.40	5.70	.40	.40	.40	.40
70	80	13.40	7.70	1.00	.70	.70	.70
80	100	16.40	10.70	4.90	1.10	1.10	1.10
100	120	20.40	14.70	8.90	3.10	1.70	1.70
120	140	24.40	18.70	12.90	7.10	2.30	2.30
140	160	28.40	22.70	16.90	11.10	5.30	2.90
160	200	34.40	28.70	22.90	17.10	11.30	5.50
200	240	42.40	36.70	30.90	25.10	19.30	13.50
240	280	50.40	44.70	38.90	33.10	27.30	21.50
280	320	58.40	52.70	46.90	41.10	35.30	29.50
320	360	68.40	60.70	54.90	49.10	43.30	37.50
360	400	74.40	68.70	62.90	57.10	51.30	45.50
400	440	82.40	76.70	70.90	65.10	59.30	53.50
440	480	90.40	84.70	78.90	73.10	67.30	61.50
480	520	98.40	92.70	86.90	81.10	75.30	69.50
520	560	106.40	100.70	94.90	89.10	83.30	77.50
560	600	114.40	108.70	102.90	97.10	91.30	85.50
600	640	122.40	116.70	110.90	105.10	99.30	93.50
640	680	130.40	124.70	118.90	113.10	107.30	101.50
680	720	138.40	132.70	126.90	121.10	115.30	109.50
720	760	146.40	140.70	134.90	129.10	123.30	117.50
760	800	154.40	148.70	142.90	137.10	131.30	125.50
\$800 or over----		20% of the excess over \$800 plus					
		\$158.40	\$152.70	\$146.90	\$141.10	\$135.30	\$129.50

"If the pay-roll period with respect to an employee is monthly"

And the wages are		And such person is the head of a family and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
40	50	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
60	70	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
70	80	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
80	90	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
90	100	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
100	120	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
120	140	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
140	160	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
160	200	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
200	240	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
240	280	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
280	320	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
320	360	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
360	400	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
400	440	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
440	480	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
480	520	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
520	560	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
560	600	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
600	640	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
640	680	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
680	720	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
720	760	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
760	800	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
\$800 or over—20% of the excess over \$800 plus							
\$139.70 \$139.70 \$134.00 \$123.20 \$122.40 \$116.60							

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

And the wages divided by the number of days in such period, are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be the following amount multiplied by the number of days in such period							
\$0	\$1	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
1	2	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
2	3	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
3	4	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
4	5	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
5	6	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
6	7	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
7	8	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
8	9	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
9	10	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
10	12	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
12	14	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
14	16	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
16	18	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
18	20	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
20	22	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
22	24	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
24	26	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
26	28	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
28	30	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
\$30 and over—20% of excess over \$30 plus							
\$5.70 \$5.50 \$5.30 \$5.15 \$4.95 \$4.75							

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05.

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

And the wages, divided by the number of days in such period, are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be the following amount multiplied by the number of days in such period							
\$0	\$1	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
1	2	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
2	3	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
3	4	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
4	5	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
5	6	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
6	7	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
7	8	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
8	9	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
9	10	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
10	12	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
12	14	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
14	16	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
16	18	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
18	20	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
20	22	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
22	24	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
24	26	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
26	28	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
28	30	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
\$30 and over—20% of excess over \$30 plus							
\$5.35 \$5.15 \$4.95 \$4.80 \$4.60 \$4.40							

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05.

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

And the wages, divided by the number of days in such period, are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be the following amount multiplied by the number of days in such period							
\$0	\$1	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
1	2	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
2	3	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
3	4	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
4	5	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
5	6	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
6	7	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
7	8	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
8	9	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
9	10	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
10	12	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
12	14	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
14	16	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
16	18	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
18	20	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
20	22	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
22	24	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
24	26	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
26	28	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
28	30	\$0.15	\$0.15	\$0.05	\$0.05	\$0.05	\$0.05
\$30 and over—20% of excess over \$30 plus							
\$5.65 \$5.45 \$5.25 \$5.10 \$4.90 \$4.70							

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05.

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

And the wages, divided by the number of days in such period, are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be the following amount multiplied by the number of days in such period							
\$0	\$1	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
1	2	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
2	3	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
3	4	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
4	5	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
5	6	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
6	7	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
7	8	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
8	9	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
9	10	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
10	12	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
12	14	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
14	16	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
16	18	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
18	20	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
20	22	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
22	24	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
24	26	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
26	28	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
28	30	\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05
\$30 and over—20% of excess over \$30 plus							
\$5.95 \$5.75 \$5.55 \$5.40 \$5.20 \$5.00							

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05.

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

And the wages, divided by the number of days in such period, are		And such person is head of a family and has					
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
At least	But less than	The amount to be withheld shall be the following amount multiplied by the number of days in such period					
\$0	\$1						
1	2						
2	3						
3	4	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
4	5	.25	.25	.10	.10	.10	.10
5	6	.45	.45	.25	.10	.10	.10
6	7	.65	.65	.45	.25	.15	.15
7	8	.85	.85	.65	.45	.30	.15
8	9	1.05	1.05	.85	.65	.50	.30
9	10	1.25	1.25	1.05	.85	.70	.50
10	12	1.55	1.55	1.35	1.15	1.00	.80
12	14	1.95	1.95	1.75	1.55	1.40	1.20
14	16	2.35	2.35	2.15	1.95	1.80	1.60
16	18	2.75	2.75	2.55	2.35	2.20	2.00
18	20	3.15	3.15	2.95	2.75	2.60	2.40
20	22	3.55	3.55	3.35	3.15	3.00	2.80
22	24	3.95	3.95	3.75	3.55	3.40	3.20
24	26	4.35	4.35	4.15	3.95	3.80	3.60
26	28	4.75	4.75	4.55	4.35	4.20	4.00
28	30	5.15	5.15	4.95	4.75	4.60	4.40
\$30 and over		20% of excess over \$30 plus					
		\$5.35	\$5.35	\$5.15	\$4.95	\$4.80	\$4.60

"(2) If wages are paid with respect to a period which is not a pay-roll period, the amount to be withheld shall be that applicable in the case of a miscellaneous pay-roll period containing a number of days equal to the number of days in the period with respect to which such wages are paid.

"(3) In any case in which wages are paid by an employer without regard to any pay-roll period or other period, the amount to be withheld shall be that applicable in the case of a miscellaneous pay-roll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than 1 week, at the election of the employer the amount to be withheld shall be determined under the tables applicable in the case of a weekly pay-roll period, and for such purpose the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

"(d) Tax paid by recipient: If all of the taxes against which the tax required to be withheld and collected under this part may be credited have been paid, the tax so required to be withheld, collected, and paid by the employer shall not be collected from the employee; but payment of such taxes shall in no case relieve the employer from liability for additions to the tax otherwise applicable in respect of the tax imposed by this chapter.

"(e) Credit for tax withheld at source: The tax withheld and deducted under this part shall not be allowed as a deduction either to the employer or to the recipient of the income in computing net income; but the amount withheld and deducted as tax under this part during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the tax imposed by sections 11 and 12, or section 400, as the case may be, and section 450 (adjusted for the credit allowed by section 453) for taxable years beginning in such calendar year.

"(f) Refunds: Where there has been an overpayment of tax under this part, any refund or credit made under section 322 shall be made to the employer to the extent that the amount of such overpayment was not withheld and collected under this part by the employer.

"(g) Included and excluded wages: If the remuneration paid by an employer to an employee for services performed during one-half or more of any pay-roll period of not more than 31 consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such pay-roll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages.

"(h) Withholding exemption certificates: Every employee receiving wages (as defined in section 465) shall furnish his employer a signed withholding exemption certificate relating to his status for the purpose of computing the withholding exemption, or if the employer exercises his election under section 466 (b) (relating to wage bracket withholding), for the purpose of computing the amount to be withheld under such subsection. In case such a certificate is required because of a change of status, it shall be furnished not later than 10 days after such

change occurs. The certificate shall be in such form and contain such information as the Commissioner may, with the approval of the Secretary, by regulations prescribe. Such certificate—

"(1) If furnished after the date of commencement of employment with the employer, shall take effect as of the beginning of the last pay-roll period beginning prior to, or with respect to the first payment of wages without regard to a pay-roll period made after, the expiration of 30 days after the date on which such certificate is furnished to the employer, except that at the election of the employer such certificate may be made effective as of the beginning of any previous pay-roll period ending, or with respect to any previous payment of wages without regard to a pay-roll period made, on or after the date of the furnishing of such certificate.

"(2) If furnished on the date of commencement of employment shall take effect as of the beginning of the first pay-roll period ending, or the first payment of wages made without regard to a pay-roll period, on or after the date on which such certificate is furnished to the employer.

"A certificate which takes effect under this subsection shall continue in effect with respect to the employer until another such certificate furnished by the employee takes effect under this subsection. If no certificate is in effect under this subsection with respect to an employee, such employee shall be treated, for the purposes of the withholding exemption, or in case the employer exercises his election under section 466 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be withheld under such subsection, as a married person claiming none of the personal exemption for withholding.

"(i) Overlapping pay periods, and so forth: If a payment of wages is made to an employee by an employer—

"(1) with respect to a pay-roll period or other period, any part of which is included in a pay-roll period or other period with respect to which wages are also paid to such employee by such employer, or

"(2) without regard to any pay-roll period or other period, but on or prior to the expiration of a pay-roll period or other period with respect to which wages are also paid to such employee by such employer, or

"(3) with respect to a period beginning in one and ending in another calendar year,

the manner of withholding and the amount to be withheld under this subchapter shall be determined under regulations prescribed by the Commissioner with the approval of the Secretary.

"Sec. 467. Liability for tax, and adjustments.

"(a) Employer liable for tax: The employer shall be liable for the payment of the tax required to be withheld and collected under this part, and shall not be liable to any person for the amount of any such payment.

"(b) Adjustments: If more or less than the correct amount of tax is withheld or paid for any quarter in any calendar year, proper adjustments, with respect both to the tax withheld or the tax paid, may be made in any subsequent quarter of such calendar year, without interest, in such manner and at such times as may be prescribed by regulations made by the Commissioner, with the approval of the Secretary.

"Sec. 468. Return and payment by employer.

"In lieu of the time prescribed in sections 53 and 56 for the return and payment of the tax imposed by this chapter, every employer shall make a return and pay the tax required to be withheld and collected under this part on or before the last day of the month following the close of each quarter of each calendar year. Such return shall contain or be verified by a written declaration that it is

made under the penalties of perjury. The employer shall include with the final return for the calendar year a duplicate copy of each receipt required to be furnished under section 469. The employer shall also keep such records and render under oath such statements with respect to the tax so withheld and collected as may be required under regulations prescribed by the Commissioner, with the approval of the Secretary. If the employer is the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return required in respect of the amount withheld and collected upon any wages may be made by any officer or employee of the United States, or of such State, Territory, or political subdivision, or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose. A deficiency may be determined on the basis of the amounts required to be withheld and collected during a calendar year, and in such case the amount of the tax shown on the return shall be held and considered to be the aggregate of the amounts of tax shown on the quarterly returns, the tax imposed under this part shall be held and considered to be the aggregate of the taxes imposed for each quarter of the calendar year, the date prescribed for the payment of the tax shall be held and considered to be the date prescribed for the making of the last quarterly return, and for the purpose of ascertaining the return on the basis of which such deficiency is determined, the quarterly returns shall be held and considered to be one return required to be made on the date prescribed for the making of the last quarterly return.

"Sec. 469. Receipts.

"(a) Wages: Every employer required to withhold and collect a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the wages paid by the employer to such employee during such calendar year, and the amount of the tax withheld and collected under this part in respect of such wages.

"(b) Statements to constitute information returns: The statements required to be furnished by this section in respect of any wages shall be in lieu of the return required to be furnished by the employer in respect of such wages under section 147 and shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

"(c) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonable extension of time (not in excess of 30 days) with respect to the statements required to be furnished to employees on the day on which the last payment of wages is made.

"Sec. 470. Penalties.

"(a) Penalties for fraudulent receipt or failure to furnish receipt: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder,

shall for each such failure, upon conviction thereof be fined not more than \$1,000, or imprisoned for not more than 1 year, or both.

"(b) Additional penalty: In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than \$50.

"(c) Failure of employer to file return or pay tax: In case of any failure to make and file return or pay the tax required by this part, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax provided for in section 291 shall not be less than \$10.

"(d) Penalties in respect of withholding exemption certificates: Any individual required to supply information to his employer under section 466 (h) who willfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would decrease the withholding exemption, shall, in lieu of the penalty provided in section 145 (a), upon conviction thereof, be fined not more than \$500, or imprisoned for not more than 1 year, or both.

"(b) Technical amendment: The heading of subchapter D of chapter 1 of the Internal Revenue Code is amended by inserting at the end thereof the following: 'And collection of tax at source on wages.'

"(c) Expiration date for withholding at source on wages repealed: Section 476 of the Internal Revenue Code (prescribing the expiration date for the taxes imposed by subchapter D) is amended by inserting before 'this subchapter' the following: 'Part I of.'

"(d) Effective date: The amendments made by subsections (a), (b), and (c) shall take effect July 1, 1943, and shall be applicable to all wages paid on or after such date.

"Sec. 4. Refunds.

"(a) Excessive withholding: Section 322 (a) (2) of the Internal Revenue Code (relating to excessive withholding) is amended to read as follows:

"(2) Excessive withholding: Where the amount of the tax withheld at the source under part II of subchapter D exceeds the taxes imposed by this chapter (after allowance of the credits provided by sections 31, 32, and 453) against which the tax so withheld may be credited under section 466 (e), the amount of such excess shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance thereof shall be refunded immediately to the taxpayer.

"(b) Review of allowance of interest: Section 3790 of the Internal Revenue Code (prohibiting administrative review of Commissioner's decisions) is amended by inserting at the end thereof the following: 'In the absence of fraud or mistake in mathematical calculation, the allowance or nonallowance by the Commissioner, of interest on any credit or refund of amounts withheld under part II of subchapter D of chapter 1, or of amounts paid thereunder, or of payments of the estimated tax made under section 59, shall not, except as provided in chapter 5, be subject to review by any other administrative or accounting officer, employee, or agent of the United States.'

"Sec. 5. Current payment of tax not withheld at source.

"(a) In general: The Internal Revenue Code is amended by striking out sections 58,

59, and 60 and inserting in lieu thereof the following:

"Sec. 58. Declaration of estimated tax by individuals.

"(a) Requirement of declaration: Every individual (other than an estate or trust and other than a nonresident alien subject to withholding under section 143 (b)) shall, at the time during the taxable year prescribed in subsection (d), make a declaration of his estimated tax for the taxable year if—

"(1) his gross income from wages (as defined in section 465)

"(A) in case such individual is single or married but not living with husband or wife: Can reasonably be expected to exceed \$2,700 for the taxable year; or did exceed \$2,700 for the preceding taxable year; or

"(B) in case such individual is married and living with husband or wife: Can when added to the gross income which can reasonably be expected to be received by such husband or wife from wages (as so defined) reasonably be expected to exceed \$3,500 for the taxable year; or did when added to the gross income of such husband or wife from wages (as so defined) for the preceding taxable year, exceed \$3,500 for such preceding taxable year, or

"(2) his gross income from sources other than wages (as defined in section 465)

"(A) in case such individual is single or married but not living with husband or wife: Can reasonably be expected to exceed \$100 for the taxable year and his gross income to be such as will require the making of a return for the taxable year under section 51; or did exceed \$100 for the preceding taxable year and such individual either was required to make a return under section 51 for such preceding taxable year or would have been so required if he had been single during the whole of such preceding taxable year; or

"(B) in case such individual is married and living with husband or wife: Can when added to the gross income which can reasonably be expected to be received by husband or wife from such sources, reasonably be expected to exceed \$100 for the taxable year and the aggregate gross income of such husband and wife can reasonably be expected to be such as will require the making of a return under section 51; or did, when added to the gross income of such husband or wife from such sources for the preceding taxable year, exceed \$100 for such preceding taxable year and such individual would have been required to make a return under section 51 for such preceding taxable year if he had been married and living with husband or wife during the whole of such preceding taxable year.

"(b) Contents of declaration: In the declaration required under subsection (a) the individual shall state—

"(1) the amount which he estimates as the amount of tax under sections 11 and 12, or 400, as the case may be, and section 450, for the taxable year, without regard to any credits under sections 32 and 466 (e);

"(2) the amount which he estimates as the credits for the taxable year under sections 32 and 466 (e); and

"(3) the excess of the amount estimated under paragraph (1) over the amount estimated under paragraph (2), which for the purposes of this chapter shall be held and considered the estimated tax for the taxable year.

"The declaration shall also contain such other information for the purposes of carrying out the provisions of this chapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe, and shall contain or be verified by a written statement that it is made under the penalties of perjury.

"(c) Joint declaration by husband and wife: In the case of a husband and wife

living together, a single declaration under this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint declaration may be made if either the husband or wife is a nonresident alien. If a joint declaration is made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

"(d) Time and place for filing: The declaration required under subsection (a) shall be filed on or before the 15th day of the third month of the taxable year, except that if the requirements of subsection (a) are first met after such date, the declaration shall be filed on or before the 15th day of the last month of the quarter of the taxable year in which such requirements are first met. An individual may make amendments or revisions of a declaration filed under this subsection, under regulations prescribed by the Commissioner with the approval of the Secretary. If so made, such amendments or revisions shall be filed on or before the 15th day of any quarter of the taxable year subsequent to that in which the declaration was filed and in which no previous amendments or revisions have been made or filed. Declarations and amendments and revisions thereof shall be filed with the Collector specified in section 53 (b) (1).

"(e) Extension of time: The Commissioner may grant a reasonable extension of time for filing declarations, under such rules and regulations as he shall prescribe with the approval of the Secretary. Except in the case of taxpayers who are abroad, no such extension shall be for more than 6 months.

"(f) Persons under disability: If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

"(g) Signature presumed correct: The fact that an individual's name is signed to a filed declaration shall be prima facie evidence for all purposes that the declaration was actually signed by him.

"Sec. 59. Payment of estimated tax.

"(a) In general: The estimated tax shall be paid in four equal installments except that

"(1) if the declaration is filed (otherwise than pursuant to an extension of time) after the 15th day of the third month of the taxable year, the estimated tax shall be paid in equal installments the number of which is equal to the number of quarters remaining in the taxable year (including the quarter in which the declaration is filed); and

"(2) if any amendment or revision of a declaration is filed, the remaining installments shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated tax by reason of such amendment or revision; and

"(3) at the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment."

Payment of the estimated tax shall be considered payment on account of the tax for the taxable year.

"(b) Assessments: The estimated tax shall be assessed only to the extent paid.

"Sec. 60. Special rules for application of sections 58 and 59.

"(a) Farmers: In the case of an individual whose estimated gross income from farming for the taxable year is at least 80 percent of the total estimated gross income from all sources for the taxable year, in lieu of the time prescribed in section 58 (d), the declaration for the taxable year may be

made at any time on or before the 15th day of the last month of the taxable year.

"(b) Application to short taxable years: The application of sections 58, 59, and 294 (a) (4) and (5) to taxable years of less than 12 months shall be as prescribed in regulations prescribed by the Commissioner with the approval of the Secretary.

"(c) Application to taxable years beginning in 1943: If the taxable year is the calendar year 1943, the 15th day of September 1943, shall be substituted for the 15th day of March for the purposes of section 58 (d). If the taxable year begins in 1943 after January 1, the date which shall be substituted for the 15th day of the third month of the taxable year for the purposes of section 58 (d) shall be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary."

"(b) Additions to tax: Section 294 (a) of the Internal Revenue Code (relating to additions to tax in case of nonpayment) is amended by inserting at the end thereof the following:

"(3) Failure to file declaration of estimated tax: In the case of a failure to make and file a declaration of estimated tax within the time prescribed there shall be added to the tax \$10 or an amount equal to 10 percent of the tax, whichever is the greater.

"(4) Failure to pay installment of estimated tax: In the case of the failure to pay an installment of the estimated tax within the time prescribed, there shall be added to the tax \$2.50 or 2½ percent of the tax, whichever is the greater, for each installment with respect to which such failure occurs.

"(5) Substantial underestimate of tax: If 80 percent of the tax, in the case of individuals other than farmers exercising an election under section 60 (a), or if 66½ percent of the tax in the case of such farmers, exceeds the estimated tax, there shall be added to the tax an amount equal to 6 percent of such excess."

"(c) Penalties: Section 145 (a) of the Internal Revenue Code (relating to criminal penalties) is amended (1) by inserting after 'return' wherever appearing therein the words 'or declaration,' and (2) by inserting before 'tax' wherever appearing therein the words 'estimated tax or.'

"(d) Payment by installments: Section 56 (b) of the Internal Revenue Code (relating to installment payments) is amended by striking out 'The' at the beginning thereof and inserting in lieu thereof 'Except in the case of an individual (other than an estate or trust and other than a nonresident alien subject to withholding under section 143 (b)) the.'

"(e) Taxable years to which applicable: The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1942.

"Sec. 6. Additional allowance for members of armed forces.

"(a) In general: Section 22 (b) (13) of the Internal Revenue Code (relating to additional allowance for military and naval personnel in computing net income) is amended to read as follows:

"(13) Additional allowance for military and naval personnel: In the case of compensation received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, so much of such compensation as does not exceed the excess of \$3,500 over the personal exemption claimed under section 25 (b) by such member for such taxable year (and by his spouse, if such member is married and living with his spouse on the last day of the taxable year and such spouse is not entitled to the benefits of this paragraph."

"(b) Effective date: The amendment made by subsection (a) shall apply with respect to all compensation received after December 31, 1941, by a member of the military or naval forces of the United States for active service in such forces.

"Sec. 7. Abatement of tax for members of armed forces in year of death.

"(a) In general: Chapter 1 of the Internal Revenue Code is amended by inserting after section 404 the following new supplement:

"Supplement U—Abatement of tax for members of armed forces in year of death

"Sec. 421. Abatement of tax for members of armed forces in year of death.

"In the case of any individual who dies while in active service as a member of the military or naval forces of the United States and prior to the termination of the present war as proclaimed by the President, the tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, and the tax under this chapter and under the corresponding title of each prior revenue law for preceding taxable years which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment."

"(b) The amendment made by subsection (a) shall be effective on and after December 7, 1941."

Mr. COOPER (during the reading of the amendment). Mr. Chairman, I think the gentleman from Kansas will bear me out in the statement that in the final revised form of his bill which is offered as a substitute amendment, there are only five pages that differ from the committee bill.

Mr. CARLSON of Kansas. I wish to say to the gentleman from Tennessee, that is correct.

Mr. COOPER. In view of that explanation, Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes, 15 minutes to be controlled by the chairman of the committee and 15 minutes by the gentleman from Minnesota [Mr. KNUTSON].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. RANKIN. Mr. Chairman, reserving the right to object—

Mr. CURTIS. Mr. Chairman, reserving the right to object, do I understand we will be able to offer amendments at any point in the Carlson substitute under the request which the gentleman has made?

The CHAIRMAN. The Carlson amendment is entirely open to amendment.

Mr. KNUTSON. That is, for 30 minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object—

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

Mr. MORRISON of North Carolina. Mr. Chairman, I reserve the right to object.

Mr. PATMAN. I want 5 minutes to discuss the matter. I hope the gentleman will arrange it so that I will have 5 minutes.

Mr. TALLE. Mr. Chairman, reserving the right to object, I would like to have 5 minutes.

Mr. RANKIN. Mr. Chairman, reserving the right to object, and I think I reserved the right to object first, at any rate I want to say to the gentleman from Tennessee that I have a very important amendment that I would like to offer to the Carlson amendment. If the Carlson amendment is voted down, I will offer it later. I would like to have 5 minutes.

Mr. COOPER. I made this request as a result of an agreement between the chairman of the Ways and Means Committee and the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. That is correct.

Mr. COOPER. I submitted the request as the result of an agreement reached by those gentlemen. Of course; if it is objected to, that ends the matter.

The CHAIRMAN. Is there objection?

Mr. DOUGHTON. I would like to state that while 15 minutes is agreeable to me and is agreeable to the gentleman from Minnesota, I have no desire to cut off other members who have not had an opportunity to speak in general debate. In that case if many Members desire to speak I would be glad to have my friend agree to rescind that.

Mr. RANKIN. Well, I will object, Mr. Chairman, and that will end the argument.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes in support of his amendment.

Mr. CARLSON of Kansas. Mr. Chairman, we are now approaching the time that I think every Member of this Committee has been looking forward to. I do not think there is a Member on the floor of this House who does not believe we ought to dispose of this matter today. The country expects us to do it, and I think for the best interests of every Member of this House—and for the country as a whole, we must demonstrate that we can legislate. It is to be hoped, therefore, that this afternoon this House will adopt some proposal and send it to the Senate. I am, of course, very anxious that my substitute proposal be adopted and approved. No one denies that we need to get our taxpayers on a current basis.

I have never tried to evade this abatement issue. I say there is an abatement in my bill, just as there is in the committee bill. The question is: Do you think we can afford to pay the price to get them current? I think we can; in fact, I do not think we can afford to do otherwise; we need to do it for the solvency of the Treasury and we need to do it for the solvency of the taxpayers of this country.

Three proposals will be submitted this afternoon; there may be others, but three have been discussed here in the general debate on the bill. They are the committee bill, the Forand-Robertson bill, and the proposal I am offering.

We do not want to get too worried about this so-called forgiveness proposition. Let us remember that the forgiveness in the committee bill is \$4,671,100,000; in the Forand-Robertson bill the forgiveness is \$7,600,000; and in my bill it is \$8,534,000,000. The question you have to decide this afternoon is: Do you want to forgive about \$5,000,000,000 and get 7,000,000 taxpayers current, but make the rest get current by doubling up? Or do you want to forgive \$7,600,000,000 and get all taxpayers who are in the first normal income tax bracket and the first surtax income bracket current? Or do you want to forgive something over \$8,000,000,000 and get all the taxpayers current? This is the question you are going to vote on this afternoon.

There are some things about the bill I am offering that I do not like, but it is the best bill I have been able to work out, and those on the minority side have been able to work out, and we have worked hard on this bill.

When you vote on my substitute amendment today, remember there are 37,500,000 taxpayers receiving under \$5,000 net income. They would become current this year under my proposal. All taxpayers over \$5,000 become current by paying the higher of 1942 or 1943, and by paying tax on any so-called windfall in the year otherwise abated.

There may be some people who will benefit, but we have an excess-profits tax law on our statute books, and we tried to draw that law as tight as we could, so if anybody benefits it will be just because you cannot get a tax bill that reaches everyone, as you would like. Therefore, even though a few people receive some benefits, let us not this afternoon destroy the benefits to some 44,000,000 taxpayers just because you can single out 1 individual or 2 and talk about that case. That is the issue this afternoon. Let us remember that we need this legislation because of the post-war period, which we hope will soon be here, when 17,500,000 men and women, today working in war industry and drawing high wages, will have to shift from war economy to peacetime occupations. They will be living on unemployment compensation checks. Do you expect them to pay their taxes on previous incomes out of compensation checks? They cannot do it.

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

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Tennessee is recognized for 5 minutes.

Mr. COOPER. Mr. Chairman, I first want to thank my good friend the distinguished gentleman from New Jersey for the very kind remarks he made with reference to my efforts in connection with this bill, and I appreciate the very fair and frank statement made by my good friend the distinguished gentleman from Kansas who just preceded me. We have an honest difference of opinion on this important question. I accord to him the same sincerity of purpose and honesty of desire that I know he so cheer-

fully accords to me. The fact is that practically all of the objections that have been heretofore raised against the Carlson bill can be raised at this time. I do want to point out one thing that I think is of rather great importance.

It has been claimed here repeatedly that the Carlson bill will yield more revenue to the Treasury than the committee bill. I hold here two schedules prepared by the Treasury Department—one prepared at the request of the gentleman from Kansas, who asked the Treasury Department to make estimates on his bill, and the other at my request, to give me estimates on both bills, the committee bill and the Carlson bill. These schedules will show that during the calendar years 1942, 1943, and 1944—this transition period—the committee bill will yield \$3,576,600,000 more revenue to the Treasury than the Carlson bill will yield. Now, that is shown by these estimates prepared by the Treasury Department, one of them prepared at the request of the gentleman from Kansas. It shows that the estimate under his bill for these 3 years is \$28,744,000,000. Under the committee bill the estimate for these 3 years is \$32,320,600,000, a difference of \$3,576,600,000 additional that the committee bill will yield over the Carlson bill.

Mr. Chairman, I want to invite your attention to the statement placed in the Record yesterday showing how the Carlson so-called antiwindfall provision fails to meet this situation with respect to enormous profits made out of this war. The gentleman from Kansas has endeavored, as he said, to do his best to try to meet that situation, but it just cannot be met by these gadgets that he has provided here. It will mean that many of the war profiteers will go free of the payment of any of this tax on these enormous war profits. It cannot be defended and that part of his bill has not been cured. The defects still remain as they have in the past.

This Carlson bill, which is now offered as an amendment, is about the fourth version of the Ruml plan. Why is it necessary to keep revising it, to keep changing it, if the Ruml plan was perfect to start with? This is about the fourth version that we have had presented here for consideration, and, as I said a moment ago, all of the objectionable features heretofore pointed out still obtain. This new gadget to try to prevent windfalls will not work and it simply does not cure those defects that have heretofore been pointed out. I want to invite your attention again, as did the majority leader and the gentleman from Oklahoma, to these cases appearing on page 3846 of the Record.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kansas [Mr. CARLSON].

Mr. Chairman, the gentleman from Tennessee [Mr. COOPER] who has just taken his place called attention to the fact that this is the fourth plan submitted by the gentleman from Kansas [Mr. CARLSON]. If it were not for violating what took place in executive sessions

of the committee I could multiply that figure by a considerable number if applied to the plans that were offered in committee. The majority started out with a pledge to the country to make the American taxpayer current, but it has fallen down on that promise. To hear them talk one would think that the Federal Treasury would lose billions and billions of dollars if the Carlson bill were enacted into law, but they have not shown as yet where the Federal Treasury will lose a dollar this year, next year, the following year, or any other year under the Carlson plan. Do you suppose we would stand here and advocate forgiveness of a complete year's receipts to the Federal Treasury? Why, it is preposterous. We are just as patriotic as you men on that side are. We realize the need of the Federal Treasury and we come to you in good conscience with the Carlson plan because under the operation of that bill the Federal Treasury would collect more than \$3,000,000,000 in addition to what will be collected under the existing law. Do you call that a forgiveness? Yes, there is an abatement finally, but it comes when you lose your job or your income drops or you die. That is when whatever the abatement is will take place. I have never in all my years here, and I have been here over a quarter of a century, heard so much misrepresentation as has been indulged in by the House on this subject, and the authors knew better than to make the statements they did. If they did not it would be a confession of gross ignorance.

Mr. Chairman, I want to call the attention of the Members of the House to the fact that under the committee bill the Federal Treasury will collect much more money than it will under the Carlson bill. Why? Because the committee bill doubles up the taxes. How are you going to explain that after next March 15, assuming that the committee bill is enacted and you meet a constituent on the street and he asks, "Why is it that you piled 33 1/3 percent in additional taxes on me this year under your bill?"

Do you not feel that the American taxpayers are carrying a big enough load now? We do. After all, this Government belongs to all the people and any abatement that takes place is not going to destroy the country. The country will yet remain and all of our national assets remain subject to taxation.

What about the big estates that so much concern has been shown for—these 50 families? Let me say that any benefit which accrues to the estate at the time of the death of the individual will be taken care of by the estate tax. I am surprised at some of the misrepresentations that have taken place on the floor, not only today but yesterday and in the debate that we had a month ago. It is about time that you get down to brass tacks, face realities, and present this matter in a fair manner instead of misrepresenting it, not only to the Congress but to the people of the country.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, the distinguished gentleman from Minnesota who has just preceded me continues to assert that under the Carlson-Ruml scheme or plan or whatever it is the Treasury will receive more money than it will under the committee bill. I do not know what he means.

Mr. KNUTSON. I did not say that. I said more than under existing law.

Mr. DOUGHTON. Under existing law. We are talking about what we are doing here. You are trying to get away from existing law and skip a year.

Mr. KNUTSON. No; the gentleman is in error on that.

Mr. DOUGHTON. That has been fully demonstrated by the gentleman from Tennessee when he gave figures from the Treasury Department showing that under our bill the Treasury will receive \$3,576,000,000 more money under the committee bill than under the Ruml-Carlson scheme. Now, that ought to be satisfactory and I do not think the gentleman should chastise us and say it is time to get down to facts and quit misrepresenting things. I have never accused the gentleman of misrepresenting things, but he has a proposition which I think is unsupported by the facts, and I challenge it.

Mr. KNUTSON. I never accused the gentleman of misrepresenting.

Mr. DOUGHTON. The distinguished gentleman from Ohio said the people should have what they want. Of course, I agree with that as a general proposition, but let us look at it this way. We all would like to have the war stopped now, but we cannot stop it until it is won. Therefore, we have to deal with things practically, as they are and not as we would like to have them. We have to levy a tax in proportion to the ability of the people to pay and in proportion to the needs of the Government. That is our responsibility. The gentleman from Ohio [Mr. JENKINS] says that practically everybody is for the Ruml plan. How does he know that?

I am afraid he has formed that opinion after reading a few of the mercenary newspapers which speak only for the big interests of this country.

But I have received one telegram after another showing that the people of this country, when they understand it, are not for the Ruml-Carlson plan. I received this telegram just a few minutes ago:

Our organization, with a membership of 50,000 workers in insurance companies, banks, publishing firms, social agencies, and other commercial offices, strongly supports your tax bill and is unalterably opposed to Ruml plan. Please use this message in any manner that would be helpful.

RICHARD LEWIS,
Acting Secretary-Treasurer, United
Office and Professional Workers
of America, 8 West Fortieth
Street, New York City.

Fifty thousand workers, bankers, insurance men, and businessmen, send me a telegram that they are 100 percent behind our committee bill and 100 percent opposed to the Ruml plan.

My friends misunderstand the situation when they read a few papers that try to make you believe that the majority

of the people of this country believe in skipping an entire year's taxes. They do not favor such a proposition at all. My friends read that in the New York Times, a paper that has misrepresented me and my position constantly since this legislation has been under consideration. I do not criticize all newspapers. Some of them have been manifestly fair, but I know when they are fair and I know when they are not.

My position, with all due respect to the distinguished gentleman from Kansas, than whom there is no finer Member in this House, conscientious, able, and devoted to his duties, is that his anti-windfall provisions are a delusion and a deception, and do not accomplish the purpose for which they are intended. He has just admitted that there will be a cancellation of taxes for 1 year amounting to more than \$8,000,000,000, which is the greatest windfall of all. He takes 1941 as a normal year by which to measure the windfalls of 1942 and 1943, but 1941 was a war year when salaries and wages and profits were greatly increased, and so were 1942 and 1943.

The distinguished gentleman from Georgia [Mr. VINSON], in the previous debate here, placed in the RECORD some facts we all ought to know and see.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. I took the position then that the windfall provisions are wholly inadequate to take care of the profits received by war brokers. This is because the year 1941 is treated as the normal year. I have before me a table inserted in the RECORD by the gentleman from Georgia [Mr. VINSON], which shows that in 1939 a certain individual received \$68,000; in 1940, \$102,000; in 1941, \$203,000; and in 1942, \$287,000. There is no antiwindfall provision in the Carlson plan which takes care of these war profits. It is frankly admitted by all parties that this is a delusion since the antiwindfall provision only pretends to take care of less than \$1,000,000,000 out of a cancellation of 1 year's taxes of practically \$10,000,000,000.

Mr. Chairman, there never has been a worse deception than that. It is not intentional, of course, but everyone knows that if you do not pay a year's taxes then you have received the benefit of the cancellation of 1 year's taxes.

Men on this floor continue to tell us about the doubling up, about the increase in taxes, but they do not tell us how the taxes are abated; they do not tell us how much benefit under our bill the taxpayer receives. On a \$2,500 taxable income a married taxpayer receives an abatement or a benefit of 63 percent. On \$5,000 he receives a benefit of 52 percent. On \$10,000 he receives a cancellation of 40 percent. Can you go back home and tell your constituents that you voted for a cancellation of 100 percent?

We have tried in this bill to make the taxpayers current and our bill makes the payment of taxes just as current as the Carlson bill does. We abate the increase in taxes attributable to the 1942 act. Do you want to give yourselves a bonus? Go back home and explain, if you can, that you voted to give yourselves a bonus of 100 percent. We give you an abatement of 40 percent in our committee bill, as well as other taxpayers having an income of \$10,000, but you propose a windfall to yourselves and ourselves, if you vote for this amendment, of 100 percent. That is exactly what it is. You do not say anything about the forgiveness of 40 percent, but your head becomes a fountain and your eyes rivers of water about increasing the taxes on those who are most able to pay them.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. COOPER. Mr. Chairman, I wonder if we can arrive at some agreement now about limiting the time for debate.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in not to exceed 1 hour.

Mr. PATMAN. Reserving the right to object, Mr. Chairman, that will give those of us who are standing, and desire time, only a little over 3 minutes each.

Mr. MORRISON of North Carolina. Those of us who are opposed to all of these bills have had no opportunity to enter into the discussion before, and I do think it is but reasonable to give us a little chance to express ourselves.

Mr. ALLEN of Louisiana. Reserving the right to object, we who have amendments to offer certainly ought to have 5 minutes each, and so should the other Members.

Mr. PATMAN. Reserving the right to object, Mr. Chairman, I shall ask the gentleman from Tennessee to change his request so that Members may have 5 minutes each. That is certainly fair.

Mr. COOPER. Mr. Chairman, I modify the request to make it 1 hour and 15 minutes.

Mr. PATMAN. That is not 5 minutes each. We are likely to get into some difficulty about parliamentary procedure and take up a lot of this time.

Mr. COOPER. Any time taken up in parliamentary procedure does not come out of this time.

Mr. MORRISON of North Carolina. At this time I shall have to object, Mr. Chairman.

Mr. COOPER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in not to exceed 1 hour and 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, why has this whole country's revenue legislation been thrown into a demoralization greater than it has even experienced before? Why this effort to relieve the taxpayers of this country for the taxes due on all of their transactions in business and all of their

services for which they received salaries and wages for a whole year? Why on the other hand the effort to change the revenue bill so as to levy rates for 1 year on another year, and then double up in part for 3 years? Why is all that done? On account of the promise of the greatest "gold brick" proposition ever offered the people of the United States, to wit, the current payment of your taxes. That is what it is all pretendedly for. And the first thing we find in this remarkable make-the-taxpayer-current idea is a total failure to deal with corporations in any particular whatsoever, and you are going to put those who draw salaries and wages and all of the individual taxpayers upon a current basis and leave the corporations to pay taxes like gentlemen, as we do at this time, almost whenever they get ready during a whole year. That is un-republican, it is undemocratic, it is un-American, and there is no good reason for it. Why do they say that a corporation cannot be made to pay currently? Because it will be a lot of trouble to the corporations. Mr. Chairman, it will be less trouble to them than it will be to any of the individual taxpayers. The corporations keep books, they know exactly what they are doing from day to day and it is very easy for them to do it. Yet, it is not necessary to bring them up to a current basis in their taxation.

How about the individuals? When we consider it, and look into it, there has never been such an audaciously un-republican, undemocratic, un-American proposition before the House of Representatives in my day. The proposition is to take the wage earners first, and the salary drawers, and as the colored folks in my State say, put a "yaller dog" tag on them and segregate them into a condemned group and their incomes and salaries taken from them for tax not yet due and which they may never owe. This is clearly violative of the Constitution of the United States as anything ever attempted—taking property without due process of law and then you take his tax, and he may have other income and deductible losses, and he must make finally what we call a temporary report or statement to the Treasury, under solemn pains and penalties, in danger of criminal responsibility if it is not correct, in danger of civil responsibility if it is not correct, carrying a severe danger to every citizen of this Republic, and they must make it quarterly, and then pay the tax according to what they guess they made.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. MORRISON of North Carolina. Mr. Chairman, may I have 2 or 3 more minutes to finish my talk? We have had nothing on our side. I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The Chair reminds the gentleman from North Carolina that the time has been limited to 1 hour and 15 minutes, and that there are 17 who wish to be heard in that time.

Mr. MORRISON of North Carolina. Well, we cannot be heard, but it is rotten to its very core.

The CHAIRMAN. The gentleman from Rhode Island [Mr. FORAND] is recognized.

Mr. FORAND. Mr. Chairman, much has been said about this tax bill. It is doubtful if I could add a great deal to the discussion, but before we reach the conclusion of the debate I want to call attention to the fact that the bill I introduced yesterday, H. R. 2577, is printed and available to you. I am hopeful that the House will have an opportunity to vote on that bill today. It does not forgive a year's taxes as does the Carlson bill, but it forgives a portion. It does not double up, as does the committee bill, in any sense whatsoever. It forgives the first 19 units for everybody from top to bottom and therefore permits that when increases in taxes are imposed in the future, as they inevitably will be, the taxes can be imposed upon everybody and not just on the middle and lower classes. A complete year's forgiveness, such as is provided in the Carlson bill, means that the people in the upper brackets will have forgiveness of a large sum of money, yet the brackets not being disturbed, you will not be able to reach them when you impose new taxes, but that load will have to be spread among the other taxpayers of the country. Forgiving the 19 units means making 90 percent of the taxpayers current. Those who will not be made current will continue to pay the surplus over the 19-percent bracket in the following year just as they are doing today. Because of that fact I feel that this is a more fair and a more equitable bill than any of the others. My bill contains the withholding provisions of both the Carlson bill and the committee bill; also the abatement of taxes for men who die in the service, and exemptions for service people are raised to \$3,500. The bill does not contain any provision for discounts.

I am hopeful that when the vote is taken we can vote down in Committee of the Whole the Carlson bill and at that time, with that substitute being out of the way, I shall offer my bill as a substitute, and that you will support it.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired. The gentleman from Mississippi [Mr. RANKIN] is recognized.

Mr. RANKIN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RANKIN to the Carlson amendment: Page 61, after line 2, insert:

"Sec. 8. Tax with respect to coming into possession or enjoyment of property acquired from a decedent.

"Chapter 3 of the Internal Revenue Code is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER C—SPECIAL INHERITANCE TAX
"Sec. 950. Imposition of tax.

"In the case of any property which would be includible in the gross estate of a decedent under the provisions of section 811 if it were not for the fact that the death of the decedent occurred or the transfer was made before June 6, 1932 (whether or not before September 8, 1916), there shall be imposed upon the coming into possession or enjoy-

ment of such property after the date of the enactment of the Individual Income Tax Collection Act of 1943 by any individual citizen or resident of the United States, a tax equal to the sum of the percentages set forth in section 935 of the net value of the beneficial interest of which the possession or enjoyment was so acquired by such individual.

"Sec. 951. Gross value of beneficial interest.

"The gross value of the beneficial interest shall be determined as of the date on which its possession or enjoyment was acquired.

"Sec. 952. Net value of beneficial interest.

"The net value of the beneficial interest shall be determined by deducting from the gross value of such interest an exemption of \$100,000.

"Sec. 953. Administrative provisions.

"Insofar as applicable and not inconsistent with the provisions of this subchapter, the provisions of subchapter A shall be applicable to the levy, assessment, and collection of the tax imposed by this subchapter."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman reserves a point of order. The gentleman from Mississippi is recognized for 5 minutes.

Mr. RANKIN. Mr. Chairman, this is the provision that I have been urging for some time, and I expect to keep up the struggle until we reach these large fortunes that are now escaping taxes entirely.

Before the passage of the income-tax amendment, large interests, through their shrewd lawyers, knowing that the American people were going to adopt an income- and inheritance-tax amendment, created these trusts and through them transferred their property, you might say, to future generations. In that way they have escaped all inheritance and income taxes on those inheritances. I have called your attention from time to time to the Marshall Field estate, for instance. It is not by itself. There are others in the same position.

This Marshall Field trust was created back about 1912 or 1913, transferring this property over to the present Marshall Field III upon the becoming of age of his youngest child, which will be September of this year. Unless this amendment, or some similar provision is enacted, this estate will never pay one single dollar in taxes. Yet it has grown to something like \$200,000,000. It is being used, as I have pointed out before, for the financing of PM, a publication that is engaged in maligning Members of Congress, and the money that is lost on it is even deducted from his income for purposes of estimating his current income taxes.

I hope this point of order will not be made. I believe this amendment represents the wishes of the overwhelming majority of this Congress. I believe it represents the wishes of 90 percent of the American people.

Are you going down into the pockets of the laboring men and take a part of their pay to help carry on this war and then sit here and see this vast estate of \$200,000,000 piled into the lap of this man to be squandered as it is being squandered now, and not pay a dollar of taxes?

I know that some of you want to forgive a year's taxes, and you say they will be here to pay it later. I do not know whether they will or not. I imagine that some of them will be in South America, Central America, Asia, Canada, or some other country, where they do not have high income taxes, in the years to come. I am not in favor of letting them escape now, and unloading that burden on you and your children and on our servicemen when they come back from this war. For that reason I shall vote for the committee bill as between the two, but I would prefer to see the law stand as it is except I would like to see this amendment adopted in order that we may reach these large estates that are absolutely escaping taxation.

I hope the gentleman from Tennessee will not make his point of order against the amendment, but that the House will adopt the amendment and say that these large estates, when they fall into the hands of favored individuals who never earned a dollar of them, will have to pay the same taxes as any other estates.

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

Mr. COOPER. Mr. Chairman, I make the point of order against the amendment. I do not believe the Committee should be called upon at this time to pass upon the merits of this amendment.

I make the point of order that the amendment is not germane to this bill.

This bill is one to provide for the current payment of individual income taxes. This amendment seeks to amend the estate tax law which is not touched in any way in this bill. The gentleman from Mississippi will doubtless have ample opportunity to present this issue when the next tax bill is under consideration, but certainly this is not the appropriate time or place for this kind of amendment. There is nothing in this bill relating to the subject matter of the amendment. I therefore regret to have to make the point of order but make it nevertheless.

Mr. RANKIN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Mississippi on the point of order.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the point of order and in doing so I ask the gentleman from Tennessee if I may have any assurance that I shall be able to present this amendment to a regular tax bill between now and September of this year? If not it will be too late. I am taking this course because it is the only one that I see open to me.

Mr. COOPER. There has been a tax bill here every year for the last 10 years, but I am unable to assure the gentleman just when the next one is going to be considered. All the indications are that we shall have an opportunity to do so within the near future.

Mr. RANKIN. I hope so. This bill is rather far reaching; it touches everything from the man who would escape the payment of three and one-half million dollars a year under the Carlson plan, or the Ruml plan, on down to the little individual who pays \$1 in income

taxes. The enacting clause of this bill reads:

Be it enacted, etc., That (a) this act is to be cited as the current tax payment act of 1943.

It seems to me, that inasmuch as this is a tax collection measure, my amendment would be in order, and therefore the point of order should be overruled.

The CHAIRMAN. The Chair is prepared to rule.

The Chair draws attention to the fact that the bill under consideration provides for the current payment of individual income taxes. The amendment offered by the gentleman relates to inheritance taxes.

The point of order is sustained.

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

The Clerk read as follows:

Amendment offered by Mr. CURTIS to the Carlson amendment: Page 44, line 19, following subsection (i) of section 486, add a new subsection, as follows:

"(j) Upon the request of an employee, made at the beginning of any taxable year, the employer shall, before withholding the tax as provided in this section, deduct from the amount of wages paid to such employee the average amount for each pay-roll period of the religious, educational, charitable, and other contributions as defined in section 23 (c) of the Internal Revenue Code, which the employee certifies he will pay during the current year."

Mr. CURTIS. Mr. Chairman, I shall support the Carlson bill.

Mr. Chairman, my amendment pertains to the withholding tax not only of the Carlson bill but of the committee bill as well. You will find a copy of the amendment on page 3858 of the RECORD for yesterday.

The churches of America, including all denominations, our colleges and our universities, our hospitals, and our many institutions of charity and humanitarianism, have many friends in this House of Representatives. The amendment that I have offered means a great deal to these institutions and to those splendid individuals who are charged with their maintenance and operation.

You will find in the CONGRESSIONAL RECORD of May 3 a somewhat detailed discussion of this amendment by me, on page 3858. You will also find a printed copy of this amendment.

The institutions of our country, which must depend upon the voluntary contributions of the American people, are having a most difficult time in our present war economy. It is very necessary that we keep these institutions separate and apart from the Government. At the same time, these educational, religious, and charitable concerns mean so much to the welfare of our Nation that we cannot disregard their well-being any more than we can disregard the well-being of the American homes.

I can best illustrate the import of my amendment by citing an example. Under the present law, a taxpayer may deduct from his net income contributions which fall within a certain category set out in the Internal Revenue Code in an amount up to 15 percent of his net income. That is the law of the land, but let us consider the very practical situa-

tion that the vast majority of the taxpayers of America will face. Under the withholding provisions of all of the tax bills before us, the taxpayer will have a deduction from his wages or salary of 20 percent. Perhaps his living costs have gone up 18 or 20 percent. He is urged to spend 10 percent of his income for bonds. The money that he has left is not going to go very far. It is going to be most difficult for him to make the contribution to his church, to the American Red Cross, and to other worthy causes. He will be financially unable to make these contributions and to take his credit at the end of the year. My amendment provides that he may take credit for these contributions as he goes along.

Let us take the case of a taxpayer whose salary is \$200 a month. If my amendment prevails, he may notify his employer that he expects to contribute 10 percent of his income to his church and to the American Red Cross. This would be \$20 per month. The employer then would withhold the tax from the taxpayer's wages, not on the basis of a \$200 monthly salary but on the basis of \$180. It is very evident that if the taxpayer has the method available so that he can make his contributions each month and thereby reduce the base for applying the withholding tax, many more contributions will be made.

The passage of this amendment may mean the difference between continuance and closing of some of these worth-while institutions. It will give the American Red Cross, many hospitals, libraries, colleges, and our churches a working basis upon which they may obtain their contributions and will enable them to also have a pay-as-you-go plan. I sincerely hope that the amendment will be adopted.

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment but shall take only a moment or two.

While we all recognize the merit and the desire to be of assistance to these religious and charitable institutions yet I would point out—and I assume the gentleman from Kansas will probably want to discuss this inasmuch as it is an amendment to his amendment—this would involve interminable work upon all the employers of this country. Provision is made under these tables that appear in the bill for deductions, including religious and charitable contributions, but if this amendment were to be adopted all these tables would be disrupted and put out of line, and it would mean in practical effect that every employer would have to ascertain from every employee what his contributions are to religious and charitable institutions, and it will mean a great deal of work and difficulty for all the employers of the country who have the added responsibility and difficulty of withholding at the source on these wages and salaries. I do think this should be borne in mind, because it will be a tremendous burden to place on the employers of this country. Bear in mind further that the taxpayer can give his religious and charitable contributions and when he makes his final return he may claim them and there will be no difficulty along that line,

but to insert it as an amendment will disrupt these tables and cause considerable work and trouble for the employers of the country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. CURTIS].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

RUMI PLAN WILL CREATE NEW CROP OF WAR MILLIONAIRES

Mr. PATMAN. Mr. Chairman, in December 1929 there was a bill before the House of Representatives which had for its purpose the remitting or giving to the income taxpayers of the country \$160,000,000, and it was claimed then that it was a large gratuity, bounty, or bonus to the income taxpayers. The argument was made by Mr. Hawley, who was chairman of the committee, that it was necessary to give this money to the income taxpayers so as to have continuing prosperity. It was claimed that they needed the money in circulation. Mr. Hawley was telling the truth. We had just had the stock market collapse and it looked like we needed some money in circulation and a shot in the arm for the country. So that argument at that time was logical.

There was a campaign very similar to the Ruml plan campaign put on at that time through the newspapers, and Mayor LaGuardia, then a Member of this body, in addressing the House on December 5, 1929, said:

Now, this so-called reduction has been sold to the people of my State. The sales talk in the last few weeks since it was recommended has been so effective in my State that in my representative capacity I can do nothing else than vote for it.

That is the kind of sales campaign they have had on this Ruml plan. The difference is that then there was a logical argument that they needed this money in circulation, they needed more money, because we had just had the stock market collapse. If someone then had offered the suggestion that they give \$10,000,000,000 away, I imagine somebody would have said that would be too inflationary, it would absolutely ruin the country, so \$160,000,000 was all that the Congress was willing to risk after the stock market collapse.

Here we are faced with the situation where many Members are willing to give \$10,000,000,000 at a time when we do not want more purchasing power. We want to absorb purchasing power, we want to freeze it, we want to have money put in Government bonds and savings, and we want to keep it out of circulation. Imagine the difference between those times in 1929 and the time now. Now is no time unless you just want to have inflation to give away \$10,000,000,000.

The point has been made that the servicemen will have to pay this money after they come back. Yes, and they will have to pay twice as much money or three times as much money because if we do not collect it from income taxpayers we must turn around and borrow it at interest from the commercial banks; then by the time we pay it back we will

have paid twenty or thirty billion dollars instead of \$10,000,000,000.

So I insist that the passage of the Ruml plan will cause a sales tax to be enacted in order to pay for it. In addition, it is a printing press money proposition, and a German inflation will be caused by its passage which will be ruinous inflation, it will be a bonus for the rich at the expense of the poor and it will create a new crop of war millionaires in World War No. 2.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Chairman, I have been in favor of the Ruml plan from the beginning. I voted for it the other day and I am going to vote for it again today and I am quite willing to accept the moral responsibility which some of the distinguished statesmen in the House feel will attach to this action.

I am especially interested in that aspect of the case. I was tremendously intrigued by the statement of the beloved and distinguished majority leader made on the floor today in which he pointed out that if we pass the Ruml plan and go before our voters in 1944 they will repudiate us because of the moral obliquity involved; consequently he advises us as a sound, sane political move, to vote against the Ruml-Carlson bill.

I am sorry to see political consideration of that type introduced into this discussion. So far as I am concerned, I am going to vote my convictions regardless of what may happen to me in 1944.

Mr. KNUTSON. Will the gentleman yield?

Mr. EATON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The political solicitude shown by the majority for the minority is really very touching.

Mr. EATON. I am glad that the gentleman is touched. He will be touched worse than that when this tax bill goes through and the tax collector calls on him.

May I say in conclusion that I am unable to comprehend the alleged moral question which has been raised so repeatedly here, why it is 100 percent holy and pure to remit fifty percent of the 1942 taxes and distinctly vile and wicked to remit 100 percent.

I do not like the word "forgive" as applied to our taxpayers. If there is any forgiveness involved in the action of this Congress and the administration toward its taxpayers, it ought to be on the part of the taxpayers toward the wild and weird wastefulness and extravagance which has too often been indulged in by this administration. If we are to place our Federal taxes upon a current pay-as-you-go basis, in my judgment, the straight, practical way to do it is to turn our backs upon the past, and make a fresh start in 1943 with a levy of current taxes laid with equal justice upon all citizens according to their ability to pay.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana: Page 61, line 4, after the period, insert a new section as follows:

"Section 8. (a) Section 3691 (a) of the Internal Revenue Code (relating to personal property exempt from distraint) is amended to read as follows:

"(a) State exemptions to apply: There shall be exempt from distraint and sale such personal property as would be exempt from sale if the distraint constituted execution on a judgment."

"(b) Section 3700 of the Internal Revenue Code (relating to distraint on real estate) is amended (1) by inserting before 'When goods' at the beginning thereof the following paragraph heading '(a) In General.—'; and (2) by inserting at the end thereof the following:

"(b) State exemptions to apply: There shall be exempt from distraint and sale such real estate as would be exempt from sale if the distraint constituted execution on a judgment."

Mr. KNUTSON. Mr. Chairman, I make a point of order against the amendment.

Mr. ALLEN of Louisiana. Will the gentleman withhold the point of order?

Mr. KNUTSON. I reserve the point of order, Mr. Chairman.

Mr. ALLEN of Louisiana. Mr. Chairman, my amendment simply seeks to protect the homes that are going to be put on the block regardless of which bill passes. There is now no Federal protection whatever for homes under the income-tax law. I read here a paragraph from a letter from the Commissioner of Internal Revenue in which he states:

There is no existing provision of law which would prevent the seizure and sale of a taxpayer's home to satisfy a claim for income taxes.

In the revision of my remarks, I shall include the entire letter of the Commissioner.

Heretofore we have had only 3,000,000 or 4,000,000 income taxpayers, mostly persons who can protect their homes, but now we are going to have about 44,000,000 people paying taxes, and we are going to reach down into the poorest homes of the land. You Members of Congress will hear of homes being sold for Federal income taxes. Some of these homes will be in your district. Sickness, hospital bills, and other unavoidable expenses will take every cent of revenue, and many poor persons may see their homes sold for the taxes now being levied, unless Congress adopts some measure to protect homes. The present tax rate reaches into the lowest income brackets and this means that it reaches into the most humble homes, and there is not a line of law to protect those homes from being seized and sold for even the smallest levy of income tax. Recently I introduced a bill, H. R. 2514, to take care of this situation, and it is this bill that I am now offering as an amendment here. As is shown in the letter quoted below, there is a little protection as to personal property, but even that is very meager, and less than we have in most States, and there is no protection at all as to real estate. My object is to remedy that very serious situation, now that nearly everybody will be paying some income tax. I realize the difficulty of presenting an amendment

like this in a short time when everybody is either Ruml or anti-Ruml, but this amendment is meritorious. It ought to have the favorable consideration of this House. Something ought to be done, and something must be done to protect the people in the ownership and enjoyment of their homes.

For a number of years we have been making efforts to rehabilitate homes. We have been trying to protect the poor people in the enjoyment of their homes. Now we are doing the very thing that is going to have the effect of striking out from under those homes every protection they have. Every State has laws protecting the homes, but there is no Federal law protecting them. The home-ownership exemption laws vary in the several States, and so my amendment seeks to give the home owners in each State the same protection which the laws of that State give. This is fair to every State and all home owners. To fail to do that means confusion and strife. It means also that the Federal Government might become the largest owner of homes. All the efforts we have made to build homes, to finance homes, and to encourage home owning in general, will be worth little if we permit the Federal Government to step in and sell homes for a small unpaid income tax. I urge this House to give this amendment favorable consideration. Congress alone can give home owners this protection. Congress will be derelict in its duty unless it meets this urgent situation now.

Mr. KNUTSON. Mr. Chairman, in view of the very excellent explanation made by the gentleman, I withdraw the point of order.

The Commissioner's letter follows:

APRIL 16, 1943.

Hon. LEONARD ALLEN,
House of Representatives.

MY DEAR MR. ALLEN: Further reference is made to your letter of March 31, 1943, in which you request to be advised whether you are correct in your understanding that there is nothing in the law to prevent the seizure and sale of a man's home to satisfy a claim of the Federal Government for income taxes.

There is no existing provision of law which would prevent the seizure and sale of a taxpayer's home to satisfy a claim for income taxes.

Section 3690 of the Internal Revenue Code provides:

"If any person liable to pay any taxes neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the collector or his deputy to collect the said taxes, with such interest and other additional amounts as are required by law, by distraint and sale, in the manner provided in this subchapter, of the goods, chattels, or effects, including stocks, securities, bank accounts, and evidences of debt, of the person delinquent as aforesaid."

Section 3700 of the code provides:

"When goods, chattels, or effects sufficient to satisfy the taxes imposed upon any person are not found by the collector or deputy collector, he is authorized to collect the same by seizure and sale of real estate."

Section 3691 (a) of the code provides:

"(a) Enumeration: There shall be exempt from distraint and sale, if belonging to the head of a family—

"(1) School books and wearing apparel: The school books and wearing apparel necessary for such family; also

"(2) Arms: Arms for personal use;

"(3) Livestock: One cow, 2 hogs, 5 sheep, and the wool thereof, provided the aggregate market value of said sheep shall not exceed \$50;

"(4) Fodder: The necessary food for such cow, hogs, and sheep, for a period not exceeding 30 days;

"(5) Fuel: Fuel to an amount not greater in value than \$25;

"(6) Provisions: Provisions to an amount not greater than \$50;

"(7) Household furniture: Household furniture kept for use to an amount not greater than \$300; and

"(8) Books and tools of trade or profession: The books, tools, or implements, of a trade or profession, to an amount not greater than \$100."

If further correspondence relative to this matter is necessary, please refer to IT:P:T:2-E-2:MKR.

Very truly yours,

NORMAN D. CANN,
Acting Commissioner.

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

The question was taken; and the Chairman announced that the yeas seemed to have it.

Mr. ALLEN of Louisiana. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, in my opinion, no good purpose would be served by recommitting this problem once more to the Committee on Ways and Means for further consideration. Preliminary action on some kind of pay-as-you-earn tax bill should be taken in this Chamber today.

The statesmen who founded our Republic and framed our Constitution paid the House of Representatives a high compliment. To the House of Representatives was given the exclusive duty and power to originate all revenue laws. We who serve in this Chamber now, like those who have served before us, have every right to take genuine pride in that compliment.

The House of Representatives in turn assigned to the Committee on Ways and Means the specific duty of writing the tax bills which are presented to the Congress for action. The members of the Ways and Means Committee have every right to take genuine pride in the compliment paid to them by the House.

The House went into the valley of decision on March 30 of this year in an attempt to pass a revenue bill. I voted to recommit that bill.

I am now prepared to state what I propose to do today, having in mind that I believe no good purpose can be served by recommitting the problem again.

I intend to vote for the Carlson bill because I want it to go to the Senate. If it fails to pass the House, I shall vote for the Robertson-Forand bill, if that is next in order. If that bill fails to pass the House, I shall vote for the committee bill, if that is next in order. If all of these bills fail to pass, I shall vote for some bill on which a majority in the House may agree, because I contend that the tax cauldron has boiled over twice in this

Chamber and we should send it on to the other Chamber to undergo a cooling process.

In conclusion, I want it to be crystal-clear that no vote which I may cast today will bind me to vote either for or against the product which will come from the conference committee made up of Members of both Chambers of the Congress on whatever day their product is presented to the House. I shall feel wholly free to vote in any way I choose at that time. I trust I have made it clear that my votes today will be cast for the purpose of making progress, so that some bill may move from the House to the Senate.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. STEWART].

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

The Clerk read as follows:

Amendment offered by Mr. STEWART to the Carlson substitute amendment: On page 8, strike out lines 15 and 16 and insert "for services performed for any organization organized and operated exclusively for religious purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, but only if such services are exclusively religious in character or are ordinarily and necessarily incident to the religious activities of such organization."

Mr. STEWART. Mr. Chairman, I offer this identical amendment when the original bill was under consideration on the 30th of March, and it received quite an audible voice support. Now, since everybody is in the humor for forgiving those who need forgiveness less than the employees of our churches, it would be well to think of the cardinal principles upon which this Government was established.

A few days ago we were paying tribute to Thomas Jefferson, the man who gave birth to the idea of the separation of church and state. My position on this amendment is simply that the amendment divorces the Government from the church and the church from the Government insofar as the church serving as fiscal agents, as was never intended. Making our churches fiscal agents and tax collectors for the Government may create a condition that will not serve too well in time to come. Surely we have not reached the point when we should turn our churches over to Government regimentation under political appointment of bureaus and expert tax agents. I appeal to you to give this amendment your very serious consideration.

This amendment does not exempt the printing offices and the rent properties of the churches. If you will follow me in the reading of this amendment, you will see that this amendment applies only if such services are exclusively religious in character or are ordinarily and necessarily incident to the religious activities of such organization—just the immediate church services. I cannot see how any of us with a clear conscience can forgive the rich and by the same stroke make our churches a fiscal agent of our

Government. I plead with you and beg of you to support this amendment.

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

Mr. STEWART. I yield to the gentleman from Texas.

Mr. BECKWORTH. I commend the gentleman for bringing this to the attention of the Congress. I have received several letters from leading ministers of my district on this same question. I hope the matter will be dealt with properly, and I assure you of my great interest in the provisions of your amendment.

Mr. STEWART. I thank the gentleman for his contribution. I wish to re-impress upon you that this amendment was submitted when the original bill was up for consideration.

Past facts verify grounds for our churches' fears. What a specter of sorrows has been their experience.

It is not so much that the churches wish to be exempted from the payment of taxes under this bill as it is being the fiscal agent. Yet a complete exemption is not to be compared with other provisions of exemptions to the rich, labor organizations, and other institutions.

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

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, there is just one other point I wish to cover that I did not before, because of the expiration of time. When the argument is presented that the tax burden as covered by the committee bill when spread over 3 years in certain instances exceeds the amount of the income received by the individual in any one of the years 1944, 1945, and 1946, as presented by the blackboard analysis, that does not impress me for this reason: If I understood the blackboard presentation, it shows the income of the individual for 1 year. Now, if in 1943 I receive \$100,000, and I have to pay taxes on that \$100,000 plus one-third of the taxes assessed against me on the income I received in 1942, I personally do not consider that a burden, because I received the income in 1942 also. In other words, any argument which is made to the effect that I should not pay taxes on income which I received during this war period in which we are now involved, simply carries no weight with me. Therefore, I am not convinced, nor am I converted to the idea that we are destroying the capital structures of our people by asking them to spread a year's tax liability over a 3-year period.

Furthermore, I wish to say to the House for general information that today the people here who are lined up on the two sides of this question vote collectively. We proceed on a mass basis, as the men in uniform proceed on a mass basis when they go into battle and face the cannon. Eventually, however, we must face these issues as individuals out in the field. We shall then have to meet life as it is. Experimenting with this problem, I went

home last week and held several meetings in my district, at which this question was discussed, and in addition, prior to going home, I invited the people of my district, some several thousand, to write me on this question and state exactly where they stood on the question of cancelation and meeting the taxes. One-fifth of the letters that I have received are in favor of cancelation and some of them are very emphatically in favor of cancelation and make no mistake about that; I understand the language they use—but the other four-fifths are against cancelation, and if any of the Members are interested in reading those letters, I should be very glad to permit them to do so.

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

Mr. CRAWFORD. Yes.

Mr. BREHM. If we forgave or canceled the \$4,400,000,000 indebtedness against the citizens of Great Britain after the last war, why is it so sinful to forgive a few of our American citizens at this time?

Mr. CRAWFORD. Did the gentleman vote with me the other day on the lend-lease when I protested the cancelation motives therein?

Mr. BREHM. I did vote with the gentleman against the lend-lease.

Mr. CRAWFORD. Very well, we agree on that. I certainly did not support the cancelation or repudiation of the other debt which the gentleman calls to our attention. I regret the British did not pay it. So we still agree.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Chairman, at present Federal income taxes are due on January 1. At that time the taxpayer knows his actual profits or losses and the exemptions to which he is entitled for the preceding year. From his records he can make his return, and if able and willing to do so may pay his entire tax on that day. Otherwise he may pay it in four quarterly installments without interest. Much might be said for the accuracy and certainty and the absence of overpayments, underpayments, refunds, and the like resulting from this system as against quarterly payments made in the course of a year based upon estimates of what the tax liability may finally be.

In his persuasive testimony before the committee, Mr. Ruml not only admitted but emphasized his opinion that the only equitable and fair method of getting current in 1943 on the payment of income taxes is by forgiving or excusing all taxpayers alike from the payment of the 1942 taxes, and everybody, including the authors of the three pending bills, admits that we can get on a so-called pay-as-you-go basis only by forgiving or postponing payment of taxes due. Even if it be admitted that the game is worth the candle and that we can afford to pay such a price or that in the course of long years the difference would not amount to much, there must be a serious question in the minds of all reasonable persons

as to whether this may not be the very worst time in the history of our Nation to make such a change.

In 1942 the Government spent in round numbers \$32,400,000,000, which was almost three times as much as during the preparedness year of 1941 and almost twice as much as in the highest year of the World War period. Twenty-three billion four hundred million or more than 70 percent of this staggering expenditure by the Government in 1942 was borrowed, and beyond any question it was the controlling factor in pushing the national income higher than it has ever been. Under existing conditions in 1942 the Government was forced to spend. In order to thus spend it was forced to borrow. Driven by stern necessity, it borrowed and spent like a prodigal. As a result, the national income jumped by leaps and bounds to new high ground. To my mind, it seems wholly unjustifiable under such conditions and for such a year to excuse or forgive the payment of taxes. To do so would indeed put the individual taxpayer upon a pay-as-you-go basis, but for the Nation considered as such the result would be exactly the opposite.

If we turn from the fiscal year 1942 and glance at the immediate present or future the picture does not brighten. The Budget has estimated that Government expenditures for the fiscal year 1943 will rise to eighty billion four hundred million, with a net increase in the public debt of sixty-two billion four hundred million. It estimates for the fiscal year 1944 Government expenditure of more than \$104,000,000,000 with a net increase of the public debt of \$75,700,000,000.

To excuse or forgive the payment of any taxes at such a time and under such conditions and in the face of such staggering and almost imaginative Government expenditures is too much for me, no matter what the virtues of the Ruml plan may be. To do so to any extent is, in my judgment, nothing short of the evasion of a plain war duty and would almost drive one to the conclusion that the only group of Americans who are really paying as they go are not on the home front.

I have voted, I think, for every tax bill that has been offered in the past 10 years, and if the pending bills levied more taxes I would vote affirmatively. But when our Nation stands face to face with the gravest crisis since it was established, and when in self-defense it is forced to borrow and spend as no other nation ever has, I cannot agree that it is wise or best for any reason to excuse or forgive the payment of any taxes, and for that reason I am unable conscientiously to support either of the pending measures.

Mr. PRICE. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. PRICE to the Carlson amendment: On page 5, line 9, after the word "period", change the period to a comma and add the following: "Regardless of the provisions of this act or any other law

to the contrary, every person who worked or was engaged in business or who had an occupation for the entire year of 1941 and filed an income-tax return for the year 1941, or who can show by affidavit that they were so engaged for the entire year of 1941 but that their gross income was not sufficient to require them to make an income-tax return under the law, shall be totally exempt from all income taxes for each year, beginning with the year 1942 until the end of the calendar year in which this war shall end, in which both of the following conditions did or shall occur:

"A. His gross income from all sources did not or shall not exceed \$1,800.

"B. His gross income did not or shall not exceed his gross income as shown by his 1941 income-tax return or by his affidavit showing the gross amount of his 1941 income plus 20 percent."

Mr. PRICE. Mr. Chairman, this is the same amendment that I offered to the Carlson bill when this bill was before the House a few weeks ago. Since that time I have written to every Member of the House, and specially to those of the Committee on Ways and Means, so I trust that you all are familiar with the provisions of this amendment.

I believe every Member of this House will agree with me that there are thousands of good citizens who would be benefited by this amendment.

The needs of these people are just as real as yours and mine. They realize that their employers cannot afford to pay the high salaries prevalent in the war industries. Nevertheless, these people have to pay the same prices that those of the war plants are called upon to pay. Their income has not increased but everything they buy has increased at least 25 percent.

From the reception this amendment received the last time I offered it, it would appear that the majority of the Members of this House have no white-collar workers in their district. It also seems to be true that the Members of this House have never had the experience that I have had. Many is the time that I have sat down at the end of the month and tried to figure how I would pay the grocer, the doctor, the landlord, the furniture man, the water bill, light bill, the note on the car and the repair bill, to find that they amounted to about \$165 and my pay check was about \$125. You may say that was just bad management, but if you have never had this experience, naturally you do not know what I am talking about nor can I expect you to have any sympathy for those who today are laboring under the same conditions and are trying to pay wartime prices for everything consumed, on a peacetime salary.

I ask the Members of this House to forget party lines, and, above all, forget the fact that this is an amendment introduced by a new Member. I am not asking you to help me, I am asking that you help thousands in your own district. Can you afford to turn your back on those in your community who are really suffering?

I hope the committee will accept this amendment.

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

The question was taken; and the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer the following perfecting amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN to the Carlson amendment: On page 3, lines 11, 14, and 22, strike out "1941" and insert "1940."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, this is a perfecting amendment, which seeks to carry out the idea proposed in the Carlson plan to eliminate windfalls from war profits. The amendment simply changes 1941 as the normal base tax year, as provided on page 3 of the bill, and makes it 1940. Large expenditures for war preparedness started in this country in the middle of 1940. The entire year of 1941 was one of tremendous war expenditures, and large profits were made. All such incomes should be taxed. What I am seeking to do by this amendment is to eliminate all possible windfalls from war profits, and make them subject to taxation, which only leaves a discharge of tax liability on normal incomes using the year 1940 as the basis. War profit and other excessive incomes should not escape full taxation. I believe that this amendment is one that is desired by a majority of the Members, and I hope it will be adopted.

Mr. Chairman, when I have the floor, I desire to say a few words about the present tax controversy. During my years in the House, I have witnessed the consideration of many tax bills, but I am frank to confess that I have never observed a mess similar to the situation confronting us in connection with the so-called pay-as-you-go proposal. On March 30, when this legislation was last considered, I and a majority of the Members of the House voted against all tax proposals, and the legislation was returned to the committee. I voted against the Ruml-Carlson proposal for the reason that I felt it went too far in discharging tax liability on war-profit incomes for the year 1942. I did not believe then, nor do I believe now, that there should be a forgiveness of taxes for incomes earned in the year 1942 accruing from war profits. The record will show that on March 30 I offered an amendment to discharge from tax liability the first \$5,000 of net taxable income for all individuals, but my proposal did not succeed. I could not support the committee bill because it provided for double taxation.

For the past 30 days members of the Ways and Means Committee have sought without success to reach an agreement on tax legislation. We are still in a mess. The Democratic majority presents a bill which is an improvement over the proposal considered in March. The minority proposes a modified Carlson bill, which seeks to eliminate tax forgiveness on windfall earnings from war

profits. This bill also contains a provision, somewhat similar to my amendment of March 30, which discharges from tax liability for the year 1942 all net incomes under \$5,000, but it does not adequately deal with excessive incomes over and above normal incomes.

To be frank about it, I do not like either bill. Both bills have many good features, if that can be said for a tax bill. But I believe that a more equitable piece of legislation can be drafted. I recognize that it would be folly to return this bill to the Ways and Means Committee for further consideration. This committee has done its best to reach an agreement, but failed to agree on a satisfactory compromise after 4 months of deliberation. We all know that the Senate will draft a new bill which must come back to the House for consideration before it becomes a law. The Senate cannot consider a revenue bill until action is first taken by the House. If we do not send some kind of tax measure to the Senate this week, there will be no tax bill—and additional revenue must be raised to defray the growing cost of the war.

We would be derelict in our duties if we do not send a tax measure to the Senate at this time. I do not propose to be a party to cause further delay in preventing the Senate from considering tax legislation. Either the Carlson proposal or the committee bill should be sent to the Senate. While I object to some of the features in the Carlson bill, I shall vote to send it or any other proposal to the Senate, with the reservation that when the bill comes back to the House from the Senate, or when the tax conference report is considered by the House, my final vote will be based on the merits of the proposal then considered. I do not want to be misunderstood about my vote on this legislation today. We all know that the Senate will rewrite the bill, and I am hopeful that they will pass a tax bill that I can support when it is returned to the House for final action. My vote, therefore, at this time is to expedite action on tax legislation by the House, and I recommend that my colleagues do likewise, and reserve to themselves the right to vote on the merits of the legislation when the Senate bill or conference report is returned to the House for final action.

In conclusion, let me again urge you to support the amendment which I have offered. It provides that normal incomes for the purpose of the Carlson plan shall be those earned in 1940 instead of those earned in 1941 as provided in the bill, thereby eliminating any possibility for a discharge of tax liability on incomes derived from war profits.

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

The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were ayes 87 and noes 93.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. AUGUST H. ANDRESEN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 186 and noes 158.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The gentleman from California [Mr. VOORHIS] is recognized.

Mr. VOORHIS of California. Mr. Chairman, the gentleman from North Carolina in addressing the House a short time ago said something about a gold brick. He said he believed that the advancement of the idea of current tax payment was a gold brick that had been sold to the American people. I do not share that view. I think there are weighty reasons why it is important for the rank and file of our taxpayers, if possible, to be on a current basis. I do not think it happens to make a great deal of difference with regard to the taxpayers in the higher brackets.

But I do think there is a gold brick connected with this proposition, for in the minds of a lot of people there has been implanted, I am afraid, the idea that if only the Ruml plan is passed providing for the abatement of 1942 tax payments there is going to be that much benefit to all the people of the country from a tax standpoint. That is not true, Mr. Chairman. Indeed, if we are to do our duty as a Congress, it is going to be necessary before this Congress ends for us to pass legislation to increase substantially the tax revenues of this country. Therefore, the bill that we have before us today must, above all things, be considered from the standpoint of over-all tax equity, both now and in the future.

My objection to the amendment which is now before the House is that I believe it fails to do that. The reason I think it fails to do that briefly is this: We know, do we not, that the rates in the higher brackets are now so high, and the amount of additional revenue to be obtained from those higher brackets is, on the whole, so small that the additional revenue we must get if we are to come anywhere near balancing the Nation's accounts has got to come from the middle and lower brackets. But under the Ruml plan the principal advantage from the almost complete forgiveness or abatement that is involved in it will not go to the lower brackets but will go to those in the upper brackets. The principal advantage of the Carlson bill, even as amended, will necessarily go to those taxpayers in the upper brackets. Their abatement will mean many times more to them in terms of income after taxes saved to them than will the abatement for the average taxpayer. Yet that average taxpayer is the one who will have to bear the additional burden of future tax measures in order to make up for this abatement. On the contrary we have two other proposals which if the present amendment is voted down we will have an opportunity to consider; the proposal of the gentleman from Rhode Island [Mr. FORAN] and the gentleman from Virginia [Mr. ROBERTSON] and the committee bill, either of which it seems to me

from the standpoint of the principle of ability-to-pay taxation and as a means of getting taxpayers on a current basis in the case of those taxpayers where it is important to do so, are superior to the proposal which we have to vote on at the present time.

I therefore shall vote against the Carlson amendment. I shall vote against it on the basis of my conception of basic tax equity, because I know that the needs of this Nation will require an additional tax levy; because I know that additional burden will have to fall on the people generally; and because I want to accomplish currency of taxation insofar as it is possible to do so by providing such abatement as is provided in such fashion as to relieve in the major portion those taxpayers upon whom that additional burden will be placed.

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

The gentleman from North Carolina [Mr. FOLGER] is recognized.

Mr. FOLGER. Mr. Chairman, I do not know why I am talking. I have not been able to hear anybody who has been up here yet, there is so much noise in the chamber. I reckon it is not important for I do not conceive myself to be able to do more than my colleagues who have preceded me.

In view of the very high regard I have for my colleague the gentleman from Kansas [Mr. CARLSON], I prefer to refer to this proposal as the Ruml plan, having received my best information, I think, and probably the only information I have as to Mr. Ruml from the description of him by the gentleman from Oklahoma [Mr. DISNEY] heretofore made. I have no patience with any of it. I cannot understand why at this time in the year 1943 the proposal should receive serious consideration of Members of Congress, in view of the great debt that is being piled upon this country from year to year of necessity and for war purposes. I cannot understand the idea of a proposal to forgive, if you want to call it, or if you want to say "abate," either \$8,500,000,000 or \$10,000,000,000 taxes for the year 1942. As my colleague from my own State said, you may in a way conceive yourselves to have become current, but what in the name of common sense have you done to the Government of the United States? The people are the Government.

Mr. Chairman, a tax bill was written for the year 1942. There were two votes against the adoption of that bill as brought to the House by the Committee on Ways and Means. Somebody thought to do something later on and came and stood us up, and I reiterate what my colleague from North Carolina [Mr. CLARK] said, undertook to sell this Congress and the people a gold brick in the idea that we could make taxes current by forgiving \$10,000,000,000 that were levied for 1942. It is all a farce. There is nothing to it. I do warn you gentlemen that I am going to preserve this minority report for good and sufficient reasons hereafter. It accomplishes the objective of placing taxpayers on a current pay-as-you-earn basis immediately and not at some distant time, as it forgives or abates

all taxes for 1942, but hereafter, what as to those whose incomes are not from salaries or wages?

How far does it go? It does not touch the man who is in business unless he receives a salary or a wage. It does not touch the corporations of this country.

Let me read you another objective this minority report says is accomplished:

It is simple to understand.

Yes; I understand it and I understood it before blackboards were put up here to teach children what it is thought they ought to know, canceling \$10,000,000,000 of taxes, leaving our Government that much more in the red.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The gentleman from Wisconsin [Mr. McMURRAY] is recognized for 3 minutes.

Mr. McMURRAY. Mr. Chairman, I think about everything has been said on all sides of this tax measure. I do not presume to add anything new or startling, nor do I for a minute think that what I say will affect many votes in this House or perhaps any at all. I knew when I came down here in January, in fact I knew before I came down here in January, that the lowest animal on earth in the opinion of the Members of this House was not a bureaucrat but a college professor. I unfortunately happen to be one of those and I have taught the subjects of government and taxation for a good many years in one of the greatest universities in the United States of America.

There is not any difference of opinion on this bill on the subject of: One, collection at the source. Everybody is for it, every bill provides for it. There is not any real argument here about whether or not taxes should be collected currently. Every bill, every amendment offered here, substantially provides for that. The only difference in the opinion of the members of this committee and this House on this bill, which is not a tax bill but which is a bill to change our method of collecting taxes—the only difference is on the price we pay to get the taxpayers current.

When I used to teach taxes I used to tell my students that there were three general theories of taxation. I might say that this bill that is specifically under consideration, the substitute amendment, the Carlson-Ruml bill, is not a tax bill—it is an appropriation bill—and as theories may be used to justify taxes, these theories ought to be usable in reverse to justify the appropriation which this amendment passes out to the citizens of the United States.

The first theory of taxation is the theory of benefits received. It is that we ought to collect taxes from the citizens on the basis that those citizens receive benefits from the Government. That is usable in certain specific instances, but will not justify the great work that the present Government has to do.

Second, there is the theory of ability to pay. All political parties in America subscribe to this.

Third, there is another theory, not talked about much but used often, which

I used to tell my students was the politicians' theory; it is the theory of the most feathers with the least squawking.

Now, let us look at these theories in reverse if we are going to distribute \$10,000,000,000 to the citizens of the United States of America. Should we distribute that on the basis of benefits to those people?

It is fair to assume, I suppose, that those whose needs are greatest will derive the greatest benefits from a cash donation made by a government to its citizens. Certainly no one will argue that the Carlson-Ruml amendment distributes this appropriation of \$10,000,000,000 on this basis.

Nor can this gift be justified by the advocacy of ability to pay in reverse. Those least able to pay will have the greatest need, yet this amendment distributes this money chiefly to those whose incomes are and have been greatest, and, therefore, to those who need it least. The theory of ability to pay in reverse, like the theory of benefits received will certainly not explain adequately the distribution of \$10,000,000,000 which is provided for in the Carlson-Ruml amendment.

I wonder if we can apply the third theory to this distribution. This politicians' theory of taxation, that is, "the most feathers with the least squawking" also seems inadequate. When this explanation is used it is generally assumed that the feathers are to accrue to the Government. In this instance, however, the proponents of this amendment provide no feathers whatsoever for the Government, in fact this amendment deprives the Government of the United States of \$10,000,000,000 worth of feathers and uses those feathers to line the pockets primarily of the rich. However, there is going to be squawking, there will be plenty of it. These squawks will come from that great mass of American people onto whose shoulders has been put the burden of carrying the cost of this war. If we distribute \$10,000,000,000 primarily to the rich, that \$10,000,000,000 and another \$16,000,000,000, which is needed adequately to finance this war this year, will be laid by the very proponents of this measure upon the great mass of citizens through some form of sales tax or other means cleverly thought up to shift the incidence of taxation.

Mr. Chairman, it is not difficult to see through the minds of the Members of this House who make this proposal. First, they ask us to abrogate the President's authority to limit incomes with the promise that these large incomes will be reduced to reasonable amounts by taxation. Then these same people come along and cancel the taxes which the people with large incomes should pay.

Mr. Chairman, the people of the United States of America are going to squawk and squawk loudly when they discover that the proponents of the Ruml plan have sold them down the river.

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

The question is on the amendment offered by the gentleman from Kansas.

Mr. FORAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORAND. Do I understand that this vote is on the Carlson-Ruml plan?

The CHAIRMAN. This vote is on the amendment offered by the gentleman from Kansas [Mr. CARLSON].

Mr. FORAND. And if this amendment is voted down, then I will be in position to offer a substitute?

The CHAIRMAN. If the amendment offered by the gentleman from Kansas is voted down, further amendments will be in order.

Mr. FORAND. Other substitutes will be in order?

The CHAIRMAN. Yes.

Mr. KNUTSON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOUGHTON and Mr. CARLSON.

The Committee divided; and the tellers reported that there were—ayes 197, noes 166.

So the amendment was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the Committee do now rise and report the bill back to the House with an amendment with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes, had directed him to report the same back to the House with an amendment adopted in the Committee of the Whole with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. COOPER. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

Mr. COOPER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COOPER. The vote now about to be taken is on the amendment offered by the gentleman from Kansas [Mr. CARLSON].

The SPEAKER. That is correct.

Mr. COOPER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 202, nays 206, answered "present" 3, not voting 22, as follows:

[Roll No. 59]

YEAS—202

Allen, Ill.	Goodwin	Morrison, La.
Anderson, Calif.	Graham	Mott
Andresen	Grant, Ind.	Mruk
August H.	Griffiths	Mundt
Andrews	Gross	Murray, Wis.
Angell	Guyer	Norman
Arends	Gwynne	O'Brien, N. Y.
Arnold	Hale	O'Hara
Auchincloss	Hall	O'Leary
Baldwin, N. Y.	Edwin Arthur	O'Toole
Barrett	Hall	Philbin
Barry	Leonard W.	Phillips
Bates, Ky.	Halleck	Ploeser
Bates, Mass.	Hancock	Plumley
Beall	Harness, Ind.	Powers
Bender	Hartley	Pracht
Bennett, Mich.	Hébert	Ramey
Bennett, Mo.	Heidinger	Randolph
Bishop	Herter	Reece, Tenn.
Blackney	Hess	Reed, Ill.
Bolton	Hill	Reed, N. Y.
Boykin	Hinschaw	Rees, Kans.
Bradley, Mich.	Hoeven	Rizley
Brehm	Hoffman	Robson, Ky.
Brown, Ohio	Holmes, Mass.	Rockwell
Buffett	Holmes, Wash.	Rodgers, Pa.
Busbey	Hope	Rogers, Mass.
Butler	Howell	Rohrbough
Canfield	Jeffrey	Rolph
Cannon, Fla.	Jenkins	Rowe
Carlson, Kans.	Jennings	Schiffner
Carson, Ohio	Jensen	Schwabe
Carter	Johnson	Scott
Celler	Anton J.	Shafer
Chenoweth	Johnson	Short
Chilperfield	Calvin D.	Simpson, Ill.
Church	Johnson, Ind.	Simpson, Pa.
Clason	Johnson, Ward	Smith, Maine
Clevenger	Jones	Smith, Ohio
Cole, Mo.	Jonkman	Smith, Wis.
Cole, N. Y.	Judd	Springer
Compton	Kean	Stanley
Cravens	Kearney	Stearns, N. H.
Cunningham	Keefe	Stefan
Curtis	Kilburn	Stevenson
Day	Kinzer	Stockman
Dewey	Knutson	Sundstrom
Ditter	Lambertson	Taber
Dondero	Landis	Talbot
Douglas	Larcade	Talle
Eaton	LeCompte	Taylor
Ellis	LeFevre	Tibbott
Ellison, Md.	Lewis	Towe
Ellsworth	McCowan	Treadway
Elston, Ohio	McGregor	Troutman
Engel	McKenzie	Van Zandt
Englebright	McLean	Vorvys, Ohio
Fellows	McWilliams	Vursell
Fenton	Maas	Welch, Ohio
Fish	Martin, Iowa	Welch
Gale	Martin, Mass.	Wheat
Gallagher	Mason	Wigglesworth
Gamble	Morrow	Willey
Gavin	Michener	Wilson
Gerlach	Miller, Conn.	Winter
Gifford	Miller, Mo.	Wolcott
Gilchrist	Miller, Nebr.	Wolfenden, Pa.
Gillette	Miller, Pa.	Wolverton, N. J.
Gillie	Monkiewicz	Woodruff, Mich.

NAYS—206

Abernethy	Coffee	Fitzpatrick
Allen, La.	Colmer	Flannagan
Andersen	Cooley	Fogarty
H. Carl	Cooper	Folger
Anderson	Costello	Forand
N. Mex.	Courtney	Ford
Baldwin, Md.	Cox	Fulbright
Barden	Crawford	Fulmer
Beckworth	Crosser	Gathings
Bell	Cullen	Gavagan
Bland	Curley	Gordon
Bloom	D'Alesandro	Gore
Bonner	Davis	Gorski
Boren	Dawson	Gossett
Bradley, Pa.	Delaney	Granger
Brooks	Dickstein	Grant, Ala.
Brown, Ga.	Dilweg	Green
Bryson	Dingell	Gregory
Buckley	Disney	Hare
Bulwinkle	Domengeaux	Harless, Ariz.
Burchill, N. Y.	Doughton	Harris, Ark.
Burdick	Drewry	Harris, Va.
Burgin	Durham	Hart
Byrne	Eberharter	Hays
Camp	Elliott	Heffernan
Cannon, Mo.	Fay	Hobbs
Capozzoli	Feighan	Hoch
Chapman	Fernandez	Holifield
Clark	Fisher	Lioran

Hull	May	Sauthoff
Izac	Merritt	Scanlon
Jarman	Mills	Schuetz
Johnson,	Monroney	Sheppard
J. Leroy	Morrison, N. C.	Sheridan
Johnson,	Murdock	Sikes
Luther A.	Murphy	Slaughter
Johnson,	Murray, Tenn.	Smith, Va.
Lyndon B.	Myers	Smith, W. Va.
Johnson, Okla.	Newsome	Snyder
Kee	Nichols	Somers, N. Y.
Kefauver	Norrell	Sparkman
Kelley	Norton	Spence
Kennedy	O'Brien, Ill.	Starnes, Ala.
Keogh	O'Brien, Mich.	Steagall
Kerr	O'Connor	Stewart
Kilday	O'Neal	Sullivan
King	Outland	Sumner, Ill.
Kirwan	Face	Sumners, Tex.
Klein	Fatman	Tarver
Kunkel	Patton	Thomas, Tex.
LaFollette	Peterson, Fla.	Thomason
Lane	Peterson, Ga.	Tolan
Lanham	Pfeiffer	Vincent, Ky.
Lea	Pittenger	Vinson, Ga.
Lesinski	Poage	Voorhis, Calif.
Luce	Poulson	Walter
Ludlow	Price	Ward
Lynch	Priest	Wasieleski
McCord	Rabaut	Weaver
McCormack	Ramspeck	Weiss
McGranery	Rankin	Wene
McMillan	Richards	West
McMurray	Rivers	Whelchel, Ga.
Madden	Robertson	Whitten
Mahon	Robinson, Utah	Whittington
Maloney	Rowan	Wickersham
Mansaco	Russell	Winstead
Mansfield,	Sabath	Woodrum, Va.
Mont.	Sadowski	Wright
Mansfield, Tex.	Sasser	Zimmerman
Marcantonio	Satterfield	

ANSWERED "PRESENT"—3

Dworshak Hendricks Kleberg

NOT VOTING—22

Burch, Va.	Furlong	Magnuson
Case	Gearhart	O'Konski
Cochran	Gibson	Rogers, Calif.
Creal	Hagen	Thomas, N. J.
Culkin	Jackson	Wadsworth
Dies	Lemke	White
Dirksen	McGehee	Worley
Elmer		

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. Wadsworth (for) with Mr. Creal (against).
 Mr. Hagen (for) with Mr. Burch (against).
 Mr. Elmer (for) with Mr. Lemke (against).
 Mr. Thomas of New Jersey (for) with Mr. Dies (against).
 Mr. Kleberg (for) with Mr. Worley (against).
 Mr. Dirksen (for) with Mr. Dworshak (against).
 Mr. Hendricks (for) with Mr. Gibson (against).

General pairs:

Mr. McGehee with Mr. Gearhart.
 Mr. Cochran with Mr. Case.
 Mr. Jackson with Mr. O'Konski.
 Mr. Magnuson with Mr. Culkin.

Mr. KLEBERG. Mr. Speaker, I have a pair with the gentleman from Texas [Mr. WORLEY]. I, therefore, desire to change my vote from "yea" to "present."

Mr. DWORSHAK. Mr. Speaker, I have a pair with the gentleman from Illinois [Mr. DIRKSEN]. If present, he would vote "yea." Therefore, I withdraw my vote of "nay" and vote "present."

Mr. HENDRICKS. Mr. Speaker, I have a pair with the gentleman from Georgia [Mr. GIBSON]. If here he would vote "nay," and I would vote "yea." I desire to withdraw my vote of "yea," and be recorded as "present."

The result of the vote was announced as above recorded.

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

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

The SPEAKER. The question is on the passage of the bill.

Mr. KNUTSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KNUTSON. Yes.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KNUTSON moves to recommit the bill, H. R. 2570, to the Committee on Ways and Means with instructions to report same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"That (a) this act may be cited as the 'Current Tax Payment Act of 1943.'

"(b) Meaning of terms used: Except as otherwise expressly provided, terms used in this act shall have the same meaning as when used in the Internal Revenue Code.

"Sec. 2. Collection of tax at source on wages.
 "(a) In general: Part II of Subchapter D of Chapter 1 of the Internal Revenue Code (relating to collection of tax at source on wages) is amended to read as follows:

"Part II—Collection of tax at source on wages.

"SEC. 465. Definitions.

"As used in this part—

"(a) Wages: The term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include remuneration paid—

"(1) for services performed as a member of the military or naval forces of the United States, other than pensions and retired pay included in gross income, or

"(2) for agricultural labor (as defined in section 1426 (h)), or

"(3) for domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, or

"(4) for casual labor not in the course of the employer's trade or business, or

"(5) for services by a citizen or resident of the United States for a foreign government or for the government of the Commonwealth of the Philippines, or

"(6) for services performed by a non-resident alien individual, other than a resident of a contiguous country who enters and leaves the United States at frequent intervals, or

"(7) for such services, performed by a nonresident alien individual who is a resident of a contiguous country and who enters and leaves the United States at frequent intervals, as may be designated by regulations prescribed by the Commissioner with the approval of the Secretary, or

"(8) for service for an employer performed by a citizen or resident of the United States while outside the United States (as defined in section 3797 (a) (9)) if the major part of the services for such employer during the calendar year is to be performed outside the United States, or

"(9) for services performed as a minister of the gospel.

"For the purpose of paragraph (8) services performed on or in connection with an American vessel (as defined in section 1426 (g)) under a contract of service which is entered into within the United States or during the performance of which the vessel touches at

a port in the United States, or on or in connection with any vessel as an employee of the United States employed through the War Shipping Administration, shall not constitute services performed outside the United States.

"(b) Payroll period: The term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by his employer.

"(c) Employee: The term "employee" includes an officer, employee, or elected official of the United States, a State, Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

"(d) Employer: The term "employer" means any person for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the wages paid to an individual are paid by a person other than the person for whom the services are or were performed, the term "employer" (except for the purposes of subsection (a)) means the person paying such wages.

"(e) Single person: The term "single person" means a person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that such person is single, or is married and not living with husband or wife, and is not the head of a family.

"(f) Married person: The term "married person" means a person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that he is married and living with husband or wife.

"(g) Married person claiming all of personal exemption for withholding: The term "married person claiming all of personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that for the purposes of this part such person claims all of the personal exemption and that for the purposes of this part his spouse is claiming none of the personal exemption.

"(h) Married person claiming half of personal exemption for withholding: The term "married person claiming half of the personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 466 (h) stating that for the purposes of this part such person claims half of the personal exemption.

"(i) Married person claiming none of personal exemption for withholding: The term "married person claiming none of the personal exemption for withholding" means a married person with respect to whom a withholding exemption certificate is in effect under section 466 (h) making no claim with respect to the personal exemption for the purposes of this part.

"(j) Head of family: The term "head of a family" means a person with respect to whom a withholding exemption certificate is in effect under section 466 (m) stating that he is the head of a family.

"(k) Dependent: The term "dependent" means a person included in a withholding exemption certificate in effect under section 466 (h) as a person dependent upon and receiving his chief support from the employee and either under 18 years of age or incapable of self-support because mentally or physically defective.

"Sec. 466. Tax collected at source.

"(a) Requirement of withholding: Every employer making payment of wages to any individual shall withhold and collect upon such wages a tax as follows:

"(1) 17 percent of the excess of each payment of such wages over the withholding exemption allowable under subsection (b) (1) (A), and

"(2) 3 percent of the excess of each payment of such wages over the withholding exemption allowable under subsection (b) (1) (B).

"(b) Withholding exemption:

"(1) In computing the tax required to be withheld under subsection (a), there shall be allowed as an exemption with respect to the wages paid for each pay-roll period—

"(A) in computing the portion thereof required to be withheld under subsection (a) (1), an amount determined in accordance with the following schedule:

Pay-roll period	Single person				
	Single person	Married person claiming whole of personal exemption for withholding or head of family	Married person claiming half of personal exemption for withholding	Married person claiming none of personal exemption for withholding	Each dependent other than the first dependent in the case of the head of a family
Weekly	\$11	\$26	\$13	0	\$8
Biweekly	22	52	26	0	16
Semi-monthly	28	65	27.50	0	17
Monthly	46	110	55	0	34
Quarterly	128	330	165	0	102
Semi-annual	276	660	330	0	204
Annual	552	1,320	660	0	408
Daily or miscellaneous (per day of such period)	1.50	3.60	1.80	0	1.10

"(B) in computing the portion thereof required to be withheld under subsection (a) (2), an amount determined in accordance with the following schedule:

Payroll period:	Withholding exemption
Weekly	\$12.00
Biweekly	24.00
Semi-monthly	26.00
Monthly	52.00
Quarterly	156.00
Semi-annual	312.00
Annual	624.00
Daily or miscellaneous (per day of such period)	1.70

"(2) If wages are paid with respect to a period which is not a payroll period, the exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days equal to the number of days in the period with respect to which such wages are paid.

"(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the exemption allowable with respect to each payment of such wages shall be the exemption allowed for a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

"(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than 1 week, at the election of the employer the excess of the aggregate of the wages paid to the employee during the calendar week over the exemption allowed by this subsection for a weekly payroll period may be used in computing the tax required to be withheld.

"(c) Wage bracket withholding:

"(1) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be withheld under subsection (a):

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15	\$0.30					
15	20	1.30	\$0.20	\$0.20	\$0.20	\$0.20	
20	25	2.30	.90	.30	.30	.30	.30
25	30	3.30	1.90	.50	.50	.50	.50
30	40	4.80	3.40	2.00	.70	.70	.70
40	50	6.80	5.40	4.00	2.70	1.30	1.00
50	60	8.80	7.40	6.00	4.70	3.30	2.00
60	70	10.80	9.40	8.00	6.70	5.30	4.00
70	80	12.80	11.40	10.00	8.70	7.30	6.00
80	90	14.80	13.40	12.00	10.70	9.30	8.00
90	100	16.80	15.40	14.00	12.70	11.30	10.00
100	110	18.80	17.40	16.00	14.70	13.30	12.00
110	120	20.80	19.40	18.00	16.70	15.30	14.00
120	130	22.80	21.40	20.00	18.70	17.30	16.00
130	140	24.80	23.40	22.00	20.70	19.30	18.00
140	150	26.80	25.40	24.00	22.70	21.30	20.00
150	160	28.80	27.40	26.00	24.70	23.30	22.00
160	170	30.80	29.40	28.00	26.70	25.30	24.00
170	180	32.80	31.40	30.00	28.70	27.30	26.00
180	190	34.80	33.40	32.00	30.70	29.30	28.00
190	200	36.80	35.40	34.00	32.70	31.30	30.00
\$200 or over—20% of the excess over \$200 plus							
		\$37.80	\$36.40	\$35.00	\$33.70	\$32.30	\$31.00

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	.30	.30	.30	.30	.30	.30
25	30	.50	.50	.50	.50	.50	.50
30	40	.70	.70	.70	.70	.70	.70
40	50	1.00	1.50	1.00	1.00	1.00	1.00
50	60	2.00	3.50	2.10	1.30	1.30	1.30
60	70	3.00	5.50	3.10	2.30	1.60	1.60
70	80	4.00	7.50	4.10	3.30	2.60	2.60
80	90	5.00	9.50	5.10	4.30	3.60	3.60
90	100	6.00	11.50	6.10	5.30	4.60	4.60
100	110	7.00	13.50	7.10	6.30	5.60	5.60
110	120	8.00	15.50	8.10	7.30	6.60	6.60
120	130	9.00	17.50	9.10	8.30	7.60	7.60
130	140	10.00	19.50	10.10	9.30	8.60	8.60
140	150	11.00	21.50	11.10	10.30	9.60	9.60
150	160	12.00	23.50	12.10	11.30	10.60	10.60
160	170	13.00	25.50	13.10	12.30	11.60	11.60
170	180	14.00	27.50	14.10	13.30	12.60	12.60
180	190	15.00	29.50	15.10	14.30	13.60	13.60
190	200	16.00	31.50	16.10	15.30	14.60	14.60
\$200 or over—20% of the excess over \$200 plus							
		\$35.20	\$33.90	\$32.50	\$31.10	\$29.80	\$28.40

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.90	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	1.90	.60	.30	.30	.30	.30
25	30	2.90	1.60	.50	.50	.50	.50
30	40	4.40	3.10	1.70	.70	.70	.70
40	50	6.40	5.10	3.70	2.30	1.00	1.00
50	60	8.40	7.10	5.70	4.30	3.00	1.60
60	70	10.40	9.10	7.70	6.30	5.00	3.60
70	80	12.40	11.10	9.70	8.30	7.00	5.60
80	90	14.40	13.10	11.70	10.30	9.00	7.60
90	100	16.40	15.10	13.70	12.30	11.00	9.60
100	110	18.40	17.10	15.70	14.30	13.00	11.60
110	120	20.40	19.10	17.70	16.30	15.00	13.60
120	130	22.40	21.10	19.70	18.30	17.00	15.60
130	140	24.40	23.10	21.70	20.30	19.00	17.60
140	150	26.40	25.10	23.70	22.30	21.00	19.60
150	160	28.40	27.10	25.70	24.30	23.00	21.60
160	170	30.40	29.10	27.70	26.30	25.00	23.60
170	180	32.40	31.10	29.70	28.30	27.00	25.60
180	190	34.40	33.10	31.70	30.30	29.00	27.60
190	200	36.40	35.10	33.70	32.30	31.00	29.60
\$200 or over—20% of the excess over \$200 plus							
		\$37.40	\$36.10	\$34.70	\$33.30	\$32.00	\$30.60

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15	\$0.80					
15	20	2.10	\$0.80				
20	25	3.10	1.80	\$0.40	\$0.20	\$0.20	\$0.20
25	30	4.10	2.80	1.40	.30	.30	.30
30	40	5.10	3.80	2.40	1.10	.50	.50
40	50	6.60	5.30	3.90	2.60	1.20	.70
50	60	8.60	7.30	5.90	4.60	3.20	1.80
60	70	10.60	9.30	7.90	6.60	5.20	3.80
70	80	12.60	11.30	9.90	8.60	7.20	5.80
80	90	14.60	13.30	11.90	10.60	9.20	7.80
90	100	16.60	15.30	13.90	12.60	11.20	9.80
100	110	18.60	17.30	15.90	14.60	13.20	11.80
110	120	20.60	19.30	17.90	16.60	15.20	13.80
120	130	22.60	21.30	19.90	18.60	17.20	15.80
130	140	24.60	23.30	21.90	20.60	19.20	17.80
140	150	26.60	25.30	23.90	22.60	21.20	19.80
150	160	28.60	27.30	25.90	24.60	23.20	21.80
160	170	30.60	29.30	27.90	26.60	25.20	23.80
170	180	32.60	31.30	29.90	28.60	27.20	25.80
180	190	34.60	33.30	31.90	30.60	29.20	27.80
190	200	36.60	35.30	33.90	32.60	31.20	29.80
\$200 or over—20% of the excess over \$200 plus							
		\$39.60	\$38.30	\$36.90	\$35.60	\$34.20	\$32.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is weekly

And the wages are		And such person is head of a family and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$10						
10	15						
15	20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
20	25	.30	.30	.30	.30	.30	.30
25	30	.70	.70	.60	.50	.50	.50
30	40	2.20	2.20	.60	.70	.70	.70
40	50	4.20	4.20	2.50	1.50	1.00	1.00
50	60	6.20	6.20	4.50	3.00	2.10	1.30
60	70	8.20	8.20	6.50	5.00	4.10	2.80
70	80	10.20	10.20	8.50	7.00	6.10	4.80
80	90	12.20	12.20	10.50	9.00	8.10	6.80
90	100	14.20	14.20	12.50	11.00	10.10	8.80
100	110	16.20	16.20	14.50	13.00	12.10	10.80
110	120	18.20	18.20	16.50	15.00	14.10	12.80
120	130	20.20	20.20	18.50	17.00	16.10	14.80
130	140	22.20	22.20	20.50	19.00	18.10	16.80
140	150	24.20	24.20	22.50	21.00	20.10	18.80
150	160	26.20	26.20	24.50	23.00	22.10	20.80
160	170	28.20	28.20	26.50	25.00	24.10	22.80
170	180	30.20	30.20	28.50	27.00	26.10	24.80
180	190	32.20	32.20	30.50	29.00	28.10	26.80
190	200	34.20	34.20	32.50	31.00	30.10	28.80
\$200 or over		20% of the excess over \$200 plus					
		\$35.20	\$35.20	\$33.90	\$32.50	\$31.10	\$29.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$1.35 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$200 or over, of the excess of the wages) over \$12, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly

And the wages are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30	\$0.50					
30	40	2.50	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	4.50	1.80	.60	.60	.60	.60
50	60	6.50	3.80	1.10	.90	.90	.90
60	80	9.50	6.80	4.10	1.40	1.40	1.40
80	100	13.50	10.80	8.10	5.40	2.70	2.00
100	120	17.50	14.80	12.10	9.40	6.70	3.90
120	140	21.50	18.80	16.10	13.40	10.70	7.90
140	160	25.50	22.80	20.10	17.40	14.70	11.90
160	180	29.50	26.80	24.10	21.40	18.70	15.90
180	200	33.50	30.80	28.10	25.40	22.70	19.90
200	220	37.50	34.80	32.10	29.40	26.70	23.90
220	240	41.50	38.80	36.10	33.40	30.70	27.90
240	260	45.50	42.80	40.10	37.40	34.70	31.90
260	280	49.50	46.80	44.10	41.40	38.70	35.90
280	300	53.50	50.80	48.10	45.40	42.70	39.90
300	320	57.50	54.80	52.10	49.40	46.70	43.90
320	340	61.50	58.80	56.10	53.40	50.70	47.90
340	360	65.50	62.80	60.10	57.40	54.70	51.90
360	380	69.50	66.80	64.10	61.40	58.70	55.90
380	400	73.50	70.80	68.10	65.40	62.70	59.90
\$400 or over		20% of the excess over \$400 plus					
		\$75.50	\$72.80	\$70.10	\$67.40	\$64.70	\$61.90

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly

And the wages are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
30	40	.60	.60	.60	.60	.60	.60
40	50	1.40	1.40	.90	.90	.90	.90
50	60	4.40	1.70	1.40	1.40	1.40	1.40
60	80	8.40	5.70	3.00	2.00	2.00	2.00
80	100	12.40	9.70	7.00	4.00	2.00	2.00
100	120	16.40	13.70	11.00	8.00	5.00	3.20
120	140	20.40	17.70	15.00	12.00	9.00	6.80
140	160	24.40	21.70	19.00	16.00	13.00	10.80
160	180	28.40	25.70	23.00	20.00	17.00	14.80
180	200	32.40	29.70	27.00	24.00	21.00	18.80
200	220	36.40	33.70	31.00	28.00	25.00	22.80
220	240	40.40	37.70	35.00	32.00	29.00	26.80
240	260	44.40	41.70	39.00	36.00	33.00	30.80
260	280	48.40	45.70	43.00	40.00	37.00	34.80
280	300	52.40	49.70	47.00	44.00	41.00	38.80
300	320	56.40	53.70	51.00	48.00	45.00	42.80
320	340	60.40	57.70	55.00	52.00	49.00	46.80
340	360	64.40	61.70	59.00	56.00	53.00	50.80
360	380	68.40	65.70	63.00	60.00	57.00	54.80
\$400 or over		20% of the excess over \$400 plus					
		\$70.40	\$67.70	\$65.00	\$62.30	\$59.60	\$56.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30	\$1.90	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
30	40	3.90	1.10	.60	.60	.60	.60
40	50	5.90	3.10	.90	.90	.90	.90
50	60	8.90	6.10	3.40	1.40	1.40	1.40
60	80	12.90	10.10	7.40	4.70	2.00	2.00
80	100	16.90	14.10	11.40	8.70	6.00	3.30
100	120	20.90	18.10	15.40	12.70	10.00	7.30
120	140	24.90	22.10	19.40	16.70	14.00	11.30
140	160	28.90	26.10	23.40	20.70	18.00	15.30
160	180	32.90	30.10	27.40	24.70	22.00	19.30
180	200	36.90	34.10	31.40	28.70	26.00	23.30
200	220	40.90	38.10	35.40	32.70	30.00	27.30
220	240	44.90	42.10	39.40	36.70	34.00	31.30
240	260	48.90	46.10	43.40	40.70	38.00	35.30
260	280	52.90	50.10	47.40	44.70	42.00	39.30
280	300	56.90	54.10	51.40	48.70	46.00	43.30
300	320	60.90	58.10	55.40	52.70	50.00	47.30
320	340	64.90	62.10	59.40	56.70	54.00	51.30
340	360	68.90	66.10	63.40	60.70	58.00	55.30
360	380	72.90	70.10	67.40	64.70	62.00	59.30
\$400 or over		20% of the excess over \$400 plus					
		\$74.90	\$72.10	\$69.40	\$66.70	\$64.00	\$61.30

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30	\$1.70	\$1.60				
30	40	3.30	3.60	\$0.80	\$0.30	\$0.30	\$0.30
40	50	5.30	5.60	2.80	.60	.60	.60
50	60	7.30	7.60	4.80	2.10	.90	.90
60	80	11.30	10.60	7.80	5.10	2.40	1.40
80	100	15.30	14.60	11.80	9.10	6.40	3.70
100	120	19.30	18.60	15.80	13.10	10.40	7.70
120	140	23.30	22.60	19.80	17.10	14.40	11.70
140	160	27.30	26.60	23.80	21.10	18.40	15.70
160	180	31.30	30.60	27.80	25.10	22.40	19.70
180	200	35.30	34.60	31.80	29.10	26.40	23.70
200	220	39.30	38.60	35.80	33.10	30.40	27.70
220	240	43.30	42.60	39.80	37.10	34.40	31.70
240	260	47.30	46.60	43.80	41.10	38.40	35.70
260	280	51.30	50.60	47.80	45.10	42.40	39.70
280	300	55.30	54.60	51.80	49.10	46.40	43.70
300	320	59.30	58.60	55.80	53.10	50.40	47.70
320	340	63.30	62.60	59.80	57.10	54.40	51.70
340	360	67.30	66.60	63.80	61.10	58.40	55.70
360	380	71.30	70.60	67.80	65.10	62.40	59.70
380	400	75.30	74.60	71.80	69.10	66.40	63.70
\$400 or over		20% of the excess over \$200 plus					
		\$79.30	\$76.60	\$73.80	\$71.10	\$68.40	\$65.70

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.70 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$24, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is biweekly

And the wages are		And such person is head of a family and has					
At least	But less than	No dependents	One dependents	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	.60	.60	.60	.60	.60	.60
50	60	1.40	1.40	.90	.90	.90	.90
60	80	4.40	4.40	1.70	1.40	1.40	1.40
80	100	8.40	8.40	5.70	3.00	2.00	2.00
100	120	12.40	12.40	9.70	7.00	4.30	2.60
120	140	16.40	16.40	13.70	11.00	8.30	5.60
140	160	20.40	20.40	17.70	15.00	12.30	9.60
160	180	24.40	24.40	21.70	19.00	16.30	13.60
180	200	28.40	28.40	25.70	23.00	20.30	17.60
200	220	32.40	32.40	29.70	27.00	24.30	21.60
220	240	36.40	36.40	33.70	31.00	28.30	25.60
240	260	40.40	40.40	37.70	35.00	32.30	29.60
260	280	44.40	44.40	41.70	39.00	36.30	33.60
280	300	48.40	48.40	45.70	43.00	40.30	37.60
300	320	52.40	52.40	49.70	47.00	44.30	41.60
320	340	56.40	56.40	53.70	51.00	48.30	45.60
340	360	60.40	60.40	57.70	55.00	52.30	49.60
360	380	64.40	64.40	61.70	59.00	56.30	53.60
380	400	68.40	68.40	65.70	63.00	60.30	57.60
\$400 or over		20% of the excess over \$400 plus					
		\$70.40	\$70.40	\$67.70	\$65.00	\$62.30	\$59.60

"If the pay-roll period with respect to an employee is semimonthly

And the wages are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
20	30	0.30	0.30	0.30	0.30	0.30	0.30
30	40	0.30	0.30	0.30	0.30	0.30	0.30
40	50	0.30	0.30	0.30	0.30	0.30	0.30
50	60	0.30	0.30	0.30	0.30	0.30	0.30
60	70	0.30	0.30	0.30	0.30	0.30	0.30
70	80	0.30	0.30	0.30	0.30	0.30	0.30
80	90	0.30	0.30	0.30	0.30	0.30	0.30
90	100	0.30	0.30	0.30	0.30	0.30	0.30
100	120	0.30	0.30	0.30	0.30	0.30	0.30
120	140	0.30	0.30	0.30	0.30	0.30	0.30
140	160	0.30	0.30	0.30	0.30	0.30	0.30
160	180	0.30	0.30	0.30	0.30	0.30	0.30
180	200	0.30	0.30	0.30	0.30	0.30	0.30
200	220	0.30	0.30	0.30	0.30	0.30	0.30
220	240	0.30	0.30	0.30	0.30	0.30	0.30
240	260	0.30	0.30	0.30	0.30	0.30	0.30
260	280	0.30	0.30	0.30	0.30	0.30	0.30
280	300	0.30	0.30	0.30	0.30	0.30	0.30
300	320	0.30	0.30	0.30	0.30	0.30	0.30
320	340	0.30	0.30	0.30	0.30	0.30	0.30
340	360	0.30	0.30	0.30	0.30	0.30	0.30
360	380	0.30	0.30	0.30	0.30	0.30	0.30
380	400	0.30	0.30	0.30	0.30	0.30	0.30
\$400 or over		20% of the excess over \$400 plus					
		\$75.30	\$72.40	\$69.50	\$66.60	\$63.70	\$60.90

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$20, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly

And the wages are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
20	30	0.30	0.30	0.30	0.30	0.30	0.30
30	40	0.30	0.30	0.30	0.30	0.30	0.30
40	50	0.30	0.30	0.30	0.30	0.30	0.30
50	60	0.30	0.30	0.30	0.30	0.30	0.30
60	70	0.30	0.30	0.30	0.30	0.30	0.30
70	80	0.30	0.30	0.30	0.30	0.30	0.30
80	90	0.30	0.30	0.30	0.30	0.30	0.30
90	100	0.30	0.30	0.30	0.30	0.30	0.30
100	120	0.30	0.30	0.30	0.30	0.30	0.30
120	140	0.30	0.30	0.30	0.30	0.30	0.30
140	160	0.30	0.30	0.30	0.30	0.30	0.30
160	180	0.30	0.30	0.30	0.30	0.30	0.30
180	200	0.30	0.30	0.30	0.30	0.30	0.30
200	220	0.30	0.30	0.30	0.30	0.30	0.30
220	240	0.30	0.30	0.30	0.30	0.30	0.30
240	260	0.30	0.30	0.30	0.30	0.30	0.30
260	280	0.30	0.30	0.30	0.30	0.30	0.30
280	300	0.30	0.30	0.30	0.30	0.30	0.30
300	320	0.30	0.30	0.30	0.30	0.30	0.30
320	340	0.30	0.30	0.30	0.30	0.30	0.30
340	360	0.30	0.30	0.30	0.30	0.30	0.30
360	380	0.30	0.30	0.30	0.30	0.30	0.30
380	400	0.30	0.30	0.30	0.30	0.30	0.30
\$400 or over		20% of the excess over \$400 plus					
		\$69.90	\$67.00	\$64.10	\$61.20	\$58.30	\$55.40

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$20, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
20	30	0.30	0.30	0.30	0.30	0.30	0.30
30	40	0.30	0.30	0.30	0.30	0.30	0.30
40	50	0.30	0.30	0.30	0.30	0.30	0.30
50	60	0.30	0.30	0.30	0.30	0.30	0.30
60	70	0.30	0.30	0.30	0.30	0.30	0.30
70	80	0.30	0.30	0.30	0.30	0.30	0.30
80	90	0.30	0.30	0.30	0.30	0.30	0.30
90	100	0.30	0.30	0.30	0.30	0.30	0.30
100	120	0.30	0.30	0.30	0.30	0.30	0.30
120	140	0.30	0.30	0.30	0.30	0.30	0.30
140	160	0.30	0.30	0.30	0.30	0.30	0.30
160	180	0.30	0.30	0.30	0.30	0.30	0.30
180	200	0.30	0.30	0.30	0.30	0.30	0.30
200	220	0.30	0.30	0.30	0.30	0.30	0.30
220	240	0.30	0.30	0.30	0.30	0.30	0.30
240	260	0.30	0.30	0.30	0.30	0.30	0.30
260	280	0.30	0.30	0.30	0.30	0.30	0.30
280	300	0.30	0.30	0.30	0.30	0.30	0.30
300	320	0.30	0.30	0.30	0.30	0.30	0.30
320	340	0.30	0.30	0.30	0.30	0.30	0.30
340	360	0.30	0.30	0.30	0.30	0.30	0.30
360	380	0.30	0.30	0.30	0.30	0.30	0.30
380	400	0.30	0.30	0.30	0.30	0.30	0.30
\$400 or over		20% of the excess over \$400 plus					
		\$74.50	\$71.60	\$68.80	\$65.90	\$63.00	\$60.10

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$20, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$20	\$1.70	\$1.40	\$0.30	\$0.30	\$0.30	\$0.30
20	30	4.20	3.40	0.30	0.30	0.30	0.30
30	40	6.20	5.30	0.30	0.30	0.30	0.30
40	50	8.20	7.30	0.30	0.30	0.30	0.30
50	60	10.20	9.30	0.30	0.30	0.30	0.30
60	70	12.20	11.30	0.30	0.30	0.30	0.30
70	80	14.20	13.30	0.30	0.30	0.30	0.30
80	90	16.20	15.30	0.30	0.30	0.30	0.30
90	100	18.20	17.30	0.30	0.30	0.30	0.30
100	120	20.20	19.30	0.30	0.30	0.30	0.30
120	140	22.20	21.30	0.30	0.30	0.30	0.30
140	160	24.20	23.30	0.30	0.30	0.30	0.30
160	180	26.20	25.30	0.30	0.30	0.30	0.30
180	200	28.20	27.30	0.30	0.30	0.30	0.30
200	220	30.20	29.30	0.30	0.30	0.30	0.30
220	240	32.20	31.30	0.30	0.30	0.30	0.30
240	260	34.20	33.30	0.30	0.30	0.30	0.30
260	280	36.20	35.30	0.30	0.30	0.30	0.30
280	300	38.20	37.30	0.30	0.30	0.30	0.30
300	320	40.20	39.30	0.30	0.30	0.30	0.30
320	340	42.20	41.30	0.30	0.30	0.30	0.30
340	360	44.20	43.30	0.30	0.30	0.30	0.30
360	380	46.20	45.30	0.30	0.30	0.30	0.30
380	400	48.20	47.30	0.30	0.30	0.30	0.30
\$400 or over		20% of the excess over \$400 plus					
		\$79.20	\$76.30	\$73.40	\$70.50	\$67.60	\$64.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$2.90 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$400 or over, of the excess of the wages) over \$20, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is semimonthly

And the wages are		And such person is a head of a family and has					
At least	But less than	No de- pend- ents	One de- pend- ent	Two de- pend- ents	Three de- pend- ents	Four de- pend- ents	Five de- pend- ents
The amount to be withheld shall be							
\$0	\$20						
20	30						
30	40	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
40	50	.60	.60	.60	.60	.60	.60
50	60	.90	.90	.90	.90	.90	.90
60	80	3.90	3.90	1.30	1.30	1.30	1.30
80	100	7.90	7.90	5.00	2.10	1.90	1.90
100	120	11.90	11.90	9.00	6.10	3.20	2.50
120	140	15.90	15.90	13.00	10.10	7.20	4.30
140	160	19.90	19.90	17.00	14.10	11.20	8.30
160	180	23.90	23.90	21.00	18.10	15.20	12.30
180	200	27.90	27.90	25.00	22.10	19.20	16.30
200	220	31.90	31.90	29.00	26.10	23.20	20.30
220	240	35.90	35.90	33.00	30.10	27.20	24.30
240	260	39.90	39.90	37.00	34.10	31.20	28.30
260	280	43.90	43.90	41.00	38.10	35.20	32.30
280	300	47.90	47.90	45.00	42.10	39.20	36.30
300	320	51.90	51.90	49.00	46.10	43.20	40.30
320	340	55.90	55.90	53.00	50.10	47.20	44.30
340	360	59.90	59.90	57.00	54.10	51.20	48.30
360	380	63.90	63.90	61.00	58.10	55.20	52.30
380	400	67.90	67.90	65.00	62.10	59.20	56.30
\$400 or over----	20% of the excess over \$400 plus						
		\$69.90	\$69.90	\$67.00	\$64.10	\$61.20	\$58.30

"If the pay-roll period with respect to an employee is monthly

And the wages are		And such person is a married person claiming all of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40						
40	50	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	.40	.40	.40	.40	.40	.40
60	70	.70	.70	.70	.70	.70	.70
70	80	1.10	1.10	1.10	1.10	1.10	1.10
80	100	1.70	1.70	1.70	1.70	1.70	1.70
100	120	2.30	2.30	2.30	2.30	2.30	2.30
120	140	2.90	2.90	2.90	2.90	2.90	2.90
140	160	3.50	3.50	3.50	3.50	3.50	3.50
160	200	4.10	4.10	4.10	4.10	4.10	4.10
200	240	4.70	4.70	4.70	4.70	4.70	4.70
240	280	5.30	5.30	5.30	5.30	5.30	5.30
280	320	5.90	5.90	5.90	5.90	5.90	5.90
320	360	6.50	6.50	6.50	6.50	6.50	6.50
360	400	7.10	7.10	7.10	7.10	7.10	7.10
400	440	7.70	7.70	7.70	7.70	7.70	7.70
440	480	8.30	8.30	8.30	8.30	8.30	8.30
480	520	8.90	8.90	8.90	8.90	8.90	8.90
520	560	9.50	9.50	9.50	9.50	9.50	9.50
560	600	10.10	10.10	10.10	10.10	10.10	10.10
600	640	10.70	10.70	10.70	10.70	10.70	10.70
640	680	11.30	11.30	11.30	11.30	11.30	11.30
680	720	11.90	11.90	11.90	11.90	11.90	11.90
720	760	12.50	12.50	12.50	12.50	12.50	12.50
760	800	13.10	13.10	13.10	13.10	13.10	13.10
\$800 or over—20% of the excess over \$800 plus							
		\$139.70	\$134.00	\$128.20	\$122.40	\$116.60	\$110.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly

And the wages are		And such person is a married person claiming half of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40						
40	50	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	.40	.40	.40	.40	.40	.40
60	70	.70	.70	.70	.70	.70	.70
70	80	1.10	1.10	1.10	1.10	1.10	1.10
80	100	1.70	1.70	1.70	1.70	1.70	1.70
100	120	2.30	2.30	2.30	2.30	2.30	2.30
120	140	2.90	2.90	2.90	2.90	2.90	2.90
140	160	3.50	3.50	3.50	3.50	3.50	3.50
160	200	4.10	4.10	4.10	4.10	4.10	4.10
200	240	4.70	4.70	4.70	4.70	4.70	4.70
240	280	5.30	5.30	5.30	5.30	5.30	5.30
280	320	5.90	5.90	5.90	5.90	5.90	5.90
320	360	6.50	6.50	6.50	6.50	6.50	6.50
360	400	7.10	7.10	7.10	7.10	7.10	7.10
400	440	7.70	7.70	7.70	7.70	7.70	7.70
440	480	8.30	8.30	8.30	8.30	8.30	8.30
480	520	8.90	8.90	8.90	8.90	8.90	8.90
520	560	9.50	9.50	9.50	9.50	9.50	9.50
560	600	10.10	10.10	10.10	10.10	10.10	10.10
600	640	10.70	10.70	10.70	10.70	10.70	10.70
640	680	11.30	11.30	11.30	11.30	11.30	11.30
680	720	11.90	11.90	11.90	11.90	11.90	11.90
720	760	12.50	12.50	12.50	12.50	12.50	12.50
760	800	13.10	13.10	13.10	13.10	13.10	13.10
\$800 or over—20% of the excess over \$800 plus							
		\$149.10	\$143.30	\$137.50	\$131.70	\$126.00	\$120.20

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly

And the wages are		And such person is a married person claiming none of personal exemption for withholding and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40	\$3.40	\$1.90				
40	50	7.60	3.70	\$0.10	\$0.10	\$0.10	\$0.10
50	60	11.40	5.70	.40	.40	.40	.40
60	70	13.40	7.70	.70	.70	.70	.70
70	80	16.40	10.70	1.10	1.10	1.10	1.10
80	100	20.40	14.70	1.70	1.70	1.70	1.70
100	120	24.40	18.70	2.30	2.30	2.30	2.30
120	140	28.40	22.70	2.90	2.90	2.90	2.90
140	160	32.40	26.70	3.50	3.50	3.50	3.50
160	200	36.40	30.70	4.10	4.10	4.10	4.10
200	240	40.40	34.70	4.70	4.70	4.70	4.70
240	280	44.40	38.70	5.30	5.30	5.30	5.30
280	320	48.40	42.70	5.90	5.90	5.90	5.90
320	360	52.40	46.70	6.50	6.50	6.50	6.50
360	400	56.40	50.70	7.10	7.10	7.10	7.10
400	440	60.40	54.70	7.70	7.70	7.70	7.70
440	480	64.40	58.70	8.30	8.30	8.30	8.30
480	520	68.40	62.70	8.90	8.90	8.90	8.90
520	560	72.40	66.70	9.50	9.50	9.50	9.50
560	600	76.40	70.70	10.10	10.10	10.10	10.10
600	640	80.40	74.70	10.70	10.70	10.70	10.70
640	680	84.40	78.70	11.30	11.30	11.30	11.30
680	720	88.40	82.70	11.90	11.90	11.90	11.90
720	760	92.40	86.70	12.50	12.50	12.50	12.50
760	800	96.40	90.70	13.10	13.10	13.10	13.10
\$800 or over—20% of the excess over \$800 plus							
		\$158.40	\$152.70	\$146.90	\$141.10	\$135.30	\$129.50

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is monthly

And the wages are		And such person is head of a family and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be							
\$0	\$40						
40	50	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
50	60	.40	.40	.40	.40	.40	.40
60	70	.70	.70	.70	.70	.70	.70
70	80	1.10	1.10	1.10	1.10	1.10	1.10
80	100	1.70	1.70	1.70	1.70	1.70	1.70
100	120	2.30	2.30	2.30	2.30	2.30	2.30
120	140	2.90	2.90	2.90	2.90	2.90	2.90
140	160	3.50	3.50	3.50	3.50	3.50	3.50
160	200	4.10	4.10	4.10	4.10	4.10	4.10
200	240	4.70	4.70	4.70	4.70	4.70	4.70
240	280	5.30	5.30	5.30	5.30	5.30	5.30
280	320	5.90	5.90	5.90	5.90	5.90	5.90
320	360	6.50	6.50	6.50	6.50	6.50	6.50
360	400	7.10	7.10	7.10	7.10	7.10	7.10
400	440	7.70	7.70	7.70	7.70	7.70	7.70
440	480	8.30	8.30	8.30	8.30	8.30	8.30
480	520	8.90	8.90	8.90	8.90	8.90	8.90
520	560	9.50	9.50	9.50	9.50	9.50	9.50
560	600	10.10	10.10	10.10	10.10	10.10	10.10
600	640	10.70	10.70	10.70	10.70	10.70	10.70
640	680	11.30	11.30	11.30	11.30	11.30	11.30
680	720	11.90	11.90	11.90	11.90	11.90	11.90
720	760	12.50	12.50	12.50	12.50	12.50	12.50
760	800	13.10	13.10	13.10	13.10	13.10	13.10
\$800 or over—20% of the excess over \$800 plus							
		\$139.70	\$139.70	\$134.00	\$128.20	\$122.40	\$116.60

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$5.80 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the median wage in the bracket in which the wages paid fall (or if the wages paid are \$800 or over, of the excess of the wages) over \$52, computed, in case such amount is not a multiple of \$0.10, to the nearest multiple of \$0.10.

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period

And the wages divided by the number of days in such period are		And such person is a single person and has					
At least	But less than	No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
The amount to be withheld shall be the following amount multiplied by the number of days in such period							
\$0	\$1						
1	2	\$0.20	\$0.20	\$0.05	\$0.05	\$0.05	\$0.05
2	3	.40	.40	.10	.10	.10	.10
3	4	.60	.60	.15	.15	.15	.15
4	5	.80	.80	.20	.20	.20	.20
5	6	1.00	1.00	.25	.25	.25	.25
6	7	1.20	1.20	.30	.30	.30	.30
7	8	1.40	1.40	.35	.35	.35	.35
8	9	1.60	1.60	.40	.40	.40	.40
9	10	1.80	1.80	.45	.45	.45	.45
10	12	2.00	2.00	.50	.50	.50	.50
12	14	2.20	2.20	.55	.55	.55	.55
14	16	2.40	2.40	.60	.60	.60	.60
16	18	2.60	2.60	.65	.65	.65	.65
18	20	2.80	2.80	.70	.70	.70	.70
20	22	3.00	3.00	.75	.75	.75	.75
22	24	3.20	3.20	.80	.80	.80	.80
24	26	3.40	3.40	.85	.85	.85	.85
26	28	3.60	3.60	.90	.90	.90	.90
28	30	3.80	3.80	.95	.95	.95	.95
\$30 and over—20% of excess over \$30 plus							
		\$5.70	\$5.50	\$5.30	\$5.15	\$4.95	\$4.75

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

At least	But less than	And such person is a married person claiming half of personal exemption for withholding and has					
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
\$0	\$1						
1	2						
2	3	\$0.15					
3	4		\$0.15				
4	5	.55	.35	.15	.10	.10	.10
5	6	.75	.55	.35	.20	.10	.10
6	7	.95	.75	.55	.40	.20	.15
7	8	1.15	.95	.75	.60	.40	.20
8	9	1.35	1.15	.95	.80	.60	.40
9	10	1.55	1.35	1.15	1.00	.80	.60
10	12	1.85	1.65	1.45	1.30	1.10	.90
12	14	2.25	2.05	1.85	1.70	1.50	1.30
14	16	2.65	2.45	2.25	2.10	1.90	1.70
16	18	3.05	2.85	2.65	2.50	2.30	2.10
18	20	3.45	3.25	3.05	2.90	2.70	2.50
20	22	3.85	3.65	3.45	3.30	3.10	2.90
22	24	4.25	4.05	3.85	3.70	3.50	3.30
24	26	4.65	4.45	4.25	4.10	3.90	3.70
26	28	5.05	4.85	4.65	4.50	4.30	4.10
28	30	5.45	5.25	5.05	4.90	4.70	4.50

\$30 and over	20% of excess over \$30 plus					
	\$5.65	\$5.45	\$5.25	\$5.10	\$4.90	\$4.70

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05."

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

At least	But less than	And such person is a married person claiming none of personal exemption for withholding and has					
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
\$0	\$1	\$0.10					
1	2	.25	\$0.05				
2	3	.45	.25	\$0.05			
3	4	.65	.45	.25	\$0.05	\$0.05	\$0.05
4	5	.85	.65	.45	.30	.10	.10
5	6	1.05	.85	.65	.50	.30	.10
6	7	1.25	1.05	.85	.70	.50	.30
7	8	1.45	1.25	1.05	.90	.70	.50
8	9	1.65	1.45	1.25	1.10	.90	.70
9	10	1.85	1.65	1.45	1.30	1.10	.90
10	12	2.15	1.95	1.75	1.60	1.40	1.20
12	14	2.55	2.35	2.15	2.00	1.80	1.60
14	16	2.95	2.75	2.55	2.40	2.20	2.00
16	18	3.35	3.15	2.95	2.80	2.60	2.40
18	20	3.75	3.55	3.35	3.20	3.00	2.80
20	22	4.15	3.95	3.75	3.60	3.40	3.20
22	24	4.55	4.35	4.15	4.00	3.80	3.60
24	26	4.95	4.75	4.55	4.40	4.20	4.00
26	28	5.35	5.15	4.95	4.80	4.60	4.40
28	30	5.75	5.55	5.35	5.20	5.00	4.80

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05."

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period"

At least	But less than	And such person is head of a family and has					
		No dependents	One dependent	Two dependents	Three dependents	Four dependents	Five dependents
\$0	\$1						
1	2						
2	3						
3	4	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
4	5	.25	.25	.10	.10	.10	.10
5	6	.45	.45	.25	.10	.10	.10
6	7	.65	.65	.45	.25	.15	.15
7	8	.85	.85	.65	.45	.30	.15
8	9	1.05	1.05	.85	.65	.50	.30
9	10	1.25	1.25	1.05	.85	.70	.50
10	12	1.55	1.55	1.35	1.15	1.00	.80
12	14	1.95	1.95	1.75	1.55	1.40	1.20
14	16	2.35	2.35	2.15	1.95	1.80	1.60
16	18	2.75	2.75	2.55	2.35	2.20	2.00
18	20	3.15	3.15	2.95	2.75	2.60	2.40
20	22	3.55	3.55	3.35	3.15	3.00	2.80
22	24	3.95	3.95	3.75	3.55	3.40	3.20
24	26	4.35	4.35	4.15	3.95	3.80	3.60
26	28	4.75	4.75	4.55	4.35	4.20	4.00
28	30	5.15	5.15	4.95	4.75	4.60	4.40

\$30 and over	20% of excess over \$30 plus					
	\$5.25	\$5.35	\$5.15	\$4.95	\$4.80	\$4.60

"If the number of dependents is in excess of five, the amount of tax to be withheld shall be that applicable in the case of five dependents reduced by \$0.20 for each dependent over five, except that in no event shall the amount to be withheld be less than 3 per centum of the excess of the product of the median wage in the bracket in which the wages fall and the number of days in the period (or if the wages paid are \$30 or over, of the excess of the wages) over the product of \$1.70 and the number of days in the period, computed, in case such amount is not a multiple of \$0.05, to the nearest multiple of \$0.05."

"(2) If wages are paid with respect to a period which is not a payroll period, the amount to be withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days in the period with respect to which such wages are paid."

"(3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days (including Sundays and holidays) which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later."

"(4) In any case in which the period, or the time described in paragraph (3), in respect of any wages is less than one week, at the election of the employer the amount to be withheld shall be determined under the tables applicable in the case of a weekly payroll period, and for such purpose the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages."

"(d) Tax paid by recipient: If all of the taxes against which the tax required to be withheld and collected under this part may be credited have been paid, the tax so required to be withheld, collected, and paid by the employer shall not be collected from the employer; but payment of such taxes shall in no case relieve the employer from liability for additions to the tax otherwise applicable in respect of the tax imposed by this chapter."

"(e) Credit for tax withheld at source: The tax withheld and deducted under this part shall not be allowed as a deduction either to the employer or to the recipient of the income in computing net income;

but the amount withheld and deducted as tax under this part during any calendar year upon the wages of any individual shall be allowed as a credit to the recipient of the income against the tax imposed by sections 11 and 12, or section 400, as the case may be, and section 450 (adjusted for the credit allowed by section 453) for taxable years beginning in such calendar year."

"(f) Refunds. Where there has been an overpayment of tax under this part, any refund or credit made under section 322 shall be made to the employer to the extent that the amount of such overpayment was not withheld and collected under this part by the employer."

"(g) Included and excluded wages: If the remuneration paid by an employer to an employee for services performed during one-half or more of any payroll period of not more than 31 consecutive days constitutes wages, all the remuneration paid by such employer to such employee for such period shall be deemed to be wages; but if the remuneration paid by an employer to an employee for services performed during more than one-half of any such payroll period does not constitute wages, then none of the remuneration paid by such employer to such employee for such period shall be deemed to be wages."

"(h) Withholding exemption certificates: Every employee receiving wages (as defined in section 465) shall furnish his employer a signed withholding exemption certificate relating to his status for the purpose of computing the withholding exemption, or if the employer exercises his election under section 466 (b) (relating to wage bracket withholding), for the purpose of computing the amount to be withheld under such subsection. In case such a certificate is required because of a change of status, it shall be furnished not later than 10 days after such change occurs. The certificate shall be in such form and contain such information as the Commissioner may, with the approval of the Secretary, by regulations prescribe. Such certificate—

"(1) If furnished after the date of commencement of employment with the employer, shall take effect as of the beginning of the last payroll period beginning prior to, or with respect to the first payment of wages without regard to a payroll period made after, the expiration of 30 days after the date on which such certificate is furnished to the employer, except that at the election of the employer such certificate may be made effective as of the beginning of any previous payroll period ending, or with respect to any previous payment of wages without regard to a payroll period made, on or after the date of the furnishing of such certificate."

"(2) If furnished on the date of commencement of employment shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which such certificate is furnished to the employer."

"A certificate which takes effect under this subsection shall continue in effect with respect to the employer until another such certificate furnished by the employee takes effect under this subsection. If no certificate is in effect under this subsection with respect to an employee, such employee shall be treated, for the purposes of the withholding exemption, or in case the employer exercises his election under section 466 (c) (relating to wage bracket withholding), for the purpose of computing the amount to be withheld under such subsection, as a married person claiming none of the personal exemption for withholding."

"(i) Overlapping pay periods, and so forth: If a payment of wages is made to an employee by an employer—

"(1) with respect to a payroll period or other period, any part of which is included in a payroll period or other period with

respect to which wages are also paid to such employee by such employer, or

"(2) without regard to any payroll period or other period, but on or prior to the expiration of a payroll period or other period with respect to which wages are also paid to such employee by such employer, or

"(3) with respect to a period beginning in one and ending in another calendar year,

"the manner of withholding and the amount to be withheld under this subchapter shall be determined under regulations prescribed by the Commissioner with the approval of the Secretary.

"Sec. 467. Liability for tax, and adjustments.

"(a) Employer liable for tax: The employer shall be liable for the payment of the tax required to be withheld and collected under this part, and shall not be liable to any person for the amount of any such payment.

"(b) Adjustments: If more or less than the correct amount of tax is withheld or paid for any quarter in any calendar year, proper adjustments, with respect both to the tax withheld or the tax paid, may be made in any subsequent quarter of such calendar year, without interest, in such manner and at such times as may be prescribed by regulations made by the Commissioner, with the approval of the Secretary.

"Sec. 468. Return and payment by employer.

"In lieu of the time prescribed in sections 53 and 56 for the return and payment of the tax imposed by this chapter, every employer shall make a return and pay the tax required to be withheld and collected under this part on or before the last day of the month following the close of each quarter of each calendar year. Such return shall contain or be verified by a written declaration that it is made under the penalties of perjury. The employer shall include with the final return for the calendar year a duplicate copy of each receipt required to be furnished under section 469. The employer shall also keep such records and render under oath such statements with respect to the tax so withheld and collected as may be required under regulations prescribed by the Commissioner, with the approval of the Secretary. If the employer is the United States, or a State, Territory, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return required in respect of the amount withheld and collected upon any wages may be made by any officer or employee of the United States, or of such State, Territory, or political subdivision, or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose. A deficiency may be determined on the basis of the amounts required to be withheld and collected during a calendar year, and in such case the amount of the tax shown on the return shall be held and considered to be the aggregate of the amounts of tax shown on the quarterly returns, the tax imposed under this part shall be held and considered to be the aggregate of the taxes imposed for each quarter of the calendar year, the date prescribed for the payment of the tax shall be held and considered to be the date prescribed for the making of the last quarterly return, and for the purpose of ascertaining the return on the basis of which such deficiency is determined, the quarterly returns shall be held and considered to be one return required to be made on the date prescribed for the making of the last quarterly return.

"Sec. 469. Receipts.

"(a) Wages: Every employer required to withhold and collect a tax in respect of the wages of an employee shall furnish to each such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or, if his employ-

ment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the wages paid by the employer to such employee during such calendar year, and the amount of the tax withheld and collected under this part in respect of such wages.

"(b) Statements to constitute information returns: The statements required to be furnished by this section in respect of any wages shall be in lieu of the return required to be furnished by the employer in respect of such wages under section 147 and shall be furnished at such other times, shall contain such other information, and shall be in such form as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

"(c) Extension of time: The Commissioner, under such regulations as he may prescribe with the approval of the Secretary, may grant to any employer a reasonable extension of time (not in excess of 30 days) with respect to the statements required to be furnished to employees on the day on which the last payment of wages is made.

"Sec. 470. Penalties.

"(a) Penalties for fraudulent receipt or failure to furnish receipt: In lieu of any other penalty provided by law (except the penalty provided by subsection (b) of this section), any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who willfully furnishes a false or fraudulent receipt, or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure, upon conviction thereof, be fined not more than \$1,000, or imprisoned for not more than 1 year, or both.

"(b) Additional penalty: In addition to the penalty provided by subsection (a) of this section, any person required under the provisions of section 469 to furnish a receipt in respect of tax withheld pursuant to this part who willfully furnishes a false or fraudulent receipt or who willfully fails to furnish a receipt in the manner, at the time, and showing the information required under section 469, or regulations prescribed thereunder, shall for each such failure be subject to a civil penalty of not more than \$50.

"(c) Failure of employer to file return or pay tax: In case of any failure to make and file return or pay the tax required by this part, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to the tax provided for in section 291 shall not be less than \$10.

"(d) Penalties in respect of withholding exemption certificates: Any individual required to supply information to his employer under section 466 (h) who willfully supplies false or fraudulent information, or who willfully fails to supply information thereunder which would decrease the withholding exemption, shall, in lieu of the penalty provided in section 145 (a), upon conviction thereof, be fined not more than \$500, or imprisoned for not more than 1 year, or both.

"(b) Technical amendment: The heading of subchapter D of chapter 1 of the Internal Revenue Code is amended by inserting at the end thereof the following: 'And collection of tax at source on wages.'

"(c) Expiration date for withholding at source on wages repealed: Section 476 of the Internal Revenue Code (prescribing the expiration date for the taxes imposed by subchapter D) is amended by inserting before 'this subchapter' the following: 'Part I of.'

"(d) Effective date: The amendments made by subsections (a), (b), and (c) shall take effect July 1, 1943, and shall be applicable to all wages paid on or after such date.

"Sec. 3. Refunds.

"(a) Excessive withholding. Section 322 (a) (2) of the Internal Revenue Code (relating to excessive withholding) is amended to read as follows:

"(2) Excessive withholding: Where the amount of the tax withheld at the source under part II of subchapter D exceeds the taxes imposed by this chapter (after allowance of the credits provided by sections 31, 32, and 453) against which the tax so withheld may be credited under section 466 (e), the amount of such excess shall be credited against any income tax or installment thereof then due from the taxpayer, and any balance thereof shall be refunded immediately to the taxpayer.

"(b) Review of allowance of interest: Section 3790 of the Internal Revenue Code (prohibiting administrative review of Commissioner's decisions) is amended by inserting at the end thereof the following: 'In the absence of fraud or mistake in mathematical calculation, the allowance or nonallowance by the Commissioner, of interest on any credit or refund of amounts withheld under part II of subchapter D of chapter 1, or of amounts paid thereunder, or of payments of the estimated tax made under section 59, shall not, except as provided in chapter 5, be subject to review by any other administrative or accounting officer, employee, or agent of the United States.'

"Sec. 4. Current payment of basic tax not withheld at source.

"(a) In general: The Internal Revenue Code is amended by striking out sections 58, 59, and 60 and inserting in lieu thereof the following:

"Sec. 58. Declaration of estimated basic tax by individuals.

"(a) Requirement of declaration: Every individual (other than an estate or trust and other than a nonresident alien subject to withholding under section 143 (b)) shall, at the time during the taxable year prescribed in subsection (d), make a declaration of his estimated basic tax for the taxable year if his gross income from sources other than wages (as defined in section 465)—

"(1) in case such individual is single or married but not living with husband or wife: can reasonably be expected to exceed \$100 for the taxable year and this gross income to be such as will require the making of a return for the taxable year under section 51; or did exceed \$100 for the preceding taxable year and such individual either was required to make a return under section 51 for such preceding taxable year or would have been so required if he had been single during the whole of such preceding taxable year; or

"(2) in case such individual is married and living with husband or wife: can when added to the gross income which can reasonably be expected to be received by husband or wife from such sources, reasonably be expected to exceed \$100 for the taxable year and the aggregate gross income of such husband and wife can reasonably be expected to be such as will require the making of a return under section 51; or did, when added to the gross income of such husband or wife from such sources for the preceding taxable year, exceed \$100 for such preceding taxable year and such individual would have been required to make a return under section 51 for such preceding taxable year if he had been married and living with husband or wife during the whole of such preceding taxable year.

"(b) Contents of declaration: In the declaration required under subsection (a) the individual shall state—

"(1) the amount by which his estimated net income for the taxable year exceeds the greater of the following:

"(A) the amount of his estimated wages as defined in section 465, the withheld tax on which is allowable as a credit for such taxable year under section 466 (e);

"(B) the amount of his estimated aggregate amount of the credits for the taxable year allowable under section 25 (b);

"(2) the amount equal to 20 percent of the amount determined under paragraph (1), which for the purpose of this chapter shall be held and considered to be the estimated basic tax for the taxable year."

"The declaration shall also contain such other information for the purposes of carrying out the provisions of this chapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe, and shall contain or be verified by a written statement that it is made under the penalties of perjury.

"(c) Joint declaration by husband and wife: In the case of a husband and wife living together, a single declaration under this section may be made by them jointly, in which case the liability with respect to the estimated basic tax shall be joint and several. No joint declaration may be made if either the husband or wife is a nonresident alien. If a joint declaration is made but a joint return is not made for the taxable year, the estimated basic tax for such year may be treated as the estimated basic tax of either the husband or the wife, or may be divided between them.

"(d) Time and place for filing: The declaration required under subsection (a) shall be filed on or before the fifteenth day of the third month of the taxable year, except that if the requirements of subsection (a) are first met after such date, the declaration shall be filed on or before the fifteenth day of the last month of the quarter of the taxable year in which such requirements are first met. An individual may make amendments or revisions of a declaration filed under this subsection, under regulations prescribed by the Commissioner with the approval of the Secretary. If so made, such amendments or revisions shall be filed on or before the 15th day of any quarter of the taxable year subsequent to that in which the declaration was filed and in which no previous amendments or revisions have been made or filed. Declarations and amendments and revisions thereof shall be filed with the Collector specified in section 53 (b) (1).

"(e) Extension of time: The Commissioner may grant a reasonable extension of time for filing declarations, under such rules and regulations as he shall prescribe with the approval of the Secretary. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months.

"(f) Persons under disability: If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer.

"(g) Signature presumed correct: The fact that an individual's name is signed to a filed declaration shall be prima facie evidence for all purposes that the declaration was actually signed by him.

"SEC. 59. Payment of estimated basic tax.

"(a) In general: The estimated basic tax shall be paid in four equal installments except that

"(1) if the declaration is filed (otherwise than pursuant to an extension of time) after the fifteenth day of the third month of the taxable year, the estimated basic tax shall be paid in equal installments the number of which is equal to the number of quarters remaining in the taxable year (including the quarter in which the declaration is filed); and

"(2) if any amendment or revision of a declaration is filed, the remaining installments shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease, as the case may be, in the estimated basic tax by reason of such amendment or revision; and

"(3) at the election of the individual, any installment of the estimated basic tax may be paid prior to the date prescribed for its payment.

"Payment of the estimated basic tax shall be considered payment on account of the tax for the taxable year.

"(b) Assessment: The estimated basic tax shall be assessed only to the extent paid.

"SEC. 60. Special rules for application of sections 58 and 59.

"(a) Farmers: In the case of an individual whose estimated gross income from farming for the taxable year is at least 80 percent of the total estimated gross income from all sources for the taxable year, in lieu of the time prescribed in section 58 (d), the declaration for the taxable year may be made at any time on or before the 15th day of the last month of the taxable year.

"(b) Application to short taxable years: The application of sections 58, 59, and 294 (a) (4) and (5) to taxable years of less than 12 months shall be as prescribed in regulations prescribed by the Commissioner with the approval of the Secretary.

"(c) Application to taxable years beginning in 1943: If the taxable year is the calendar year 1943, the 15th day of September 1943 shall be substituted for the 15th day of March for the purposes of section 58 (d). If the taxable year begins in 1943 after January 1, the date which shall be substituted for the 15th day of the third month of the taxable year for the purposes of section 58 (d) shall be prescribed by regulations prescribed by the Commissioner with the approval of the Secretary.

"(b) Additions to tax: Section 294 (a) of the Internal Revenue Code (relating to additions to tax in case of nonpayment) is amended by inserting at the end thereof the following:

"(3) Failure to file declaration of estimated basic tax: In the case of a failure to make and file a declaration of estimated basic tax within the time prescribed, there shall be added to the tax \$10 or an amount equal to 10 percent of the tax, whichever is the greater.

"(4) Failure to pay installment of estimated basic tax: In the case of the failure to pay an installment of the estimated basic tax within the time prescribed, there shall be added to the tax \$2.50 or 2½ percent of the tax, whichever is the greater, for each installment with respect to which such failure occurs.

"(5) Substantial underestimate of estimated basic tax: If 16 percent in the case of individuals other than farmers exercising an election under section 60 (a), or 13½ percent in the case of such farmers, of the net income in excess of the amount of wages as defined in section 465 (the withheld tax on which is allowable as a credit under section 466 (e)), or the amount of the credits against net income allowable under section 25 (b), whichever is the greater, exceeds the estimated basic tax, there shall be added to the tax an amount equal to 6 percent of such excess."

"(c) Penalties: Section 145 (a) of the Internal Revenue Code (relating to criminal penalties) is amended (1) by inserting after 'return' wherever appearing therein the words 'or declaration,' and (2) by inserting before 'tax' wherever appearing therein the words 'estimated basic tax or.'

"(d) Payment of tax: Section 56 (b) of the Internal Revenue Code is amended to read as follows:

"(b) Installment payments:

"(1) Corporations, estates, and trusts, etc.: In the case of (A) a corporation, (B) a trust, (C) an estate, or (D) a nonresident alien subject to withholding under section 143 (b), the taxpayer may elect to pay the tax in four equal installments, in which event the first installment shall be paid on the

date prescribed for the payment of the tax by the taxpayer, the second installment shall be paid on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month after such date.

"(2) Other individuals: In the case of all other individuals, the taxpayer may elect to pay the tax in four installments in which event the first installment shall be an amount equal to the sum of the following:

"(A) the basic tax;

"(B) one-fourth of the amount by which the tax imposed by this chapter computed without regard to the credit provided in section 466 (e) exceeds the basic tax.

"The amount of the first installment as computed hereunder shall be reduced by the sum of the amount of the credit allowable under section 466 (e) plus the amount of estimated basic tax paid during the taxable year and in case such sum is equal to or in excess of the amount of the first installment as computed hereunder, but is less than the tax imposed by this chapter (computed without regard to the credit allowable under section 466 (e)) such sum shall constitute the amount of the first installment. The amount of an installment other than such first installment shall be one-third of the difference between the tax imposed (computed without regard to the credit allowable under section 466 (e)) and the amount of such first installment. The first installment shall be paid on the date prescribed for the payment of the tax by the taxpayer, and the balance of the tax shall be paid in three equal installments, the second installment on the 15th day of the third month, the third installment on the 15th day of the sixth month, and the fourth installment on the 15th day of the ninth month, after such date.

"(3) Definition of basic tax: For the purposes of paragraph (2) of this subsection the term "basic tax" means—

"(A) in the case of a taxpayer making a return under Supplement T, the sum of (i) the tax imposed under section 400, (ii) the tax imposed under section 450 (adjusted for the credit allowable under section 453) and (iii) any additions to the tax for which the taxpayer is liable under the provisions of section 294 (a) (3) (4) (5).

"(B) in the case of all other taxpayers to which paragraph (2) of this subsection is applicable, the sum of (i) the normal tax imposed under section 11, (ii) an amount equal to a percentage of the surtax net income at the first bracket rate of surtax, (iii) the tax imposed under section 450 (adjusted for the credit allowable under section 453), and (iiii) any additions to the tax for which the taxpayer is liable under the provisions of sections 294 (a) (3) (4) (5).

"If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid is to be paid upon notice and demand from the collector."

"(e) Taxable years to which applicable: The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1942.

"SEC. 5. Relief from double payments in 1943.

"(a) Effective date: This section shall be applicable with respect to taxable years beginning in 1942 but shall not take effect until September 1, 1943.

"(b) In general: In the case of an individual who makes a return for a taxable year beginning in 1942, the tax imposed under chapter 1 of the Internal Revenue Code shall, in lieu of that otherwise imposed, be the tax computed without regard to this section less an amount equal to the sum of the normal tax plus 13 percent of the surtax net income for such year.

"(c) Supplement T taxpayers: In the case of an individual who makes a return for the calendar year 1942 under Supplement T, the

liability for the tax imposed under section 400 of the Internal Revenue Code for such year is canceled and discharged.

"(d) Short taxable years: The provisions of this section shall not apply to any taxable year which consists of a period of less than 12 months.

"(e) Reduction where credit for foreign tax: In computing the amount by which the tax is reduced under subsection (b) the tax imposed under chapter 1 of the Internal Revenue Code shall be the tax imposed under said chapter prior to its diminution by credit available to the taxpayer under sections 31 and 131 of such chapter. In computing the net tax liability for any such taxable year the amount of such credit shall be computed after taking into account the reduction in tax effected by this section.

"(f) Individuals excluded: The provisions of this section shall not apply to (A) an estate, (B) a trust, (C) a nonresident alien subject to withholding under section 143 (b) of the Internal Revenue Code.

"(g) Refund or credit of reduction in tax: The amount by which the tax is reduced under subsections (b) and (c) of this section shall, if the taxpayer elects to pay the tax in installments, be prorated to the four installments of such tax. The amount so prorated to the installments of the tax falling due after September 1, 1943, shall be applied in reduction of each such installment.

"(h) Treatment of payments prior to September 1, 1943, of amounts by which 1942 tax reduced: Any payment—other than interest and additions to the tax—made prior to September 1, 1943—or on or after such date pursuant to any extension of time granted by the Commissioner before such date—of an amount by which the tax imposed under chapter 1 of the Internal Revenue Code is reduced under subsection (b) or (c) of this section for a taxable year beginning in 1942 shall be held and considered as a payment on account of the estimated basic tax for the taxable year beginning in 1943. In the case of any extension of time for the payment of such tax granted by the Commissioner prior to September 1, 1943, payment of the portion thereof which, if such extension had not been granted, would have been payable under section 56 (b) prior to September 1, 1943, shall be paid notwithstanding subsections (b) or (c) of this section.

"Sec. 6. Additional allowance for members of armed forces.

"(a) In general: Section 22 (b) (13) of the Internal Revenue Code (relating to additional allowance for military and naval personnel in computing net income) is amended to read as follows:

"(13) Additional allowance for military and naval personnel: In the case of compensation received during any taxable year and before the termination of the present war as proclaimed by the President, by a member of the military or naval forces of the United States for active service in such forces during such war, so much of such compensation as does not exceed the excess of \$3,500 over the personal exemption claimed under section 25 (b) by such member for such taxable year (and by his spouse, if such member is married and living with his spouse on the last day of the taxable year and such spouse is not entitled to the benefits of this paragraph).

"(b) Effective date: The amendment made by subsection (a) shall apply with respect to all compensation received after December 31, 1941, by a member of the military or naval forces of the United States for active service in such forces.

"Sec. 7. Abatement of tax for members of armed forces in year of death.

"(a) In general: Chapter 1 of the Internal Revenue Code is amended by inserting after section 404 the following new supplement:

"Supplement U.—Abatement of tax for members of armed forces in year of death

"Sec. 421. Abatement of tax for members of armed forces in year of death.

"In the case of any individual who dies while in active service as a member of the military or naval forces of the United States and prior to the termination of the present war as proclaimed by the President, the tax imposed by this chapter shall not apply with respect to the taxable year in which falls the date of his death, and the tax under this chapter and under the corresponding title of each prior revenue law for preceding taxable years which is unpaid at the date of his death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment."

"(b) The amendment made by subsection (a) shall be effective on and after December 7, 1941."

Mr. KNUTSON (interrupting reading of the motion). Mr. Speaker, I think the House understands this bill. It is the Robertson-Forand bill and I ask unanimous consent that further reading be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. Knutson]?

Mr. DINGELL. Mr. Speaker, reserving the right to object, what is the request?

The SPEAKER. The gentleman asked that further reading of the motion to recommit be dispensed with. Is there objection?

There was no objection.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. HENDRICKS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENDRICKS. It is not clear to me what the gentleman's motion was and what his substitute is.

The SPEAKER. It is too late now to explain that. The previous question has been ordered.

Mr. ROBERTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. No debate is in order. Does the gentleman desire to propound a parliamentary inquiry?

Mr. HENDRICKS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENDRICKS. No one knows, so far as I know, what the motion to recommit is.

The SPEAKER. Unanimous consent has been given that it be not read. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 193, noes 173.

Mr. DOUGHTON and Mr. KNUTSON demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 230, nays 180, not voting 23, as follows:

[Roll No. 60]

YEAS—230

Allen, Ill.	Graham	Murray, Tenn.
Anderson, Calif.	Grant, Ind.	Murray, Wis.
Anderson, N. Mex.	Green	Norman
Andresen.	Griffiths	O'Brien, Mich.
August H.	Gross	O'Brien, N. Y.
Andrews	Gwynne	O'Hara
Angell	Hale	O'Leary
Arends	Hall	O'Toole
Arnold	Edwin Arthur	Peterson, Fla.
Auchincloss	Hall	Philbin
Baldwin, Md.	Leonard W.	Phillips
Baldwin, N. Y.	Halleck	Pittenger
Barrett	Hancock	Ploeser
Barry	Harness, Ind.	Plumley
Bates, Ky.	Harris, Va.	Powers
Bates, Mass.	Hartley	Pracht
Beall	Hébert	Price
Bell	Heldinger	Ramey
Bender	Hendricks	Randolph
Bennett, Mich.	Herter	Reece, Tenn.
Bennett, Mo.	Hess	Reed, Ill.
Bishop	Hill	Reed, N. Y.
Blackney	Hinslaw	Rees, Kans.
Bolton	Hooven	Rizley
Boykin	Hoffman	Robertson
Bradley, Mich.	Holmes, Mass.	Robison, Ky.
Brehm	Holmes, Wash.	Rockwell
Brown, Ohio	Hope	Rodgers, Pa.
Buffett	Howell	Rogers, Mass.
Busbey	Jeffrey	Rohrbough
Butler	Jenkins	Rolph
Canfield	Jennings	Rowe
Cannon, Fla.	Jensen	Satterfield
Carlson, Kans.	Johnson	Schiffner
Carson, Ohio	Anton J.	Schwabe
Carter	Johnson	Scott
Celler	Calvin D.	Shafer
Chenoweth	Johnson, Ind.	Short
Chiperfield	Johnson, Ward	Sikes
Church	Jones	Simpson, Ill.
Clason	Jonkman	Simpson, Pa.
Clevenger	Judd	Slaughter
Coffee	Kean	Smith, Maine
Cole, Mo.	Kearney	Smith, Ohio
Cole, N. Y.	Keefe	Smith, Va.
Compton	Kelley	Smith, W. Va.
Cravens	Kilburn	Smith, Wis.
Cunningham	Kilday	Somers, N. Y.
Curtis	Kinzer	Springer
Day	Kleberg	Stanley
Dewey	Knutson	Stearns, N. H.
Ditter	Lambertson	Stefan
Domengeaux	Landis	Stockman
Dondero	Larcade	Sundstrom
Douglas	LeCompte	Taber
Eaton	LeFevre	Talbot
Elliott	Lewis	Talle
Ellis	Luce	Taylor
Ellison, Md.	Ludlow	Tibbott
Ellsworth	McCowan	Towe
Elston, Ohio	McGregor	Treadway
Engel	McKenzie	Troutman
Englebright	McLean	Van Zandt
Fellows	McWilliams	Voorhis, Calif.
Fenton	Maas	Vorys, Ohio
Fernandez	Martin, Iowa	Vursell
Fish	Martin, Mass.	Welchel, Ohio
Fogarty	Mason	Wene
Forand	Morrow	Wheat
Gale	Michener	Wigglesworth
Gallagher	Miller, Conn.	Willey
Gamble	Miller, Mo.	Wilson
Gavin	Miller, Nebr.	Winter
Gifford	Miller, Pa.	Wolcott
Gilchrist	Monkiewicz	Wolfenden, Pa.
Gillette	Morrison, La.	Wolverton, N. J.
Gillie	Mott	Woodruff, Mich.
Goodwin	Mruk	Woodrum, Va.
	Mundt	

NAYS—180

Abernethy	Camp	Dillweg
Allen, La.	Cannon, Mo.	Dingell
Andersen, H. Carl	Capozzoli	Disney
Barden	Chapman	Doughton
Beckworth	Clark	Drewry
Bland	Colmer	Durham
Bloom	Cooley	Dworschak
Bonner	Cooper	Eberharter
Boren	Costello	Fay
Bradley, Pa.	Courtney	Feighan
Brooks	Cox	Fisher
Brown, Ga.	Crawford	Flannagan
Bryson	Crosser	Folger
Buckley	Cullen	Ford
Bulwinkle	Curley	Fulbright
Burchill, N. Y.	D'Alessandro	Fulmer
Burdick	Davis	Gathings
Burgin	Dawson	Gavagan
Byrne	Delaney	Gerlach
	Dickstein	

Gordon	McCord	Robinson, Utah
Gore	McCormack	Rowan
Gorski	McGranery	Russell
Gossett	McMillan	Sabath
Granger	McMurray	Sadowski
Grant, Ala.	Madden	Sasser
Gregory	Mahon	Sauthoff
Hare	Maloney	Scanlon
Harless, Ariz.	Manasco	Schuetz
Harris, Ark.	Mansfield,	Sheppard
Hart	Mont.	Sheridan
Hays	Mansfield, Tex.	Snyder
Heffernan	Marcantonio	Sparkman
Hobbs	May	Spence
Hoch	Merritt	Starnes, Ala.
Holifield	Mills	Steagall
Horan	Monroney	Stevenson
Hull	Morrison, N. C.	Stewart
Izac	Murdock	Sullivan
Jarman	Murphy	Sumner, Ill.
Johnson,	Myers	Sumners, Tex.
J. Leroy	Newsome	Tarver
Johnson,	Nichols	Thomas, Tex.
Luther A.	Norrell	Thomason
Johnson,	Norton	Tolan
Lyndon B.	O'Brien, Ill.	Vincent, Ky.
Johnson, Okla.	O'Connor	Vinson, Ga.
Kee	O'Neal	Walter
Kefauver	Outland	Ward
Kennedy	Pace	Wasielewski
Keogh	Patman	Weaver
Kerr	Patton	Weiss
King	Peterson, Ga.	Weich
Kirwan	Pfeifer,	West
Klein	Poage	Whelchel, Ga.
Kunkel	Poulson	Whitten
LaFollette	Priest	Whittington
Lane	Rabaut	Wickersham
Lanham	Ramspeck	Winstead
Lea	Rankin	Wright
Lesinski	Richards	Zimmerman
Lynch	Rivers	

NOT VOTING—23

Burch, Va.	Furlong	Magnuson
Case	Gearhart	O'Konski
Cochran	Gibson	Rogers, Calif.
Creal	Guyer	Thomas, N. J.
Culkin	Hagen	Whadsworth
Dies	Jackson	White
Dirksen	Lemke	Worley
Elmer	McGehee	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

Mr. Wadsworth (for) with Mr. Creal (against).
 Mr. Hagen (for) with Mr. Burch (against).
 Mr. Elmer (for) with Mr. Lemke (against).
 Mr. Thomas, New Jersey (for) with Mr. Mr. Dies (against).
 Mr. Jackson (for) with Mr. Gibson (against).

General pairs:

Mr. McGehee with Mr. Gearhart.
 Mr. Cochran with Mr. Case.
 Mr. Furlong with Mr. O'Konski.
 Mr. Magnuson with Mr. Culkin.
 Mr. Worley with Mr. Dirksen.
 Mr. Rogers of California with Mr. Guyer.

Mr. O'LEARY and Mr. GREEN changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. DOUGHTON. Mr. Speaker, pursuant to the instructions of the House, I report back the bill H. R. 2570 with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: Strike out all after the enacting clause and insert in lieu thereof the provisions of the bill H. R. 2577, as follows.

Mr. COOPER. Mr. Speaker, the provisions of this amendment are well known. I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. ROBERTSON. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. ROBERTSON. Is this amendment known as the Forand amendment?

The SPEAKER. The Chair has no information about that. It is the matter incorporated in the motion to recommit, however.

Is there objection to the request of the gentleman from Tennessee?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Tennessee, who is so thoroughly acquainted with the various bills, if he has examined the amendment which is submitted in response to the instructions contained in the motion to recommit and if he can advise the House if that is the so-called Forand-Robertson bill.

Mr. COOPER. This amendment is the bill H. R. 2577, which was introduced by the gentleman from Rhode Island [Mr. FORAND].

Mr. ROBERTSON. Exactly.

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

There was no objection.

Mr. KENNEDY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KENNEDY. I should like to know whether or not it is possible or permissible under the rules that we have at least 30 minutes of debate on the so-called Forand-Robertson amendment, because as far as I know there are no printed minutes or hearings and there has been no hearing or statement in this House on the subject.

The SPEAKER. The gentleman is not stating a parliamentary inquiry. If the gentleman desires to prefer a unanimous-consent request he may do so.

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent that in view of the importance of this question, involving every taxpayer in the country, and in view of the fact that there are no hearings and no discussions—

The SPEAKER. If the gentleman has a unanimous-consent request to prefer, he must submit it. He cannot make a speech.

Mr. KENNEDY. I ask unanimous consent, Mr. Speaker, that we have 30 minutes of debate on this particular amendment.

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

Mr. COOPER. Reserving the right to object, Mr. Speaker, may I state that the amendment has been discussed. The gentleman from Rhode Island [Mr. FORAND] has spoken on it several times and explained it, and the gentleman from Virginia [Mr. ROBERTSON] has done likewise. I think the House is familiar to a reasonable extent with the provisions of the amendment.

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

Mr. KNUTSON. I object, Mr. Speaker.

Mr. COOPER. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. COOPER) there were—ayes 233, noes 115.

So the amendment was agreed to.

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

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

The SPEAKER. The question is on the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 313, nays 96, not voting 25, as follows:

[Roll No. 61]

YEAS—313

Allen, Ill.	Ditter	Jennings
Allen, La.	Domengeaux	Jensen
Anderson, Calif.	Dondoro	Johnson,
Anderson,	Douglas	Anton J.
N. Mex.	Drewry	Johnson,
Andresen,	Eaton	Calvin D.
August H.	Elliott	Johnson, Ind.
Andrews	Ellis	Johnson,
Angell	Ellison, Md.	J. Leroy
Arends	Ellsworth	Johnson,
Arnold	Elston, Ohio	Lyndon B.
Auchincloss	Engel	Johnson, Ward
Baldwin, Md.	Englebright	Jones
Baldwin, N. Y.	Fay	Jonkman
Barrett	Fellows	Judd
Barry	Fenton	Kearney
Bates, Ky.	Fernandez	Keefe
Bates, Mass.	Fish	Kelley
Beall	Fisher	Keogh
Beli	Fitzpatrick	Kilburn
Bender	Fogarty	Kilday
Bennett, Mich.	Forand	Kinzer
Bennett, Mo.	Gale	Kleberg
Bishop	Gallagher	Knudson
Blackney	Gathings	Kunkel
Bland	Gavagan	LaFollette
Bloom	Gavin	Lambertson
Bolton	Gifford	Landis
Boykin	Gilchrist	Lane
Bradley, Mich.	Gillette	Lanham
Brehm	Gillie	Larcade
Brooks	Goodwin	Lea
Brown, Ohio	Gordon	LeCompte
Bryson	Gorski	LeFevre
Buckley	Graham	Lesinski
Buffett	Grant, Ala.	Lewis
Bulwinkle	Grant, Ind.	Luce
Burchill, N. Y.	Green	Ludlow
Busbey	Griffiths	McCormack
Butler	Gross	McCowan
Byrne	Gwynne	McGregor
Canfield	Hale	McKenzie
Cannon, Fla.	Hall	McLean
Capozzoli	Edwin Arthur	McMillan
Carlson, Kans.	Halleck	McWilliams
Carson, Ohio	Hancock	Mnas
Carter	Harless, Ariz.	Madden
Celler	Harness, Ind.	Maloney
Chenoweth	Harris, Ark.	Mansfield, Tex.
Chipperfield	Harris, Va.	Martin, Iowa
Church	Hart	Martin, Mass.
Clason	Hartley	Mason
Clevenger	Hays	Merritt
Coffee	Hébert	Morrow
Cole, Mo.	Heffernan	Michener
Cole, N. Y.	Hendricks	Miller, Conn.
Compton	Hester	Miller, Mo.
Cooper	Hess	Miller, Nebr.
Courtney	Hill	Miller, Pa.
Cravens	Hinshaw	Monkiewicz
Cullen	Hoeven	Morrison, La.
Cunningham	Hoffman	Mott
Curlley	Holmes, Mass.	Mruk
Curtis	Holmes, Wash.	Mundt
Davis	Hope	Murphy
Dawson	Howell	Murray, Tenn.
Day	Jarman	Murray, Wis.
Delaney	Jeffrey	Newsome
Dewey	Jenkins	Norman

Norrell	Rockwell	Stockman
Norton	Rodgers, Pa.	Sullivan
O'Brien, Ill.	Rogers, Mass.	Sumners, Tex.
O'Brien, Mich.	Rohrbough	Sundstrom
O'Brien, N. Y.	Rolph	Taber
O'Hara	Rowan	Talbot
O'Leary	Sabath	Talle
O'Neal	Sadowski	Taylor
O'Toole	Sasser	Thomas, Tex.
Outland	Satterfield	Thomason
Patman	Sauthoff	Tibbott
Patton	Scanlon	Tolan
Peterson, Fla.	Schiff	Towe
Pfeiffer	Schuetz	Treadway
Philbin	Schwabe	Troutman
Phillips	Scott	Van Zandt
Pittenger	Shaffer	Voorhis, Calif.
Ploeser	Sheppard	Vors, Ohio
Plumley	Sheridan	Vursell
Poulson	Short	Walter
Powers	Sikes	Ward
Pracht	Simpson, Ill.	Welch, Ohio
Price	Simpson, Pa.	Weiss
Priest	Slaughter	Welch
Rabaut	Smith, Maine	Wene
Ramey	Smith, Ohio	Wheat
Ramspeck	Smith, Va.	Wigglesworth
Randolph	Smith, W. Va.	Willey
Reece, Tenn.	Smith, Wis.	Wilson
Reed, Ill.	Somers, N. Y.	Winter
Reed, N. Y.	Sparkman	Wolcott
Rees, Kans.	Springer	Wolfenden, Pa.
Richards	Stanley	Wolverton, N. J.
Rivers	Starnes, Ala.	Woodruff, Mich.
Rizley	Stearns, N. H.	Woodrum, Va.
Robertson	Stefan	Wright
Robinson, Utah	Stevenson	Zimmerman
Robison, Ky.		

NAYS—95

Abernethy	Ford	Mahon
Anderson, H. Carl	Fulbright	Manasco
Barden	Fulmer	Mansfield, Mont.
Beckworth	Gamble	Marcantonio
Bonner	Gerlach	Mills
Boren	Gore	Monroney
Bradley, Pa.	Gossett	Morrison, N. C.
Brown, Ga.	Granger	Murdock
Burdick	Gregory	Myers
Burgin	Hall	Nichols
Camp	Leonard W.	O'Connor
Cannon, Mo.	Hare	Pace
Chapman	Hobbs	Peterson, Ga.
Clark	Hoch	Poage
Colmer	Hollifield	Rankin
Cooley	Horan	Russell
Costello	Hull	Snyder
Cox	Izac	Spence
Crawford	Johnson	Steagall
Cresser	Luther A.	Stewart
D'Alessandro	Johnson, Okla.	Sumner, Ill.
Dickstein	Kean	Tarver
Dilweg	Kee	Vincent, Ky.
Dingell	Kefauver	Vinson, Ga.
Disney	Kennedy	Wassielewski
Doughton	Kerr	Weaver
Durham	King	West
Dworshak	Kirwan	Whelchel, Ga.
Eberharter	Klein	Whitten
Feighan	Lynch	Whittington
Flannagan	McCord	Wickersham
Folger	McGranery	Winstead
	McMurray	

NOT VOTING—25

Burch, Va.	Gearhart	May
Case	Gibson	O'Konski
Cochran	Guyer	Rogers, Calif.
Creal	Hagen	Thomas, N. J.
Culkin	Heldinger	Wadsworth
Dies	Jackson	White
Dirksen	Lemke	Worley
Elmer	McGehee	
Furlong	Magnuson	

So the bill was passed.

The Clerk announced the following additional pairs:

General pairs:

Mr. Creal with Mr. Wadsworth.
 Mr. Burch of Virginia with Mr. Hagen.
 Mr. Dies with Mr. Thomas of New Jersey.
 Mr. Jackson with Mr. Lemke.
 Mr. Gibson with Mr. Elmer.
 Mr. McGehee with Mr. Gearhart.
 Mr. Cochran with Mr. Case.
 Mr. Furlong with Mr. O'Konski.
 Mr. Magnuson with Mr. Culkin.
 Mr. Worley with Mr. Dirksen.
 Mr. May with Mr. Guyer.
 Mr. Rogers of California with Mr. Heldinger.

Mr. HOBBS changed his vote from "aye" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. MORRISON of Louisiana. Mr. Speaker, I ask unanimous consent, after any other special orders today, I may address the House for 20 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that tomorrow after the legislative business is disposed of, and any other special orders, I be permitted to address the House for 20 minutes on the status of the Japanese in the United States.

The SPEAKER. Is there objection?

There was no objection.

PROGRAM FOR TOMORROW

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I do this for the purpose of inquiring of the majority leader what the program is for tomorrow.

Mr. McCORMACK. Mr. Speaker, the first thing in order will be the disposition of the motion to reconsider which is pending on the conference report on the pay-increase bill. If that can be brought up, it will be in order the first thing. I understand the gentleman from Texas [Mr. WORLEY] made the motion to reconsider, but he is now unavoidably absent due to illness in his family.

Mr. MARTIN of Massachusetts. That will be the first in order?

Mr. McCORMACK. Yes; that will be the first thing brought up. I see the gentleman from Georgia [Mr. RAMSPECK] is present. Is that agreeable to him?

Mr. RAMSPECK. It is. I hope to dispose of it the first thing tomorrow. Of course, there is no debate upon it, as I understand it, under the rule. It is a mere question of voting.

Mr. McCORMACK. Then the vote will be taken on the conference upon the Treasury and Post Office Departments bill.

Mr. MARTIN of Massachusetts. I understand that that is quite controversial, and that there are quite a number of items in dispute.

Mr. McCORMACK. I understand there are at least four items that will have to be brought up separately and debated. We are anxious next to bring up and dispose of the extension of the Reciprocal Trade Agreement Act. Since talking with the gentleman from Massachusetts, I have talked with the chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], and he is very anxious to bring that up this week. I understand that the bill will be reported out tomorrow.

Mr. DOUGHTON. We will report the bill out tomorrow, and expect to get a

rule and bring up the matter for debate on Friday.

Mr. MARTIN of Massachusetts. I understand that the conference report on the Treasury and Post Office Departments appropriation bill will take about 2 days.

Mr. McCORMACK. It is my understanding that they desire to begin debate on the reciprocal trade agreement on Friday.

Mr. DOUGHTON. Yes. We hope to file the report tomorrow, and get a rule on it.

Mr. MARTIN of Massachusetts. When does the gentleman expect to pass that?

Mr. DOUGHTON. That will depend very largely upon the cooperation on the Republican side. We have not been able to reach any understanding with the minority Members as to the time for debate. The gentleman knows as much about that as I do. If the Republicans cooperate on a reasonable time for debate, we hope to dispose of it early next week.

Mr. MARTIN of Massachusetts. That is quite an order.

Mr. DOUGHTON. Oh, I do not give my friend any orders. That is a mere suggestion.

Mr. MARTIN of Massachusetts. The gentleman has not had any discussion with the minority Members here about that, has he?

Mr. McCORMACK. What we are hopeful for is that the debate will be started on Friday, and then we will adjourn over until the following Monday.

I am hopeful we will be able to adjourn from Friday until Monday. Beyond that, of course, I am unable to state now, because that depends upon the time that is provided for in the rule that is reported, but the Ways and Means Committee usually operates so harmoniously on matters of that kind that I am very confident they will get together.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that my colleague [Mr. SHAFER] may extend his remarks in the RECORD, and include a newspaper article.

The SPEAKER. Is there objection? There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the tax bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

(By unanimous consent, Mr. FULBRIGHT was granted permission to extend his own remarks in the RECORD.)

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks, and include a letter from Philip Murray and a statement by the National Lawyers Guild.

The SPEAKER. Is there objection? There was no objection.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include a newspaper article.

The SPEAKER. Is there objection? There was no objection.

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks made in Committee of the Whole and include a letter from the Collector of Internal Revenue.

The SPEAKER. Is there objection? There was no objection.

Mr. GORDON. Mr. Speaker, I ask unanimous consent to extend my remarks and include a newspaper article which appeared in the Chicago Times concerning Polish freedom.

The SPEAKER. Is there objection? There was no objection.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter by Mr. B. A. Gronstal, president of the Council Bluffs Savings Bank, and a resolution passed by the Pottawattamie Bankers Association.

The SPEAKER. Is there objection? There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Is there objection? There was no objection.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from a constituent, which was addressed to Hon. ROBERT L. DOUGHTON, Hon. JOSEPH W. MARTIN, Jr., and myself.

The SPEAKER. Is there objection? There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief article concerning the American farmer by Mr. G. Skelly, of Oklahoma.

The SPEAKER. Is there objection? There was no objection.

PERSONAL EXPLANATION

Mr. WILLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. WILLEY. Mr. Speaker, I learned this morning that I was recorded as absent on a roll call yesterday. I was out of town and left in time to reach Washington and was in my office shortly after 12 o'clock ready to answer any roll call. My office force reported there had been no notice by the bells. I inquired of four other offices on our floor and none of them heard any notice of a roll call. I learned from Members on the floor later that they had the same experience. I hate to miss a roll call. It does not mean anything to anybody else but me. I would have been here had the bell given the usual notice.

The SPEAKER. The gentleman has given proper notice.

Mr. CARSON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARSON of Ohio. Mr. Speaker, I am in the same position as the gentleman from Delaware, Judge WILLEY. I came in Sunday night from Canton, Ohio, and came to my office and learned yesterday afternoon that I had missed a roll call. I tried to correct it by calling it to the attention of the electrician, and at 4 o'clock yesterday afternoon the situation was corrected.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier in the afternoon and to include therein two tables.

The SPEAKER. Is there objection? There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. BOREN] may extend his own remarks in the RECORD and include therein a newspaper article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. DICKSTEIN] is recognized for 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, in view of the lateness of the hour I ask unanimous consent that my time for tonight may be transferred to a later date. I ask unanimous consent that on May 11 after the other special orders have been disposed of I may address the House for 30 minutes on the Bermuda Conference.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the Committee on Immigration and Naturalization may sit during the sessions of the House on the 19th and 20th of May for the consideration of the Chinese bills.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from Louisiana [Mr. MORRISON] is recognized for 20 minutes.

SUPREME WAR COUNCIL

Mr. MORRISON of Louisiana. Mr. Speaker, since I have seen my name in the press rather frequently of late, I think that at this time I owe it to my district, my State, my fellow Congressmen, and myself to take the floor of the House in order that this statement which I am making shall be embodied in the CONGRESSIONAL RECORD. The press has been giving me considerable publicity in connection with the use of my congressional tag on an automobile owned by John Monroe of 2101 R Street in Washington.

As you all know, I came to Congress 4 months ago as a freshman. My political life thus far has been based on one of independence in thought and independence in action. In 1935 I came out of law school running for office. I wanted to go to the legislature and asked for everyone's support. I was offered city judge by the prevailing machine. I ran for the senate and lost the senate, and did not get the judgeship, but I kept my independence. I ran for Congress, Governor and lost, but I ran for Congress again and won.

In my recent victorious campaign for Congress the main issue was rubber stamp or independence. My opponent was a rubber stamp. I was not, and I won.

Since I have been here in Congress I have voted for every war measure, I have voted for and supported all appropriations that were for the armed forces in the war effort. I have consistently voted against all appropriations that were a waste of the taxpayers' money and not essential to the war effort. I am clearly not a New Dealer. I am a Democrat from way down South, an unterrified Democrat, and proud of it.

On one occasion when I had voted for an amendment to cut the Home Owners' Loan appropriation \$4,000,000 on grounds that it had served its usefulness and should now be liquidated, one New Deal Congressman asked me why I did not go along with the New Deal on everything. I told him I went with the New Deal when I thought they were right and that I voted against the New Deal when I thought they were wrong. I further answered, "I cannot go along with some of these dreaming, theoretical bureaucrats. It sickens my stomach." "From your actions," this Congressman said, "one would think you were a conservative and I had heard you were a liberal." I answered, "Yes; I am a liberal, but we are getting so far over to the left if we do not get back a little to the right there will not be anything to be liberal about."

Now, as regards this investigation by the Military Affairs Committee, a great deal of emphasis seems to have been put on my congressional plate. I have a right to put that plate on any automobile, buggy, or even a wheelbarrow if I desire. To further show how ridiculous this matter is, as far as I am concerned, I might state that the Narragansett contract, which is being investigated, was negotiated and completed a year before I ever came to Congress. My car was laid up and out of commission for 4 days. I borrowed this automobile in question and put my congressional tag on it, which I had a right to do.

While I have been in Washington for the last 4 months in Congress, I have visited over 40 homes in this great city. In practically every home a little politics was discussed, but there were two homes in particular where the biggest politics were discussed, one being the White House and the other 2101 R Street.

I intend to continue to go where I please and do as I please, as I still

maintain I am independent in both thought and action.

A certain columnist set forth in the press that I inspired and led the Louisiana anti-Roosevelt bloc here in Congress. The only bloc meeting that I know anything about was when Louisiana was wronged and double-crossed and not given the appointment of a Federal circuit judgeship to replace a Louisianian who had recently died. The Louisiana delegation met and agreed that this was unfair politics and that we were not going to take it lying down. I have kept my agreement, and I am sure the other Louisiana Congressmen can answer for themselves. I might add that there are five Members in the House and two Members in the Senate who have been here much longer than 4 months, and to give me the role of leader of the Louisiana delegation, consisting of eight Congressmen and two United States Senators, is certainly flattering. I still maintain that the Louisiana Congressmen are right and that the New Deal is wrong, and that the Allred appointment should never have been made, and that a Louisianian is entitled to that judgeship.

Long before I ever came to Congress I had thought and pictured what a great benefit a supreme war council would be to the United States. As a matter of fact, before and after my election this war council idea became a mild obsession with me. I carefully studied the War Council of England, which consists of eight members, and I decided after much study and thought that I would introduce a bill providing for a war council here in America. I discussed this with several individuals. Evidently the idea must have leaked out, as a high New Deal official, whose name I agreed not to reveal, called upon me and advised me not to file this supreme war council bill. I wanted to know why. I explained that this was patterned after the War Council of England; that instead of having eight members, which I thought might prove a little unwieldy, this war council would only have four. I explained further that a great deal of pains had been taken to get the four men who perhaps would be the closest to the people and the most outstanding to become members of this council. So I provided in this bill, in order to make it nonpartisan, that a Democrat should be elected in the House and the Senate by the Democratic caucus of each body, and that a Republican should be elected by the Republican caucus in both the Senate and the House. These two in the House were to be approved by the Speaker and the two in the Senate were to be approved by the President of the Senate. In this way both the Speaker of the House and the President of the Senate had the veto power over the Members who would be chosen. Naturally in this two-party system of ours, I presumed that the Republicans would elect a man they thought would be best qualified and that the Democrats would do likewise. If their actions on this war council were not satisfactory to the people, they would soon have to face the people and be voted upon for reelection. Naturally,

knowing this, I felt that these four members of the war council would have on their minds one, and only one, intent at all times, and that is to do the best possible job in order that the people would O. K. it at the next election, when they would be answerable to the people.

I was advised not to introduce this bill. I said, "Why?" I was informed that I had done enough already, that I had resigned from the committees, that I had voted independently, that I had attacked various appropriations which were non-essential to the war effort, and that I had done things that were a great displeasure to the New Deal. "Well," I said, "I am going to introduce this bill." I was then told that it would place me in a dangerous position, and that I would suffer dire consequences. I said, "Why?" I was told that the position I was taking and my actions at this time constituted the greatest luxury on earth. I then said, "What will be done about it?" I was told that I would have to wait and see. I was also asked if I knew what the word "smear" meant. I answered that I not only knew what "smear" meant, but that two could play at that game, that I was no political saint, but to maintain my independence I had to remain as politically clean as it is humanly possible to and still attain office. I then said, "Those here in power in Washington are not in that shape. If they do not like what I am doing, let them crack their whip." This party then said, "Do not forget, I warned you," and that was all. I was the victim of a smear campaign just as I was warned in advance I would be if I introduced this bill for a war council. Think of this, fellow Congressmen, we are all here to do our duty as we see it, and I was warned that I would be smeared if I did what I thought was my duty. I did it and I was smeared, and what is more, I will do it again if the occasion presents itself, and you Congressmen know I am right. This war council bill is now pending before a committee. Guess what committee? None other than the now famous House Military Affairs Committee, and I intend to ask for a hearing before that committee at the earliest date on this bill to aid and assist the President.

The Supreme War Council bill is as follows:

Providing for the creation of a Supreme War Council to consist of 4 members, 2 to be elected and appointed by the Senate and 2 to be elected and appointed by the House of Representatives, to approve the actions of the President and assist him in the conduct of the war

Be it enacted, etc., That Congress shall create and establish a Supreme War Council. Such Council shall be created by electing by a majority vote, one member from the Republican or minority party in the House and one member from the Democratic or majority party in the House, which two members shall be named by the Speaker; and one member from the Republican or minority party in the Senate and one member from the Democratic or majority party in the Senate, which two members shall be named by the President of the Senate. "By electing by a majority vote" is meant the election in party caucus, both in the House and Senate, in the selection of each member.

The duties of this War Council shall be to meet with the President of the United States

daily, or at such time as the successful prosecution of the war demands.

The President shall submit to this War Council for its approval all agreements made with foreign powers, all moves of strategy by the Army, Navy, or Marine Corps, all negotiations or agreements of any nature whatsoever that may affect the conduct of the war with foreign countries, including all lease-lend agreements. The President shall submit for approval to said War Council all State Department negotiations or agreements that in any way affect the conduct of the war or this Nation's relations with neutral or allied countries. The President shall report and get the approval of the War Council on all domestic matters involving transportation, communication, food, manufacturers' supplies, armaments, ammunition, and any and all goods, equipment, or products necessary to the war effort.

This War Council shall be in effect for the duration of the war. Should any member die or fail to be reelected, then his successor shall be elected as above set forth.

I gave this supreme war council bill to the press at approximately 3 o'clock in the afternoon. It did not appear in any Washington paper and I could not find where it appeared in any other paper. As a matter of fact, at 12 o'clock that night I telephoned one of the leading papers in New York and the gentleman at the desk told me he had received no news in regard to any supreme war council. Naturally I was baffled. Naturally I could not understand why a bill that might affect the welfare, the property, and the life of each man, woman, and child in the United States, and in foreign countries all over the world, that would affect not only our allies, but our enemies, and yet not one line was carried in the metropolitan papers throughout America. I still did not get the drift.

A friend of mine called up one of the leading newspapermen here in Washington and that newspaperman gave the excuse as to why the story was not used was because of the man who introduced it, a freshman Congressman who was unimportant. Well, I had introduced other bills. Some of them made the front pages. When I resigned those five minor committees, that made every newspaper in the United States, notwithstanding the fact I was a freshman. But here one of the most important bills that could be introduced in this Congress did not make one single newspaper in America when it was introduced. I personally distributed that bill after I had introduced it to the press.

When questioned by a reporter about 2101 R Street here in Washington, I asked this reporter why the supreme war council bill which I had recently introduced did not make the papers when it was introduced, with the slight exception that 2 days later it was run in only two daily papers in the United States. The reporter then told me that he had come here to ask me questions and that I had turned the tables on him. He said my question was unanswerable, but that I was learning the way things were done here in Washington.

Now I want to get the record straight. I have always been an independent in politics. I have gone where I pleased,

I have done what I pleased, and I intend to continue so long as the people back home reelect me, and it makes no difference to me how many threats come from how many so-called big shots. I used to tell them in Louisiana that the bigger they were the better I liked to fight them because there in Louisiana I had the opportunity of bringing a lot of big shots down to frying size—just ask Gov. Sam Jones—and I am applying that same attitude as regards the big shots here in Washington. Let them crack their whip. I will do the rest.

ASSISTANCE FROM THE PRESS

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore (Mr. ZIMMERMAN). Without objection, it is so ordered.

There was no objection.

Mr. RAMEY. Mr. Speaker, I, too, am a new Member. What, to my mind, is the greatest utterance the President of the United States ever made is one that I cannot refrain from repeating now:

Freedom of speech means nothing if we have nothing to say.

I have had nothing but help from both sides of this Chamber; I have had nothing but help from the press. I believe everybody helps you if you try to help others. I am here to learn.

ENROLLED BILL SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2281. An act to provide for the issuance of devices in recognition of the services of merchant sailors.

ADJOURNMENT

Mr. ROWAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.), the House adjourned until tomorrow, Wednesday, May 5, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INVALID PENSIONS

There will be a public meeting of the Committee on Invalid Pensions at 10:30 a. m. in the committee room, 247 House Office Building, on Thursday, May 6, to consider H. R. 85, a bill to amend the act of March 3, 1927, entitled "An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes," and H. R. 1905, a bill to liberalize the provisions of existing laws governing the granting of service pensions to certain soldiers and widows of deceased soldiers who served in the Indian wars from 1817 to 1898, and for other purposes.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Thursday, May 6, 1943.

Business to be considered: Public hearing on H. R. 2326, a bill to provide for the training of nurses for the armed forces, governmental and civilian hospitals, health agencies, and war industries, through grants to institutions providing such training, and for other purposes.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

As advised in notice of March 10, 1943, Congressman BATES of Massachusetts, patron of the bill H. R. 1766, upon which hearings were scheduled on April 8, 1943, is a member of the Committee on Naval Affairs and of a subcommittee of that committee which has arranged a schedule of hearings throughout the country, which will compel Congressman BATES of Massachusetts to be absent from Washington on April 8 and also April 15.

The chairman of the committee and the Commissioner of Fisheries will be out of town on intervening dates which will necessitate a further postponement of the hearing until May 13, 1943. You are hereby notified that the hearings scheduled for April 8, and postponed until April 15, have been postponed to May 13, 1943, at 10 a. m., at which time the hearings will follow.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

388. A letter from the Archivist of the United States, transmitting lists of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

389. A letter from the Archivist of the United States, transmitting lists of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

390. A letter from the assistant clerk of the Court of Claims of the United States, transmitting, pursuant to Private Act No. 64, Seventy-fifth Congress, first session, approved May 6, 1937, a case with regard to *Canal Dredging Co. v. The United States*, No. 43837; to the Committee on Claims.

391. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1940 and prior years in the sum of \$336.86, and supplemental estimates of appropriations for the fiscal year 1943 in the sum of \$1,090,000, amounting in all to \$1,090,336.86, for the Department of Justice (H. Doc. No. 193); to the Committee on Appropriations and ordered to be printed.

392. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill authorizing the acquisition and conversion or construction of certain landing craft, district craft, and special boats for the United States Navy, and for other purposes; to the Committee on Naval Affairs.

393. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to abolish certain naval trust funds and deposits thereto, and to simplify naval accounting procedure, and for other purposes; to the Committee on Naval Affairs.

394. A letter from the Archivist of the United States, transmitting lists of papers recommended to him for disposal by certain agencies of the Federal Government; to the

Committee on the Disposition of Executive Papers.

395. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 237 individuals whose deportation has been suspended for more than 6 months under the authority vested in me by the said statute together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

396. A letter from the Postmaster General, transmitting a draft of a proposed joint resolution to continue the temporary increases in postal rates on first-class matter, and for other purposes; to the Committee on Ways and Means.

397. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to provide for the reorganization of the Marine Corps, and for other purposes; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on Labor. H. R. 2553. A bill directing the Secretary of Labor to make an investigation and study of the extent and causes of absenteeism and to make available the facilities of the Department of Labor to act as a clearinghouse for information on methods to control absenteeism; without amendment (Rept. No. 405). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 6. A bill to authorize the Secretary of Agriculture to adjust titles to lands acquired by the United States which are subject to his administration, custody, or control; without amendment (Rept. No. 406). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULMER: Committee on Agriculture. H. R. 1396. A bill making certain regulations with reference to fertilizers or seeds that may be distributed by agencies of the United States; with amendment (Rept. No. 407). Referred to the Committee of the Whole House on the state of the Union.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. House Joint Resolution 108. Joint resolution commemorating May 15, 1943, as the anniversary of the inauguration of air-mail service; with amendment (Rept. No. 408). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 2612. A bill to extend the effective date of the act of December 17, 1941, relating to additional safeguards to the radio communications service of ships of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. EDWIN ARTHUR HALL:

H. R. 2613. A bill amending the Servicemen's Dependents Allowance Act of 1942 to increase allowances to dependent mothers and fathers; to the Committee on Military Affairs.

By Mr. HARRIS of Virginia:

H. R. 2614. A bill to increase by 1 year the period within which certain oyster growers may file claims against the United States in the Court of Claims; to the Committee on Rivers and Harbors.

By Mr. RANDOLPH:

H. R. 2615. A bill directing the Federal Works Administrator, through the Commissioner of the Public Roads Administration, to make a survey of the need for a system of express highways throughout the United States; to the Committee on Roads.

By Mr. KEE:

H. R. 2616. A bill to enable the Secretary of the Interior to complete payment of awards in connection with the War Minerals Relief Statutes; to the Committee on Mines and Mining.

By Mr. KEFAUVER:

H. R. 2617. A bill to provide for speedy and summary notice in proceedings to condemn property for war purposes, and to accelerate the distribution of deposits and awards to the persons entitled thereto in such cases; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. R. 2618. A bill to regulate the placing of children in family homes, and for other purposes; to the Committee on the District of Columbia.

By Mr. STEARNS of New Hampshire:

H. R. 2619. A bill to provide for the issuance of the Mexican Border Service Medal to certain members of the reserve forces of the Army on active duty in 1916 and 1917; to the Committee on Military Affairs.

By Mr. WALTER:

H. R. 2620. A bill to provide for a delegate from the District of Columbia to the House of Representatives of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 2628. A bill to amend the first paragraph of section 10 of the Pay Readjustment Act of 1942, to provide for allowances to midshipmen of the Naval Reserve for quarters and subsistence, when not furnished in kind; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Hampshire, memorializing the President and the Congress of the United States relating to taxes on incomes, gifts, and inheritances, and repealing the sixteenth amendment to the Constitution of the United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CURTIS:

H. R. 2621. A bill for the relief of Rodney Eugene Hoover; to the Committee on Claims.

By Mr. FLANNAGAN:

H. R. 2622. A bill for the relief of Mattie Boyd; to the Committee on Claims.

H. R. 2623. A bill for the relief of Charles W. Gilmer; to the Committee on Claims.

By Mr. HARRIS of Virginia:

H. R. 2624. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of J. R. Dixon; to the Committee on Claims.

By Mr. HINSHAW:

H. R. 2625. A bill for the relief of Edward E. Held and Mary Jane Held; to the Committee on Claims.

By Mr. ROBINSON of Utah:

H. R. 2626. A bill for the relief of certain Basque aliens; to the Committee on Immigration and Naturalization.

By Mr. TARVER:

H. R. 2627. A bill for the relief of Ruben M. Harren; to the Committee on Claims.

PETITIONS, ETC.

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

655. By Mr. GRAHAM: Petition of 19 citizens of Beaver County, Pa., urging the passage of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of South Carolina, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

656. By Mr. HANCOCK: Petition of Mrs. E. G. Dietrich and other residents of Syracuse, N. Y., favoring the enactment of House bill 2082; to the Committee on the Judiciary.

657. By Mr. JEFFREY: Petition of 101 ladies of Dayton, Ohio, urging the passage of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of South Carolina, to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war, by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

658. By Mr. SMITH of West Virginia: Petition of Bertha H. Harrington, of Charleston, W. Va., and other members of the adult Bible classes of Cavalry Baptist Church Sunday School of that city, in support of House bill 2082; to the Committee on the Judiciary.

659. Also, petition of Mrs. W. W. Reif and other residents of Charleston, W. Va., supporting the Bryson bill; to the Committee on the Judiciary.

660. Also, petition of Myrtle Dorsey and other residents of Clendenin, W. Va., favoring the passage of House bill 2082; to the Committee on the Judiciary.

661. By the SPEAKER: Petition of the Florida State Pharmaceutical Association, Fort Myers, Fla., petitioning consideration of their resolution with reference to House bill 997, the pharmacy corps bill; to the Committee on Military Affairs.

662. Also, petition of the city clerk of the city of Hamtramck, Mich., petitioning consideration of their resolution with reference to eliminating the cost of transportation while on leave from the armed forces; to the Committee on Military Affairs.

663. Also, petition of the City Council of the City of Duluth, Minn., petitioning consideration of their resolution with reference to continuing the National Youth Administration or some other agency similar to the National Youth Administration; to the Committee on Appropriations.

664. Also, petition of the secretary to the faculty, University of Puerto Rico, petitioning consideration of their resolution with reference to abolishing the present system of the present government of Puerto Rico; to the Committee on Insular Affairs.

SENATE

WEDNESDAY, MAY 5, 1943

(Legislative day of Monday, May 3, 1943)

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, we thank Thee for this shrine of the Nation's faith where, facing vast human issues committed to our hands, relying on a strength and a wisdom not our own, we come humbly to confess "In God we trust." Make us the kind of persons Thou canst trust as the instruments and channels of Thy saving grace. Out of the burning bush of our daily duties as the miracle of insight is wrought anew for us and in us, in the stillness may there come a voice as of old, "The place where Thou standest is holy ground."

For our country we pray, entrusted with power to work weal or woe on the earth. Help her to heal the open sores of the world, which hate and selfishness and misunderstanding have inflicted on the bleeding body of our common humanity. Upon the President and all who counsel with him, upon the Congress and all who represent the Nation's strength and administer the stewardship of her service, we crave divine guidance. In these tragic days, as all mankind stands in the valley of decision, show us the way we should go. Bring us and all the nations to that glad day of the Lord when righteousness and peace shall kiss each other. Upon us may there rest the beatitude of the peacemakers, who shall be called the children of God. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 4, 1943, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed a bill (H. R. 2570) to provide for the current payment of the individual income tax, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2281) to provide for the issuance of devices in recognition of the services of merchant sailors, and it was signed by the Vice President.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Aiken	Capper	Gillette
Austin	Caraway	Gurney
Ball	Chandler	Hawkes
Bankhead	Chavez	Hayden
Barbour	Clark, Idaho	Hill
Barkley	Clark, Mo.	Holman
Bone	Connally	Johnson, Colo.
Brewster	Danaher	La Follette
Bridges	Davis	Langer
Buck	Eastland	Lodge
Burton	Ellender	Lucas
Bushfield	Ferguson	McClellan
Butler	George	McFarland
Byrd	Gerry	McKellar