

# Calendar No. 690

68TH CONGRESS }  
1st Session }

SENATE

} REPORT  
No. 637

## ESTATE OF CHARLES L. FREER, DECEASED

MAY 26 (calendar day, MAY 27), 1924.—Ordered to be printed

Mr. SMOOT, from the Committee on Finance, submitted the following

### REPORT

[To accompany H. R. 8100]

The Finance Committee, to whom was referred the bill (H. R. 8100) for the relief of the estate of Charles L. Freer, deceased, having considered the same, reports favorably thereon, without amendment, and recommends that it do pass.

The favorable report made thereon by the Committee on Ways and Means to the House of Representatives is as follows:

[House Report No. 462, Sixty-eighth Congress, first session]

The Committee on Ways and Means, to whom was referred the bill (H. R. 8100) for the relief of the estate of Charles L. Freer, deceased, having had the same under consideration, reports it back to the House with the following amendment:

Page 2, line 14, after the word "from," insert "the said residue of."

And as so amended recommends that the bill do pass.

The legislation herein proposed cancels and remits taxes amounting to \$74,889.56 which the Smithsonian Institution as residuary legatee of the estate of Charles L. Freer would have to pay the Government from the trust fund created by his will.

Under date of December 27, 1904, Mr. Freer transmitted to the Smithsonian Institution an offer to bequeath or make present conveyance of title to his extensive art collection to the Institution or the United States Government, under certain specified conditions, and to furnish the means for erecting, after his death, a suitable building to receive the collection, provided the Institution or the Government would undertake its maintenance. In this communication he stated:

"These several collections include specimens of very widely separated periods of artistic development, beginning before the birth of Christ and ending to-day. No attempt has been made to secure specimens from unsympathetic sources, my collecting having been confined to American and Asiatic schools. My great desire has been to unite modern work with masterpieces of certain periods of high civilization harmonious in spiritual and physical suggestion, having the power to broaden esthetic culture and the grace to elevate the human mind."

Subsequently his offer was accepted and the title to the collection, consisting at that time of over 2,200 objects, was conveyed by deed of gift to the Institution on May 5, 1906.

In deeding this gift to the Nation, Mr. Freer provided, among other things, that "No charge shall ever be made for admission to the building nor for the privilege of examining or studying the objects contained therein."

During his lifetime Mr. Freer added 2,485 objects to this collection, raised the provision in the original deed for housing it from \$500,000 to \$1,200,000, and shortly before the war decided upon the early erection of the structure, thereby permitting the transfer of the collection from Detroit to Washington within a comparatively short time.

The building, located in the Smithsonian reservation on the Mall, just west of the Smithsonian Building, was completed at a cost of \$1,300,000 and opened to the public in May, 1923. It houses the entire collection, declared to be the finest and most complete of its kind in the United States, and valued at from \$3,500,000 to \$4,000,000.

Mr. Freer died on September 25, 1919. His will made separate bequests to the Smithsonian Institution to pay for a curator, provide for the statuary, and to provide for the care of the interior court of the building. In addition the residuary estate was to be turned over to the Institution to purchase from time to time suitable objects to add to the collection, but, in the event of there being no suitable objects, to purchase American works of art for the National Gallery of Art.

The estate was settled and the executors discharged on December 22, 1922, the residue being turned over to the Smithsonian at that time under the provisions of the will.

In February, 1923, however, the Treasury Department advised the trustees that on a reexamination of the income-tax returns it appeared that additional taxes amounting to \$74,657.70 would be assessed against the estate. Subsequently an additional tax of \$231.86 was added, making a total of \$74,889.56.

Since the body of the estate had been distributed among the several heirs, the additional assessment, under the law, would have to come from the residue already in the possession of the Smithsonian Institution, and any further tax collected would necessarily decrease the amount belonging to and already in the hands of the Government.

Congress has indicated that it did not wish to impair the gift made by Mr. Freer to the Nation. In the second deficiency act of 1920, approved March 6, 1920, it ordered the repayment to the estate of Mr. Freer of \$13,252.21, profit on the sale of certain stock, the proceeds from which were given to the Smithsonian Institution for the erection of the building to house the collection and to purchase additions to it.

The burden of the tax now rests upon the property of the Nation, and the committee is unanimously of the opinion that it should be removed by remission of the additional tax.