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SENATE

} REPORT
No. 1503

INTERNAL-REVENUE TAX UPON PASSAGE TICKETS

FEBRUARY 17, 1927.—Ordered to be printed

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

REPORT

[To accompany H. R. 16775]

The Committee on Finance, to whom was referred the bill (H. R. 16775) to limit the application of the internal-revenue tax upon passage tickets, having had the same under consideration, report it back to the Senate without amendment and recommend that the bill do pass.

Following is a copy of the letter of the Secretary of the Treasury, dated February 16, 1927, to the Chairman of the Finance Committee, concerning this bill:

MY DEAR MR. CHAIRMAN: I have received your request of February 15, 1927, for a report upon the bill (H. R. 16775), recently passed by the House of Representatives, to limit the application of the internal-revenue tax upon passage tickets, so as to exempt from tax tickets issued to persons authorized to participate in the 1927 national convention of the American Legion or of the American Legion Auxiliary, to be held at Paris, France. The legal and administrative difficulties which existed in the bill (S. 5272) upon which I submitted a report to you on January 29, 1927, have been satisfactorily eliminated. Accordingly, you are advised that the Treasury has no objection to the passage of H. R. 16775.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

Following is a copy of the House report on the said bill:

[House Report No. 1945, Sixty-ninth Congress, second session]

The Committee on Ways and Means, to whom was referred the bill (H. R. 16775) to limit the application of the internal-revenue tax upon passage tickets, having had the same under consideration, report it back to the House without amendment, and recommend that the bill do pass.

The revenue act of 1926 imposes a tax on passage tickets of \$1 for each passenger if the ticket cost more than \$10 and not more than \$30; \$3 if the ticket cost more than \$30 but not more than \$60; and \$5 if the ticket costs in excess of \$60.

The legislation herein recommended proposes to remove this tax on all tickets sold to members of the American Legion or the American Legion auxiliary who are certified as eligible to attend the annual convention to be held in Paris, pro-

vided they travel on a vessel designated as an official ship by the convention committee, and provided further that the vessel is scheduled to sail on or after June 1, 1927, and not later than September 15, 1927.

On September 19 of this year the American Legion, that great organization of World War veterans, will convene its ninth annual convention in Paris, France. It is fitting that this should be so, for it will just be 10 years after America's entry into the World War on the side of the Allies. America did much to contribute to the success of the cause and in so doing left behind thousands of American soldiers buried in the fields of France and Belgium, and this great movement overseas is not so much for the purpose of holding a convention, but is a sacred pilgrimage of the living to the cemeteries of the dead. It is a splendid thing that the men of this Nation who served honorably in their country's armed forces during the Great War should anticipate with reverence a visit to the final resting places of these thousands upon thousands of comrades who sleep in our great cemeteries over there. It is a pilgrimage to a shrine. We can see the international good will which will result. The French people assisted us in the war which brought us our independence. We helped them to escape domination by a foreign power. The friendly feeling that exists between the American soldier and the French *poilu* is strong, and the reunion of American veterans in France will do much to furnish good will and strengthen the bands of friendship between the peoples of these two great Republics. This pilgrimage will be a valuable contribution to international comradeship in time of peace.

It is highly fitting and appropriate that the American Legion should hold its 1927 convention in Paris in the land of its birth, and give to its members the opportunity to see once more the battle fields where they fought to establish the guiding principles of the Legion.

Fifty-seven liners will be used to transport these 30,000 legionnaires. They will embark at Montreal, Boston, New York, Hampton Roads, Charleston, S. C., Galveston, and New Orleans. The movement will start as early as August 10 and the great ship *Leviathan*, which transported so many of the soldiers overseas during the war, will be the flagship.

That the opportunity might be given to men and women of limited means every item of expense has been reduced to the minimum. The legionnaires will be accompanied by their mothers, wives, and children, and many gold star mothers will be taking the trip to visit the last resting place of their sons.

All of the European nations have waived the requirements of a passport and the payment of visa fees. The railroads of America and Europe have granted a 50 per cent reduction in their fares and the housing charges overseas have been reduced to the minimum. The ships of the United States Shipping Line will be used to capacity, and in order to save every item of expense where possible, the Legion has asked our Government to waive the charge of \$5 imposed on steamship tickets. This concession means a great deal to many of these men and women who are making this pilgrimage. It is the largest peace-time movement in the history of the world, and the Legion has spent the past two years perfecting details. It is a mission of good will and should do much to cement the ties of friendship between our own and the European countries and should go far toward impressing upon them the sacredness in which we hold our soldier dead.

For these reasons your committee unanimously recommends the adoption of this legislation.

