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} REPORT
No. 103

REVENUES TO DEFRAY WAR EXPENSES.

AUGUST 4 (calendar day August 6), 1917.—Ordered to be printed.

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

REPORT.

[To accompany H. R. 4280.]

The Committee on Finance, to whom was referred the bill (H. R. 4280) to provide revenue to defray war expenses, and for other purposes, having had the same under consideration, report it back with sundry amendments and recommend that the bill as amended do pass.

Your committee devoted more than 10 weeks to earnest and painstaking consideration of the bill. They spent nearly a week in giving hearings. These hearings were attended by representatives of nearly every interest affected by any of the provisions of the bill. The printed hearings cover over 650 printed pages.

In addition to those who attended the hearings, many hundreds interested directly or indirectly in this legislation have from day to day informally conferred with the chairman and other members of the committee. Through the medium of these hearings and conferences, the committee believes it has been put in possession of the arguments for and against the various provisions of the bill and the amendments it has made thereto. It has at all stages of its labors acted with a keen sense of its responsibility and of the extreme importance of its action in its effect upon the country and the successful prosecution of the war. It recognized the fact that the amount to be raised almost entirely through special impositions upon business and property represents the largest taxation budget in our history, nor was it unmindful of the fact that those who will have to pay these exactions will also have to furnish the larger part of the money to purchase the bonds to be issued to meet such part of our own expenditures as are not provided for by taxation and also such sums as we may from time to time be called upon to loan to foreign Governments engaged with us in war against Germany.

In these circumstances your committee was profoundly impressed with the expediency and necessity of broadening and developing our system of special taxation so as to present a scientific scheme, logically

constructed; so framed as to provide a substructure sufficiently strong and flexible to meet not only our present but our future war needs, and so adjusted as to distribute equitably the necessary burdens of taxation and safeguard the activities of the Nation by imposing no tax which would not leave the taxpayer a reasonably compensatory return from his investment. The basis of the system proposed by your committee is the income and war-profits taxes, internal-revenue taxes upon whisky and tobacco, and certain moderate subsidiary levies in the nature of excise taxes.

The system presented is in form much the same as that in the House bill, but it has, it is believed, been systematized, coordinated, and made more consistent. The income and war-profits taxes, the basic part of the system, have been better adjusted to each other, while the latter has been broadened and raised to a parity with the former in the machinery of the scheme and in its revenue-producing qualities.

As a result of these changes, it is estimated that about two-thirds of the additional revenue and about one-half of the total revenue from taxation for the fiscal year 1918 will come from the income and war-profits taxes. It is also estimated that the redraft of the war-profits provisions of the bill will raise \$362,000,000 in excess of that anticipated from these sources under the House bill. In fixing the rates upon incomes and war profits your committee kept constantly in mind the fact that the amount of revenue derived from these sources would depend upon the prosperity and activity of business and that to impose taxes which would tend to discourage enterprise and dampen these activities would tend to defeat the legislative purpose by reducing the revenue expected from these basic sources. Moreover, it thought that if the rates upon incomes and war profits were fixed at the highest level consistent with best revenue-producing results, there might be but little margin left for such further increases in rates as it may be found expedient to impose to meet future demands for additional revenue.

Your committee has, in carrying out its views in these and other respects, felt constrained to make many important and some fundamental amendments to the House bill.

It is believed, in the interest of clarity, that the amendments recommended can be best presented by grouping them under the titles of the bill to which they respectively relate and in the order in which they appear in the bill.

Before entering upon this discussion, however, it is deemed advisable to make a brief financial statement setting forth the estimated expenditures for the fiscal year 1918, together with the estimated available revenues and the additional amount necessary to be raised by taxation or further bond issue.

FINANCIAL STATEMENT.

(Furnished your committee by the Treasury Department, July 2, 1917.)

Estimated expenditures for fiscal year 1918.....	\$5, 693, 958, 000
Estimated receipts for fiscal year 1918 on basis of present law.....	\$1, 357, 000, 000
Bonds authorized by the act of Apr. 24, 1917, in addition to bonds to finance loans to foreign Governments.....	2, 000, 000, 000

Estimated expenditures in 1917 or expenditures in 1918 which are reimbursable from the sale of bonds authorized by the act of Mar. 3, 1917, entitled "An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes".....	\$393, 500, 000
Total amount of revenue available to meet the estimated expenditures for the fiscal year 1918.....	\$3, 750, 500, 000
Additional revenue necessary to be raised by taxation or a further bond issue.....	1, 943, 458, 000

This amount does not include any deficiency estimates that have been made and have not been appropriated for or that may hereafter be made by the War and Navy Departments. It is estimated that the bill as passed by the House will raise \$1,867,000,000, and, as amended by your committee, \$2,006,970,000. The bill as passed by the House will not raise the revenue estimated by the department, and which the Secretary of the Treasury thought it desirable to raise by taxation. The bill as amended by your committee will raise slightly in excess of this amount.

The bill as passed by the House, together with existing law, will raise by taxation 56 per cent of the estimated expenditures already appropriated for, exclusive of postal revenue and the sinking-fund requirements. As amended by your committee such per cent will be increased to 58.

It is estimated that the House bill will raise from excess-profits taxes an additional amount of \$200,000,000, while it is estimated that the bill as amended by your committee will raise from war profits taxes an additional amount of \$562,000,000.

After mature consideration your committee reached the conclusion that, in view of the large amount to be raised and the enormous war profits, amounting to nearly \$3,000,000,000, shown by the income-tax returns of corporations for 1916, which amount will undoubtedly be increased for the year 1917, due in the main to war and war conditions, \$562,000,000 was not an unreasonable additional amount to ask from the industries whose earnings have been so greatly augmented by the conditions which made necessary the call for this additional revenue.

TITLE I. WAR INCOME TAX.

The only changes made by your committee to this title of the House bill are as follows:

1. An increase in the corporation income tax of 2 per cent, making the total amount of this tax under the bill and existing law 6 per cent. It is estimated that this increase will produce additional revenue amounting to \$164,000,000 over the House bill.

2. An increase in the individual income tax equivalent to 1 per cent increase in the normal tax, the increase, however, to apply only to incomes in excess of \$15,000 per annum. It is estimated that this increase will produce about \$28,000,000 over the House bill.

3. The elimination of the amendments made to this portion of the bill on the floor of the House which increases the additional surtax rate as reported by the Ways and Means Committee on incomes in

excess of \$40,000 by 25 per cent and adding one new bracket imposing a rate of 45 per cent on amounts in excess of \$1,000,000. The increases referred to are those proposed in what is known as the Lenroot amendment. The rates of the bill as adopted by the House made the total highest rate, including the surtax and the normal tax imposed by the present law, 62 per cent. The total highest rate in the bill as amended by your committee, including the rates of the present law, will be 50 per cent, being the same as in the bill as reported to the House by the Ways and Means Committee.

There is appended hereto (see Table A) in tabular form a comparison of the individual income-tax rates of the present law, of the bill as passed by the House, and of the bill as recommended by your committee, together with the total rates under each bill. Also a table (see Table B) showing the amount of the tax that would be paid under the provisions of the present law and under the rates recommended by your committee, together with the total tax to be collected under both for net incomes ranging from \$1,200 to \$100,000,000.

RETROACTIVE TAX ON INCOMES.

The House bill provides for the imposition of an additional tax of 33½ per cent on incomes for the calendar year 1916. Your committee recommends that this section, viz, section 5, be stricken out. This tax seemed to the committee to be in principle both morally and economically unsound and to deserve exclusion as retroactive legislation. The incomes of the past calendar year have paid their taxes, and the balance has either been spent upon subsistence and the expenses of living or it has been saved and added to capital, in which form it will yield returns which will bear taxes in the ensuing years. To tax this tax-paid income again is not only double taxation of a peculiarly obnoxious kind, but would possibly compel the taxpayer to impair his capital by paying this second tax and thus diminish the Government's sources of taxation. This tax, if persisted in, would fall upon money already distributed and would interfere with contracts already made. It would, in a word, be one of those disturbing taxes which would alarm business and check industrial productivity, to which we must look as our chief source of taxation. It is very poor economy to take money in a way which will cause losses far outweighing the momentary gain. Moreover, it is to be remembered that if we admit the principle of retroactive taxation running back six months we also assert the right to carry it back for one year or ten years, or for any length of time. To do this would hold out a threat of uncertainty in tax conditions, and almost the greatest foe of business productivity and prosperity is uncertainty. For these reasons the committee had no doubt as to the wisdom of striking from the bill the retroactive tax on incomes. The Ways and Means Committee estimated that the revenue from this section of the bill would amount to \$108,000,000. The returns for said year indicate that this tax would have amounted to \$117,000,000.

TITLE II. WAR-PROFITS TAX.

Both the House bill and the present law impose the war-profits tax upon partnerships as well as corporations, joint-stock companies and associations, and insurance companies, but neither includes indi-

viduals. Your committee has not been able to find any satisfactory reason why individuals engaged in trade and business should not be subject to this tax as well as corporations and partnerships, and it recommends, therefore, that the bill be so amended as to include them.

Your committee decided that this war profits tax should not apply to any trade or business the net income for the taxable year of which is less than \$5,000. In the case of an individual there shall be an exemption from this tax of \$5,000 of war profits. This difference follows the precedent contained in the income-tax law.

For the purpose of the war-profits tax the House bill retains the basis of the present law, which provides a flat rate of 8 per cent upon the profits of corporations and copartnerships in excess of the sum of 8 per cent of their capital actually invested, plus \$5,000, and imposes an additional tax of 8 per cent upon such profits.

Actual capital invested is defined by the act of March 3, 1917, to mean (1) actual cash paid in, (2) cash value of other property as valued at the time of payment, and (3) surplus paid in or earned. The House bill amended this so as to provide further that good will and the like shall not be included in actual capital invested, unless specifically paid for as such in cash or tangible property.

The fundamental difficulty in assessing a tax on these lines arises from the difficulty of establishing a standard or measure of the amount of actual capital invested. The House bill endeavors to overcome this difficulty by a proviso designed to prevent inflated valuation of good will and the like intangible assets. To be reckoned as actual capital, the House bill requires that their value must be established or accredited through their being paid for "in cash." But provisions of this kind, designed to prevent inflation of capitalization, are usually of little real effect. Indeed, it is doubtful whether they can in any way be framed so as to be effective. Payments for good will and other intangible assets can easily be made to appear on the books of a corporation to have been made in cash. Almost always they are made so to appear. This familiar way of watering the stocks of corporations is impossible to detect and counteract without a specific examination of the precise facts in each case. Such an examination, if made for all concerns of every size and kind, as the House bill contemplates, must necessarily extend over a long period of time; it must be made in an enormous number of cases; it must lead to dispute and contest, and must be productive of unlimited litigation.

This method of procedure, however, does not merely open the way to litigation and to evasion; it also fails to safeguard legitimate interests. Many concerns of long and honorable standing have patents, trade-marks, brands, and the like assets, which are intrinsically and substantially valuable. They have real good will, honestly developed through long years of successful business, for which no payment in cash appears upon their books, or indeed has ever been made. Such assets, even though intangible, are honest and substantial property, and should not fail of consideration because of the circumstance that the concern has itself developed them, instead of purchasing them in cash from another party.

These difficulties might be overlooked or disregarded, and might lead to no serious business disturbance, so long as the rate of tax remained low—8 per cent on excess profits, as provided by the act

of March 3, 1917. At present, however, we are confronted with the necessity of raising much larger revenue and of imposing much higher rates of tax. The House bill, together with the law of March 3, 1917, would impose a tax of 16 per cent on excess profits. The war-profits tax of Great Britain has now reached a rate of 80 per cent; the rates in Canada are graduated from 25 per cent to 75 per cent, and the New Zealand rate is 45 per cent. We must face the possibility, even the probability, of even higher taxes than are now proposed in this country, and we must try to adjust our system in such a way that it will work satisfactorily even under increased rates.

Your committee accordingly proposes the repeal of the existing war-profits tax law, and the substitution for both it and the additional war-profits tax passed by the House of a tax upon a basis similar to that followed by the European countries in which such taxation has been carried out with marked success. The committee proposes, instead of an *excess*-profits tax, a *war*-profits tax. In general, it proposes to make the basis of the tax the difference between the profits of the prewar period and the profits of the taxable year. We take by taxation, directly or indirectly, for the purposes of war, a part of the extra gains which war itself has caused.

The change of basis seems to the committee desirable not only because it is equitable and appropriate but also because the administration of the tax and its successful collection are greatly facilitated. The Government has on record, in connection with the existing income and corporation tax, statements showing what were the actual net incomes of corporations during the years of the prewar period; and the revenue from the excess profits of corporations will probably be about 80 per cent of the total revenue from excess profits. The tax on the net income of corporations has been continuously in effect since the year 1909. Hence for the three years 1911, 1912, 1913, which are taken as the basic years of the prewar period, there is already on record a statement of the net profits of corporations. An investigation of the income-tax returns for a series of years shows that the average of all incomes for the calendar years immediately prior to the outbreak of the European war was somewhat larger than for any other three consecutive years prior to 1915. The aggregate net income of taxable corporations, as reported to the Treasury Department, is as follows:

1909.....	\$2, 095, 978, 400
1910.....	3, 360, 250, 642
1911.....	3, 213, 707, 248
1912.....	3, 832, 150, 411
1913.....	4, 339, 550, 000
1914.....	3, 619, 387, 780

A comparison of their net incomes during the taxable year—that is, a war-period year—with their recorded net incomes of the prewar period, establishes once and for all the basis upon which the tax should be collected. It avoids, for all such corporations, inquiry concerning their capitalization, and enters into no inquiries concerning the extent or justification of their profits in earlier years, or the extent to which their capital merely represented water or was actually invested.

Under any system, however, there will remain some cases in which the war-profits principle can not be strictly applied. The above basic plan must be somewhat modified as regards two classes of con-

cerns, and can not be applied at all to another class. These cases are: (1) Where the capital used in the business is different for the taxable year from the average capital for the prewar period; (2) where the average net income of the concern for the prewar period was below a normal return upon its investment; and (3) where the concern was not in existence for a full calendar year during the prewar period—that is, the business is so new that it did not have a full year's net income during the prewar period. Special provision is made for these classes, as follows:

(1) Where the capital has been increased or decreased for the taxable year above or below the average of the prewar period, the average net income for the prewar period, for the purpose of ascertaining the war profits, is assumed to be increased or decreased in this same proportion

(2) Where the Secretary finds either (1) that the net returns of a trade or business for the prewar period was low as compared with the net returns during such period of representative concerns engaged in a like or similar business, or (2) that during such period, the ratio between the net and gross income from such trade or business was substantially less than the like ratio in case of representative trades or businesses then the war profits of such trade or business shall be determined as in the case of a new concern.

(3) Where the concern was not in existence for one calendar year during the prewar period, or had no net income for the prewar period, the amount of the war profits shall be the same proportion of the net income for the taxable year which the war profits for the same calendar year of representative concerns engaged in a like or similar business, and whose war profits are computed in accordance with the general plan, bears to the net income for that year.

Under this scheme it is not necessary to take into consideration the capital of the trade or business.

Your committee, after very thorough consideration, decided to make another fundamental change in the House war-profit scheme. The House bill imposed an additional flat tax of 8 per cent on all excess profits. This basis would impose the same rate of tax upon the taxpayer who is making but a small additional profit as upon the taxpayer who is making a large additional profit. It is easy to see how a tax upon this basis would call for a greater sacrifice from the taxpayer who is making only a small additional profit than from one who is making an additional profit of from 100 per cent to 200 per cent.

Your committee thought in considering the question of the rate of taxation that it was necessary to take into account not only the ability of the taxpayer to respond to the demands of the Government without too great hardship, but also the extent to which he should be required to respond. Giving due weight to these considerations, it reached the conclusion that a graduated tax beginning with a rate of 12 per cent of war profits not in excess of 15 per cent of the prewar profits, and reaching at its highest a rate of 50 per cent of the amount by which such profits exceed 250 per cent of the prewar profits, would be far more equitable than a flat tax, just as a like graduated surtax on incomes is far more equitable than would be a flat surtax on incomes.

TITLE III. WAR TAX ON BEVERAGES.

Your committee recommends certain material changes in this title. Some of them are matters of administration and of minor importance and need not be referred to here.

The most important amendment recommended by your committee is one relating to the use of certain cereal and food products in distilled spirits. As a conservation measure your committee has inserted in the bill an amendment providing for the imposition of a tax of \$60 per 100 pounds on all cereals and other solid products and \$5 per wine gallon on molasses, sirups, and other liquid fermentable products used in the distillation of spirits, and providing the machinery for carrying into effect these provisions. If the objection be made that this would be prohibitory in its character, the reply is that in precisely the same measure, large or small, it would be a conservation of food.

As a corollary to this amendment and for obvious reasons your committee also recommend an amendment prohibiting the importation of spirits produced after the passage of the pending act into the United States from any foreign country for beverage purposes.

In view of the fact that the proposed food-conservation amendments and the provisions of the so-called "food-control act" would not permit the further manufacture or importation of distilled spirits for beverage purposes, thereby placing a limitation upon the available amount of spirits for consumption and in a measure producing a monopoly in favor of the owners of the stock on hand, making practically certain a large increase in the price of this product, your committee recommend an amendment imposing an additional tax on distilled spirits intended for beverage purposes of \$2.10 instead of \$1.10, as proposed in the House bill.

Likewise, your committee believe that the effect of the legislation above referred to upon the use and consumption of distilled spirits will result in a large increase in the demand and consumption of beer and wines, and it recommends that the additional tax on beer be raised from \$1.25, as proposed by the House bill, to \$1.50, making the total tax \$3 per barrel.

Your committee recommend that the additional tax on grape brandy used in the fortification of sweet wines be increased from 10 cents, as proposed in the House bill, to \$1, making the total tax \$1.10 per proof gallon.

Your committee also recommend that the additional tax on dry wines containing less than 14 per cent alcohol be increased to 4 cents instead of 2 cents, as recommended by the House, making the total tax 8 cents per wine gallon.

Your committee also recommend that the additional tax on still wines containing more than 14 per cent alcohol, and upon liqueurs, cordials, and other compounds containing such sweet wines, be \$1.10 per proof gallon instead of 10 cents on such wines containing less than 21 per cent alcohol, and 25 cents per wine gallon on that containing more than 21 per cent alcohol.

Upon champagne, sparkling wines, and artificially carbonated wines your committee also recommend an additional tax of double the existing tax instead of a tax equal to the existing tax, as provided in the House bill.

Your committee also recommends an amendment to this title providing for the transfer of certain spirits from receiving cisterns by means of pipe lines to storage tanks in bonded warehouses, etc.; and also an amendment providing for the transfer of fermented liquors from the brewery premises where made to a contiguous industrial distillery with a view to extracting a portion of the alcohol contained in them and converting them into nonalcoholic beverages.

The only other important amendment recommended by your committee to this title of the bill relates to what are known as sirups, extracts, and carbonic-acid gas used in the manufacture of soft drinks. The House bill imposes a tax equivalent to 10 per cent of the price for which prepared sirups and extracts used in the manufacture and production of beverages are sold by the manufacturer, producer, or importer. Your committee has changed this to a graduated tax ranging from 3 cents per gallon on these products when sold at \$1.25 per gallon to a tax of 12 cents per gallon when sold for more than \$4 per gallon.

The testimony presented to your committee satisfied it that the rates proposed by the amendment recommended would be more equitable than those contained in the House bill. In addition to this, your committee believe that except in certain unusual cases it is unwise and unjust, in addition to the income and war-profits taxes, to impose a heavy gross-sales tax upon products out of which the income and profits of a business are made. Such taxes should not ordinarily be imposed at heavy rates unless it is unequivocally intended that they are to be fully and invariably paid by the ultimate consumer.

Your committee approves the scheme of the House bill by which so-called soft drinks sold at soda fountains, bottling establishments, and other similar places are taxed through the medium of the tax imposed upon the carbonic-acid gas used in the production of carbonated waters and other drinks, but it believes that the tax of 8 cents per pound imposed by the House bill upon carbonic-acid gas is too high and recommend that the House rate be reduced to 5 cents per pound, to be paid by the purchaser, and that the tax imposed on bottlers who make their own carbonic-acid gas and are not subject to this tax be correspondingly changed from 2 cents to 1 cent per gallon on the beverages produced.

TITLE IV. WAR TAX ON CIGARS, TOBACCO, AND MANUFACTURES THEREOF.

The House bill doubles the present rate of tax upon tobacco and its products. Tobacco and its products are already heavily taxed. It is estimated that, in round numbers, the internal-revenue taxes for the Government from this source during the fiscal year 1917 amounted to \$100,000,000 and that the customs revenue from this source amounted to \$32,000,000.

While the House bill doubles the tax imposed upon tobacco the Treasury Department estimates that the increased revenue will be materially less than double the amount raised under the present law. Manifestly this difference must be attributed to the fact that the consumption of tobacco will be reduced by reason of doubling the tax and that such a rate would be above the

best revenue-producing rate. Indeed, the experts of the Treasury Department united in expressing the opinion that a 60 per cent increase in these rates would yield quite as much revenue to the Government as a doubling of the tax. On account of these representations and the strong array of evidence presented to your committee that the House rates would be severely burdensome to the industry, your committee was convinced that the rates proposed in the amendments recommended by it will be more equitable to the tobacco producer and manufacturer and would yield but slightly less revenue to the Government than the rates proposed in the House bill.

The only other amendment to this title of the bill of importance is the one reducing the exemption from the tax imposed upon floor stocks of tobacco. It believes that the exemption allowed in the House bill is entirely too large and in some instances, especially in the case of small dealers, will amount to a full year's supply.

TITLE V.—WAR TAX ON FACILITIES FURNISHED BY PUBLIC UTILITIES.

Your committee recommends—

First. That the tax imposed by the House bill for the transportation of persons by rail or water be extended so as to apply also to charges for like transportation by any form of mechanical motor power when in competition with carriers by rail or water.

Second. That the tax of 6 per cent imposed by the House bill upon the amount paid for the transportation of property by express companies be reduced to a tax of 1 cent for each 25 cents or fraction thereof paid for such transportation. The House rate was thought to be a discrimination in favor of the railroads and parcel post, and your committee recommends that the same tax imposed upon the amount paid to express companies for transportation be imposed upon parcel post. Heretofore the rates between these methods of transportation have been reasonably balanced. It was contended with much force by the express companies that this change of rates in the House bill would unbalance the equilibrium, and that as a result the express companies would lose to the parcel post on a certain class of packages and to the railroads on another class. In addition to this reason for imposing a reasonable tax upon transportation by parcel post, your committee can see no intrinsic reason why in this present emergency the Government should not impose a tax upon this method of transportation, especially in view of the fact that the rates on first-class and second-class mail are increased.

Third. The tax of 10 per cent imposed by the House bill upon the amount paid for the transportation of passengers and for seats, berths, and staterooms was considered too high, and your committee recommends that the rate be reduced to 5 per cent of such amount. It is proper in this connection to call attention to the fact that the taxes described in the last three paragraphs, are to be paid by the person paying for such transportation.

Fourth. The committee also struck out the provision of the House bill imposing a tax of 5 per cent upon the amount paid for electric power for domestic uses and upon the amount paid for light or heat service, and also upon the amount paid for telephone service

by subscribers. It appeared to the committee that this tax would fall with very great severity upon the people of moderate means as well as upon the poorest classes of the community, who at the present time depend very largely,—if not entirely, in the cities, upon gas or electricity to furnish them with both light and heat for cooking as well as, in many cases, with power for the running of small machinery like that of the sewing machine. The committee felt that a tax of this character ought not to be imposed unless a point was reached where it would become necessary to tax everything susceptible to taxation. Light and heat are the very last things which should be made the subject of taxation. For similar reasons the committee has recommended that the tax upon the charge for telephone service to subscribers be eliminated from the bill.

The House bill contains a provision taxing insurance of various kinds. The principle of imposing excise taxes upon insurance is questionable. In the case of life insurance the insured makes a sacrifice during his life for the benefit of his family after his death. In the case of many other kinds of insurance he makes an expenditure for the safeguarding of his property. Transactions of this kind should not be subjected to tax except in the last resort.

TITLE VI. WAR EXCISE TAXES.

Title VI of the House bill imposes a tax of 5 per cent upon the gross sales of automobiles, automobile trucks, automobile wagons, and motorcycles, and automobile, motoreyelo, or bicycle tires sold by the manufacturer, producer, or importer. It also imposes a similar tax upon the gross sales of certain musical instruments and other articles. A tax of 5 per cent upon the gross sales under any circumstances would be a heavy tax. It is many times heavier than a tax at the same rate upon net profits; and it is to be considered that under the pending bill and under the present law these same manufacturers are subjected to high taxes upon their net profits and a heavy additional tax upon their excess profits. Your committee felt that only where the conditions are exceptional could such a tax be justifiable, and then only at a lesser rate. Your committee felt that articles used in certain amusement games, such as tennis rackets, billiard and pool balls, billiard and pool tables, checker and chess boards, dice, etc., should bear a moderate tax of this character, and acting upon this principle has retained the gross-sales tax imposed by the House bill upon these and certain like articles, but has reduced the rate of 5 per cent of the House bill to 2 per cent.

The same general considerations hold with reference to the gross-sales tax imposed by the House bill upon perfumes, cosmetics, and certain other similar articles, also upon patent medicines. Most of these articles are sold under privately owned formulas, and are more or less the subject of monopoly. Because of the character of the goods, and the element of monopoly therein, your committee thought that a moderate gross-sales tax to be paid by the manufacturer might be justified, and acting upon this principle, while retaining the gross-sales tax as provided in the House bill, has reduced the rate from 5 per cent to 2 per cent.

Your committee, regarding cameras as of like character with the sporting goods included in the bill, have added them and imposed a like moderate tax of 2 per cent upon the manufacturer, producer, and importer thereof.

A gross tax upon automobile manufacturers was first considered, but upon thorough investigation it was found that over 80 per cent of the manufacturers were making very small profits. A few were making enormous profits.

A gross production tax in size sufficient to produce a substantial return would have driven out of business the large majority of the automobile manufacturers.

Largely for this reason such a tax was found to be impracticable.

After careful consideration, your committee concluded that the automobile was a proper subject upon which to impose a war-revenue tax, and it recommends as a substitute for the high gross-sales tax, which might or might not be passed on to the purchaser, a moderate excise tax upon the owner of automobiles, motorcycles, etc., and therefore includes in the bill a graduated tax, as follows, upon automobiles and motorcycles: Motorcycles, \$2.50; automobiles, the original listed retail price of which is not over \$500, \$5; original listed retail price over \$500 and not over \$750, \$7.50; original listed retail price over \$750 and not over \$1,000, \$10; and for each further increase of \$500 or fractional part thereof of original listed retail price, an additional tax of \$5.

Your committee believes also that there should be a war-revenue tax upon yachts, pleasure boats, etc., and, therefore, while striking out the provisions of the House bill with respect to imposing a gross-sales tax upon these articles, recommends as a substitute a graduated tax based upon the size of these craft.

TITLE VII. WAR TAX ON ADMISSIONS AND DUES.

Your committee recommend the following amendments to Title VII of the House bill:

First. Where admissions charged are in part or wholly included in the price paid for refreshments, service, or merchandise, the amount paid for such admission is to be computed under rules prescribed by the Commissioner of Internal Revenue, and a tax is proposed at the rate of 1 cent for each 10 cents paid for such refreshments, etc. The purpose of this amendment is to impose a tax upon admissions to what are commonly known as cabarets at the same rate as is imposed upon admissions to similar entertainments or amusements. It has been held by the courts that where extra charges were made for refreshments, service, and merchandise in places of amusement this extra charge constituted an admission charge. Adopting the principle of this decision, your committee has made the additional price paid for these things the basis of the tax for admission to such places.

Second. The House bill imposes a tax upon certain theaters and other places of amusement. It is well known that tickets to these places are sold at hotels, news stands, and elsewhere at higher prices than at the box office of the place of amusement. Your committee recommends taxes based on the excess charges made at these agencies. If any place of amusement sells or disposes of tickets at prices in excess of the regular established price, a tax of 50 per

centum of such additional price is to be imposed. These additional taxes are to be paid by the person selling such tickets.

Third. Your committee recommends that moving-picture shows the maximum charge for admission to which is 25 cents be exempted from the admission charge proposed in section 700 of the House bill. The moving-picture show has become a national institution. It possesses many valuable educational features. These pictures are exhibited not only in places of amusement but they are used in schools and colleges for the purpose of illustration and education. In addition, they are largely patronized, especially those of the kind proposed for exemption from this tax, by people of small means. These reasons as well as others that might be given justify the exemption from the admission taxes of this class of amusement.

Fourth. For reasons which will be apparent, your committee recommends that admissions to bona fide Chautauqua lectures, guaranteed locally, and to all agricultural fairs, be exempted from the tax imposed in this section.

Fifth. Your committee also recommends that the tax imposed upon the amount paid as dues or membership fees to social, athletic, and sporting clubs and organizations be eliminated from the bill. The net incomes of such clubs are exempt from the income tax. In addition to this, your committee found it extremely difficult to make any definition of social clubs which would not include organizations which it was not thought advisable to tax.

TITLE VIII. WAR STAMP TAXES.

Your committee recommends sundry amendments to Title VIII of the House bill. The effect of these various amendments is to revise and bring to date the administrative features contained in said title. No material changes are suggested, but some of the regulations had become obsolete and others inapplicable to present conditions.

SCHEDULE A. STAMP TAXES.

Your committee recommends the following amendments to Schedule A of this title:

First. It recommends a parcel post tax of 1 cent for each 25 cents or fractional part thereof paid for the transportation of such package, weighing more than 4 ounces, to be collected by requiring an internal-revenue stamp to be placed on such package before transporting.

Second. That a 1-cent stamp be required to be affixed to each check, draft, certificate of deposit drawing no interest. A similar tax was imposed and successfully collected under the Spanish-American War revenue act. At the present time in most of the belligerent countries such checks are taxed. In the opinion of your committee, there is no good reason why this source of taxation should be overlooked, and it would yield a substantial revenue to the Government.

Third. That the additional tax on playing cards imposed by the House bill be reduced from 8 to 3 cents per pack where the cards are intended to sell at retail for not more than 15 cents per pack. Your committee thought a tax of 10 cents (that being the amount under the present law with the additional tax imposed by this bill) upon an article selling for 15 cents or less was too high.

HOUSE TITLE IX. WAR ESTATE TAX.

The revenue act of September 8, 1916, imposed upon the estates of decedents in excess of \$50,000 a graduated tax of from 1 per cent to 10 per cent. The act of March 3, 1917, to meet the emergency requirements of that time, increased these rates one-half, imposing a graduated tax of from 1½ to 15 per cent upon such estates. The House bill proposes an additional tax of from one-half of 1 per cent to 5 per cent upon such estates, raising the total rates to from 2 per cent to 20 per cent, or twice the rates imposed by the act of September 8, 1916. The House bill also proposes a new tax upon estates in excess of \$25,000 and not in excess of \$50,000. More than 40 of the States of the Union are now imposing some form of inheritance taxes and in some of the States these taxes are very high. There was a strong protest presented to your committee from many of the States against any further increases in the inheritance tax levied by the National Government, and your committee felt that these protests should not be overlooked. After careful consideration of all the circumstances your committee reached the conclusion that it would be wiser not to increase the inheritance tax beyond the rate imposed under existing law and that it would be more equitable and economically better to supply the comparatively small loss in revenue, estimated at \$6,000,000, from sources which would not so interfere with the revenues of the States.

Such a tax, when used as an emergency measure, is necessarily unequal in operation. Only if continued at the same rate for many years—the period of a generation—does it become equal for all persons in like situation. If levied as a war tax, that is, as a temporary emergency measure, it falls only upon the estates of those who happen to die during the period of the emergency. Particularly is it to be remembered that perhaps a majority of those dying during the war and leaving estates to be taxed will be soldiers and sailors dying in defense of our country. On the other hand, as a permanent measure, such a tax, even at the rates already fixed by existing law, trenches in considerable degree on a sphere which should be reserved to the States.

HOUSE TITLE X. WAR CUSTOMS DUTIES AND WAR TAX ON COFFEE AND TEA.

Title X of the House bill proposes a tariff tax of 10 per cent upon all articles imported from any foreign country into the United States and certain of its possessions. With the exception of about a score of articles enumerated in an exemption clause, every article, whether upon the free or dutiable list of the present tariff law, would, under the House bill, become subjected to the 10 per centum ad valorem duty, in addition to the tariff duties imposed under the present law. In other words, this section of the House bill imposes an additional ad valorem customs tax of 10 per cent upon the three or four thousand articles now imported under the present tariff act, whether free or dutiable. It is estimated by the Ways and Means Committee of the House that by this tax the Treasury of the United States would receive additional revenue amounting to \$200,000,000. There is no

estimate, however, of the amount that the consuming public would have to pay to the producers and manufacturers of this country as a result of this additional 10 per cent ad valorem customs duty.

So sweeping a change as that proposed in this section of the House bill would have brought about many consequences which the committee thought clearly undesirable. Every duty levied in the existing tariff at a specific rate would at once have become a compound duty, partly specific and partly ad valorem, and thus would have become subject to all the administrative difficulties which result from the combination of specific and ad valorem duties. Many petty duties, or additions to duties, would have been levied, on which the cost of collection would not have been justified by the accruing revenue. Existing ad valorem duties would necessarily have been affected unequally. Thus, the duty upon the lowest class of cotton yarn, now 5 per cent, would have become 15 per cent; in other words, it would have been increased 200 per cent, three times as high as it was before. On the other hand, the duties on some of the highest grades of cotton manufactures—certain laces and embroideries and expensive hosiery—now 45 per cent and 50 per cent, would have become 55 per cent and 60 per cent, or an increase in the latter case of only 20 per cent. The disproportion in the relative changes of duty is obvious.

The relations between duties on raw materials and those on finished products would necessarily have been completely changed by the flat 10 per cent ad valorem increase. A duty of 10 per cent on wool, for example, ought to bring with it, as a counterpart, an increase of the duty upon woolen cloths; but the corresponding increase on woolens should be not 10 per cent, but 5 per cent, since the cost of wool in general forms one-half of the cost of producing woolen goods.

On a number of articles, both those now free and those on the dutiable list, if any duties at all are to be imposed for revenue, they should be specific, not ad valorem. Such, for example, is the case with duties on coffee, tea, sugar, and some chemicals. On these not only are specific duties obviously more easy of administration, but they do not cause such fluctuations, both in revenue and in business conditions, as result from ad valorem duties. Moreover, in some respects the proposed general change would have threatened diplomatic complications. Under it, for example, a duty of 10 per cent would have been imposed on all wheat imported. Under existing legislation wheat is admitted into this country free from those countries which impose no duty upon American wheat. Very recently, by order in council of April 27, 1917, Canada admitted American wheat free, and in consequence Canadian wheat became admissible free into the United States. In other words, the wheat resources of the two countries have now been pooled. The imposition of the proposed 10 per cent duty upon Canadian wheat, especially at the present high price, would be at the least ungracious to Canada, now engaged with us in war against Germany; and it would be inconsistent also with the reciprocal pooling of the wheat resources of the two countries.

Again, there are a considerable number of commodities whose supply is inadequate to the demands of this country. As a striking example, the committee would refer to tin, of which only a few weeks'

supply is at present available in this country. Other articles on which the imposition of any duty at all seems objectionable under present conditions, are manganese and manganiferous ore, of tremendous military importance in manufacturing steel, and obtained largely by importation. Nickel, also of vital importance for naval and military uses, is obtained almost exclusively by importation from Canada, and the supply should not be restricted. A duty on copper, as proposed in the House bill, would be futile. It is true that considerable copper, copper matte, and copper ore are now imported into the United States; but they come in simply because copper is now free and hence the United States is a convenient place for transit and transshipment and also for smelting and refining.

Notwithstanding all these difficulties, the committee endeavored to ascertain whether it might be possible to follow the general principle of a 10 per cent duty, applying it not universally, as proposed in the House bill, but over a selected yet fairly large list of articles, which might be subjected to a general advance without causing obviously undesirable effects such as would have resulted from any sweeping application of the plan. The committee caused to be prepared a list of articles now upon the free list, on which it might be possible to levy a duty of 10 per cent, or specific duties equivalent to about 10 per cent. It considered also the possible application of the same line of action to a limited range of commodities now dutiable, including a readjustment of duties upon manufactured goods in such way as to correspond fairly to an increase in the duties upon raw materials. An inspection of this plan, however, when worked out in detail, led the committee finally to the conclusion that no such action was desirable. With a few outstanding exceptions, the revenue to be expected from this line of action was either petty, or was so much offset by undesirable business effects as not to be justified. It would have been possible, for example, to secure a considerable revenue from the various fibers and grasses which are now imported, such as flax, hemp, jute, sisal, manila, and the like. But these are raw materials much needed for our industries, and not to be subjected to duties for revenue purposes except under stress of the greatest need. The same is the situation with a number of other raw materials which might conceivably be subjected to duty. After careful consideration the committee came to the conclusion that it was inexpedient now to undertake any horizontal advance of tariff rates, even of a limited kind. With the trade of the entire world temporarily under the most unsettled conditions in history it is hardly a time to revise our system of tariff taxation in a way that would so seriously disturb its balance and interrelations.

Your committee recommends that in lieu of Title X (war customs duties and war taxes on coffee and tea) of the House bill there be substituted the following new title:

TITLE IX. WAR EXCISE TAXES ON COFFEE, TEA, COCOA, AND SUGAR.

Your committee recommends as a temporary war measure excise taxes as follows: Upon coffee or substitutes therefor, 2 cents per pound; upon tea, 5 cents per pound; upon crude cocoa, 3 cents per pound; upon prepared cocoa and chocolate, imported, 5 cents per

pound; upon sugar, one-half cent per pound; such taxes to be paid by the manufacturer, producer, or importer. Your committee recommends that these taxes be imposed not only upon the articles hereafter manufactured, produced, or imported, but also upon those already manufactured, produced, or imported but not yet sold to the consumer when this bill shall go into effect. A reasonable exemption, however, is allowed in the case of a retail dealer who does not sell these articles at wholesale.

As before stated, the House bill proposes a tax of 10 per cent ad valorem upon practically every article enumerated in the present tariff law whether upon the free or dutiable list, including coffee, tea, cocoa, and sugar. Your committee, while recommending that these all-embracing consumption taxes be eliminated from the bill, provides that in the place of the customs tax proposed in the House bill there be substituted these moderate excise taxes.

As coffee, tea, and cocoa are not produced in this country, of course the total amount collected from consumers by the tax upon these articles will inure to the benefit of the Treasury. The excise tax on sugar, whether imported or domestic, will likewise all find its way into the Treasury; whereas the 10 per cent ad valorem tax proposed on sugar in the House bill would have inured in part to the benefit of the Treasury and in part to the benefit of the sugar producer and refiner, the consuming public paying the part accruing to the producer and refiner as well as the part accruing to the Government. If every dollar of the excise taxes imposed by the Senate amendment upon these articles was passed on to the consumer it would amount to a tax of little more than 75 cents per annum per capita, a sum so small it would scarcely be felt by the consumer. It is by no means probable, however, that the whole of these excise taxes will be passed to the consumer. A considerable part is likely to be absorbed by producers and dealers, and the final charge upon consumers can not be burdensome.

Outside of the internal-revenue taxes imposed in the bill upon whisky, beer, and wines, and upon tobacco and its products, the consumption taxes retained in the bill after the changes made by your committee will be comparatively small. The taxes imposed by your committee upon coffee, tea, cocoa, and sugar will yield the Government a fairly good revenue. They are small compared with similar taxes imposed by practically all belligerent countries, are easy of collection, and your committee can see no reasonable objection to their imposition.

SUGAR DRAWBACK.

It is recommended that paragraph O of section 4 of the act of October 3, 1913, so far as it relates to the granting of a drawback upon sugar, be repealed. The drawback provision of existing law allows the repayment upon the exportation of any article manufactured in the United States, in part or wholly of imported materials, of 99 per cent of the customs duty that was actually paid and collected upon the importation of these materials.

Because of the war our allies who formerly received large amounts of beet sugar from Germany and Austria are now importing large amounts of refined sugar from the United States, principally sugar

grown in Cuba and refined in the United States. All of this sugar being refined from the imported article receives upon exportation 99 per cent of the customs duty originally paid upon it. The following table shows the amount of drawback paid upon the exportation of sugar for the fiscal years—

1912.....	\$1,364,085
1913.....	1,420,937
1914.....	647,740
1915.....	5,401,173
1916.....	13,771,181

England is the principal purchaser of this sugar, and is not now refining enough sugar for her own consumption, even if she could procure sufficient raw sugar for that purpose. The United States at the present time seems to be the only country that can supply the English demand for this sugar.

Before the war England refined about 700,000 tons of sugar and imported about a million tons of refined sugar to supply the domestic demands of Great Britain. These importations were chiefly from countries now at war and having, for this reason, ceased to be exporters of sugar, leaving the United States as the only market upon which Great Britain depends for that part of its demand which it can not supply, amounting to somewhere near a million tons annually. This, of course, accounts for the large increase in our exports of refined sugar. Strong representations were made to your committee to the effect that through the manipulation of the drawback now allowed by law domestic refiners have been enabled to unduly increase the price of sugar to American consumers. The drawback allowed by law is intended to relieve the exported product from the burden of any customs tax that may have been imposed upon the raw material out of which the finished product is made, to the end that the exporter might be able to meet competition in foreign markets upon equal terms.

It was strongly argued by representatives before your committee that, because of the alleged fact that the American exporter of sugar had no competition and would have none during the continuance of the war in the foreign markets in which he now sells his product, this drawback becomes a bounty and that the effect has been to increase the price to the American consumer of refined sugar to approximately the amount of the bounty. The answer of the refiners to this contingent was not satisfactory to your committee, and it is believed that the withdrawing of the drawback would not affect the price at which sugar is sold by American refiners to our allies and that by allowing the drawback it would in all probability increase the price of refined sugar to the American consumer.

There can be little doubt that under prevailing conditions the shortage of sugar in Europe will continue to be supplied by American refiners, notwithstanding the repeal of the drawback, so far as the quantity of raw sugar available for the purposes can be secured. It is not believed that under these circumstances the repeal of the drawback at this time will materially affect the exportation of refined sugar.

Under the circumstances your committee, while divided upon the question, feel constrained to recommend the repeal of the drawback allowed under existing law upon the exports of refined sugar.

TITLE X. ADMINISTRATIVE PROVISIONS.

It is recommended that the number of this title of the House bill be changed from XI to X. This title contains general administrative provisions and your committee recommends the following additions:

First. That the time of payment of the tax imposed upon floor stock of distilled spirits, wines, liquors, and cordials, cigars, cigarettes, tobacco, and snuff, be extended four months after the enactment of this law upon giving of proper bond for the payment of the same.

Second. That in behalf of economy and of convenience to the taxpayer that the Commissioner of Internal Revenue may, with the approval of the Secretary of the Treasury, require internal-revenue taxpayers who are required by law to render returns upon which any tax is based to pay, without prior levy, assessment, or notice, and at the same time the return is required to be made, or in monthly installments thereafter, any such tax, but the whole of the tax to be paid before the expiration of the time fixed by law. This suggested amendment makes possible a revision of the present method of collection in event of the change working unsatisfactorily.

Third. That collectors of internal revenue be authorized to receive uncertified checks or United States certificates of indebtedness in payment of the income and war-profits taxes, under proper regulations by the department.

TITLE XI. POSTAL RATES AND WAR TAX ON PROFITS OF PUBLICATIONS.

It is recommended that the number of this title of the House bill be changed from XII to XI.

Your committee, while approving the increase in the rate on letter postage provided in the House bill, can see no good reason for making a like increase on postal cards and drop letters, and it therefore recommends that the House provision proposing an additional 1 cent upon these cards and letters be stricken from the bill. It likewise recommends that the application of the zone system proposed in the House bill on second-class matter be stricken from the bill and that instead there be substituted (a) an additional rate of one-fourth of 1 cent per pound upon second-class mail matter; (b) an additional annual tax upon the net income from the publication of any newspaper, magazine, periodical, or publication entitled to be entered as second-class mail matter, whether so entered or not, of 5 per cent of such net income in excess of \$4,000.

Leading representatives of the publishers of newspapers, magazines, and periodicals appeared before your committee in protest against the zone system as applied to their publications, and presented to it evidence that the application of this system would be a serious mistake and would in many instances entail certain disaster. The combination postal and special net income tax recommended as a substitute is not regarded as perfect by your committee, but in view of the additional charge of 1 cent imposed upon letters transmitted through the mails, amounting to an increase in letter postage of 50 per cent, and the tax of 1 cent for each 25 cents and fraction thereof paid for transportation of packages by parcel post, it was felt that some reasonably proportionate additional tax should be imposed upon newspapers and periodicals having the privilege of second-class mail matter.

TITLE XII. INCOME-TAX AMENDMENTS.

Your committee recommends that a new title—Title XII, Income-Tax Amendments—be added to the bill, including a number of amendments to the present income-tax law suggested by the Treasury Department and based upon the experience of the department in connection with this tax. The more important amendments so recommended by your committee are as follows:

First. That no exemption be allowed for interest upon indebtedness incurred for the purchase of obligations or securities the interest from which is exempted from income taxation.

Second. That in arriving at the net income no deduction shall be allowed for income and war-profits taxes paid during the year. The amount of these taxes payable during the fiscal year 1918, principally between June 15 and 25, it is estimated will be about \$1,400,000,000. If in computing the net taxable income of the year 1918, this amount be deducted the revenues of the Government would be reduced for the fiscal year 1919 to such an extent as to require a considerable increase in the rate of the income tax and possibly in the war-profits tax.

Third. That in determining the net taxable income the heads of families be allowed a further deduction of \$200 for each dependent child under 18 years of age or for each dependent child mentally or physically defective to such an extent as to be incapable of self-support.

Fourth. That the provisions of the law requiring withholding at the source of the tax due on profits or incomes of resident taxable persons be repealed and instead there be substituted "information at the source," where the amount of income received in any taxable year and paid over to the taxable person exceeds \$800 for any taxable year. In case of payments of interest upon obligations of corporations or of foreign governments not payable in the United States, such information shall be given of all payments, however small. The proposed amendment is conducive to a more effective administration of the law in that it will enable the Government to locate more effectively all individuals subject to the income tax and to determine more accurately their tax liability. This is of prime importance from a viewpoint of collections. In addition to this very important consideration, the changes will result in the saving of annoyance and expense to taxpayers and withholding agents in lessening of expense to the Government, and in simplifying administration, and in increased effectiveness, especially in view of the enormous increase in the number of income-tax payors through the lowering of the exemption. At the present time only about 10 per cent of the total receipts from the personal income tax is derived from collections made at the source; for the year 1916, less than 5 per cent was so derived.

It is the Treasury Department's judgment, based upon close observation and study of the practical workings of the withholding feature of the income-tax law as well as of the general requirements of administration, that information at the source is a foundation upon which the administrative structure must be built if the income-tax law is to be rendered most effective and if due regard is to be paid to economy and simplicity of administration and to the imposition of no greater burden and expense upon taxpayers than is necessary for effective administration.

Fifth. That in assessing the income tax the net income upon which tax is to be levied for any taxable year is to be credited with the amount of any war-profits tax imposed for the same year.

Sixth. That the Secretary of the Treasury be authorized to require brokers to make returns showing profits made by their customers, for the purpose of checking the income-tax returns.

Seventh. That any contract entered into after this act goes into effect, by which any person or concern agrees to pay any portion of the income tax of any other person or concern, shall be void.

Eighth. That for the purpose of the ordinary corporation tax, there be allowed the same credit for dividends from other corporations that is now allowed to individuals as to the normal tax, except that this credit should be allowed only to the corporation receiving such dividends directly from the corporation earning the same and not receiving such amounts from any other corporation as dividends. That is, this credit shall only be allowed once on the same earnings, irrespective of the number of corporations to which it may in turn be passed on as dividends.

Ninth. That dividends declared and paid in the year 1917, or subsequent tax years, shall be deemed to have been paid from the net income of the year in which paid, or from the most recently accumulated surplus, and shall constitute a part of the annual income of the shareholder for the years in which earned by the concern, and the tax to be paid by the shareholder thereon shall be at the rate prescribed by law for such years.

Tenth. It is recommended that section 10 of the act of September 8, 1916, be further amended by adding a new subdivision imposing a surtax upon the undistributed net incomes of corporations. The purpose of this amendment is to subject to additional taxation such proportion, of the incomes of corporations as are not actually invested and employed in the business or retained for employment in the reasonable requirements of the business. If the Secretary of the Treasury shall ascertain and find that any portion of such amount so retained for employment in the business is not so employed, or is not reasonably required in the business, that portion of such amount so retained is made subject to a tax of 15 per cent. If any part of the undistributed surplus is retained for any purpose other than employment in the business it is subjected to a tax of 10 per cent.

Neither the existing law nor the House bill imposes a surtax upon the undistributed earnings of corporations. Under both the House bill and existing law the normal tax of the corporation and the normal tax of the individual is the same. In these conditions the earnings of the corporation escape surtax until distributed among its shareholders. This situation seemed to your committee to bring about an inequality between the corporation and the individual which should be remedied as far as practicable. In view of the fact that it has heretofore been the custom of corporations, for well recognized and sound economic reasons to retain in the business a greater or less proportion of their annual earnings, and in view of the further fact that the present situation calls for unusual outlays for purposes of expansion, development, etc., to meet the demands and requirements of the situation, and the increased difficulty in borrowing money on satisfactory terms and conditions caused by the large demand of the Government upon the investing public to float its securities

issued to raise revenue for the war, your committee believes that the situation would be best met by imposing the surtaxes above mentioned upon such portions of the retained surplus as is not retained for employment in the business and by imposing the additional tax of 2 per cent upon the corporate incomes while imposing on individual incomes only an additional tax equivalent to a 1 per cent normal tax.

TABLE A.—Showing the individual income-tax rates of the present law as compared with the rates adopted by the House and the rates as recommended by the Finance Committee and the total rates as carried by the House and the committee bills.

	Present law.	House bill.		Committee bill.	
		House bill.	Total.	Committee bill.	Total.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Exemption:					
Heads of family.....	\$4,000		\$2,000		\$2,000
Other persons.....	3,000		1,000		1,000
For each minor dependent child.....	0		0		200
Normal rate.....	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Additional tax rate on the amount of income in excess of—	2	2	4	2	4
\$5,000 and not of \$7,500.....	0	1	1	1	1
\$7,500 and not of \$10,000.....	0	2	2	2	2
\$10,000 and not of \$12,500.....	0	3	3	3	3
\$12,500 and not of \$15,000.....	0	4	4	4	4
\$15,000 and not of \$20,000.....	0	5	5	6	6
\$20,000 and not of \$30,000.....	1	6	7	8	9
\$30,000 and not of \$40,000.....	2	10	12	10	12
\$40,000 and not of \$60,000.....	3	13.75	16.75	12	15
\$60,000 and not of \$80,000.....	4	17.5	21.5	16	20
\$80,000 and not of \$100,000.....	5	20.25	25.25	20	25
\$100,000 and not of \$150,000.....	6	25	31	23	29
\$150,000 and not of \$200,000.....	7	30	37	26	33
\$200,000 and not of \$300,000.....	8	33.75	41.75	28	37
\$300,000 and not of \$500,000.....	9	37.5	46.5	31	40
\$500,000 and not of \$1,000,000.....	10	41.25	51.25	33	43
\$1,000,000 and not of \$1,500,000.....	11	45	56	33	44
\$1,500,000 and not of \$2,000,000.....	12	45	57	33	45
\$2,000,000.....	13	45	58	33	46

TABLE B.—Income tax that would be collected upon specified net incomes of married persons at the new proposed rates.

Income of—	Present law.		Additional war tax.		Total tax.	
	Total tax.	Per cent.	Total tax.	Per cent.	Amount.	Per cent.
\$1,200.....	0	0	0	0	0	0
\$1,500.....	0	0	0	0	0	0
\$2,000.....	0	0	0	0	0	0
\$4,000.....	0	0	\$40	1.00	\$40	1.00
\$5,000.....	\$20	.40	60	1.20	80	1.60
\$7,000.....	60	.80	120	1.71	180	2.57
\$10,000.....	120	1.20	235	2.35	355	3.55
\$12,000.....	160	1.33	335	2.79	495	4.12
\$15,000.....	220	1.47	510	3.40	730	4.87
\$20,000.....	320	1.60	910	4.55	1,230	6.15
\$30,000.....	620	2.07	1,010	6.37	2,530	8.43
\$60,000.....	1,320	2.64	5,310	8.85	6,630	11.05
\$75,000.....	2,470	3.29	7,410	9.88	9,880	13.18
\$100,000.....	3,920	3.92	11,710	11.71	15,630	15.63
\$150,000.....	7,420	4.95	22,710	15.14	30,130	20.09
\$200,000.....	11,420	5.71	35,210	17.60	46,630	23.31
\$250,000.....	15,920	6.37	49,210	19.68	65,130	26.05
\$300,000.....	20,920	6.97	64,710	21.57	85,630	28.54
\$400,000.....	31,920	7.98	97,710	24.43	129,630	32.41
\$500,000.....	42,920	8.58	130,710	26.14	173,630	34.73
\$600,000.....	54,920	9.15	165,710	27.62	220,630	36.77
\$700,000.....	68,920	9.56	200,710	28.67	269,630	38.23
\$800,000.....	78,920	9.86	235,710	29.46	314,630	39.33
\$900,000.....	90,920	10.10	270,710	30.08	361,630	40.18
\$1,000,000.....	102,920	10.29	305,710	30.57	408,630	40.86
\$10,000,000.....	1,437,920	14.38	3,455,710	34.55	4,893,630	48.94
\$30,000,000.....	4,437,920	14.79	10,455,710	34.85	14,893,630	49.64
\$100,000,000.....	14,637,920	14.94	34,055,710	34.96	48,693,630	49.89

TABLE C.

Estimated additional revenue to be derived under the proposed bill.

[Estimated revenue for a 12-month period.]

Title I:	
Income tax—	
Now war tax.....	\$777, 700, 000
Title II:	
War profits.....	562, 000, 000
Title III:	
Distilled spirits.....	135, 000, 000
Rectified spirits.....	5, 000, 000
Fermented liquors.....	46, 000, 000
Wines, etc.....	21, 000, 000
Soft drinks, sirups, etc.....	11, 000, 000
Title IV:	
Cigars.....	10, 000, 000
Cigarettes.....	20, 000, 000
Tobacco.....	25, 000, 000
Snuff.....	1, 500, 000
Cigarette papers and tubes.....	100, 000
Title V:	
Transportation—	
Freight.....	77, 500, 000
Express and parcel post.....	18, 000, 000
Passenger.....	37, 500, 000
Pipe lines.....	4, 500, 000
Seats and borths.....	2, 250, 000
Telegraph and telephone messages.....	7, 000, 000
Title VI:	
Automobiles.....	40, 000, 000
Sporting goods.....	800, 000
Pleasure boats.....	500, 000
Perfumes and cosmetics.....	1, 900, 000
Proprietary medicines.....	3, 400, 000
Cameras.....	500, 000

REVENUES TO DEFRAY WAR EXPENSES.

Title VII:	
Admissions.....	\$23, 000, 000
Title VIII:	
Schedule A, including playing cards.....	32, 000, 000
Title IX:	
War excise tax on coffee, tea, cocoa, and sugar.....	86, 000, 000
Title X:	
Virgin Island products.....	20, 000
Title XI:	
First-class mail matter.....	50, 000, 000
Second-class mail matter.....	3, 000, 000
Profits tax on second-class mail matter.....	7, 500, 000
Total.....	<u>2, 006, 970, 000</u>



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REVENUES TO DEFRAY WAR EXPENSES.

August 13, 1917.—Ordered to be printed.

Mr. LA FOLLETTE, from the Committee on Finance, submitted the following

MINORITY REPORT.

[To accompany H. R. 4280.]

The undersigned, members of the Committee on Finance, are unable to approve the report made by a majority of the members of that committee accompanying the bill H. R. 4280, for two principal reasons:

First. The bill and report of the majority of the committee assumes that according to the estimates of the Secretary of the Treasury the additional revenue necessary to meet the expenditures of the Government for the fiscal year 1918 is \$1,943,458,000; whereas, in fact, according to the estimates of the Secretary of the Treasury and all available evidence before the committee, the sum necessary to be raised is several times that amount.

Second. By the method of taxation proposed in the bill and the report of the majority members of the Committee on Finance, the tax burden is unjustly distributed in that it will fall with undue weight upon those least able to bear it, while surplus wealth, excessive profits, and large incomes pay far too little. In thus distributing the tax burden, the majority of the Committee on Finance have, we submit, not only evolved a system which is inherently unjust, but which also ignores the valuable experience of Great Britain and other countries recently subjected to the strain of raising large amounts of money for war purposes.

It is essential at the outset that there be a clear understanding (1) as to the amount of money which must be raised to meet the war expenses of the fiscal year 1918, (2) the sources from which the revenue can be obtained, (3) the effect upon the industrial organization of the country as well as upon the Government, and (4) that there be adopted at this time a definite policy of financing the war.

Without such an understanding the Senate can not properly consider the pending bill and the Congress is very certain to become committed to a revenue policy dangerous to sound Government

finance, and grossly unequal and unjust to the people of the country who have suddenly been called upon to make the tremendous sacrifice of life and property which the war involves. It is the duty of Congress to so frame our war obligations as not only to meet the needs of the Treasury promptly, but to secure the required revenue from sources best able to supply the necessary money and most justly and fairly subject to taxation.

THE ESTIMATED EXPENDITURES FOR FISCAL YEAR 1918.

The majority members of the Finance Committee can not, in the opinion of the minority, justify their course in ignoring the estimates of the Treasury Department and all other evidence presented to the committee in estimating the expenditures for the fiscal year 1918.

The majority report assumes that the estimated expenditures for the fiscal year 1918 are.....	\$5, 693, 958, 000
They deduct from that amount the estimated receipts for the fiscal year 1918, on the basis of present law..	\$1, 357, 000, 000
The proceeds of the "Liberty loan".....	2, 000, 000, 000
And estimated expenditures reimbursable from sales of bonds authorized by act of March 3, 1917.....	393, 500, 000
Or a total of.....	<u>3, 750, 500, 000</u>
And this amount subtracted from the estimated expenditures for fiscal year 1918 as above stated leaves, according to the majority's calculations, additional revenue to be raised by taxation or further bond issue.....	1, 943, 458, 000

The entire report of the majority of the Finance Committee and the bill which the committee present are based upon the wholly erroneous assumption that \$1,943,458,000 represents the amount of additional revenue necessary to be raised, according to the estimates of the Secretary of the Treasury, for the fiscal year 1918. Unless the bill presented proposes to raise an amount which bears some relation to the known needs of the Government for the ensuing fiscal year, it might better not have been presented at all, or, if presented, it should have been accompanied by the statement that it would not provide for raising more than a small fraction of the revenue which the Government must necessarily raise for the fiscal year 1918. Instead of this, however, the majority report accompanying the bill declares that while "the bill as passed by the House will not raise the revenue estimated by the department, and which the Secretary of the Treasury thought it desirable to raise by taxation, the bill as amended by your committee will raise slightly in excess of this amount."

The estimate of the Secretary of the Treasury, however, of the appropriations necessary for the fiscal year 1918, which the Senate committee had before it in framing this bill, and which, of course, the majority of that committee had before them in preparing their report, was as follows:

Estimated expenditures for fiscal year 1918.....	\$10,735,807,000	
Estimated receipts for fiscal year 1918, on basis of existing laws.....	1,333,500,000	
		9,402,307,000
Bonds authorized by act of April 24, 1917, in addition to loans to other countries.....		2,000,000,000
Expenditures in 1917, or estimated expenditures in 1918, which are reimbursable by bond issues:		
Mexican situation.....	\$132,000,000	
Alaskan Railway.....	25,000,000	
Armor-plate plant.....	6,500,000	
Nitrate plants.....	5,000,000	
Shipping Board.....	50,000,000	
Danish West Indies.....	25,000,000	
Navy emergency.....	150,000,000	
		393,500,000
		7,008,807,000

The above estimate of expenses for the following fiscal year is more than three times the amount raised by both taxation and bond sales during the entire four fiscal years of the Civil War.

Nor do the above figures, appalling as they are, by any means indicate the full amount of money that must be raised from the people of this country for the present fiscal year and expended principally for the purposes of the war. Not only do the estimated expenditures exceed the estimated receipts by \$9,402,307,000, but we must take into account also in considering the amount of money the people must raise the amount of the advances to other Governments. The \$3,000,000,000 already authorized by Congress for this purpose added to the estimated expenditures brings this amount up to \$13,735,807,000. But more than that, if we continue to advance money to the allies throughout the current fiscal year at the same rate that we have been advancing it to them since we entered the war, another \$4,000,000,000 at least will have to be added to the amount of money raised in this country for this fiscal year.

The estimate of \$4,000,000,000 additional to be advanced to the allies for the present fiscal year is probably too low. April 24, 1917, Congress authorized an advance of \$3,000,000,000 to the entente allies, and on August 6, a period of 94 days, advances had been made at the rate of \$20,000,000 per day, or substantially \$600,000,000 per month. To continue advances at the same rate through the present fiscal year will far exceed the \$4,000,000,000 in the above estimate.

While the amount to be raised for the entente allies can not now be determined, yet the fact that the resources of this country are going to be tremendously drained for the above purpose is one of the facts that must be borne in mind in framing this tax bill. If the Government of the United States is to make these advances to foreign Governments, as we all know that it is now the purpose of the administration to do, it must first raise the money. That it may intend to sell bonds for this purpose does not alter the fact. The money must come out of the pockets of the people, and the sale of bonds for this purpose is going to increase the interest rate on all bonds sold and make it correspondingly more burdensome to meet out of bond sales any portion of the expenses of the Government. Bear in mind that there is no foreign market now for our bonds. The nations which

would ordinarily be the buyers of our bonds are exhausted financially as well as in every other way. England, France, Russia, and Italy have frankly admitted to us their desperate need for money.

According to the best estimates available the war is costing France about \$10,000,000,000 this year and England about \$15,000,000,000 for this year. England has been financing Russia, Italy, Belgium, and other of her allies. France is taxing to the limit of her people.

We are to-day face to face with the problem not only of financing ourselves in this war but to a large extent of financing the entente allies if the present plans of the administration are carried out. At the very least our people must raise in excess of \$13,000,000,000 to be expended in the present fiscal year even if the war should stop then. Gigantic appropriations for the Army and Navy, and the vast increase in both, would not permit of an immediate and substantial lowering of the tax rate, while if the war continues for another year our tax burden will be many billions in excess of the above-estimated amounts. In view of these facts, and in particular of the fact that we must for the present fiscal year raise from our people \$13,000,000,000 or more, it seems useless to look to the bill submitted by the majority of the committee, which provides for raising less than \$2,000,000,000 for those principles of taxation which can aid us in solving the difficult problem of war financing with which we are confronted. The report of the majority members of the Finance Committee frankly ignores the estimate of \$5,917,878,347 made to the committee by the Secretary of the Treasury while the hearings on this bill were in progress, which amount, it was stated in the report accompanying the estimate, was urgently required to meet the needs of the Government. The estimate of the Secretary of the Treasury and his communication to the Finance Committee accompanying it are attached as an appendix to this report. The majority report also ignores the other billions above mentioned which must be raised and expended during the coming year. Every member of the Finance Committee, whether of the majority or minority, fully understands that the bill presented by the majority is only intended to raise a small part of the money which must be raised for the support of the Government during the present fiscal year. Yet the country will be given to understand, and will have a right to understand from the majority report and bill, that the bill fixes the amount of taxation to which the property and industries of the country are to be subject for the current year.

The bill presented purports to be based upon official estimates, and on that basis makes a showing as to the rate of taxation to which different forms of property will be subject. To be of any value, indeed to be other than very misleading, the bill must take into account not a part, but the whole of the estimates submitted. All the revenue which this bill provides for raising will be exhausted in a very few months. Every member of the Finance Committee knows it, and knows that in the meantime the business interests of the country will have accepted the taxation features of this bill as covering the amount to be raised by taxation for the present fiscal year, and so far as possible will have adjusted themselves to the taxes imposed by the provisions of this bill. This will scarcely have been done, however, before it will be necessary to raise other and much larger sums than are provided for in this bill. To levy then a new tax

upon the industries of the country will be a burden of which they may most justly complain. Fair dealing requires that a sufficient tax should be levied now and that the business of the country should know at this time approximately at least what the tax will be, and be given an opportunity to adjust themselves to it.

While this bill and the report of the majority members of the committee accompanying it are silent on the subject of further bond issues, it is perfectly obvious a bond issue to meet the many billions of dollars left unprovided for in this bill is in contemplation, indeed the plan will doubtless be made public soon. A few months from now, when it becomes necessary to raise other billions of dollars, there will, no doubt, be great opposition to any plan to raise more money by additional taxation. A bond issue will be the only alternative. Of all forms of taxation that involved in bond issues is the worst. The people must redeem the bonds—principal and interest—and in a comparatively short space of time the interest comes to equal or exceed the principal. Bear in mind also that at the close of the war, whenever and however it may end, our resources will be severely taxed to meet the expenses made necessary in order to maintain the enlarged Army and increased Navy, the pension list, and a multitude of other expenses caused by the war. These burdens will be heavy enough for those who have them to bear without our adding to them a still more staggering load of indebtedness, which should be as far as possible met at this time by taxation.

UNDER THIS BILL THE TAX BURDEN IS UNJUSTLY DISTRIBUTED.

Complicated as is the subject of public finance, there are certain principles and certain truths underlying the science that are self-evident. Among these is the principle that the burden of taxation should be apportioned among the taxpayers in accordance with their ability to pay. Another is that income or profits constitute, if not the best, at least one of the best standards by which to measure ability to pay. It is equally obvious that the more vexatious and burdensome taxes ought to be foregone as long as possible in favor of less burdensome and vexatious taxes. As examples to enforce this principle we cite in the majority bill the exceptional and extraordinary taxes on consumption, like the proposed tax on tea, coffee, and sugar; the proposed tax on passenger tickets and freight rates, which operate like sand in the bearings of industry and commerce; the proposed increase of letter postage from 2 cents to 3 cents; the tax on bank checks, and other exceptional taxes proposed in the bill. Exceptional and extraordinary impositions such as these should be avoided altogether if possible, and certainly should be reserved until other resources of taxation have been exhausted and until the necessities of the Public Treasury are uncompromising.

Whatever the total amount necessary to meet the needs of the country it ought definitely to be understood that in the enactment of this, the first great war revenue measure, Congress is fixing so far as possible the financial policy of the country for the war period. A wise plan of financing inaugurated at this time will strengthen the Government in the prosecution of the war, will safeguard the commercial interests of the country, and will aid the people to more successfully cope with the great problems—industrial, financial, and

social—which will follow the war. More than all, it will inspire the people with confidence in the conduct of the war, and in the patriotism and disinterested purpose of those who have from the beginning so aggressively supported the war policies of the Government. Nothing can more certainly invite disaster to our arms by destroying popular confidence in the purposes of this war than to pass a bill which heavily taxes the necessities of the poor while lightly touching the luxuries of the rich. We claim to have profited by the military experience and mistakes of the other warring countries, particularly Great Britain; and therefore to have adopted the policy of drafting men into the Army from the very start. Why, then, should we not profit by the financial experience and mistakes of the other countries, particularly Great Britain, and therefore draft wealth in the form of taxation into the service of the country from the very start.

There are three plans or methods which might be adopted in financing this war:

(1) The whole cost of the war might be borne by bond issues. Under this plan the people would pay by taxation simply interest and sinking fund charges and transmit to the future the great load of debt.

(2) The whole cost of the war could be met by taxation.

(3) A part of the cost can be met by taxation and a part by bond issues.

The first plan is unjust and extravagant and will not in principle be contended for by anyone, although the plan of the present bill is a long step in that direction.

The second plan might easily have been adopted by us, and would certainly have aided in keeping the war cost down to a minimum. If all the cost of the war were paid out of current revenue, there would be no interest charges; there would be no expansion of credits through great bond issues. Prices would be kept down and both the Government and the people would be faced with the necessity of rigid economy.

A memorial recently presented to Congress by 309 of the most distinguished professors of economics and finance, members of the faculties of 47 of the leading universities and colleges of the country, set forth the argument in favor of this plan in a most able form. From that memorial we quote the following:

The taxation policy is practicable, because the current income of the people in any case must pay the war expenditures. The choice between bond issues and taxation is merely a choice whether the Government shall take income with a promise to repay those who furnish it or take income without such promise. The actual arms, munitions, and other equipment and supplies for use in the war, except to the small extent that they have been stored up in the past, must be produced now, during the war itself, not after the war, and, moreover, must be produced by our own people. The policy of borrowing within the country itself does not shift any part of the Nation's burden of war expenditures from the present to the future. All it does is to make possible a different distribution of the burden among individuals and social classes to permit repayment to certain persons who have contributed income during the war, by other persons after the war. If the people can support the war at all, they can do it on a cash basis. Borrowing creates nothing. Except by borrowing abroad, which we can not do, we can get nothing which we do not ourselves produce. * * *

The taxation policy and no other will enable the country to escape the enormous evils of further inflation. The present high level of prices in Europe and America is primarily due to the war bonds and the paper money issued abroad. If the United States joins on a huge scale in this policy of borrowing, prices are bound to become far higher still.

Price inflation is harmful even in time of peace. During a war it is disastrous. It increases the cost of conducting the war. It postpones victory and thus adds to the war's toll of lives as well as to its money expenditures. By every bond issue the Government enhances the price it must pay, and thus creates the need of more bonds. The policy works against itself.

Moreover, inflation of prices works injustice between different classes of society. The burden rests chiefly upon wage earners and salary receivers, whose pay never rises as fast as prices, and upon those who receive fixed or contractual incomes. The hardship which millions of our people are already suffering from the increased cost of living will be made many fold greater if the Government issues billions of dollars of bonds to finance the war. * * *

The policy of taxation for war expenditures is demanded by justice. Apart from the injustice arising from price inflation, the policy of paying for the war by bond issues gives property a preference over life; it deals unjustly as between citizen and citizen. The question of taxation versus bonds is not merely one of economics; it is one of morals, of right against wrong. * * *

The citizen who contributes even his entire income, beyond what is necessary to subsistence itself, does less than the citizen who contributes himself to the nation. * * *

If conscription of men is just and right, conscription of income is the more so.

Congress has not, however, seen fit to adopt or even seriously consider this plan. With a speed unparalleled in great financial undertakings the \$5,000,000,000 bond authorization was made and \$2,000,000,000 of that amount has been subscribed. To that extent at least the Government is committed to the borrowing method. Unable now to escape altogether the bond issue, ordinary prudence and consideration of the interest of the people dictate that our aim should be to hold our bond issues to the lowest possible amount. This can be done by raising as large an amount by taxation as the great wealth of the country can pay without crippling industry, and thus we can reduce the amount which will be necessary to supply by bond sales.

We must always remember that the argument that by heavy taxation we reduce the ability of the public to purchase bonds is wholly fallacious. What we raise by taxation we do not need to raise by bond sales and if we raise enough by taxation we will not need to sell any bonds at all. After all any bonds that we may sell for the purpose of this war must be sold to our own people and must be paid for out of income or investment. If paid out of income then that income was also available to the Government through an income tax. If the bonds are paid for out of investment, that must mean that the bonds are made so attractive by high interest rate, tax exemption, or other features as to attract money from normal business enterprises to the disturbance and injury of the regular business of the country. The so-called "Liberty loan" bonds bear only 3½ per cent interest, but because exempt from taxation are an excellent investment for the very rich but a bad investment for the poor man, to whom such effort was made to sell them. Mr. Kahn, a New York banker, in an address before the Merchants Association of New York on June 1, 1917, pointed this out and presented a table showing that on the basis of income taxation proposed by the House bill, these bonds because of their tax-exempt feature are the equivalent of an investment yielding a return of 5.2 per cent to a person with an income of \$100,000 to 9.21 per cent to a person with an income of \$2,000,000, or more. The consequence of such a bond issue is that new business enterprises will have to halt at the very time when the country requires the greatest expansion of its industrial facilities

for the successful prosecution of the war, with the only alternative left to business men of paying exorbitantly for new capital. In either case the bond policy is bound to have a paralyzing effect upon business.

A fundamental fallacy in the majority's report is manifested in the following statement which we quote from page 2 of that report:

If the rates upon incomes and war profits were fixed at the highest level consistent with best revenue-producing results, there might be but little margin left for such further increases in rates as it may be found expedient to impose to meet future demands for additional revenue.

Here is the distinct admission of the fact, manifest throughout this report and the bill presented by the majority members of the committee, that the rates upon incomes and war profits have not been fixed at the level which will yield the "best revenue-producing" results. Moreover, we do not accept as a correct expression of our present responsibility that rates should now be fixed upon incomes and war profits at so low a level as to necessitate a subsequent increase of those rates in order to meet the demands for additional revenue. The demand for additional revenue and for many billions of dollars of additional revenue is already upon us, according to the estimates and evidence furnished to the committee and by which it must be guided. That we have already shown.

To advocate lower tax rates at present on war profits, with a view to leaving a margin for a later day, is to leave out of sight the fact that this prolific source of revenue will automatically disappear with the end of the war and that the opportunity to tax each year's profits passes with the year. Failure to draw upon this source to the fullest possible extent while the war lasts will therefore result in throwing a much larger burden of taxation upon the people and the normal industries of the country at a time when the easily made war profits will be no longer available, and when the business of the country will be staggering under the burden of readjustment. If it is fair and reasonable to impose a tax of 50 per cent on normal incomes of a certain size as the majority bill proposes to do, why should there be any hesitation in applying a flat 50 per cent tax or indeed a higher rate on excessive war profits? Moreover, the argument that a margin must be left for further increase of tax rates as additional revenue is required rests on a misapprehension of the character of the taxes imposed by the present bill. If these taxes were imposed upon capital, the claim that too high a rate would leave no margin for increased taxation later on might be urged with some justification.

However, neither the war profits tax nor the income tax affects the amount of existing capital. Both these taxes are levied upon extraordinary and unusual profits. Even if they absorbed the greater part of the profits of individuals such taxes would not in any way affect the income of the same individual the next year. The capital remains. The tax does not impair the earning power of that capital, and in the next year the profits will again be received from the business as before. While in the case of war profits tax, even if the tax were fixed at a rate of 100 per cent, it would still leave the normal profits untouched. That is why the conservative British Finance Minister does not hesitate to impose a rate of 80 per cent on war profits without fear of any ill-effect so far as further revenue from the same source is concerned. The business men of this country are

entitled to know, when this bill is passed, what the Federal tax upon their current incomes and war profits for the present calendar year is going to be. Any attempt to revise the rates upward in the next few months, as will be necessary if this bill in its present form becomes the law, will be denounced as retroactive taxation which has been so ably criticized and condemned in the report of the majority of the committee.

Great Britain levies a flat 80 per cent tax on war profits, and that rate if adopted by Congress would yield \$2,300,000,000 in revenue if based upon war profits for the calendar year 1916, and much more than that amount if based on the calendar year 1917. The Treasury Department expert has furnished the minority with the following estimate showing the war profits tax that would be collected at the several percentages given below:

A war profits tax at the rate of—

80 per cent would yield (war profits, 1916).....	\$2, 300, 000, 000
70 per cent would yield (war profits, 1916).....	2, 021, 000, 000
60 per cent would yield (war profits, 1916).....	1, 732, 500, 000
50 per cent would yield (war profits, 1916).....	1, 443, 700, 000
40 per cent would yield (war profits, 1916).....	1, 155, 000, 000
30 per cent would yield (war profits, 1916).....	866, 250, 000

The British income tax yielded for the last fiscal year one billion dollars in round numbers. The population of Great Britain is only 42 per cent of that of the United States. On that basis similar income tax rates would yield in this country about two and a half billion dollars. However, this calculation disregards the much greater per capita wealth in this country; also the fact that incomes in this country as measured in dollars and cents are much greater among all classes of people from wage earners to millionaires than they are among the corresponding classes in Great Britain. We will submit later in connection with amendments tables showing the income tax available in this country at the different percentages proposed in such amendments. From these two sources, the income tax and the war profits tax, there can be raised without subjecting the country to serious financial strain and without depriving the wealthy of even the luxuries of life, more than double the amount proposed in the bill and accompanying report submitted by the majority of the committee. This is the minimum amount which we can afford to provide for by taxation from these sources at this time. To do less than that is to enter upon a course that is bound to be ruinous to the country on account of the excessive bond issues that will be required, and which is unjust and indefensible from every point of view.

Nothing that this country or any other country has ever previously undertaken in the way of war financing compares with the obligations we are assuming. We have not merely to finance one country. We must to a large extent finance at least five or six other countries. It took this country more than a generation to recover from the disastrous effects of excessive bond issues in the Civil War. Yet the obligations we assumed in that war by borrowing were almost negligible compared with the mountain of debt that we propose to assume in this war. We are at the parting of the ways. Either we are going to adopt the policy of paying as we go, so far as that

may reasonably be done, or we are going to adopt the policy of borrowing on a scale never before conceived by the imagination of man. The history of our financing in the Civil War and the War of 1812 proves beyond a doubt that ruin and disaster await us upon that road.

The taxes which we can raise upon spirits and tobacco are considerable and the majority report shows the amount fairly available from these sources at this time. We must, however, look to the two sources, the income tax and the war profits tax, to maintain the credit of the Nation and make it possible for our people to bear the awful burdens of this war.

This brings us to a consideration of the taxes proposed to be levied under Titles V, VI, VII, VIII, IX, X, and XI of this bill. Those titles include taxes upon transportation, both freight and passenger, and also upon telephone and telegraph messages, upon automobiles, motorcycles and boats, upon admissions to places of entertainment or amusement, the burdensome and vexatious stamp taxes, an excise tax upon tea, coffee, cocoa, etc., taxes upon postal rates, greatly increasing the cost of transmission for first-class mail matter and second-class matter also, and includes as well an additional tax upon publishers. According to the table accompanying the majority report, the additional tax upon freight transportation will amount to \$77,000,000; upon express and parcel post, \$18,000,000; upon passenger transportation, \$37,500,000; upon telegraph and telephone messages, \$7,000,000; upon coffee, tea, cocoa, and sugar, \$86,000,000; upon admissions to places of entertainment and amusement, \$23,000,000; upon letter postage, \$50,000,000; upon stamp taxes, etc., about \$32,000,000, and various other smaller amounts upon the other subjects of taxation as provided in the bill.

Bear in mind that these are all taxes in addition to the duties and taxes levied under existing law, and are so levied as to be directly placed upon the consumer. These taxes will not only increase the cost to the consumer by the amount of the tax but by the percentages of profit which is added to the increased cost of an article, and the ultimate consumer must pay it all. So far as meeting the needs of the Government for revenue is concerned—which we have come to reckon in these times only in billions of dollars—the amount of these taxes is inconsiderable. But as a means of increasing the cost of the necessaries of life to the poor, they are oppressive and more than that they will be, and are intended to be merely the first of the taxes to be levied upon the necessaries of the poor, in order to finance this war. Once we admit the principle that taxes of this sort are to be levied at all at this time, we will find them mounting with every increasing tax levy which the necessities of this war will demand. The taxes upon tea, coffee, sugar, medicine, freight, passenger fares, and the laying of all taxes upon consumption are wholly unnecessary and unjustifiable at this time.

A percentage almost negligible added to the war profits and income taxes would furnish more revenue to the Government than all these consumption taxes, and would not cause inconvenience much less distress to anyone. Why, then, are these consumption taxes levied? The only answer is that once the mass of people have submitted to even the minimum of this form of taxation, it will be easy to increase the consumption taxes both as to subjects taxed and as to the

rates imposed again and again as every war revenue bill comes before Congress. These taxes will also endure after the period of the war. When the war stops the war profits' tax, that greatest and most properly available source of income during the war can be no longer levied. The loss of that source of income must be made up in part at least from some other source, for the expenses of the Government will be enormously above the normal for many years after hostilities have ceased. It will be these consumption taxes upon the necessities of life that will then be drawn upon to meet the needs of the Government. It seems to us both unjust and unwise to levy these consumption taxes or any additional taxes upon the necessities of the people at this time. The prices of food and clothing and all those things necessary to life and well-being in the average homes of this country have already enormously increased over any corresponding increase in wages, earnings, or salaries.

Dun's agency reports the wholesale price of the following articles to have increased from April 1, 1914, to April 1, 1917, by the percentages herewith stated:

	Percentage.
Dairy and garden products.....	84
Meat.....	46
Clothing.....	49
Metals.....	59
Foodstuffs generally.....	105

From the Review of the United States Bureau of Labor Statistics for April, 1917, we get a comparison of the prices of February 15, 1913, with those of February 15, 1917, upon the following, among other articles:

- Flour increased 69 per cent.
- Eggs 61 per cent.
- Anthracite coal 65 per cent.
- Potatoes 224 per cent.
- Bread from 5½ to 10 cents per loaf.

The Old Dutch Market chain of retail stores of Washington some time ago furnished to Senators a comparative statement of the prices of 60 table necessities. The prices of April 1, 1914, were compared with the prices of April 1, 1917, showing an average increase of 85.32 per cent. Since that time the prices of nearly all of these staples have greatly advanced.

The Bureau of Labor Statistics reports that in all classes of union labor from 1912 to 1917 the increase in wages averaged 18 per cent. Compare this 85 per cent advance of the necessities of life with 18 per cent advance in wages and then inquire whether we should still further increase the cost of these necessities.

Prof. W. I. King, of the economic department of the University of Wisconsin, has recently shown that 2 per cent of the people of this country own 65 per cent of its wealth. A conservative estimate places the wealth of this county at \$220,000,000,000. Applying Prof. King's percentages, \$143,000,000,000 of this is owned by 2,000,000 of our people. These 2,000,000 people own, therefore, nearly three times as much as the total wealth of the 178,000,000 Russians. They own nearly as much as all the people of France and England combined. Is it too much to ask that the taxes of this war should be paid for so far as possible out of the great wealth of these 2,000,000

people, particularly as the people of the poorer class will be more largely drawn upon for soldiers to suffer and die in unestimated numbers in order that the war may be prosecuted? We deceive ourselves if we think that labor, and particularly organized labor (and all labor, even including the farmer and the unskilled laborer, is being driven to organization now as never before), is unmindful of the facts here stated, or is indifferent to the principles upon which this war revenue bill is being framed. The statement of Matthew Woll, who appeared before the Finance Committee, representing the American Federation of Labor during the hearings on this bill, correctly represents the attitude of labor. He said:

Organized labor is in full accord with the sound economic policy * * * that the present generation ought to bear its just share of taxation. Organized labor previous to the war met here * * * every international organization, and the railroad brotherhoods participated in a conference which represented approximately 3,000,000 of workers, including the highest skilled workmen in this country, and * * * we said to the Government that if this Nation becomes involved in war we shall tender our services to the United States in order that this war may be carried on to a successful conclusion. We are willing that our children and the youth of the Nation shall give service, in order to maintain its military forces, and in the munition factories labor will do its share to see that the Nation shall carry the war to a successful end, but we say, on the other hand also, it is unfair to merely conscript and to take labor, and that wealth, incomes, and profits should likewise be taken just as well as the man power; and at that time we declared for a policy which is well known by the labor men throughout the country, and which it is well for you gentlemen to bear in mind—that we insist that when our labor and our boys are taken from shops and put into training camps and trenches, and when we are asked to speed up in the mills to make munitions, we look to you to see that the men who earn the excess profits shall be taxed, and if need be their profits entirely confiscated in order to carry on this war. * * *

Mind you, organized labor has its eyes on Congress to-day, and we hope and we pray that Congress will tax incomes and Congress will tax profits; because if you take our children and put them into the armies and you do not take the wealth of the country, the profits of this Nation, * * * then who knows what the future may have in store for this Nation? There is a limit to every pressure, and there is a limit to every burden. Realize the importance of labor in the conduct of the war to-day. Look to the European nations and see the importance of having labor in a mood and in a mind of loyalty and patriotism, and so they are here to-day. But it is with you gentlemen to continue that loyalty, to maintain that patriotism, or it is for you to make labor feel, as we have been made to feel in the past, that labor is a pawn of governing bodies, and that it has no consideration and is given no attention. * * * We want you to look to the human side of this problem as well as the financial side, and we represent the human side. We are willing to sacrifice. Make the man that is making money and profits contribute his share, and, if need be, take all of his profits, because you are taking the lives of our people.

We shall do our country a poor service if we close our eyes to the justness of the demands of labor and so frame this bill as to add one dollar unnecessarily to the burden it must carry in this war. We shall render a valuable service if we leave no ground for the poor to conclude that they are being obliged to bear an unjust share of the burdens of war. A sense of injustice is as ceaseless and sometimes as resistless as the force of gravity itself. Bear in mind that the average annual income of the wage earners, including the skilled and highly organized workman of this country, is less than \$700 a year, and then contrast it with the war profits of the corporations hereafter enumerated. Remember, the profits of these corporations are not normal profits. A tax upon them does not touch normal profits, much less impair capital or cripple industry. A table is printed in the appendix of this report showing the average net

income of 95 industrial corporations and 50 railroads for the years 1911, 1912, and 1913, and this income deducted from the net income of 1916 is taken as a fair estimate of war profits. The war profits of some of these companies, together with a percentage of such war profits above normal profits are American Agricultural Chemical Co., \$2,969,918, over 100 per cent; American Beet Sugar Co., \$4,880,027, over 250 per cent; American Hide and Leather Co., \$1,309,082, over 250 per cent; American Steel Foundries Co., \$2,900,618, nearly 600 per cent; American Zinc, Lead & Smelting Co., \$9,110,584, about 4,500 per cent; Anaconda Copper Co., \$47,151,795, over 400 per cent; Armour & Co., \$15,363,358, over 350 per cent; Barrett Co. (American Coal Products Co.), \$3,025,942, over 200 per cent; Bethlehem Steel Corporation, \$40,518,860, over 1,300 per cent; Central Leather Co., \$12,016,398, over 350 per cent; E. I. Du Pont de Nemours Co. (Du Pont Powder Co.), \$76,581,729, over 1,400 per cent; Standard Oil Co. of New York, \$20,425,510, over 100 per cent; United States Steel Corporation, \$207,945,953, over 300 per cent.

It is monstrously unfair to tax the everyday necessities of the average man and woman to pay the expenses of this war, in addition to commanding their service, and the lives of many of them, and of their children, so long as the above-mentioned swollen and abnormal profits are not taken—profits which the war has created, and which will disappear as soon as the war ends. Every dollar of the above profits can be taken and still the enormous peace time profits of these and other great corporations will not be touched. Every stockholder would still receive his handsome peace time dividend, every officer his princely salary, if all the above profits were taken. Will anyone contend that the food and the medicine and the most absolute necessities of the poor shall be taxed so long as these enormous war profits remain as a source of revenue?

England started her tax on war profits in 1915 at 50 per cent; in April, 1916, she raised it to 60 per cent, and in May, 1917, it was increased to 80 per cent. If it be claimed by anyone that the tax on war profits injures the industries involved we would respectfully refer him to the experience of Great Britain.

With all England's taxes upon incomes and war profits her moneyed classes were never in receipt of larger incomes nor were her larger business concerns more flourishing. The Economist of January 6, 1917, contains its usual quarterly review of profits by public companies compiled from figures which it published during the preceding quarter. From 900 to 1,000 companies are included in this comparison. From that report we quote:

"The average profit per company in 1916 works out at £93,000, a remarkable increase on £72,000, the average shown a year ago, and £76,000 two years ago, and a fact which augurs well for a big revenue from the excess profits duty."

And again we quote the same authority:

"The rate of the debenture interest naturally shows but little variation but the preference rate is slightly higher for the year. An average distribution of 11 per cent on ordinary capital is quite satisfactory in these days of heavy taxation and there is a welcome increase in the proportion set aside to reserve. * * * The tea and rubber group heads the list with an average dividend on the ordinary

shares of 18.17 per cent but the miscellaneous group comes next, while breweries give a lower rate than usual."

The restrictive legislation seems to have affected brewery profits somewhat, but a dividend of 11 to 18 per cent for the stockholder, with an increase in the amount set aside for reserve, hardly argues business distress. It is pointed out also in the *Economist* of July 22, 1916, that the iron, steel, and coal group of corporations show largely increased profits.

Mr. Bonar Law, chancellor of the exchequer, in the House of Commons, July 4 last, spoke in support of a proposition to raise the tax on the shares of shipping companies to 88 per cent. This remarkable statement from the account of the *London Times* parliamentary correspondent, as reproduced in the *Washington Post* of July 5, is as follows:

In the House of Commons to-day there was a striking debate on the finance bill increasing the excess profits duty by an 8 per cent differential against shipowners. Several members warmly protested against singling out one class for exceptional treatment. Bonar Law met them by narrating his own experience with shipping shares. He had invested £8,110 in 15 different shipping companies under the management of 7 owners. He would have been glad to get 5 per cent interest, £405 a year, in ordinary times. As an actual fact he received £3,624 in 1915 and £3,847 in 1916.

"Good Lord!" exclaimed Mr. Duncan, the labor member. "Was that after paying the excess-profits tax?" "Yes," Bonar Law replied. Besides that, one of these steamers had been sold or sunk. He had £200 in that ship, and on top of his handsome dividend had received a check for £1,000 on the liquidation. "That is the trade we are ruining," was Mr. Law's parting comment. He declared it wrong that the Government should have allowed such profits to have been made, but made it clear that he attributed no blame to the shipowners. As to the general case of excess-profits duty, he did not know how the Government could have financed the war without it. The only alternative would have been a large increase in the income tax.

Criminal as it seems to allow such profits to be made by the favored class in England while the mass of her people are suffering actual want and are being maimed and killed by the hundreds of thousands in the trenches in defense of her Government, the tables which we submit showing war profits in this country and even the tables presented in support of this bill by the majority members of the committee, show that far worse conditions already exist here and that this bill proposes to support and perpetuate them.

Take for example the United States Steel Corporation, the war profits of which estimated on the basis of the war profits of 1916 are \$207,945,953. The amount of tax, according to this bill which would be collected from the above war profits is \$76,726,472; thus leaving \$131,219,481 untouched by the tax. The normal profits of this corporation have for years been so large as to constitute a national scandal, in view of the actual capital invested in the concern. Why should, not only these enormous peace-time profits escape tax, but the \$131,000,000 and more of the war profits escape taxation as well, while heavy tribute is levied upon the scanty earnings of the poor.

Another corporation shown in the list, and which is merely typical of many, is the Standard Oil Co. of New York. This is merely one of the many Standard Oil concerns and by no means the most profitable. Its war profits figured on the same basis as above was \$20,425,510. Of this amount, according to the terms of this bill,

there would be taken by taxation \$5,065,560, leaving \$15,359,995 of these war profits to be cut as a "melon" for the benefit of the owners of the corporation while bonds are to be saddled upon the people the interest on which will more than equal the principal before payment is made. The history of this concern and its methods are too well known to require comment. Its normal peace-time profits far exceed those in proportion to investment, even of the United States Steel Corporation, but it is proposed to take less than one-quarter of merely war profits, which are over and above the peace-time profits of this concern. These are fair examples of what it is proposed to accomplish by this bill while laying a heavy tax upon the necessities of life, and represents the system of taxation which anyone must defend who gives his support to the bill.

There are many other features of this bill and of the majority report which deserve special comment. Among these may be mentioned the claim that the surplus of a corporation is taxed, while the effect of the bill is to leave it at the option of the Secretary of the Treasury to determine whether such surplus shall be taxed or not. It is significant also that the railroads are in this respect brought under the jurisdiction of the Secretary of the Treasury to decide whether railroad surplus shall be taxed 10 per cent or escape the payment of that tax altogether. Under the bill as first reported from the Senate Finance Committee, the taxing of railroad surplus was left to the approval of the Interstate Commerce Commission. The bill as now reported provides that the decision of the Secretary of the Treasury as to whether the surplus is "reasonably" required to be retained in the business so as to escape taxation shall be final. It is, to say the least, doubtful whether this provision of the bill will be held constitutional by the courts, but comment on these and other provisions of the bill are omitted from this report as possibly unnecessary, if the general plan of the bill shall be modified to meet the main suggestions hereinbefore made. The vice of the bill, and the position of the majority of the committee respecting it, is fundamental and can only be corrected, first, by very much increasing the amount of revenue it is proposed to raise by taxation, and, second, by placing upon incomes and war profits a much greater burden of tax than is provided for in the bill.

We do not at this time present a substitute bill. We will first offer amendments for the consideration of the Senate, which if adopted will reconstruct the bill in conformity with the views of the minority members of the committee. The adoption of these amendments will obviate the necessity of offering a substitute bill. If the amendments are not adopted a substitute bill will be offered at the appropriate time.

Respectfully submitted.

ROBERT M. LA FOLLETTE,
CHARLES S. THOMAS,
THOMAS P. GORE.

APPENDIX I.

The following tables attempt to show the application of the income and war-profit taxes to the net income and war profits of many of the leading corporations.

1. A tax of 6 per cent on corporate income, as provided in section 4 of H. R. 4280, Sixty-fifth Congress, first session, as the bill was reported to the Senate on August 6, 1917.

2. Tax on war profits as provided in section 201 of the above-described bill.

In computing the above-mentioned taxes, figures may vary to the extent of a few dollars, owing to the fact that fractions of a dollar have been added or subtracted, as the fractions were the greater or lesser part of a dollar.

The sources used in the tabulation of the basic figures were: For industrial corporations, Moody's Manual of Railroad and Corporation Securities and Moody's Analyses of Public Utilities and Industrials; for railroads, Statistics of Railways, published annually by the Interstate Commerce Commission.

The sign (d) before a figure represents a deficit for the year.

AJAX RUBBER CO. (INC.) (Successor to Ajax-Grieb Rubber Co.)

Net income available for stockholders, 1916	\$1, 268, 311	
Corporate income tax, at 6 per cent (sec. 4).....		\$76, 099
Average net income during prewar period (1911-1913).....	348, 196	
War profits for fiscal year 1916.....	920, 115	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	6, 268	
Between 15 and 25 per cent of normal, at 16 per cent..	5, 571	
Between 25 and 50 per cent of normal, at 20 per cent..	17, 410	
Between 50 and 75 per cent of normal, at 25 per cent..	21, 762	
Between 75 and 100 per cent of normal, at 30 per cent..	26, 115	
Between 100 and 150 per cent of normal, at 35 per cent..	60, 934	
Between 150 and 200 per cent of normal, at 40 per cent..	69, 639	
Between 200 and 250 per cent of normal, at 45 per cent..	78, 344	
In excess of 250 per cent of normal, at 50 per cent....	74, 813	
Total tax on war profits.....		310, 856
Total of taxes on corporate income and war profits.....		386, 955
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ALLIS-CHALMERS MANUFACTURING CO.

Net income available for stockholders, 1916.....	\$3, 105, 020	
Corporate income tax at 6 per cent (sec. 4).....		\$189, 901
Average net income during pre-war period (1911-1913)....	755, 125	
	<hr/>	
War profits for fiscal year 1916.....	2, 409, 895	
	<hr/>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	13, 592	
Between 15 and 25 per cent of normal, at 16 per cent..	12, 083	
Between 25 and 50 per cent of normal, at 20 per cent..	37, 756	
Between 50 and 75 per cent of normal, at 25 per cent..	47, 195	
Between 75 and 100 per cent of normal, at 30 per cent..	50, 634	
Between 100 and 150 per cent of normal, at 35 per cent..	132, 147	
Between 150 and 200 per cent of normal, at 40 per cent..	151, 025	
Between 200 and 250 per cent of normal, at 45 per cent..	169, 903	
In excess of 250 per cent of normal, at 50 per cent.....	261, 042	
	<hr/>	
Total tax on war profits.....		881, 377
		<hr/>
Total of taxes on corporate income and war profits.....		1, 071, 278

AMERICAN AGRICULTURAL CHEMICAL CO.

Net income available for stockholders, 1916.....	\$5, 445, 527	
Corporate income tax, at 6 per cent (sec. 4).....		\$320, 732
Average net income during prowar period (1911-1913)....	2, 475, 609	
	<hr/>	
War profits for fiscal year 1916.....	2, 069, 918	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	44, 561	
Between 15 and 25 per cent of normal, at 16 per cent..	39, 610	
Between 25 and 50 per cent of normal, at 20 per cent..	123, 780	
Between 50 and 75 per cent of normal, at 25 per cent..	154, 726	
Between 75 and 100 per cent of normal, at 30 per cent..	185, 071	
Between 100 and 150 per cent of normal, at 35 per cent..	173, 008	
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Total tax on war profits.....		721, 356
		<hr/>
Total of taxes on corporate income and war profits.....		1, 048, 088

AMERICAN BEET SUGAR CO.

Net income available for stockholders, 1917.....	\$6, 126, 677	
Corporate income tax, at 6 per cent (sec. 4).....		\$367, 601
Average net income during prewar period (1911-1913)....	1, 246, 650	
	<hr/>	
War profits for fiscal year, 1917.....	4, 880, 027	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	22, 440	
Between 15 and 25 per cent of normal, at 16 per cent..	19, 946	
Between 25 and 50 per cent of normal, at 20 per cent..	62, 332	
Between 50 and 75 per cent of normal, at 25 per cent..	77, 916	
Between 75 and 100 per cent of normal, at 30 per cent..	93, 499	
Between 100 and 150 per cent of normal, at 35 per cent..	218, 164	
Between 150 and 200 per cent of normal, at 40 per cent..	249, 330	
Between 200 and 250 per cent of normal, at 45 per cent..	280, 496	
In excess of 250 per cent of normal, at 50 per cent....	881, 701	
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Total tax on war profits.....		1, 905, 824
		<hr/>
Total of taxes on corporate income and war profits.....		2, 273, 425

AMERICAN CAN CO.

Net income available for stockholders, 1916.....	\$7,962,981	
Corporate income tax at 6 per cent (sec. 4).....		\$477,779
Average net income during pre-war period (1911-1913)....	5,195,003	
War profits for fiscal year, 1916.....	<u>2,767,978</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	93,490	
Between 15 and 25 per cent of normal, at 16 per cent..	83,120	
Between 25 and 50 per cent of normal, at 20 per cent..	259,750	
Between 50 and 75 per cent of normal, at 25 per cent..	42,620	
Total tax on war profits.....		478,980
Total of taxes on corporate income and war profits.....		<u>956,759</u>

AMERICAN CAR & FOUNDRY CO.

Net income available for stockholders, 1916.....	\$2,816,018	
Corporate income tax at 6 per cent (sec. 4).....		\$168,961
Average net income during pre-war period (1911-1913)....	3,467,538	
Total of taxes on corporate income and war profits.....		168,961

AMERICAN COTTON OIL CO.

Net income available for stockholders, 1916.....	\$2,028,459	
Corporate income tax, at 6 per cent (sec. 4).....		\$121,708
Average net income during prewar period (1911-1913)....	1,194,139	
War profits for fiscal year 1916.....	<u>834,320</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	21,495	
Between 15 and 25 per cent of normal, at 16 per cent..	19,106	
Between 25 and 50 per cent of normal, at 20 per cent..	59,707	
Between 50 and 75 per cent of normal, at 25 per cent..	59,313	
Total tax on war profits.....		159,621
Total of taxes on corporate income and war profits.....		<u>281,329</u>

AMERICAN HIDE & LEATHER CO.

Net income available for stockholders, 1916.....	\$1,643,280	
Corporate income tax, at 6 per cent (sec. 4).....		\$98,597
Average net income during prewar period (1911-1913)....	334,193	
War profits for fiscal year, 1916.....	<u>1,300,082</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	6,016	
Between 15 and 25 per cent of normal, at 16 per cent..	5,347	
Between 25 and 50 per cent of normal, at 20 per cent..	16,710	
Between 50 and 75 per cent of normal, at 25 per cent..	20,888	
Between 75 and 100 per cent of normal, at 30 per cent.	25,065	
Between 100 and 150 per cent of normal, at 35 per cent	58,485	
Between 150 and 200 per cent of normal, at 40 per cent	66,840	
Between 200 and 250 per cent of normal, at 45 per cent	75,195	
In excess of 250 per cent of normal, at 50 per cent....	236,791	
Total tax on war profits.....		511,337
Total of taxes on corporate income and war profits.....		<u>609,934</u>

REVENUES TO DEFRAY WAR EXPENSES.

AMERICAN ICE CO.

Net income available for stockholders, 1916.....	\$750, 655	
Corporate income tax, at 6 per cent (sec. 4).....		\$45, 039
Average net income during pre-war period (1911-1913).....	874, 909	
Total of taxes on corporate income and war profits.....		45, 039

AMERICAN LINSEED CO.

Net income available for stockholders, 1916.....	\$1, 476, 817	
Corporate income tax, at 6 per cent (sec. 4).....		\$88, 609
Average net income during pre-war period (1911-1913).....	151, 497	

War profits for fiscal year 1916..... 1, 325, 320

Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent. . .	2, 727
Between 15 and 25 per cent of normal, at 16 per cent. . .	2, 424
Between 25 and 50 per cent of normal, at 20 per cent. . .	7, 575
Between 50 and 75 per cent of normal, at 25 per cent. . .	9, 469
Between 75 and 100 per cent of normal, at 30 per cent. . .	11, 363
Between 100 and 150 per cent of normal, at 35 per cent	26, 513
Between 150 and 200 per cent of normal, at 40 per cent	30, 300
Between 200 and 250 per cent of normal, at 45 per cent	34, 088
In excess of 250 per cent of normal, at 50 per cent.	473, 285

Total tax on war profits..... 597, 744

Total of taxes on corporate income and war profits..... 686, 353

AMERICAN LOCOMOTIVE CO.

Net income available for stockholders, 1916.....	\$10, 769, 429	
Corporate income tax, at 6 per cent (sec. 4).....		\$646, 166
Average net income during prewar period (1911-1913).....	3, 872, 807	

War profits for fiscal year, 1916..... 6, 806, 622

Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent. . .	69, 711
Between 15 and 25 per cent of normal, at 16 per cent. . .	61, 065
Between 25 and 50 per cent of normal, at 20 per cent. . .	193, 640
Between 50 and 75 per cent of normal, at 25 per cent. . .	242, 051
Between 75 and 100 per cent of normal, at 30 per cent. . .	290, 461
Between 100 and 150 per cent of normal, at 35 per cent. . .	677, 741
Between 150 and 200 per cent of normal, at 40 per cent. . .	434, 965

Total tax on war profits..... 1, 970, 534

Total of taxes on corporate income and war profits..... 2, 616, 700

AMERICAN SMELTING & REFINING CO.

Net income available for stockholders, 1916.....	\$22, 152, 250	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 329, 135
Average net income during prewar period (1911-1913).....	9, 060, 396	

War profits for fiscal year, 1916..... 13, 091, 854

Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent. . .	163, 067
Between 15 and 25 per cent of normal, at 16 per cent. . .	144, 966
Between 25 and 50 per cent of normal, at 20 per cent. . .	373, 020
Between 50 and 75 per cent of normal, at 25 per cent. . .	466, 274
Between 75 and 100 per cent of normal, at 30 per cent. . .	559, 530
Between 100 and 150 per cent of normal, at 35 per cent. . .	1, 411, 010

Total tax on war profits..... 3, 117, 867

Total of taxes on corporate income and war profits..... 4, 447, 002

AMERICAN STEEL FOUNDRIES.

Net income available for stockholders, 1916.....	\$3,418,057	
Corporate income tax, at 6 per cent (sec. 4).....		\$205,083
Average net income during pre-war period (1911-1913)....	517,439	
War profits for fiscal year 1916.....	<u>2,900,618</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	9,314	
Between 15 and 25 per cent of normal, at 16 per cent..	8,279	
Between 25 and 50 per cent of normal, at 20 per cent..	25,872	
Between 50 and 75 per cent of normal, at 25 per cent..	32,340	
Between 75 and 100 per cent of normal, at 30 per cent.	38,808	
Between 100 and 150 per cent of normal, at 35 per cent.	90,552	
Between 150 and 200 per cent of normal, at 40 per cent.	103,488	
Between 200 and 250 per cent of normal, at 45 per cent.	116,424	
In excess of 250 per cent of normal, at 50 per cent.....	803,514	
Total tax on war profits.....		<u>1,228,591</u>
Total of taxes on corporate income and war profits.....		<u>1,433,674</u>

AMERICAN SUGAR REFINING CO.

Net income available for stockholders, 1916.....	\$8,319,882	
Corporate income tax, at 6 per cent (sec. 4).....		\$499,193
Average net income during pre-war period (1911-1913)....	5,751,688	
War profits for fiscal year 1916.....	<u>2,568,194</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	103,530	
Between 15 and 25 per cent of normal, at 16 per cent..	92,027	
Between 25 and 50 per cent of normal, at 20 per cent..	226,054	
Total tax on war profits.....		<u>421,611</u>
Total of taxes on corporate income and war profits.....		<u>920,804</u>

AMERICAN SUMATRA TOBACCO CO.

Net income available for stockholders, 1916.....	\$267,653	
Corporate income tax at 6 per cent (sec. 4).....		\$16,059
Average net income during prewar period (1911-1913)....	223,809	
War profits for fiscal year, 1916.....	<u>43,844</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	4,029	
Between 15 and 25 per cent of normal, at 16 per cent..	1,644	
Total tax on war profits.....		<u>5,673</u>
Total of taxes on corporate income and war profits.....		<u>21,732</u>

AMERICAN TELEPHONE & TELEGRAPH CO.

Net income available for stockholders, 1916.....	\$38, 013, 277	
Corporate income tax at 6 per cent (sec. 4).....		\$2, 280, 797
Average net income during prewar period (1911-1913).....	30, 905, 434	
War profits for fiscal year, 1916.....	7, 107, 843	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent..	556, 298	
Between 15 and 25 per cent of normal, at 16 per cent..	395, 524	
Total tax on war profits.....		951, 822
Total of taxes on incorporate income and war profits.....		3, 232, 619

AMERICAN TOBACCO CO.

Net income available for stockholders, 1916.....	\$12, 298, 057	
Corporate income tax, at 6 per cent (sec. 4).....		\$737, 883
Average net income during prewar period (1911-1913).....	20, 188, 936	
Total of taxes on corporate income and war profits.....		737, 883

AMERICAN WOOLEN CO.

Net income available for stockholders, 1916.....	\$5, 863, 818	
Corporate income tax, at 6 per cent (sec. 4).....		\$351, 829
Average net income during prowar period (1911-1913).....	1, 754, 792	
War profits for fiscal year 1916.....	4, 109, 026	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent..	31, 536	
Between 15 and 25 per cent of normal, at 16 per cent..	28, 077	
Between 25 and 50 per cent of normal, at 20 per cent..	87, 740	
Between 50 and 75 per cent of normal, at 25 per cent..	109, 675	
Between 75 and 100 per cent of normal, at 30 per cent..	131, 609	
Between 100 and 150 per cent of normal, at 35 per cent..	307, 089	
Between 150 and 200 per cent of normal, at 40 per cent..	350, 958	
Between 200 and 250 per cent of normal, at 45 per cent..	269, 748	
Total tax on war profits.....		1, 316, 482
Total of taxes on corporate income and war profits.....		1, 668, 311

AMERICAN WRITING PAPER CO.

Net income available for stockholders, 1916.....	\$2, 524, 378	
Corporate income tax, at 6 per cent (sec. 4).....		\$151, 463
Average net income during pre-war period (1911-1913).....	126, 430	
War profits for fiscal year 1916.....	2, 307, 948	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent..	2, 276	
Between 15 and 25 per cent of normal, at 16 per cent..	2, 023	
Between 25 and 50 per cent of normal, at 20 per cent..	6, 322	
Between 50 and 75 per cent of normal, at 25 per cent..	7, 902	
Between 75 and 100 per cent of normal, at 30 per cent..	9, 482	
Between 100 and 150 per cent of normal, at 35 per cent..	22, 125	
Between 150 and 200 per cent of normal, at 40 per cent..	25, 286	
Between 200 and 250 per cent of normal, at 45 per cent..	28, 447	
In excess of 250 per cent of normal, at 50 per cent.....	1, 040, 937	
Total tax on war profits.....		1, 144, 800
Total of taxes on corporate income and war profits.....		1, 296, 263

AMERICAN ZINC, LEAD & SMELTING CO.

Net income available for stockholders, 1916.....	\$9,307,968	
Corporate income tax, at 6 per cent (sec. 4).....		\$558,478
Average net income during pre-war period (1911-1913).....	197,384	
War profits for fiscal year 1916.....	<u>9,110,584</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	3,553	
Between 15 and 25 per cent of normal, at 16 per cent. . .	9,158	
Between 25 and 50 per cent of normal, at 20 per cent. . .	9,869	
Between 50 and 75 per cent of normal, at 25 per cent. . .	12,337	
Between 75 and 100 per cent of normal, at 30 per cent. . .	14,804	
Between 100 and 150 per cent of normal, at 35 per cent. . .	34,542	
Between 150 and 200 per cent of normal, at 40 per cent. . .	39,477	
Between 200 and 250 per cent of normal, at 45 per cent. . .	44,411	
In excess of 250 per cent of normal, at 50 per cent.	4,308,562	
Total tax on war profits.....		<u>4,470,713</u>
Total of taxes on corporate income and war profits.....		<u>5,029,191</u>

ANACONDA COPPER MINING CO.

Net income available for stockholders, 1916.....	\$58,892,980	
Corporate income tax at 6 per cent (sec. 4).....		\$3,533,579
Average net income during pre-war period (1911-1913)....	11,741,185	
War profits for fiscal year, 1916.....	<u>47,151,795</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	211,341	
Between 15 and 25 per cent of normal, at 16 per cent. . .	187,859	
Between 25 and 50 per cent of normal, at 20 per cent. . .	587,059	
Between 50 and 75 per cent of normal, at 25 per cent. . .	733,824	
Between 75 and 100 per cent of normal, at 30 per cent. . .	880,589	
Between 100 and 150 per cent of normal, at 35 per cent. . .	2,054,707	
Between 150 and 200 per cent of normal, at 40 per cent. . .	2,348,237	
Between 200 and 250 per cent of normal, at 45 per cent. . .	2,641,767	
In excess of 250 per cent of normal, at 50 per cent.	8,899,416	
Total tax on war profits.....		<u>18,544,799</u>
Total of taxes on corporate income and war profits.....		<u>22,078,378</u>

ARMOUR & CO.

Net income available for stockholders, 1916.....	\$20,100,000	
Corporate income tax at 6 per cent (sec. 4).....		\$1,206,000
Average net income during pre-war period (1911-1913)....	4,746,632	
War profits for fiscal year 1916.....	<u>15,353,368</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	85,439	
Between 15 and 25 per cent of normal, at 16 per cent. . .	75,946	
Between 25 and 50 per cent of normal, at 20 per cent. . .	237,332	
Between 50 and 75 per cent of normal, at 25 per cent. . .	296,665	
Between 75 and 100 per cent of normal, at 30 per cent. . .	355,997	
Between 100 and 150 per cent of normal, at 35 per cent. . .	830,661	
Between 150 and 200 per cent of normal, at 40 per cent. . .	949,326	
Between 200 and 250 per cent of normal, at 45 per cent. . .	1,067,992	
In excess of 250 per cent of normal, at 50 per cent.	1,743,394	
Total tax on war profits.....		<u>5,642,752</u>
Total of taxes on corporate income and war profits.....		<u>6,848,752</u>

REVENUES TO DEFRAY WAR EXPENSES.

ASSOCIATED OIL CO.

Net income available for stockholders, 1916.....	\$3, 198, 389	
Corporate income tax, at 6 per cent (sec. 4).....		\$191, 903
Average net income during pre-war period (1911-1913).....	1, 606, 387	
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War profits for fiscal year 1916.....	1, 592, 022	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	28, 915	
Between 15 and 25 per cent of normal, at 16 per cent..	25, 702	
Between 25 and 50 per cent of normal, at 20 per cent..	80, 318	
Between 50 and 75 per cent of normal, at 25 per cent..	100, 398	
Between 75 and 100 per cent of normal, at 30 per cent.	116, 174	
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Total tax on war profits.....		351, 507
		<hr/>
Total of taxes on corporate income and war profits.....		543, 410

ATLAS POWDER CO.

Net income available for stockholders, 1916.....	\$2, 039, 789	
Corporate income tax, at 6 per cent (sec. 4).....		\$176, 387
Average net income during pre-war period (1911-1913).....	322, 837	
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War profits for fiscal year, 1916.....	2, 616, 952	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	5, 811	
Between 15 and 25 per cent of normal, at 16 per cent...	5, 165	
Between 25 and 50 per cent of normal, at 20 per cent..	16, 142	
Between 50 and 75 per cent of normal, at 25 per cent..	20, 177	
Between 75 and 100 per cent of normal, at 30 per cent.	24, 212	
Between 100 and 150 per cent of normal, at 35 per cent.	56, 497	
Between 150 and 200 per cent of normal, at 40 per cent.	64, 568	
Between 200 and 250 per cent of normal, at 45 per cent.	72, 639	
In excess of 250 per cent of normal, at 50 per cent....	904, 930	
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Total tax on war profits.....		1, 170, 141
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Total of taxes on corporate income and war profits.....		1, 340, 528

BALDWIN LOCOMOTIVE WORKS.

Net income available for stockholders, 1916.....	\$2, 619, 466	
Corporate income tax, at 6 per cent (sec. 4).....		\$157, 168
Average net income during pro-war period (1911-1913).....	3, 653, 287	
		157, 168

BARRETT CO. (AMERICAN COAL PRODUCTS CO.).

Net income available for stockholders, 1916.....	\$4, 247, 857	
Corporate income tax, at 6 per cent (sec. 4).....		\$254, 871
Average net income during pre-war period (1911-1913).....	1, 221, 915	
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War profits for fiscal year, 1916.....	3, 025, 942	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	21, 994	
Between 15 and 25 per cent of normal, at 16 per cent..	19, 551	
Between 25 and 50 per cent of normal, at 20 per cent..	61, 096	
Between 50 and 75 per cent of normal, at 25 per cent..	76, 370	
Between 75 and 100 per cent of normal, at 30 per cent.	91, 643	
Between 100 and 150 per cent of normal, at 35 per cent.	213, 835	
Between 150 and 200 per cent of normal, at 40 per cent.	244, 382	
Between 200 and 250 per cent of normal, at 45 per cent.	261, 950	
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Total tax on war profits.....		990, 771
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Total of taxes on corporate income and war profits.....		1, 245, 642

BETHLEHEM STEEL CORPORATION.

Net income available for stockholders, 1916.....	\$43, 593, 968	
Corporate income tax, at 6 per cent (sec. 4).....		\$2, 615, 638
Average net income during pre-war period (1911-1913).....	3, 075, 108	
War profits for fiscal year, 1916.....	<u>40, 518, 860</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	55, 352	
Between 15 and 25 per cent of normal, at 16 per cent. . .	49, 202	
Between 25 and 50 per cent of normal, at 20 per cent. . .	153, 755	
Between 50 and 75 per cent of normal, at 25 per cent. . .	192, 194	
Between 75 and 100 per cent of normal, at 30 per cent. . .	230, 033	
Between 100 and 150 per cent of normal, at 35 per cent. . .	538, 144	
Between 150 and 200 per cent of normal, at 40 per cent. . .	615, 022	
Between 200 and 250 per cent of normal, at 45 per cent. . .	691, 899	
In excess of 250 per cent of normal, at 50 per cent.	16, 415, 545	
Total tax on war profits.....		<u>18, 941, 746</u>
Total of taxes on corporate income and war profits.....		<u>21, 657, 384</u>

BROWN SHOE CO. (INC.).

Net income available for stockholders, 1916.....	\$1, 467, 756	
Corporate income tax, at 6 per cent (sec. 4).....		\$88, 065
Average net income during pre-war period (1911-1913).....	710, 463	
War profits for fiscal year 1916.....	<u>757, 293</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	12, 788	
Between 15 and 25 per cent of normal, at 16 per cent. . .	11, 368	
Between 25 and 50 per cent of normal, at 20 per cent. . .	35, 523	
Between 50 and 75 per cent of normal, at 25 per cent. . .	44, 404	
Between 75 and 100 per cent of normal, at 30 per cent. . .	53, 285	
Between 100 and 150 per cent of normal, at 35 per cent. . .	16, 391	
Total tax on war profits.....		<u>173, 759</u>
Total of taxes on corporate income and war profits.....		<u>261, 824</u>

BUTTE & SUPERIOR MINING CO.

Net income available for stockholders, 1916.....	\$8, 873, 446	
Corporate income tax, at 6 per cent (sec. 4).....		\$532, 407
Average net income during pre-war period (1911-1913).....	942, 988	
War profits for fiscal year 1916.....	<u>7, 930, 458</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	16, 974	
Between 15 and 25 per cent of normal, at 16 per cent. . .	15, 088	
Between 25 and 50 per cent of normal, at 20 per cent. . .	47, 149	
Between 50 and 75 per cent of normal, at 25 per cent. . .	58, 937	
Between 75 and 100 per cent of normal, at 30 per cent. . .	70, 724	
Between 100 and 150 per cent of normal, at 35 per cent. . .	165, 023	
Between 150 and 200 per cent of normal, at 40 per cent. . .	188, 598	
Between 200 and 250 per cent of normal, at 45 per cent. . .	212, 172	
In excess of 250 per cent of normal, at 50 per cent.	2, 786, 494	
Total tax on war profits.....		<u>3, 561, 159</u>
Total of taxes on corporate income and war profits.....		<u>4, 093, 566</u>

REVENUES TO DEFRAY WAR EXPENSES.

CALUMET & ARIZONA MINING CO.

Net income available for stockholders, 1916.....	\$11, 155, 004	
Corporate income tax, at 6 per cent (sec. 4).....		\$669, 300
Average net income during pre-war period (1911-1913).....	2, 966, 934	
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War profits for fiscal year 1916.....	8, 188, 070	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	53, 405	
Between 15 and 25 per cent of normal, at 16 per cent. . .	47, 471	
Between 25 and 50 per cent of normal, at 20 per cent. . .	148, 347	
Between 50 and 75 per cent of normal, at 25 per cent. . .	185, 434	
Between 75 and 100 per cent of normal, at 30 per cent. . .	222, 520	
Between 100 and 150 per cent of normal, at 35 per cent. . .	519, 213	
Between 150 and 200 per cent of normal, at 40 per cent. . .	593, 387	
Between 200 and 250 per cent of normal, at 45 per cent. . .	667, 560	
In excess of 250 per cent of normal, at 50 per cent.	385, 368	
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Total tax on war profits.....		2, 822, 705
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Total of taxes on corporate income and war profits.....		3, 492, 005

CENTRAL LEATHER CO.

Net income available for stockholders, 1916.....	\$15, 489, 202	
Corporate income tax at 6 per cent (sec. 4).....		\$929, 352
Average net income during pre-war period (1911-1913).....	3, 472, 804	
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War profits for fiscal year 1916.....	12, 016, 398	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	62, 511	
Between 15 and 25 per cent of normal, at 16 per cent. . .	55, 565	
Between 25 and 50 per cent of normal, at 20 per cent. . .	173, 640	
Between 50 and 75 per cent of normal, at 25 per cent. . .	217, 050	
Between 75 and 100 per cent of normal, at 30 per cent. . .	260, 460	
Between 100 and 150 per cent of normal, at 35 per cent. . .	607, 741	
Between 150 and 200 per cent of normal, at 40 per cent. . .	604, 561	
Between 200 and 250 per cent of normal, at 45 per cent. . .	781, 381	
In excess of 250 per cent of normal, at 50 per cent.	1, 667, 194	
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Total tax on war profits.....		4, 520, 103
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Total of taxes on corporate income and war profits.....		5, 449, 455

COLORADO FUEL & IRON CO.

Net income available for stockholders, 1916.....	\$2, 201, 170	
Corporate income tax, at 6 per cent (sec. 4).....		\$132, 070
Average net income during pre-war period (1911-1913).....	1, 596, 031	
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War profits for fiscal year 1916.....	605, 139	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	28, 729	
Between 15 and 25 per cent of normal, at 16 per cent. . .	25, 536	
Between 25 and 50 per cent of normal, at 20 per cent. . .	41, 226	
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Total tax on war profits.....		95, 491
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Total of taxes on corporate income and war profits.....		227, 561

CONTINENTAL CAN CO. (INC.).

Net income available for stockholders, 1916.....	\$2, 143, 554	
Corporate income tax, at 6 per cent (sec. 4).....		\$128, 613
Average net income during pre-war period (1911-1913)....	788, 016	
War profits for fiscal year 1916.....	<u>1, 355, 538</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	14, 184	
Between 15 and 25 per cent of normal, at 16 per cent. . .	12, 608	
Between 25 and 50 per cent of normal, at 20 per cent. . .	39, 401	
Between 50 and 75 per cent of normal, at 25 per cent. . .	49, 251	
Between 75 and 100 per cent of normal, at 30 per cent. . .	59, 101	
Between 100 and 150 per cent of normal, at 35 per cent. . .	137, 903	
Between 150 and 200 per cent of normal, at 40 per cent. . .	69, 406	
Total tax on war profits.....		<u>381, 854</u>
Total taxes on corporate income and war profits.....		<u>510, 467</u>

CORN PRODUCTS REFINING CO.

Net income available for stockholders, 1916.....	\$6, 083, 746	
Corporate income tax, at 6 per cent (sec. 4).....		\$365, 025
Average net income during pre-war period (1911-1913)....	2, 016, 781	
War profits for fiscal year, 1916.....	<u>4, 066, 965</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	36, 302	
Between 15 and 25 per cent of normal, at 16 per cent. . .	32, 268	
Between 25 and 50 per cent of normal, at 20 per cent. . .	100, 839	
Between 50 and 75 per cent of normal, at 25 per cent. . .	126, 049	
Between 75 and 100 per cent of normal, at 30 per cent. . .	151, 259	
Between 100 and 150 per cent of normal, at 35 per cent. . .	352, 937	
Between 150 and 200 per cent of normal, at 40 per cent. . .	403, 353	
Between 200 and 250 per cent of normal, at 45 per cent. . .	15, 031	
Total tax on war profits.....		<u>1, 218, 041</u>
Total of taxes on corporate income and war profits.....		<u>1, 583, 066</u>

WM. CRAMP & SONS SHIP & ENGINE BUILDING CO.

Net income available for stockholders, 1916.....	\$1, 087, 704	
Corporate income tax, at 6 per cent (sec. 4).....		\$65, 262
Average net income during pre-war period (1911-1913)....	173, 651	
War profits for fiscal year, 1916.....	<u>914, 053</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	3, 126	
Between 15 and 25 per cent of normal, at 16 per cent. . .	2, 778	
Between 25 and 50 per cent of normal, at 20 per cent. . .	8, 633	
Between 50 and 75 per cent of normal, at 25 per cent. . .	10, 853	
Between 75 and 100 per cent of normal, at 30 per cent. . .	13, 024	
Between 100 and 150 per cent of normal, at 35 per cent. . .	30, 389	
Between 150 and 200 per cent of normal, at 40 per cent. . .	31, 730	
Between 200 and 250 per cent of normal, at 45 per cent. . .	39, 072	
In excess of 250 per cent of normal, at 50 per cent.	239, 963	
Total tax on war profits.....		<u>382, 618</u>
Total of taxes on corporate income and war profits.....		<u>447, 880</u>

CRUCIBLE STEEL CO. OF AMERICA.

Net income available for stockholders, 1916.....	\$13,223,656	
Corporate income tax, at 6 per cent (sec. 4).....		\$793,419
Average net income during pre-war period (1911-1913)....	3,629,467	
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War profits for fiscal year, 1916.....	9,594,189	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal at 12 per cent....	65,330	
Between 15 and 25 per cent of normal, at 16 per cent..	58,072	
Between 25 and 50 per cent of normal, at 20 per cent..	181,473	
Between 50 and 75 per cent of normal, at 25 per cent..	226,842	
Between 75 and 100 per cent of normal, at 30 per cent.	272,210	
Between 100 and 150 per cent of normal, at 35 per cent	635,157	
Between 150 and 200 per cent of normal, at 40 per cent	725,894	
Between 200 and 250 per cent of normal, at 45 per cent	816,030	
In excess of 250 per cent of normal, at 50 per cent....	260,261	
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Total tax on war profits.....		3,241,869
Total of taxes on corporate income and war profits.....		4,035,288

CUBAN-AMERICAN SUGAR CO.

Net income available for stockholders, 1916.....	\$8,235,112	
Corporate income tax, at 6 per cent (sec. 4).....		\$494,107
Average net income during pre-war period (1911-1913)....	409,988	
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War profits for fiscal year, 1916.....	7,825,124	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	7,380	
Between 15 and 25 per cent of normal, at 16 per cent..	6,560	
Between 25 and 50 per cent of normal, at 20 per cent..	20,499	
Between 50 and 75 per cent of normal, at 25 per cent..	25,624	
Between 75 and 100 per cent of normal, at 30 per cent.	30,749	
Between 100 and 150 per cent of normal, at 35 per cent	71,748	
Between 150 and 200 per cent of normal, at 40 per cent	81,998	
Between 200 and 250 per cent of normal, at 45 per cent	92,247	
In excess of 250 per cent of normal, at 50 per cent....	3,400,077	
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Total tax on war profits.....		3,736,882
Total of taxes on corporate income and war profits.....		4,230,989

DISTILLERS SECURITIES CORPORATION.

Net income available for stockholders, 1916.....	\$3,101,124	
Corporate income tax, at 6 per cent (sec. 4).....		\$186,067
Average net income during pre-war period (1911-1913)....	614,791	
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War profits for fiscal year 1916.....	2,486,333	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	11,066	
Between 15 and 25 per cent of normal, at 16 per cent..	9,837	
Between 25 and 50 per cent of normal, at 20 per cent..	30,740	
Between 50 and 75 per cent of normal, at 25 per cent..	38,425	
Between 75 and 100 per cent of normal, at 30 per cent.	46,109	
Between 100 and 150 per cent of normal, at 35 per cent.	107,589	
Between 150 and 200 per cent of normal, at 40 per cent..	122,958	
Between 200 and 250 per cent of normal, at 45 per cent..	138,328	
In excess of 250 per cent of normal, at 50 per cent....	474,678	
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Total tax on war profits.....		979,730
Total of taxes on corporate income and war profits.....		1,165,797

E. I. DU PONT DE NEMOURS & CO. (formerly E. I. du Pont de Nemours Powder Co.).

Net income available for stockholders, 1916.....	\$82, 107, 693	
Corporate income tax, at 6 per cent (sec. 4).....		\$4, 928, 462
Average net income during pre-war period (1911-1913).....	5, 525, 984	
War profits for fiscal year 1916.....	<u>76, 581, 729</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	99, 467	
Between 15 and 25 per cent of normal, at 16 per cent..	88, 415	
Between 25 and 50 per cent of normal, at 20 per cent..	270, 298	
Between 50 and 75 per cent of normal, at 25 per cent..	345, 373	
Between 75 and 100 per cent of normal, at 30 per cent..	414, 447	
Between 100 and 150 per cent of normal, at 35 per cent..	987, 044	
Between 150 and 200 per cent of normal, at 40 per cent..	1, 105, 193	
Between 200 and 250 per cent of normal, at 45 per cent..	1, 243, 342	
In excess of 250 per cent of normal, at 50 per cent.....	31, 383, 410	
Total tax on war profits.....		35, 922, 989
Total of taxes on corporate income and war profits.....		<u>40, 849, 451</u>

FEDERAL MINING & SMELTING CO.

Net income available for stockholders, 1916.....	\$868, 198	
Corporate income tax, at 6 per cent (sec. 4).....		\$52, 092
Average net income during pre-war period (1911-1913).....	942, 186	
Total of taxes on corporate income and war profits.....		52, 092

GENERAL CHEMICAL CO.

Net income available for stockholders, 1916.....	\$9, 695, 188	
Corporate income tax, at 6 per cent (sec. 4).....		\$581, 711
Average net income during pre-war period (1911-1913).....	2, 067, 548	
War profits for fiscal year 1916.....	<u>7, 627, 640</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	37, 216	
Between 15 and 25 per cent of normal, at 16 per cent..	33, 081	
Between 25 and 50 per cent of normal, at 20 per cent..	103, 377	
Between 50 and 75 per cent of normal, at 25 per cent..	129, 222	
Between 75 and 100 per cent of normal, at 30 per cent..	155, 066	
Between 100 and 150 per cent of normal, at 35 per cent..	361, 821	
Between 150 and 200 per cent of normal, at 40 per cent..	413, 510	
Between 200 and 250 per cent of normal, at 45 per cent..	465, 198	
In excess of 250 per cent of normal, at 50 per cent....	1, 229, 385	
Total tax on war profits.....		2, 927, 876
Total of taxes on corporate income and war profits.....		<u>3, 509, 587</u>

REVENUES TO DEFRAY WAR EXPENSES.

GENERAL ELECTRIC CO.

Net income available for stockholders, 1916.....	\$18, 589, 528	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 115, 372
Average net income during pre-war period (1911-1913).....	12, 066, 474	
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War profits for fiscal year 1916	6, 523, 054	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	217, 197	
Between 15 and 25 per cent of normal, at 16 per cent..	193, 064	
Between 25 and 50 per cent of normal, at 20 per cent..	603, 324	
Between 50 and 75 per cent of normal, at 25 per cent..	122, 454	
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Total tax on war profits.....		1, 136, 039
		<hr/>
Total of taxes on corporate income and war profits.....		2, 252, 411

GENERAL MOTORS CORPORATION.

Net income available for stockholders, 1916.....	\$28, 789, 560	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 727, 374
Average net income during pre-war period (1911-1913)....	4, 557, 338	
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War profits for fiscal year 1916.....	24, 232, 222	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	82, 032	
Between 15 and 25 per cent of normal, at 16 per cent..	72, 917	
Between 25 and 50 per cent of normal, at 20 per cent..	227, 807	
Between 50 and 75 per cent of normal, at 25 per cent..	284, 834	
Between 75 and 100 per cent of normal, at 30 per cent.	341, 801	
Between 100 and 150 per cent of normal, at 35 per cent..	797, 534	
Between 150 and 200 per cent of normal, at 40 per cent..	911, 468	
Between 200 and 250 per cent of normal, at 45 per cent..	1, 025, 401	
In excess of 250 per cent of normal, at 50 per cent.....	6, 419, 439	
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Total tax on war profits.....		10, 163, 293
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Total of taxes on corporate income and war profits.....		11, 890, 667

GOLDFIELD CONSOLIDATED MINES CO.

Average net income during pre-war period (1911-1913).....	\$5, 048, 397
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B. F. GOODRICH CO. (Rubber products).

Net income available for stockholders, 1916.....	\$9, 447, 299	
Corporate income tax, at 6 per cent (sec. 4).....		\$506, 838
Average net income during pre-war period (1911-1913)....	3, 040, 745	
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War profits for fiscal year 1916.....	6, 406, 554	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	54, 733	
Between 15 and 25 per cent of normal, at 16 per cent..	48, 052	
Between 25 and 50 per cent of normal, at 20 per cent..	152, 037	
Between 50 and 75 per cent of normal, at 25 per cent..	190, 047	
Between 75 and 100 per cent of normal, at 30 per cent..	228, 056	
Between 100 and 150 per cent of normal, at 35 per cent..	532, 131	
Between 150 and 200 per cent of normal, at 40 per cent..	608, 149	
Between 200 and 250 per cent of normal, at 45 per cent..	146, 270	
	<hr/>	
Total tax on war profits.....		1, 900, 084
		<hr/>
Total of taxes on corporate income and war profits.....		2, 526, 922

GREAT NORTHERN IRON ORE PROPERTIES.

Net income available for stockholders, 1916.....	\$2,088,884	
Corporate income tax, at 6 per cent (sec. 4).....		\$125,333
Average net income during pre-war period (1911-1913)....	2,060,322	
War profits for fiscal year 1916.....	<u>28,562</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.....		3,427
Total of taxes on corporate income and war profits.....		<u>128,760</u>

GREENE-CANANEA COPPER CO.

Net income available for stockholders, 1916.....	\$3,435,879	
Corporate income tax at 6 per cent (sec. 4).....		\$206,153
Average net income during pre-war period (1911-1913)....	1,407,902	
War profits for fiscal year 1916.....	<u>2,027,977</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	25,342	
Between 15 and 25 per cent of normal, at 16 per cent..	22,527	
Between 25 and 50 per cent of normal, at 20 per cent..	70,395	
Between 50 and 75 per cent of normal, at 25 per cent..	87,894	
Between 75 and 100 per cent of normal, at 30 per cent.	105,593	
Between 100 and 150 per cent of normal, at 35 per cent	<u>217,026</u>	
Total tax on war profits.....		528,777
Total of taxes on corporate income and war profits.....		<u>734,930</u>

HERCULES POWDER CO.

Net income available for stockholders, 1916.....	\$16,658,873	
Corporate income tax, at 6 per cent (sec. 4).....		\$999,532
Average net income during pre-war period (1911-1913)....	1,017,212	
War profits for fiscal year 1916.....	<u>15,641,661</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	18,310	
Between 15 and 25 per cent of normal, at 16 per cent..	16,275	
Between 25 and 50 per cent of normal, at 20 per cent..	50,861	
Between 50 and 75 per cent of normal, at 25 per cent..	63,576	
Between 75 and 100 per cent of normal, at 30 per cent.	76,291	
Between 100 and 150 per cent of normal, at 35 per cent	178,012	
Between 150 and 200 per cent of normal, at 40 per cent	203,442	
Between 200 and 250 per cent of normal, at 45 per cent	228,873	
In excess of 250 per cent of normal, at 50 per cent....	<u>6,549,316</u>	
Total tax on war profits.....		7,384,956
Total of taxes on corporate income and war profits.....		<u>8,384,488</u>

INTERNATIONAL AGRICULTURAL CORPORATION.

Net income available for stockholders, 1916.....	\$1, 186, 231	
Corporate income tax, at 6 per cent (sec. 4).....		\$71, 174
Average net income during pre-war period (1911-1913)	966, 750	
	<hr/>	
War profits for fiscal year, 1916.....	219, 481	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	17, 402	
Between 15 and 25 per cent of normal, at 16 per cent..	11, 899	
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Total tax on war profits.....		29, 301
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Total of taxes on corporate income and war profits.....		100, 475

INTERNATIONAL HARVESTER CO.

Net income available for stockholders, 1916.....	\$5, 137, 098	
Corporate income tax, at 6 per cent (sec. 4).....		\$308, 226
Average net income during pre-war period (1911-1913).....	7, 155, 253	
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Total of taxes on corporate income and war profits.....		308, 226

INTERNATIONAL NICKEL CO.

Net income available for stockholders, 1917.....	\$13, 557, 970	
Corporate income tax, at 6 per cent (sec. 4).....		\$813, 478
Average net income during pre-war period (1911-1913)....	4, 125, 955	
	<hr/>	
War profits for fiscal year 1917	9, 432, 025	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	74, 267	
Between 15 and 25 per cent of normal, at 16 per cent..	66, 015	
Between 25 and 50 per cent of normal, at 20 per cent..	206, 298	
Between 50 and 75 per cent of normal, at 25 per cent..	257, 872	
Between 75 and 100 per cent of normal, at 30 per cent..	309, 447	
Between 100 and 150 per cent of normal, at 35 per cent..	722, 045	
Between 150 and 200 per cent of normal, at 40 per cent..	825, 188	
Between 200 and 250 per cent of normal, at 45 per cent..	531, 047	
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Total tax on war profits.....		2, 992, 179
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Total of taxes on corporate income and war profits.....		3, 805, 657

INTERNATIONAL MERCANTILE MARINE CO.

Net income available for stockholders, 1916.....	\$26, 200, 596	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 697, 970
Average net income during pre-war period (1911-1913)....	1, 068, 166	
	<hr/>	
War profits for fiscal year 1916	25, 231, 430	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	19, 227	
Between 15 and 25 per cent of normal, at 16 per cent..	17, 091	
Between 25 and 50 per cent of normal, at 20 per cent..	53, 408	
Between 50 and 75 per cent of normal, at 25 per cent..	66, 760	
Between 75 and 100 per cent of normal, at 30 per cent..	80, 112	
Between 100 and 150 per cent of normal, at 35 per cent..	186, 926	
Between 150 and 200 per cent of normal, at 40 per cent..	213, 637	
Between 200 and 250 per cent of normal, at 45 per cent..	240, 331	
In excess of 250 per cent of normal, at 50 per cent.....	11, 280, 515	
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Total tax on war profits.....		12, 158, 007
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Total of taxes on corporate income and war profits.....		13, 855, 983

INTERNATIONAL PAPER CO.

Net income available for stockholders, 1916.....	\$4, 620, 727	
Corporate income tax, at 6 per cent (sec. 4).....		\$277, 244
Average net income during pre-war period (1911-1913).....	1, 105, 913	
War profits for fiscal year 1916.....	<u>3, 514, 814</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	19, 907	
Between 15 and 25 per cent of normal, at 16 per cent. . .	17, 695	
Between 25 and 50 per cent of normal, at 20 per cent. . .	55, 296	
Between 50 and 75 per cent of normal, at 25 per cent. . .	69, 120	
Between 75 and 100 per cent of normal, at 30 per cent. . .	82, 944	
Between 100 and 150 per cent of normal, at 35 per cent. . .	193, 538	
Between 150 and 200 per cent of normal, at 40 per cent. . .	221, 178	
Between 200 and 250 per cent of normal, at 45 per cent. . .	248, 838	
In excess of 250 per cent of normal, at 50 per cent. . . .	375, 007	
Total tax on war profits.....		<u>1, 283, 523</u>
Total of taxes on corporate income and war profits.....		<u>1, 560, 767</u>

LACKAWANNA STEEL CO.

Net income available for stockholders, 1916.....	\$12, 218, 234	
Corporate income tax, at 6 per cent (sec. 4).....		\$733, 094
Average net income during pre-war period (1911-1913).....	1, 282, 500	
War profits for fiscal year 1916.....	<u>10, 935, 734</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	23, 085	
Between 15 and 25 per cent of normal, at 16 per cent. . .	20, 520	
Between 25 and 50 per cent of normal, at 20 per cent. . .	64, 125	
Between 50 and 75 per cent of normal, at 25 per cent. . .	80, 156	
Between 75 and 100 per cent of normal, at 30 per cent. . .	96, 188	
Between 100 and 150 per cent of normal, at 35 per cent. . .	224, 438	
Between 150 and 200 per cent of normal, at 40 per cent. . .	256, 500	
Between 200 and 250 per cent of normal, at 45 per cent. . .	288, 563	
In excess of 250 per cent of normal, at 50 per cent. . . .	3, 864, 742	
Total tax on war profits.....		<u>4, 918, 317</u>
Total of taxes on corporate income and war profits.....		<u>5, 651, 411</u>

MAXWELL MOTOR CO.

Net income available for stockholders, 1916.....	\$5, 426, 636	
Corporate income tax, at 6 per cent (sec. 4).....		325, 598
Average net income during pre-war period (1911-1913).....		Not available.

MEXICAN PETROLEUM CO. (LTD.), OF DELAWARE.

Net income available for stockholders, 1916.....	\$7, 153, 060	
Corporate income tax, at 6 per cent (sec. 4).....		\$429, 184
Average net income during pre-war period (1911-1913).....	3, 139, 560	
War profits for fiscal year 1916.....	<u>4, 013, 500</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	56, 512	
Between 15 and 25 per cent of normal, at 16 per cent. . .	50, 233	
Between 25 and 50 per cent of normal, at 20 per cent. . .	156, 978	
Between 50 and 75 per cent of normal, at 25 per cent. . .	196, 222	
Between 75 and 100 per cent of normal, at 30 per cent. . .	235, 467	
Between 100 and 150 per cent of normal, at 35 per cent. . .	305, 879	
Total tax on war profits.....		<u>1, 001, 291</u>
Total of taxes on corporate income and war profits.....		<u>1, 430, 475</u>

MIAMI COPPER CO.

Net income available for stockholders, 1916.....	\$7,759,784	
Corporate income tax, at 6 per cent (sec. 4).....		\$465,587
Average net income during pre-war period (1911-1913)....	1,296,602	
War profits for fiscal year 1916.....	<u>6,463,182</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	23,339	
Between 15 and 25 per cent of normal, at 16 per cent. . .	20,746	
Between 25 and 50 per cent of normal, at 20 per cent. . .	64,830	
Between 50 and 75 per cent of normal, at 25 per cent. . .	81,037	
Between 75 and 100 per cent of normal, at 30 per cent. . .	97,245	
Between 100 and 150 per cent of normal, at 35 per cent. . .	226,904	
Between 150 and 200 per cent of normal, at 40 per cent. . .	259,322	
Between 200 and 250 per cent of normal, at 45 per cent. . .	291,733	
In excess of 250 per cent of normal, at 50 per cent.	1,810,841	
Total tax on war profits.....		<u>2,675,997</u>
Total taxes on corporate income and war profits.....		<u>3,141,584</u>

NATIONAL ENAMELING & STAMPING CO.

Net income available for stockholders, 1916.....	\$1,917,803	
Corporate income tax, at 6 per cent (sec. 4).....		\$115,068
Average net income during pre-war period (1911-1913)....	728,952	
War profits for fiscal year 1916.....	<u>1,188,851</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	13,121	
Between 15 and 25 per cent of normal, at 16 per cent. . .	11,863	
Between 25 and 50 per cent of normal, at 20 per cent. . .	30,448	
Between 50 and 75 per cent of normal, at 25 per cent. . .	45,560	
Between 75 and 100 per cent of normal, at 30 per cent. . .	54,872	
Between 100 and 150 per cent of normal, at 35 per cent. . .	127,570	
Between 150 and 200 per cent of normal, at 40 per cent. . .	38,164	
Total tax on war profits.....		<u>327,198</u>
Total of taxes on corporate income and war profits.....		<u>442,266</u>

NEVADA CONSOLIDATED COPPER CO.

Net income available for stockholders, 1916.....	\$15,002,051	
Corporate income tax, at 6 per cent (sec. 4).....		\$900,123
Average net income during pre-war period (1911-1913)....	3,410,266	
War profits for fiscal year 1916.....	<u>11,582,785</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	61,547	
Between 15 and 25 per cent of normal, at 16 per cent. . .	54,708	
Between 25 and 50 per cent of normal, at 20 per cent. . .	170,963	
Between 50 and 75 per cent of normal, at 25 per cent. . .	213,703	
Between 75 and 100 per cent of normal, at 30 per cent. . .	256,445	
Between 100 and 150 per cent of normal, at 35 per cent. . .	598,368	
Between 150 and 200 per cent of normal, at 40 per cent. . .	683,857	
Between 200 and 250 per cent of normal, at 45 per cent. . .	760,328	
In excess of 250 per cent of normal, at 50 per cent.	1,517,318	
Total tax on war profits.....		<u>4,326,237</u>
Total of taxes on corporate income and war profits.....		<u>5,226,460</u>

NEW YORK AIR BRAKE CO.

Net income available for stockholders, 1916.....	\$8, 214, 962	
Corporate income tax, at 6 per cent (sec. 4).....		\$492, 898
Average net income during pre-war period (1911-1913)....	424, 897	
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War profits for fiscal year 1916.....	7, 790, 065	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	7, 648	
Between 15 and 25 per cent of normal, at 16 per cent. .	6, 798	
Between 25 and 50 per cent of normal, at 20 per cent. .	21, 245	
Between 50 and 75 per cent of normal, at 25 per cent. .	26, 556	
Between 75 and 100 per cent of normal, at 30 per cent. .	31, 868	
Between 100 and 150 per cent of normal, at 35 per cent.	74, 359	
Between 150 and 200 per cent of normal, at 40 per cent.	84, 978	
Between 200 and 250 per cent of normal, at 45 per cent.	95, 695	
In excess of 250 per cent of normal, at 50 per cent. . .	3, 363, 908	
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Total tax on war profits.....		3, 712, 965
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Total of taxes on corporate income and war profits.....		4, 205, 863

NIPISSING MINES CO.

Net income available for stockholders, 1916.....	\$1, 805, 243	
Corporate income tax, at 6 per cent (sec. 4).....		\$108, 315
Average net income during pre-war period (1911-1913)....	1, 799, 298	
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War profits for fiscal year 1916.....	5, 945	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .		713
		<hr/>
Total of taxes on corporate income and war profits.....		109, 028

MORRIS & CO. (PACKERS).

Net income available for stockholders, 1916.....	\$3, 632, 213	
Corporate income tax, at 6 per cent (sec. 4).....		\$217, 933
Average net income during pre-war period (1911-1913)....	1, 588, 799	
	<hr/>	
War profits for fiscal year 1916.....	2, 043, 414	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	28, 598	
Between 15 and 25 per cent of normal, at 16 per cent. .	25, 421	
Between 25 and 50 per cent of normal, at 20 per cent. .	79, 440	
Between 50 and 75 per cent of normal, at 25 per cent. .	99, 300	
Between 75 and 100 per cent of normal, at 30 per cent.	119, 160	
Between 100 and 150 per cent of normal, at 35 per cent.	159, 115	
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Total tax on war profits.....		511, 034
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Total of taxes on corporate income and war profits.....		728, 967

REVENUES TO DEFRAY WAR EXPENSES.

PHELPS, DODGE & CO.

Net income available for stockholders, 1916.....	\$21, 074, 263	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 818, 456
Average net income during pre-war period (1911-1913).....	7, 442, 399	
War profits for fiscal year 1916.....	<u>14, 531, 864</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	133, 963	
Between 15 and 25 per cent of normal, at 16 per cent. . .	119, 078	
Between 25 and 50 per cent of normal, at 20 per cent. . .	372, 120	
Between 50 and 75 per cent of normal, at 25 per cent. . .	465, 150	
Between 75 and 100 per cent of normal, at 30 per cent. . .	558, 180	
Between 100 and 150 per cent of normal, at 35 per cent. . .	1, 302, 420	
Between 150 and 200 per cent of normal, at 40 per cent. . .	<u>1, 347, 308</u>	
Total tax on war profits.....		<u>4, 298, 217</u>
Total of taxes on corporate income and war profits.....		<u>5, 616, 673</u>

PITTSBURGH COAL CO.

Net income available for stockholders, 1916.....	\$3, 143, 927	
Corporate income tax, at 6 per cent (sec. 4).....		\$188, 636
Average net income during pre-war period (1911-1913).....	2, 047, 896	
War profits for fiscal year 1916.....	<u>1, 096, 031</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	36, 862	
Between 15 and 25 per cent of normal, at 16 per cent. . .	32, 766	
Between 25 and 50 per cent of normal, at 20 per cent. . .	102, 395	
Between 50 and 75 per cent of normal, at 25 per cent. . .	<u>18, 020</u>	
Total tax on war profits.....		<u>190, 043</u>
Total of taxes on corporate income and war profits.....		<u>278, 679</u>

PITTSBURGH STEEL CO.

Net income available for stockholders, 1916.....	\$4, 564, 007	
Corporate income tax, at 6 per cent (sec. 4).....		\$273, 844
Average net income during pre-war period (1911-1913).....	1, 191, 855	
War profits for fiscal year 1916.....	<u>3, 372, 212</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	21, 453	
Between 15 and 25 per cent of normal, at 16 per cent. . .	19, 070	
Between 25 and 50 per cent of normal, at 20 per cent. . .	59, 593	
Between 50 and 75 per cent of normal, at 25 per cent. . .	74, 491	
Between 75 and 100 per cent of normal, at 30 per cent. . .	89, 390	
Between 100 and 150 per cent of normal, at 35 per cent. . .	208, 577	
Between 150 and 200 per cent of normal, at 40 per cent. . .	238, 374	
Between 200 and 250 per cent of normal, at 45 per cent. . .	288, 171	
In excess of 250 per cent of normal, at 50 per cent.	<u>196, 281</u>	
Total tax on war profits.....		<u>1, 175, 400</u>
Total of taxes on corporate income and war profits.....		<u>1, 449, 244</u>

PRESSED STEEL CAR CO.

Net income available for stockholders, 1916.....	\$2, 751, 152	
Corporate income tax, at 6 per cent (sec. 4).....		\$165, 069
Average net income during pre-war period (1911-1913)....	1, 412, 665	
War profits for fiscal year 1916.....	<u>1, 338, 487</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	25, 428	
Between 15 and 25 per cent of normal, at 16 per cent..	22, 603	
Between 25 and 50 per cent of normal, at 20 per cent..	70, 633	
Between 50 and 75 per cent of normal, at 25 per cent..	88, 291	
Between 75 and 100 per cent of normal, at 30 per cent.	<u>83, 698</u>	
Total tax on war profits.....		290, 653
Total of taxes on corporate income and war profits.....		<u>455, 722</u>

RAILWAY STEEL SPRING CO.

Net income available for stockholders, 1916.....	\$3, 710, 805	
Corporate income tax, at 6 per cent (sec. 4).....		\$222, 648
Average net income during pre-war period (1911-1913)....	1, 276, 808	
War profits for fiscal year 1916.....	<u>2, 433, 997</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	22, 082	
Between 15 and 25 per cent of normal, at 16 per cent..	20, 429	
Between 25 and 50 per cent of normal, at 20 per cent..	63, 840	
Between 50 and 75 per cent of normal, at 25 per cent..	79, 800	
Between 75 and 100 per cent of normal, at 30 per cent.	95, 760	
Between 100 and 150 per cent of normal, at 35 per cent	223, 441	
Between 150 and 200 per cent of normal, at 40 per cent	<u>207, 519</u>	
Total tax on war profits.....		713, 771
Total of taxes on corporate income and war profits.....		<u>936, 419</u>

RAY CONSOLIDATED COPPER CO.

Net income available for stockholders, 1916.....	\$11, 716, 428	
Corporate income tax, at 6 per cent (sec. 4).....		\$702, 986
Average net income during pre-war period (1911-1913)....	1, 634, 365	
War profits for fiscal year 1916.....	<u>10, 082, 063</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	29, 418	
Between 15 and 25 per cent of normal, at 16 per cent..	26, 150	
Between 25 and 50 per cent of normal, at 20 per cent..	81, 718	
Between 50 and 75 per cent of normal, at 25 per cent..	102, 147	
Between 75 and 100 per cent of normal, at 30 per cent.	122, 577	
Between 100 and 150 per cent of normal, at 35 per cent.	286, 014	
Between 150 and 200 per cent of normal, at 40 per cent.	326, 873	
Between 200 and 250 per cent of normal, at 45 per cent.	367, 732	
In excess of 250 per cent of normal, at 50 per cent.....	<u>2, 908, 082</u>	
Total tax on war profits.....		4, 340, 711
Total of taxes on corporate income and war profits.....		<u>5, 043, 697</u>

REPUBLIC IRON & STEEL CO.

Net income available for stockholders, 1916.....	\$14, 789, 162	
Corporate income tax, at 6 per cent (sec. 4).....		\$887, 350
Average net income during pre-war period (1911-1913)....	2, 265, 694	
War profits for fiscal year 1916.....	<u>12, 523, 468</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	40, 783	
Between 15 and 25 per cent of normal, at 16 per cent..	36, 251	
Between 25 and 50 per cent of normal, at 20 per cent..	113, 285	
Between 50 and 75 per cent of normal, at 25 per cent..	141, 606	
Between 75 and 100 per cent of normal, at 30 per cent..	169, 927	
Between 100 and 150 per cent of normal, at 35 per cent.	396, 496	
Between 150 and 200 per cent of normal, at 40 per cent.	453, 139	
Between 200 and 250 per cent of normal, at 45 per cent.	509, 781	
In excess of 250 per cent of normal, at 50 per cent....	3, 429, 610	
Total tax on war profits.....		5, 200, 887
Total of taxes on corporate income and war profits.....		<u>6, 178, 237</u>

SEARS, ROEBUCK & CO.

Net income available for stockholders, 1916.....	\$16, 488, 022	
Corporate income tax, at 6 per cent (sec. 4).....		\$980, 317
Average net income during pre-war period (1911-1913)....	8, 111, 749	
War profits for fiscal year 1916.....	<u>8, 376, 873</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	146, 011	
Between 15 and 25 per cent of normal, at 16 per cent..	129, 788	
Between 25 and 50 per cent of normal, at 20 per cent..	405, 587	
Between 50 and 75 per cent of normal, at 25 per cent..	506, 984	
Between 75 and 100 per cent of normal, at 30 per cent.	608, 381	
Between 100 and 150 per cent of normal, at 35 per cent.	92, 793	
Total tax on war profits.....		1, 889, 544
Total of taxes on corporate income and war profits.....		<u>2, 878, 861</u>

SHATTUCK ARIZONA COPPER CO.

Net income available for stockholders, 1916.....	\$3, 039, 077	
Corporate income tax, at 6 per cent (sec. 4).....		\$182, 345
Average net income during pre-war period (1911-1913)....	1, 115, 504	
War profits for fiscal year 1916.....	<u>1, 923, 573</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	20, 079	
Between 15 and 25 per cent of normal, at 16 per cent..	17, 848	
Between 25 and 50 per cent of normal, at 20 per cent..	55, 775	
Between 50 and 75 per cent of normal, at 25 per cent..	69, 719	
Between 75 and 100 per cent of normal, at 30 per cent.	83, 063	
Between 100 and 150 per cent of normal, at 35 per cent.	195, 213	
Between 150 and 200 per cent of normal, at 40 per cent.	100, 129	
Total tax on war profits.....		542, 426
Total of taxes on corporate income and war profits.....		<u>724, 771</u>

SLOSS-SHEFFIELD IRON & STEEL CO.

Net income available for stockholders, 1916.....	\$1,990,674	
Corporate income tax, at 6 per cent (sec. 4).....		\$119,440
Average net income during pre-war period (1911-1913).....	545,457	
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War profits for fiscal year 1916.....	1,445,217	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	9,818	
Between 15 and 25 per cent of normal, at 16 per cent..	8,727	
Between 25 and 50 per cent of normal, at 20 per cent..	27,273	
Between 50 and 75 per cent of normal, at 25 per cent..	34,091	
Between 75 and 100 per cent of normal, at 30 per cent.	40,909	
Between 100 and 150 per cent of normal, at 35 per cent.	95,455	
Between 150 and 200 per cent of normal, at 40 per cent.	109,091	
Between 200 and 250 per cent of normal, at 45 per cent.	122,728	
In excess of 250 per cent of normal, at 50 per cent.....	40,789	
	<hr/>	
Total tax on war profits.....		488,881
	<hr/>	
Total of taxes on corporate income and war profits.....		608,321

STANDARD OIL CO. OF CALIFORNIA.

Net income available for stockholders, 1916.....	\$17,605,304	
Corporate income tax, at 6 per cent (sec. 4).....		\$1,056,318
Average net income during pre-war period (1911-1913).....	9,877,964	
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War profits for fiscal year 1916.....	7,727,340	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	177,803	
Between 15 and 25 per cent of normal, at 16 per cent...	158,047	
Between 25 and 50 per cent of normal, at 20 per cent...	493,898	
Between 50 and 75 per cent of normal, at 25 per cent...	617,372	
Between 75 and 100 per cent of normal, at 30 per cent..	95,660	
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Total tax on war profits.....		1,542,780
	<hr/>	
Total of taxes on corporate income and war profits.....		2,599,098

STANDARD OIL CO. OF INDIANA.

Net income available for stockholders, 1916.....	\$30,043,614	
Corporate income tax, at 6 per cent (sec. 4).....		\$1,802,617
Average net income during pre-war period (1911-1913).....	14,687,696	
	<hr/>	
War profits for fiscal year 1916.....	15,355,918	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	204,378	
Between 15 and 25 per cent of normal, at 16 per cent..	235,003	
Between 25 and 50 per cent of normal, at 20 per cent..	734,385	
Between 50 and 75 per cent of normal, at 25 per cent..	917,981	
Between 75 and 100 per cent of normal, at 30 per cent.	1,101,577	
Between 100 and 150 per cent of normal, at 35 per cent.	233,878	
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Total tax on war profits.....		3,487,202
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Total of taxes on corporate income and war profits.....		5,289,819

STANDARD OIL CO. OF KANSAS.

Net income available for stockholders, 1916.....	\$1,270,314	
Corporate income tax, at 6 per cent (sec. 4).....		76,219
Average net income during pre-war period (1911-1913).....		1,509,408

REVENUES TO DEFRAY WAR EXPENSES.

STANDARD OIL CO. OF KENTUCKY.

Net income available for stockholders, 1916.....	\$2,068,598	
Corporate income tax, at 6 per cent (sec. 4).....		\$124,116
Average net income during pre-war period (1911-1913)....	1,002,458	
War profits for fiscal year 1916.....	<u>1,066,140</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	18,044	
Between 15 and 25 per cent of normal, at 16 per cent....	16,039	
Between 25 and 50 per cent of normal, at 20 per cent....	50,123	
Between 50 and 75 per cent of normal, at 25 per cent....	62,653	
Between 75 and 100 per cent of normal, at 30 per cent....	75,184	
Between 100 and 150 per cent of normal, at 35 per cent....	<u>22,289</u>	
Total tax on war profits.....		244,532
Total of taxes on corporate income and war profits.....		<u>368,448</u>

STANDARD OIL CO. OF NEW YORK.

Net income available for stockholders, 1916.....	\$36,638,495	
Corporate income tax, at 6 per cent (sec. 4).....		\$2,198,310
Average net income during pre-war period (1911-1913)....	16,212,985	
War profits for fiscal year 1916.....	<u>20,425,510</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	291,834	
Between 15 and 25 per cent of normal, at 16 per cent....	259,408	
Between 25 and 50 per cent of normal, at 20 per cent....	810,649	
Between 50 and 75 per cent of normal, at 25 per cent....	1,013,311	
Between 75 and 100 per cent of normal, at 30 per cent....	1,215,974	
Between 100 and 150 per cent of normal, at 35 per cent....	<u>1,474,384</u>	
Total tax on war profits.....		5,065,560
Total of taxes on corporate income and war profits.....		<u>7,263,870</u>

(THE) STUDEBAKER CORPORATION.

Net income available for stockholders, 1916.....	\$8,611,245	
Corporate income tax, at 6 per cent (sec. 4).....		\$516,075
Average net income during pre-war period (1911-1913)....	2,184,383	
War profits for fiscal year 1916.....	<u>6,426,682</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	39,319	
Between 15 and 25 per cent of normal, at 16 per cent....	34,950	
Between 25 and 50 per cent of normal, at 20 per cent....	109,219	
Between 50 and 75 per cent of normal, at 25 per cent....	136,518	
Between 75 and 100 per cent of normal, at 30 per cent....	163,829	
Between 100 and 150 per cent of normal, at 35 per cent....	382,267	
Between 150 and 200 per cent of normal, at 40 per cent....	436,876	
Between 200 and 250 per cent of normal, at 45 per cent....	491,486	
In excess of 250 per cent of normal, at 50 per cent.....	<u>483,384</u>	
Total tax on war profits.....		2,277,848
Total of taxes on corporate income and war profits.....		<u>2,794,523</u>

SWIFT & CO.

Net income available for stockholders, 1916.....	\$20,465,000	
Corporate income tax, at 6 per cent (sec. 4).....		\$1,227,900
Average net income during pre-war period (1911-1913).....	7,879,167	
War profits for fiscal year 1916.....	<u>12,585,833</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	141,825	
Between 15 and 25 per cent of normal, at 16 per cent..	126,067	
Between 25 and 50 per cent of normal, at 20 per cent..	393,958	
Between 50 and 75 per cent of normal, at 25 per cent..	492,447	
Between 75 and 100 per cent of normal, at 30 per cent.	590,937	
Between 100 and 150 per cent of normal, at 35 per cent.	1,378,854	
Between 150 and 200 per cent of normal, at 40 per cent.	<u>306,833</u>	
Total tax on war profits.....		3,430,921
Total of taxes on corporate income and war profits.....		<u>4,658,821</u>

TENNESSEE COPPER CO. (controlled by Tenn. Cop. & Chem. Corp.).

Net income available for stockholders, 1916.....	\$387,658	
Corporate income tax, at 6 per cent (sec. 4).....	23,259	
Average net income during pre-war period (1911-1913).....	793,209	
Total of taxes on corporate income and war profits.....		23,259

(THE) TEXAS CO. (petroleum and products).

Net income available for stockholders, 1916.....	\$13,898,862	
Corporate income tax, at 6 per cent (sec. 4).....		\$833,932
Average net income during pre-war period (1911-1913).....	3,856,667	
War profits for fiscal year 1916.....	<u>10,042,195</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent... .	69,420	
Between 15 and 25 per cent of normal, at 16 per cent..	61,707	
Between 25 and 50 per cent of normal, at 20 per cent..	192,833	
Between 50 and 75 per cent of normal, at 25 per cent..	241,041	
Between 75 and 100 per cent of normal, at 30 per cent..	289,250	
Between 100 and 150 per cent of normal, at 35 per cent..	674,917	
Between 150 and 200 per cent of normal, at 40 per cent..	771,333	
Between 200 and 250 per cent of normal, at 45 per cent..	867,750	
In excess of 250 per cent of normal, at 50 per cent.....	<u>200,264</u>	
Total tax on war profits.....		3,368,515
Total of taxes on corporate income and war profits.....		<u>4,202,447</u>

UNITED CIGAR STORES CO. OF AMERICA.

Net income available for stockholders, 1916.....	\$2,892,072	
Corporate income tax, at 6 per cent (sec. 4).....		\$173,524
Average net income during pre-war period (1911-1913).....	1,561,583	
War profits for fiscal year 1916.....	<u>1,330,489</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent... .	28,108	
Between 15 and 25 per cent of normal, at 16 per cent..	24,985	
Between 25 and 50 per cent of normal, at 20 per cent..	78,079	
Between 50 and 75 per cent of normal, at 25 per cent..	97,599	
Between 75 and 100 per cent of normal, at 30 per cent.	<u>47,790</u>	
Total tax on war profits.....		276,561
Total of taxes on corporate income and war profits.....		<u>450,085</u>

REVENUES TO DEFRAY WAR EXPENSES.

UNITED FRUIT CO.

Net income available for stockholders, 1916.....	\$11, 043, 151	
Corporate income tax, at 6 per cent (sec. 4).....		\$716, 589
Average net income during pre-war period (1911-1913).....	4, 978, 043	
War profits for fiscal year 1916.....	<u>6, 965, 108</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	89, 605	
Between 15 and 25 per cent of normal, at 16 per cent....	76, 649	
Between 25 and 50 per cent of normal, at 20 per cent....	248, 902	
Between 50 and 75 per cent of normal, at 25 per cent....	311, 128	
Between 75 and 100 per cent of normal, at 30 per cent..	373, 354	
Between 100 and 150 per cent of normal, at 35 per cent..	<u>695, 473</u>	
Total tax on war profits.....		<u>1, 798, 111</u>
Total of taxes on corporate income and war profits.....		<u>2, 514, 700</u>

UNITED STATES CAST IRON PIPE & FOUNDRY CO.

Net income available for stockholders, 1916.....	\$1, 308, 641	
Corporate income tax, at 6 per cent (sec. 4).....		\$78, 518
Average net income during pre-war period (1911-1913).....	525, 591	
War profits for fiscal year 1916.....	<u>783, 150</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	9, 401	
Between 15 and 25 per cent of normal, at 16 per cent....	8, 410	
Between 25 and 50 per cent of normal, at 20 per cent..	26, 280	
Between 50 and 75 per cent of normal, at 25 per cent..	32, 850	
Between 75 and 100 per cent of normal, at 30 per cent..	39, 417	
Between 100 and 150 per cent of normal, at 35 per cent..	<u>90, 146</u>	
Total tax on war profits.....		<u>206, 564</u>
Total of taxes on corporate income and war profits.....		<u>285, 082</u>

UNITED STATES INDUSTRIAL ALCOHOL CO.

Net income available for stockholders, 1916.....	\$4, 884, 586	
Corporate income tax, at 6 per cent (sec. 4).....		\$293, 075
Average net income during pre-war period (1911-1913).....	858, 951	
War profits for fiscal year 1916.....	<u>4, 025, 035</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	15, 461	
Between 15 and 25 per cent of normal, at 16 per cent..	13, 743	
Between 25 and 50 per cent of normal, at 20 per cent..	42, 948	
Between 50 and 75 per cent of normal, at 25 per cent..	63, 085	
Between 75 and 100 per cent of normal, at 30 per cent..	64, 422	
Between 100 and 150 per cent of normal, at 35 per cent..	150, 321	
Between 150 and 200 per cent of normal, at 40 per cent..	171, 785	
Between 200 and 250 per cent of normal, at 45 per cent..	193, 274	
In excess of 250 per cent of normal, at 50 per cent....	<u>939, 118</u>	
Total tax on war profits.....		<u>1, 044, 757</u>
Total of taxes on corporate income and war profits.....		<u>1, 937, 832</u>

UNITED STATES RUBBER CO.

Net income available for stockholders, 1916.....	\$11, 226, 208	
Corporate income tax, at 6 per cent (sec. 4).....		\$673, 572
Average net income during pre-war period (1911-1913)....	6, 661, 777	
War profits for fiscal year 1916.....	4, 564, 431	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	119, 911	
Between 15 and 25 per cent of normal, at 16 per cent..	106, 590	
Between 25 and 50 per cent of normal, at 20 per cent..	333, 089	
Between 50 and 75 per cent of normal, at 25 per cent..	308, 385	
Total tax on war profits.....		867, 975
Total of taxes on corporate income and war profits.....		1, 541, 547

UNITED STATES SMELTING, REFINING & MINING CO.

Net income available for stockholders, 1916.....	\$3, 898, 464	
Corporate income tax, at 6 per cent (sec. 4).....		\$533, 908
Average net income during pre-war period (1911-1913)....	3, 552, 988	
War profits for fiscal year 1916.....	5, 345, 476	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent... .	63, 954	
Between 15 and 25 per cent of normal, at 16 per cent..	54, 848	
Between 25 and 50 per cent of normal, at 20 per cent..	177, 649	
Between 50 and 75 per cent of normal, at 25 per cent..	222, 061	
Between 75 and 100 per cent of normal, at 30 per cent..	266, 474	
Between 100 and 150 per cent of normal, at 35 per cent..	621, 769	
Between 150 and 200 per cent of normal, at 40 per cent..	6, 402	
Total tax on war profits.....		1, 413, 157
Total of taxes on corporate income and war profits.....		1, 947, 065

UNITED STATES STEEL CORPORATION.

Net income available for stockholders, 1916.....	\$271, 531, 730	
Corporate income tax, at 6 per cent (sec. 4).....		\$16, 291, 904
Average net income during pre-war period (1911-1913)....	63, 585, 777	
War profits for fiscal year 1916.....	207, 945, 953	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent... .	1, 144, 544	
Between 15 and 25 per cent of normal, at 16 per cent..	1, 017, 372	
Between 25 and 50 per cent of normal, at 20 per cent..	3, 179, 289	
Between 50 and 75 per cent of normal, at 25 per cent..	3, 974, 111	
Between 75 and 100 per cent of normal, at 30 per cent..	4, 768, 934	
Between 100 and 150 per cent of normal, at 35 per cent..	11, 127, 513	
Between 150 and 200 per cent of normal, at 40 per cent..	12, 717, 154	
Between 200 and 250 per cent of normal, at 45 per cent..	14, 306, 803	
In excess of 250 per cent of normal, at 50 per cent....	24, 490, 752	
Total tax on war profits.....		76, 726, 472
Total taxes on corporate income and war profits.....		93, 018, 376

REVENUES TO DEFRAY WAR EXPENSES.

UTAH COPPER CO.

Net income available for stockholders, 1916.....	\$39,738, 675	
Corporate income tax, at 6 per cent (sec. 4).....		\$2, 384, 321
Average net income during pre-war period (1911-1913).....	7, 733, 435	

War profits for fiscal year 1916.....	32, 005, 240	
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Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent...	139, 202	
Between 15 and 25 per cent of normal, at 16 per cent..	123, 735	
Between 25 and 50 per cent of normal, at 20 per cent..	386, 672	
Between 50 and 75 per cent of normal, at 25 per cent..	483, 340	
Between 75 and 100 per cent of normal, at 30 per cent.	580, 008	
Between 100 and 150 per cent of normal, at 35 per cent.	1, 353, 354	
Between 150 and 200 per cent of normal, at 40 per cent.	1, 546, 684	
Between 200 and 250 per cent of normal, at 45 per cent.	1, 740, 029	
In excess of 250 per cent of normal, at 50 per cent....	6, 335, 820	

Total tax on war profits.....		12, 688, 844
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Total of taxes on corporate income and war profits.....		15, 073, 165
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VIRGINIA-CAROLINA CHEMICAL CO.

Net income available for stockholders, 1916.....	\$4, 507, 549	
Corporate income tax, at 6 per cent (sec. 4).....		\$270, 453
Average net income during pre-war period (1911-1913).....	2, 177, 807	

War profits for fiscal year 1916.....	2, 329, 742	
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Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent...	39, 200	
Between 15 and 25 per cent of normal, at 16 per cent..	34, 844	
Between 25 and 50 per cent of normal, at 20 per cent..	108, 890	
Between 50 and 75 per cent of normal, at 25 per cent..	136, 112	
Between 75 and 100 per cent of normal, at 30 per cent.	163, 335	
Between 100 and 150 per cent of normal, at 35 per cent.	53, 177	

Total tax on war profits.....		535, 558
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Total of taxes on corporate income and war profit.....		806, 011
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VIRGINIA IRON, COAL & COKE CO.

Net income available for stockholders, 1916.....	(d)\$248, 094	
Corporate income tax, at 6 per cent (sec. 4).....		(d)224, 638
Average net income during prewar period (1911-1913).....		

WESTINGHOUSE AIR BRAKE CO.

Net income available for stockholders, 1916.....	\$9, 585, 928	
Corporate income tax, at 6 per cent (sec. 4).....		\$575, 150
Average net income during prewar period (1911-1913).....	3, 934, 061	

War profits for fiscal year 1916.....	5, 651, 267	
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Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent...	70, 824	
Between 15 and 25 per cent of normal, at 16 per cent..	62, 955	
Between 25 and 50 per cent of normal, at 20 per cent..	196, 733	
Between 50 and 75 per cent of normal, at 25 per cent..	245, 916	
Between 75 and 100 per cent of normal, at 30 per cent.	295, 099	
Between 100 and 150 per cent of normal, at 35 per cent.	600, 812	

Total tax on war profits.....		1, 472, 339
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Total of taxes on corporate income and war profits.....		2, 047, 495
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WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

Net income available for stockholders, 1917	\$18, 079, 889	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 084, 793
Average net income during pre-war period (1911-1913).....	3, 581, 966	
War profits for fiscal year 1917	14, 497, 923	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent ...	64, 475	
Between 15 and 25 per cent of normal, at 16 per cent..	57, 311	
Between 25 and 50 per cent of normal, at 20 per cent..	179, 098	
Between 50 and 75 per cent of normal, at 25 per cent..	223, 872	
Between 75 and 100 per cent of normal, at 30 per cent.	268, 647	
Between 100 and 150 per cent of normal, at 35 per cent.	626, 841	
Between 150 and 200 per cent of normal, at 40 per cent.	716, 397	
Between 200 and 250 per cent of normal, at 45 per cent.	805, 936	
In excess of 250 per cent of normal, at 50 per cent.....	2, 771, 512	
Total tax on war profits.....		5, 714, 089
Total of taxes on corporate income and war profits.....		6, 798, 882

WILSON & CO. (Packers).

Net income available for stockholders, 1916	\$4, 913, 873	
Corporate income tax, at 6 per cent (sec. 4).....		\$294, 832
Average net income during pre-war period (1911-1913).....	1, 344, 926	
War profits for fiscal year 1916	3, 568, 947	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent ...	24, 209	
Between 15 and 25 per cent of normal, at 16 per cent..	21, 519	
Between 25 and 50 per cent of normal, at 20 per cent..	67, 246	
Between 50 and 75 per cent of normal, at 25 per cent..	84, 057	
Between 75 and 100 per cent of normal, at 30 per cent.	100, 869	
Between 100 and 150 per cent of normal, at 35 per cent.	235, 358	
Between 150 and 200 per cent of normal, at 40 per cent.	268, 989	
Between 200 and 250 per cent of normal, at 45 per cent.	302, 588	
In excess of 250 per cent of normal, at 50 per cent.....	103, 389	
Total tax on war profits.....		1, 208, 224
Total of taxes on corporate income and war profits.....		1, 503, 056

WILLYS-OVERLAND CO.

Net income available for stockholders, 1916	\$10, 884, 383	
Corporate income tax, at 6 per cent (sec. 4).....		\$653, 063
Average net income during pre-war period (1911-1913).....	5, 653, 899	
War profits for fiscal year 1916	5, 230, 484	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	101, 770	
Between 15 and 25 per cent of normal, at 16 per cent..	90, 462	
Between 25 and 50 per cent of normal, at 20 per cent..	282, 695	
Between 50 and 75 per cent of normal, at 25 per cent..	353, 368	
Between 75 and 100 per cent of normal, at 30 per cent.	297, 018	
Total tax on war profits.....		1, 125, 313
Total of taxes on corporate income and war profits.....		1, 778, 376

REVENUES TO DEFRAY WAR EXPENSES.

PENNSYLVANIA RAILROAD CO.

Net income available for stockholders, 1916.....	\$53, 733, 439	
Corporate income tax, at 6 per cent (sec. 4).....		\$3, 224, 006
Average net income during pre-war period (1911-1913).....	37, 788, 801	
	<u>15, 944, 638</u>	
War profits for fiscal year 1916.....		
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	680, 198	
Between 15 and 25 per cent of normal, at 16 per cent..	604, 621	
Between 25 and 50 per cent of normal, at 20 per cent..	1, 299, 488	
	<u>2, 584, 307</u>	
Total tax on war profits.....		2, 584, 307
Total of taxes on corporate income and war profits.....		<u>5, 808, 313</u>

NEW YORK CENTRAL RAILROAD CO.

Net income available for stockholders, 1916.....	\$40, 373, 684	
Corporate income tax, at 6 per cent (sec. 4).....		\$2, 422, 421
Average net income during pre-war period (1911-1913).....	14, 722, 872	
	<u>25, 650, 812</u>	
War profits for fiscal year 1916.....		
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	265, 012	
Between 15 and 25 per cent of normal, at 16 per cent..	235, 566	
Between 25 and 50 per cent of normal, at 20 per cent..	736, 144	
Between 50 and 75 per cent of normal, at 25 per cent..	920, 180	
Between 75 and 100 per cent of normal, at 30 per cent.	1, 104, 215	
Between 100 and 150 per cent of normal, at 35 per cent.	2, 576, 503	
Between 150 and 200 per cent of normal, at 40 per cent.	1, 426, 602	
	<u>7, 264, 222</u>	
Total tax on war profits.....		7, 264, 222
Total of taxes on corporate income and war profits.....		<u>9, 686, 643</u>

BALTIMORE & OHIO RAILROAD CO.

Net income available for stockholders, 1916.....	\$13, 692, 447	
Corporate income tax, at 6 per cent (sec. 4).....		\$821, 547
Average net income during pre-war period (1911-1913).....	13, 366, 720	
	<u>325, 727</u>	
War profits for fiscal year 1916.....		
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent...	39, 087	
	<u>39, 087</u>	
Total tax on war profits.....		39, 087
Total of taxes on corporate income and war profits.....		<u>860, 634</u>

NEW YORK, NEW HAVEN & HARTFORD RAILROAD CO.

Net income available for stockholders, 1916.....	\$4, 315, 757	
Corporate income tax, at 6 per cent (sec. 4).....		\$258, 945
Average net income during pre-war period (1911-1913).....	11, 165, 034	
Total of taxes on corporate income and war profits.....		<u>258, 945</u>

REVENUES TO DEFRAY WAR EXPENSES.

47

PENNSYLVANIA CO.

Net income available for stockholders, 1916.....	\$14,269,905	
Corporate income tax, at 6 per cent (sec. 4).....		\$856,194
Average net income during pre-war period (1911-1913).....	10,434,525	
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War profits for fiscal year 1916	3,835,380	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.	187,821	
Between 15 and 25 per cent of normal, at 16 per cent.	166,952	
Between 25 and 50 per cent of normal, at 20 per cent.	245,350	
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Total tax on war profits.....		600,123
		<hr/>
Total of taxes on corporate income and war profits.....		1,456,317

ERIE RAILROAD CO.

Net income available for stockholders, 1916.....	\$10,319,313	
Corporate income tax, at 6 per cent (sec. 4).....		\$620,959
Average net income during pre-war period (1911-1913).....	5,540,964	
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War profits for fiscal year 1916.....	4,808,349	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.	99,737	
Between 15 and 25 per cent of normal at 16 per cent.	88,655	
Between 25 and 50 per cent of normal, at 20 per cent.	277,048	
Between 50 and 75 per cent of normal, at 25 per cent.	346,310	
Between 75 and 100 per cent of normal, at 30 per cent.	195,788	
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Total tax on war profits.....		1,007,538
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Total of taxes on corporate income and war profits.....		1,628,497

PHILADELPHIA & READING RAILWAY CO.

Net income available for stockholders, 1916.....	\$13,711,841	
Corporate income tax, at 6 per cent (sec. 4).....		\$822,710
Average net income during pre-war period (1911-1913).....	9,297,251	
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War profits for fiscal year 1916.....	4,444,590	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.	167,351	
Between 15 and 25 per cent of normal, at 16 per cent.	148,756	
Between 25 and 50 per cent of normal, at 20 per cent.	418,055	
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Total tax on war profits.....		734,162
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Total of taxes on corporate income and war profits.....		1,566,872

REVENUES TO DEFRAY WAR EXPENSES.

BOSTON & MAINE RAILROAD.

Net income available for stockholders, 1916.....	\$4, 173, 128	
Corporate income tax, at 6 per cent (sec. 4).....		\$250, 388
Average net income during pre-war period (1911-1913)....	597, 082	

War profits for fiscal year 1916..... 3, 576, 040

Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent....	10, 747
Between 15 and 25 per cent of normal, at 16 per cent..	9, 553
Between 25 and 50 per cent of normal, at 20 per cent..	29, 854
Between 50 and 75 per cent of normal, at 25 per cent..	37, 318
Between 75 and 100 per cent of normal, at 30 per cent..	44, 781
Between 100 and 150 per cent of normal, at 35 per cent..	104, 489
Between 150 and 200 per cent of normal, at 40 per cent..	119, 416
Between 200 and 250 per cent of normal, at 45 per cent..	134, 343
In excess of 250 per cent of normal, at 50 per cent....	1, 041, 671

Total tax on war profits..... 1, 532, 172

Total of taxes on corporate income and war profits..... 1, 782, 560

DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.

Net income available for stockholders, 1916.....	\$14, 280, 516	
Corporate income tax, at 6 per cent (sec. 4).....		\$857, 371
Average net income during pre-war period 1911-1913)....	9, 966, 716	

War profits for fiscal year 1916..... 4, 322, 800

Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent....	170, 401
Between 15 and 25 per cent of normal, at 16 per cent..	159, 467
Between 25 and 50 per cent of normal, at 20 per cent..	366, 224

Total tax on war profits..... 705, 092

Total of taxes on corporate income and war profits..... 1, 562, 463

LEHIGH VALLEY RAILROAD CO.

Net income available for stockholders, 1916.....	\$7, 880, 002	
Corporate income tax, at 6 per cent (sec. 4).....		472, 854
Average net income during pre-war period (1911-1913).....		8, 024, 952
Total of taxes on corporate income and war profits.....		<u>472, 854</u>

PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY CO.

Net income available for stockholders, 1916.....	\$6, 424, 801	
Corporate income tax, at 6 per cent (sec. 4).....		\$385, 492
Average net income during pre-war period (1911-1913).....	4, 153, 258	

War profits for fiscal year 1916..... 2, 271, 603

Tax on war profits (sec. 201):

Not exceeding 15 per cent of normal, at 12 per cent....	74, 750
Between 15 and 25 per cent of normal, at 16 per cent..	66, 452
Between 25 and 50 per cent of normal, at 20 per cent..	207, 663
Between 50 and 75 per cent of normal, at 25 per cent..	48, 744

Total tax on war profits..... 397, 618

Total of taxes on corporate income and war profits..... 783, 110

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY CO.

Net income available for stockholders, 1916.....	\$7, 103, 089	
Corporate income tax, at 6 per cent (sec. 4).....		\$420, 185
Average net income during pre-war period (1911-1913).....	1, 232, 351	
	<hr/>	
War profits for fiscal year 1916.....	5, 870, 738	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	22, 182	
Between 15 and 25 per cent of normal, at 16 per cent. . .	19, 718	
Between 25 and 50 per cent of normal, at 20 per cent. . .	61, 618	
Between 50 and 75 per cent of normal, at 25 per cent. . .	77, 022	
Between 75 and 100 per cent of normal, at 30 per cent. . .	92, 426	
Between 100 and 150 per cent of normal, at 35 per cent. . .	215, 662	
Between 150 and 200 per cent of normal, at 40 per cent. . .	246, 470	
Between 200 and 250 per cent of normal, at 45 per cent. . .	277, 279	
In excess of 250 per cent of normal, at 50 per cent. . . .	1, 394, 931	
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Total tax on war profits.....		2, 407, 308
		<hr/>
Total of taxes on corporate income and war profits.....		2, 827, 493

MICHIGAN CENTRAL RAILROAD CO.

Net income available for stockholders, 1916.....	\$5, 505, 222	
Corporate income tax, at 6 per cent (sec. 4).....		\$330, 313
Average net income during pre-war period (1911-1913).....	2, 196, 285	
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War profits for fiscal year 1916.....	3, 308, 937	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	39, 533	
Between 15 and 25 per cent of normal, at 16 per cent. . .	35, 140	
Between 25 and 50 per cent of normal, at 20 per cent. . .	109, 814	
Between 50 and 75 per cent of normal, at 25 per cent. . .	137, 268	
Between 75 and 100 per cent of normal, at 30 per cent. . .	164, 721	
Between 100 and 150 per cent of normal, at 35 per cent. . .	384, 350	
Between 150 and 200 per cent of normal, at 40 per cent. . .	5, 804	
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Total tax on war profits.....		876, 630
		<hr/>
Total of taxes on corporate income and war profits.....		1, 200, 943

WABASH RAILROAD.

Net income available for stockholders, 1916.....	\$3, 627, 151	
Corporate income tax, at 6 per cent (sec. 4).....		\$217, 629
Average net income during pre-war period (1911-1913).....	778, 383	
	<hr/>	
War profits for fiscal year 1916.....	2, 848, 763	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . . .	14, 011	
Between 15 and 25 per cent of normal, at 16 per cent. . .	12, 454	
Between 25 and 50 per cent of normal, at 20 per cent. . .	38, 919	
Between 50 and 75 per cent of normal, at 25 per cent. . .	48, 649	
Between 75 and 100 per cent of normal, at 30 per cent. . .	58, 379	
Between 100 and 150 per cent of normal, at 35 per cent. . .	136, 217	
Between 150 and 200 per cent of normal, at 40 per cent. . .	155, 677	
Between 200 and 250 per cent of normal, at 45 per cent. . .	175, 136	
In excess of 250 per cent of normal, at 50 per cent. . . .	451, 405	
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Total tax on war profits.....		1, 090, 847
		<hr/>
Total of taxes on corporate income and war profits.....		1, 308, 476

REVENUES TO DEFRAY WAR EXPENSES.

CENTRAL RAILROAD OF NEW JERSEY.

Net income available for stockholders, 1916.....	\$5, 072, 573
Corporate income tax, at 6 per cent (sec. 4).....	358, 354
Average net income during pre-war period (1911-1913).....	6, 684, 713
Total of taxes on corporate income and war profits.....	358, 354

DELAWARE & HUDSON CO.

Net income available for stockholders, 1916.....	\$4, 769, 972
Corporate income tax, at 6 per cent (sec. 4).....	286, 198
Average net income during pre-war period (1911-1913).....	5, 778, 202
Total of taxes on corporate income and war profits.....	286, 198

PITTSBURGH & LAKE ERIE RAILROAD CO.

Net income available for stockholders, 1916.....	\$10, 162, 841	
Corporate income tax, at 6 per cent (sec. 4).....		\$609, 770
Average net income during pre-war period (1911-1913).....	7, 057, 620	
War profits for fiscal year 1916.....	3, 105, 221	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	127, 037	
Between 15 and 25 per cent of normal, at 16 per cent. . .	112, 922	
Between 25 and 50 per cent of normal, at 20 per cent. . .	268, 163	
Total tax on war profits.....		508, 122
Total of taxes on corporate income and war profits.....		1, 117, 892

PERE MARQUETTE RAILROAD CO.

Net income available for stockholders 1916.....	\$254, 558
Corporate income tax, at 6 per cent (sec. 4).....	15, 273
Average net income during pre-war period (1911-1913).....	1, 706, 331
Total of taxes on corporate income and war profits.....	15, 273

CHICAGO & EASTERN ILLINOIS RAILWAY CO.

Net income available for stockholders, 1916.....	\$2, 923, 598	
Corporate income tax, at 6 per cent (sec. 4).....		\$175, 416
Average net income during pre-war period (1911-1913).....	923, 771	
War profits for fiscal year 1916.....	1, 099, 827	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	16, 628	
Between 15 and 25 per cent of normal, at 16 per cent. . .	14, 780	
Between 25 and 50 per cent of normal, at 20 per cent. . .	40, 189	
Between 50 and 75 per cent of normal, at 25 per cent. . .	57, 736	
Between 75 and 100 per cent of normal, at 30 per cent. . .	69, 283	
Between 100 and 150 per cent of normal, at 35 per cent. . .	161, 660	
Between 150 and 200 per cent of normal, at 40 per cent. . .	184, 754	
Between 200 and 250 per cent of normal, at 45 per cent. . .	68, 528	
Total tax on war profits.....		619, 558
Total of taxes on corporate income and war profits.....		794, 974

VANDALIA RAILROAD CO.

Net income available for stockholders, 1916.....	\$1,061,101	
Corporate income tax, at 6 per cent (sec. 4).....		\$63,666
Average net income during pre-war period (1911-1913).....	598,414	
War profits for fiscal year 1916.....	<u>462,687</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	10,771	
Between 15 and 25 per cent of normal, at 16 per cent..	9,575	
Between 25 and 50 per cent of normal, at 20 per cent..	29,921	
Between 50 and 75 per cent of normal, at 25 per cent..	37,401	
Between 75 and 100 per cent of normal, at 30 per cent.	<u>4,163</u>	
Total tax on war profits.....		91,831
Total of taxes on corporate income and war profits.....		<u>155,497</u>

MAINE CENTRAL RAILROAD CO.

Net income available for stockholders, 1916.....	\$1,600,476	
Corporate income tax, at 6 per cent (sec. 4).....		\$96,029
Average net income during pre-war period (1911-1913)....	698,966	
War profits for fiscal year 1916	<u>901,510</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent... .	12,581	
Between 15 and 25 per cent of normal, at 16 per cent..	11,184	
Between 25 and 50 per cent of normal, at 20 per cent..	34,948	
Between 50 and 75 per cent of normal, at 25 per cent..	43,686	
Between 75 and 100 per cent of normal, at 30 per cent.	52,423	
Between 100 and 150 per cent of normal, at 35 per cent.	<u>70,890</u>	
Total tax on war profits.....		225,712
Total of taxes on corporate income and war profits.....		<u>321,741</u>

BUFFALO, ROCHESTER & PITTSBURGH RAILWAY CO.

Net income available for stockholders, 1916.....	\$1,964,137	
Corporate income tax, at 6 per cent (sec. 4).....		\$117,848
Average net income during pre-war period (1911-1913)....	1,874,474	
War profits for fiscal year 1916	<u>89,063</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.....		10,700
Total of taxes on corporate income and war profits.....		<u>128,608</u>

REVENUES TO DEFRAY WAR EXPENSES.

BESSEMER & LAKE ERIE RAILROAD CO.

Net income available for stockholders, 1916.....	\$3,974,519	
Corporate income tax, at 6 per cent (sec. 4).....		\$238,471
Average net income during pre-war period (1911-1913).....	1,568,458	
War profits for fiscal year 1916.....	2,400,061	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . . .	28,238	
Between 15 and 25 per cent of normal, at 16 per cent. . . .	25,101	
Between 25 and 50 per cent of normal, at 20 per cent. . . .	78,440	
Between 50 and 75 per cent of normal, at 25 per cent. . . .	98,050	
Between 75 and 100 per cent of normal, at 30 per cent. . . .	117,059	
Between 100 and 150 per cent of normal, at 35 per cent. . . .	274,539	
Between 150 and 200 per cent of normal, at 40 per cent. . . .	21,016	
Total tax on war profits.....		643,043
Total of taxes on corporate income and war profits.....		881,514

WESTERN MARYLAND RAILWAY CO.

Net income available for stockholders, 1916.....	\$539,693	
Corporate income tax, at 6 per cent (sec. 4).....		32,382
Average net income during pre-war period (1911-1913).....		660,371
Total of taxes on corporate income and war profits.....		32,382

NEW YORK, SUSQUEHANNA & WESTERN RAILROAD CO.

Net income available for stockholders, 1916.....	\$430,314	
Corporate income tax, at 6 per cent (sec. 4).....		\$21,516
Average net income during pre-war period (1911-1913).....	305,176	
War profits for fiscal year 1916.....	125,138	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . . .	5,493	
Between 15 and 25 per cent of normal, at 16 per cent. . . .	4,383	
Between 25 and 50 per cent of normal, at 20 per cent. . . .	9,769	
Total tax on war profits.....		20,145
Total of taxes on corporate income and war profits.....		41,661

NEW YORK, ONTARIO & WESTERN RAILWAY CO.

Net income available for stockholders, 1916.....	\$983,878	
Corporate income tax, at 6 per cent (sec. 4).....		\$59,033
Average net income during pre-war period (1911-1913).....	942,766	
War profits for fiscal year 1916.....	41,112	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . . .		4,933
Total of taxes on corporate income and war profits.....		63,966

CHICAGO, INDIANAPOLIS & LOUISVILLE RAILWAY CO.

Net income available for stockholders, 1916.....	\$892, 084	
Corporate income tax, at 6 per cent (sec. 4).....		\$53, 525
Average net income during pre-war period (1911-1913).....	553, 148	
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War profits for fiscal year 1916.....	338, 036	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent....	9, 957	
Between 15 and 25 per cent of normal, at 16 per cent....	8, 850	
Between 25 and 50 per cent of normal, at 20 per cent....	27, 657	
Between 50 and 75 per cent of normal, at 25 per cent....	15, 591	
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Total tax on war profits.....		62, 055
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Total of taxes on corporate income and war profits.....		115, 580

CENTRAL NEW ENGLAND RAILWAY CO.

Net income available for stockholders, 1916.....	\$978, 415	
Corporate income tax, at 6 per cent (sec. 4).....		\$58, 705
Average net income during pre-war period (1911-1913).....	693, 507	
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War profits for fiscal year 1916.....	284, 908	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	12, 483	
Between 15 and 25 per cent of normal, at 16 per cent. .	11, 096	
Between 25 and 50 per cent of normal, at 20 per cent. .	22, 306	
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Total tax on war profits.....		45, 885
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Total of taxes on corporate income and war profits.....		104, 590

NEW YORK, PHILADELPHIA & NORFOLK RAILROAD CO.

Net income available for stockholders, 1916.....	\$1, 133, 913	
Corporate income tax, at 6 per cent (sec. 4).....		\$68, 035
Average net income during pre-war period (1911-1913).....	537, 763	
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War profits for fiscal year 1916.....	596, 150	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	9, 680	
Between 15 and 25 per cent of normal, at 16 per cent. .	8, 604	
Between 25 and 50 per cent of normal, at 20 per cent. .	26, 888	
Between 50 and 75 per cent of normal, at 25 per cent. .	33, 813	
Between 75 and 100 per cent of normal, at 30 per cent. .	40, 332	
Between 100 and 150 per cent of normal, at 35 per cent. .	20, 435	
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Total tax on war profits.....		139, 752
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Total of taxes on corporate income and war profits.....		207, 787

ELGIN, JOLIET & EASTERN RAILWAY CO.

Net income available for stockholders, 1916.....	\$1, 336, 394	
Corporate income tax, at 6 per cent (sec. 4).....		80, 184
Average net income during pre-war period (1911-1913).....		1, 647, 951
Total of taxes on corporate income and war profits.....		80, 184

SOUTHERN RAILWAY CO.

Net income available for stockholders, 1916.....	\$9,620,939	
Corporate income tax, at 6 per cent (sec. 4).....		\$577,256
Average net income during pre-war period (1911-1913).....	6,851,430	
	<hr/>	
War profits for fiscal year 1916.....	2,769,509	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	123,326	
Between 15 and 25 per cent of normal, at 16 per cent. . .	109,623	
Between 25 and 50 per cent of normal, at 20 per cent. . .	211,330	
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Total tax on war profits.....		444,279
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Total of taxes on corporate income and war profits.....		1,021,535

ILLINOIS CENTRAL RAILROAD CO.

Net income available for stockholders, 1916.....	\$11,807,565	
Corporate income tax, at 6 per cent (sec. 4).....		\$708,454
Average net income during pre-war period (1911-1913).....	7,338,972	
	<hr/>	
War profits for fiscal year 1916.....	4,468,593	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	132,101	
Between 15 and 25 per cent of normal, at 16 per cent. . .	117,417	
Between 25 and 50 per cent of normal, at 20 per cent. . .	366,948	
Between 50 and 75 per cent of normal, at 25 per cent. . .	109,778	
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Total tax on war profits.....		816,244
		<hr/>
Total of taxes on corporate income and war profits.....		1,524,698

LOUISVILLE & NASHVILLE RAILROAD CO.

Net income available for stockholders, 1916.....	\$14,039,130	
Corporate income tax, at 6 per cent (sec. 4).....		\$842,348
Average net income during pre-war period (1911-1913)	8,938,653	
	<hr/>	
War profits for fiscal year 1916.....	5,100,477	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	160,896	
Between 15 and 25 per cent of normal, at 16 per cent. . .	143,018	
Between 25 and 50 per cent of normal, at 20 per cent. . .	446,933	
Between 50 and 75 per cent of normal, at 25 per cent. . .	157,788	
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Total tax on war profits.....		908,635
		<hr/>
Total of taxes on corporate income and war profits.....		1,751,033

NORFOLK & WESTERN RAILROAD CO.

Net income available for stockholders, 1916.....	\$20,628,059	
Corporate income tax, at 6 per cent (sec. 4).....		\$1,237,684
Average net income during pre-war period (1911-1913).....	9,345,211	
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War profits for fiscal year 1916.....	11,282,848	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	168,214	
Between 15 and 25 per cent of normal, at 16 per cent. . .	149,523	
Between 25 and 50 per cent of normal, at 20 per cent. . .	467,261	
Between 50 and 75 per cent of normal, at 25 per cent. . .	584,076	
Between 75 and 100 per cent of normal, at 30 per cent. . .	700,891	
Between 100 and 150 per cent of normal, at 35 per cent. . .	678,173	
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Total tax on war profits.....		2,748,138
		<hr/>
Total of taxes on corporate income and war profits.....		3,985,822

CHESAPEAKE & OHIO RAILWAY CO.

Net income available for stockholders, 1916.....	\$6,882,336	
Corporate income tax, at 6 per cent (sec. 4).....		\$412,940
Average net income during pre-war period (1911-1913).....	3,725,828	
	<hr/>	
War profits for fiscal year 1916.....	3,156,508	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.	67,065	
Between 15 and 25 per cent of normal, at 16 per cent.	59,613	
Between 25 and 50 per cent of normal, at 20 per cent.	186,291	
Between 50 and 75 per cent of normal, at 25 per cent.	232,864	
Between 75 and 100 per cent of normal, at 30 per cent.	108,641	
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Total tax on war profits.....		654,474
		<hr/>
Total of taxes on corporate income and war profits.....		1,067,414

ATLANTIC COAST LINE RAILROAD CO.

Net income available for stockholders, 1916.....	\$7,755,536	
Corporate income tax, at 6 per cent (sec. 4).....		\$465,332
Average net income during pre-war period (1911-1913).....	7,469,507	
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War profits for fiscal year 1916.....	286,029	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.		34,323
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Total of taxes on corporate income and war profits.....		499,655

SEABOARD AIR LINE RAILWAY CO.

Net income available for stockholders, 1916.....	\$7,138,122	
Corporate income tax, at 6 per cent (sec. 4).....		68,287
Average net income during pre-war period (1911-1913).....	1,187,618	
Total of taxes on corporate income and war profits.....		68,287

YAZOO & MISSISSIPPI VALLEY RAILROAD CO.

Net income available for stockholders, 1916.....	\$12,750	
Corporate income tax, at 6 per cent (sec. 4).....		785
Average net income during pre-war period (1911-1913).....	185,833	
Total of taxes on corporate income and war profits.....		785

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY CO.

Net income available for stockholders, 1916.....	\$2,337,518	
Corporate income tax, at 6 per cent (sec. 4).....		\$140,251
Average net income during pre-war period (1911-1913).....	1,514,066	
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War profits for fiscal year 1916.....	823,452	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent.	27,253	
Between 15 and 25 per cent of normal, at 16 per cent.	24,325	
Between 25 and 50 per cent of normal, at 20 per cent.	75,703	
Between 50 and 75 per cent of normal, at 25 per cent.	16,605	
	<hr/>	
Total tax on war profits.....		143,786
		<hr/>
Total of taxes on corporate income and war profits.....		284,037

CENTRAL OF GEORGIA RAILWAY CO.

Net income available for stockholders, 1916.....	\$1, 921, 313	
Corporate income tax, at 6 per cent (sec. 4).....		\$115, 279
Average net income during pre-war period (1911-1913)....	1, 328, 628	
War profits for fiscal year 1916	<u>502, 685</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	23, 915	
Between 15 and 25 per cent of normal, at 16 per cent. . .	21, 258	
Between 25 and 50 per cent of normal, at 20 per cent. . .	<u>52, 100</u>	
Total tax on war profits.....		97, 270
Total of taxes on corporate income and war profits.....		<u>212, 558</u>

SOUTHERN PACIFIC RAILWAY CO.

Net income available for stockholders, 1916.....	\$21, 791, 216	
Corporate income tax, at 6 per cent (sec. 4).....		1, 307, 473
Average net income during pre-war period (1911-1913).....	23, 156, 228	
Total of taxes on corporate income and war profits.....		<u>1, 307, 473</u>

ATCHISON, TOPEKA & SANTA FE RAILWAY CO.

Net income available for stockholders, 1916.....	\$32, 825, 355	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 960, 521
Average net income during pre-war period (1911-1913)....	21, 058, 106	
War profits for fiscal year 1916	<u>11, 767, 249</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	379, 046	
Between 15 and 25 per cent of normal, at 16 per cent. . .	336, 930	
Between 25 and 50 per cent of normal, at 20 per cent. . .	1, 052, 905	
Between 50 and 75 per cent of normal, at 25 per cent. . .	<u>300, 540</u>	
Total tax on war profits.....		2, 078, 430
Total of taxes on corporate income and war profits.....		<u>4, 047, 951</u>

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

Net income available for stockholders, 1916.....	\$16, 860, 684	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 011, 641
Average net income during pre-war period (1911-1913)....	14, 678, 047	
War profits for fiscal year 1916	<u>2, 182, 637</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .		261, 916
Total of taxes on corporate income and war profits.....		<u>1, 273, 557</u>

CHICAGO & NORTH WESTERN RAILWAY CO.

Net income available for stockholders, 1916.....	\$17, 282, 510	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 036, 951
Average net income during pre-war period (1911-1913)....	13, 029, 815	
War profits for fiscal year 1916	<u>4, 252, 695</u>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	234, 537	
Between 15 and 25 per cent of normal, at 16 per cent. . .	208, 477	
Between 25 and 50 per cent of normal, at 20 per cent. . .	<u>199, 048</u>	
Total tax on war profits.....		642, 062
Total of taxes on corporate income and war profits.....		<u>1, 679, 013</u>

GREAT NORTHERN RAILWAY CO.

Net income available for stockholders, 1916.....	\$27, 025, 169	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 657, 510
Average net income during pre-war period (1911-1913).....	20, 025, 164	
	<hr/>	
War profits for fiscal year 1916.....	6, 700, 006	
	<hr/>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	376, 653	
Between 15 and 25 per cent of normal, at 16 per cent..	334, 803	
Between 25 and 50 per cent of normal, at 20 per cent..	293, 743	
	<hr/>	
Total tax on war profits.....		1, 005, 199
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Total of taxes on corporate income and war profits.....		2, 663, 709

NORTHERN PACIFIC RAILWAY CO.

Net income available for stockholders, 1916.....	\$25, 729, 874	
Corporate income tax, at 6 per cent (sec. 4).....		\$1, 543, 792
Average net income during pre-war period (1911-1913).....	20, 637, 075	
	<hr/>	
War profits for fiscal year 1916.....	5, 092, 199	
	<hr/>	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	371, 478	
Between 15 and 25 per cent of normal, at 16 per cent..	319, 448	
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Total tax on war profits.....		690, 926
	<hr/>	
Total of taxes on corporate income and war profits.....		2, 234, 718

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY CO.

Net income available for stockholders, 1916.....	\$2, 796, 059	
Corporate income tax, at 6 per cent (sec. 4).....		167, 764
Average net income during pre-war period (1911-1913).....	4, 293, 421	
Total of taxes on corporate income and war profits.....		167, 764

UNION PACIFIC RAILROAD CO.

Net income available for stockholders, 1916.....	\$36, 801, 730	
Corporate income tax, at 6 per cent (sec. 4).....		2, 208, 104
Average net income during pre-war period (1911-1913).....	52, 995, 446	
Total of taxes on corporate income and war profits.....		2, 208, 104

ST. LOUIS & SAN FRANCISCO RAILWAY CO.

Net income available for stockholders, 1916.....	\$2, 168, 517	
Corporate income tax, at 6 per cent (sec. 4).....		\$130, 111
Average net income during pre-war period (1911-1913).....	959, 105	
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War profits for fiscal year 1916.....	1, 209, 412	
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Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	17, 264	
Between 15 and 25 per cent of normal, at 16 per cent..	15, 346	
Between 25 and 50 per cent of normal, at 20 per cent..	47, 955	
Between 50 and 75 per cent of normal, at 25 per cent..	59, 944	
Between 75 and 100 per cent of normal, at 30 per cent.	71, 933	
Between 100 and 150 per cent of normal, at 35 per cent.	87, 607	
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Total tax on war profits.....		300, 045
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Total of taxes on corporate income and war profits.....		430, 160

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY CO.

Net income available for stockholders, 1916.....	\$3,003,027	
Corporate income tax, at 6 per cent (sec. 4).....		\$180,182
Average net income during pre-war period (1911-1918).....	2,379,085	
War profits for fiscal year 1916.....	623,942	
Tax on war profits (sec. 201):		
Not exceeding 15 per cent of normal, at 12 per cent. . .	42,824	
Between 15 and 25 per cent of normal, at 16 per cent..	42,733	
Total tax on war profits.....		85,557
Total of taxes on corporate income and war profits.....		265,739

TAX ON UNDISTRIBUTED SURPLUS OF CORPORATIONS.

The committee bill, section 1206, makes the 10 per cent tax on surplus depend solely upon a finding by the Secretary of the Treasury in the case of every corporation that such surplus, or any portion thereof, is "not employed" or "reasonably required to be retained" in the business; such tax not to be assessed until "six months after the end of calendar or fiscal year."

The following table lists the undistributed surplus of selected corporations at the close of the fiscal year 1916, and the amount to be derived from a 10 per cent tax imposed upon such surplus:

Name of corporation.	Undistrib- uted surplus at close of fiscal year.	Tax on un- distributed surplus at 10 per cent, if assessed.
Ajax Rubber Co. (Inc.).....	\$278,605	\$27,870
Allis-Chalmers Manufacturing Co.....	2,689,635	268,964
American Agricultural Chemical Co.....	3,054,709	305,480
American Beet Sugar Co.....	1,682,980	168,298
American Can Co.....	5,076,050	507,605
American Car & Foundry Co.....	116,018	11,602
American Cotton Oil Co.....	607,059	60,706
American Hkls & Leather Co.....	1,643,266	164,327
American Ice Co.....	518,058	51,806
American Linseed Co.....	1,470,817	147,082
American Locomotive Co.....	6,019,429	601,943
American Smelting & Refining Co.....	13,016,416	1,301,642
American Steel Foundries.....	3,233,257	323,326
American Sugar Refining Co.....	2,019,009	201,901
American Sumatra Tobacco Co.....	127,633	12,765
American Telephone & Telegraph Co.....	4,301,090	430,109
American Tobacco Co.....	1,087,695	108,770
American Woolen Co.....	2,063,818	206,382
American Writing Paper Co.....	2,000,818	200,082
American Zinc, Lead & Smelting Co.....	2,331,320	233,132
Anaconda Copper Mining Co.....	40,487,460	4,048,746
Armour & Co.....	18,100,000	1,810,000
Associated Oil Co.....	1,008,102	100,810
Atlas Powder Co.....	2,834,248	283,425
Baldwin Locomotive Works.....	1,210,466	121,047
Barratt Co. (American Coal Products Co.).....	1,097,283	109,728
Bothlehem Steel Corporation.....	34,020,378	3,402,038
Brown Shoe Co. (Inc.).....	1,203,506	120,351
Butte & Superior Mining Co.....	2,016,964	(d)
Calumet & Arizona Mining Co.....	5,377,709	537,771
Central Leather Co.....	9,882,946	988,295
Colorado Fuel & Iron Co.....	1,601,170	160,117
Continental Can Co. (Inc.).....	1,390,317	139,032
Corn Products Refining Co.....	2,951,922	295,192
Cramp & Sons (ship building, etc.).....	1,087,704	108,770
Crucible Steel Co. of America.....	11,098,655	1,109,866
Cuban-American Sugar Co.....	6,265,806	626,581
Distillers Securities Corporation.....	2,161,064	216,109

¹ Returns for fiscal year 1917.

^d Deficit for year. Tax does not apply.

Name of corporation.	Undistrib- uted surplus at close of fiscal year.	Tax on un- distributed surplus a 10 per cent, if assessed.
E. I. du Pont de Nemours & Co.	\$19,598,821	\$1,959,882
Federal Mining & Smelting Co.	358,789	35,879
General Chemical Co.	5,374,054	537,405
General Electric Co.	10,467,882	1,046,788
General Motors Corporation	17,010,437	1,701,044
Goldfield Consolidated Mines Co.	(1)	(1)
Goodrich, H. F., Co. (Rubber)	5,136,299	513,630
Great Northern Iron Ore Properties	213,884	21,388
Greene Cananea Copper Co.	3,408,514	340,851
Hercules Powder Co.	15,284,373	1,528,437
International Agricultural Corporation	940,190	94,019
International Harvester Co.	3,037,098	303,710
International Nickel Co.	2,982,910	298,291
International Mercantile Marine Co.	20,299,595	2,029,950
International Paper Co.	3,530,493	353,049
Lackawanna Steel Co.	9,068,897	906,890
Maxwell Motor Co.	(2)	(2)
Mexican Petroleum Co. (Ltd.) of Delaware	6,413,060	641,306
Miami Copper Co.	3,463,879	346,388
National Enameling & Stamping Co.	1,310,541	131,054
Nevada Consolidated Copper Co.	7,504,058	750,406
New York Air Brake Co.	7,065,836	706,584
Nipissing Mines Co.	5,247	525
Morris & Co. (Packers)	2,032,213	203,221
Phelps, Dodge & Co.	7,349,263	734,926
Pittsburgh Coal Co.	1,793,029	179,303
Pittsburgh Steel Co.	2,954,067	295,407
Pressed Steel Car Co.	1,344,902	134,490
Railway Steel Spring Co.	2,597,055	259,706
Ray Consolidated Copper Co.	7,746,211	774,621
Republic Iron & Steel Co.	9,881,297	988,130
Bears, Roebuck & Co.	11,729,560	1,172,956
Shattuck Arizona Copper Co.	1,370,577	137,058
Stoess-Sheffield Iron & Steel Co.	1,521,674	152,167
Standard Oil Co. of California	10,773,349	1,077,339
Standard Oil Co. of Indiana	20,443,614	2,044,361
Standard Oil Co. of Kansas	950,314	95,031
Standard Oil Co. of Kentucky	1,088,598	108,860
Standard Oil Co. of New York	30,638,495	3,063,850
Studebaker Corporation	4,843,695	484,370
Swift & Co.	11,465,000	1,146,500
Tennessee Copper Co.	237,658	23,766
Texas Co. (petroleum, etc.)	10,548,862	1,054,886
United Cigar Stores Co. of America	673,812	67,384
United Fruit Co.	8,527,683	852,768
U. S. Cast Iron Pipe & Foundry Co.	828,611	82,864
U. S. Industrial Alcohol Co.	4,336,024	433,602
U. S. Rubber Co.	6,271,126	627,113
U. S. Smelting, Refining & Mining Co.	4,701,000	470,100
U. S. Steel Corporation	246,312,053	24,631,205
Utah Copper Co.	19,655,063	1,965,506
Virginia-Carolina Chemical Co.	2,907,077	290,708
Virginia Iron, Coal & Coke Co.	2,218,094	(4)
Westinghouse Air Brake Co.	4,411,058	(4)
Westinghouse Electric & Manufacturing Co.	8,858,392	885,869
Wilson & Co. (packers)	4,213,159	421,316
Willys-Overland Co.	6,230,734	623,074
RAILROADS.		
Pennsylvania R. R. Co.	3,976,260	397,626
New York Central R. R. Co.	27,907,123	2,790,712
Baltimore & Ohio R. R. Co.	7,083,115	708,312
New York, New Haven & Hartford R. R. Co.	4,315,757	431,576
Pennsylvania Co.	2,812,636	281,264
Eric R. R. Co.	8,363,642	836,364
Philadelphia & Reading Ry. Co.	12,668,354	1,266,835
Boston & Maine R. R.	4,085,601	408,560
Delaware, Lackawanna & Western R. R. Co.	3,788,694	378,869
Lehigh Valley R. R. Co.	7,696,440	769,644
Pittsburgh, Cincinnati, Chicago & St. Louis Ry. Co.	2,917,955	291,795
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co.	6,866,375	686,638
Michigan Central R. R. Co.	4,612,590	461,259
Wabash R. R.	3,384,896	338,487
Central Railroad of New Jersey	3,680,157	368,016
Delaware & Hudson Co.	4,760,973	476,987
Pittsburgh & Lake Erie R. R. Co.	7,163,441	716,344
Pere Marquette R. R. Co.	254,358	25,436

¹ Entire profit for year appropriated for depreciation.
² Returns for fiscal year 1917.

³ Figures not available.
⁴ Deficit for year. Tax does not apply.

Name of corporation.	Undistrib- uted surplus at close of fiscal year.	Tax on un- distributed surplus at 10 per cent, if assessed.
RAILROADS—continued.		
Chicago & Eastern Illinois Ry. Co.....	\$2,923,598	\$292,360
Vandalla R. R. Co.....	602,005	60,201
Maine Central R. R. Co.....	247,858	24,786
Buffalo, Rochester & Pittsburgh Ry. Co.....	512,820	51,282
Bessomer & Lake Erie R. R. Co.....	3,974,519	397,452
Western Maryland Ry. Co.....	530,693	53,069
New York, Susquehanna & Western R. R. Co.....	271,206	27,121
New York, Ontario & Western Ry. Co.....	402,597	40,260
Chicago, Indianapolis & Louisville Ry. Co.....	892,084	89,208
Central New England Ry. Co.....	657,607	65,761
New York, Philadelphia & Norfolk R. R. Co.....	771,889	77,189
Elgin, Joliet & Eastern Ry. Co.....	930,394	93,039
Southern Ry. Co.....	0,215,704	924,570
Illinois Central R. R. Co.....	11,054,033	1,105,403
Louisville & Nashville R. R. Co.....	13,053,849	1,305,385
Norfolk & Western R. R. Co.....	10,704,388	1,070,439
Chesapeake & Ohio Ry. Co.....	0,879,210	87,922
Atlantic Coast Line R. R. Co.....	7,598,893	759,889
Seaboard Air Line Ry. Co.....	1,138,122	113,812
Yazoo & Mississippi Valley R. R. Co.....	(1)	(1)
Nashville, Chattanooga & St. Louis Ry. Co.....	1,207,986	120,799
Central of Georgia Ry. Co.....	1,021,313	102,131
Southern Pacific Ry. Co.....	21,786,210	2,178,622
Atchafson, Topeka & Santa Fe Ry. Co.....	0,830,810	83,082
Chicago, Milwaukee & St. Paul Ry. Co.....	10,717,357	1,071,736
Chicago & North Western Ry. Co.....	0,166,325	016,633
Great Northern Ry. Co.....	2,311,582	231,158
Northern Pacific Ry. Co.....	8,369,874	836,987
Chicago, Rock Island & Pacific Ry. Co.....	2,796,059	279,606
Union Pacific R. R. Co.....	12,400,891	1,240,089
St. Louis & San Francisco Ry. Co.....	2,148,133	214,813
Chicago, St. Paul, Minneapolis & Omaha Ry. Co.....	015,010	91,591

¹ No surplus for year.

In the accompanying table are given figures representing the net income of representative industrial and railroad corporations for the three fiscal years of the prewar period, the average net income during this period, the net income for the fiscal years following this period, and the surplus for the fiscal year 1916, or for 1917, where the latter figures are available.

The term *net income* is used to denote the amount of the total income available for stockholders, after all expenses for operation, depreciation, and betterment, interest and other fixed charges have been deducted. The undistributed surplus represents the amount remaining from the net income after deducting dividends and other payments and appropriations to stockholders during the year.

The average for the prewar period is obtained from figures for those years for which the figures are available, but either from want of reliable reports or from the fact that some of these corporations were not engaged in business, were not operating, or showed no income for the years of the prewar period, the average net income is, in a number of instances, based on returns for only one or two of the prewar years.

Where figures are given showing the net income for the fiscal year 1917, the corresponding undistributed surplus also relates to this fiscal year.

Net income of representative industrial corporations, by years, 1911-1917, average net income for pre-war period, and undistributed surplus, 1916.

Company or corporation.	Net income.								Undistributed surplus, 1916.	
	1911	1912	1913	Average for pre-war period.	1914	1915	1916	1917		
1. Ajax Rubber Co. (Inc.) (successor to Ajax-Grieb Rubber Co.)	\$213,666	\$408,435	\$422,487	\$348,196	\$706,969		\$1,268,311		\$278,695	
2. Allis-Chalmers Manufacturing Co.			755,125	755,125	(d) 25,068	\$1,078,352	3,165,020		2,689,535	Incorporated Mar. 15, 1913.
3. American Agricultural Chemical Co.	2,279,917	2,554,184	2,592,726	2,475,609	3,065,715	3,875,145	5,445,527		3,054,799	
4. American Beet Sugar Co.	1,290,295	1,568,601	881,055	1,246,650	412,074	1,424,654	2,445,190	\$6,126,677	1,582,900	
5. American Can Co.	2,916,399	7,022,932	5,645,679	5,195,003	4,376,173	5,029,273	7,962,981		5,076,650	
6. American Car & Foundry Co.	4,234,789	2,839,232	3,328,593	3,467,538	2,052,918	2,330,936	2,816,018		116,018	
7. American Cotton Oil Co.	359,811	1,925,498	1,296,109	1,194,139	1,012,623	2,039,433	2,028,459		607,050	
8. American Hide and Leather Co.	104,255	422,820	475,518	334,198	107,205	959,974	1,643,280		1,643,200	
9. American Ice Co.	596,431	369,245	1,659,320	874,999	408,966	526,183	750,655		518,056	
10. American Linseed Co.	436,611	(d) 478,301	496,182	151,497	306,647	1,007,630	1,476,817		1,476,817	
11. American Locomotive Co.	3,565,562	1,867,534	6,185,306	3,872,807	2,076,127	(d) 1,491,980	10,789,429		6,019,429	
12. American Smelting & Refining Co.	6,344,971	11,079,676	9,756,540	9,060,396	9,031,565	13,053,305	22,152,250		13,018,416	
13. American Steel Foundries	(d) 259,031	777,756	1,033,592	517,439	(d) 231,482	(d) 219,574	3,418,057		3,203,287	
14. American Sugar Refining Co.	7,473,299	6,677,995	3,103,770	5,751,688	5,101,341	5,597,980	8,319,882		2,019,909	
15. American Sumatra Tobacco Co.		193,000	254,618	223,809	208,318	499,134	267,653		127,653	
16. American Telephone & Telegraph Co.	27,733,266	32,062,946	32,920,090	30,905,434	32,334,814	34,618,637	38,013,277		4,391,090	
17. American Tobacco Co.	30,633,314	15,443,961	14,489,534	20,188,936	11,635,185	11,234,581	12,298,057		1,087,595	
18. American Woolen Co.	3,225,915	3,218,253	(d) 1,179,791	1,754,792	2,788,602	4,080,686	5,863,818		2,063,818	
19. American Writing Paper Co.	263,223	345,257	(d) 229,190	126,430	(d) 108,250	(d) 126,953	2,524,378		2,600,873	
20. American Zinc, Lead & Smelting Co.	395,891	362,335	(d) 169,074	197,384	77,692	5,293,878	9,307,968		2,331,320	
21. Anaconda Copper Mining Co.	8,043,719	15,356,335	11,323,501	11,741,185	10,044,048	19,580,618	58,892,980		40,457,460	
22. Armour & Co.	2,510,053	5,701,647	6,028,196	4,746,632	7,509,907	11,000,000	20,100,000		18,100,000	
23. Associated Oil Co.	1,766,246	1,230,444	1,822,412	1,606,367	1,264,752	1,918,003	3,198,339		1,608,102	
24. Atlas Powder Co.			322,837	322,837	294,150	1,705,851	2,939,789		2,834,248	Incorporated Oct. 19, 1912.
25. Baldwin Locomotive Works	3,243,490	3,698,571	4,017,800	3,653,287	350,230	2,827,816	2,619,466		1,219,466	
26. Barrett Co. (American Coal Products Co.)	1,062,331	1,278,629	1,323,788	1,221,915	1,280,476	2,482,236	4,247,857		1,097,283	
27. Bethlehem Steel Corporation	2,038,979	2,063,641	5,122,703	3,075,108	5,590,020	17,762,813	43,593,968		34,029,378	
28. Brown Shoe Co. (Inc.)			710,463	710,463	495,889	240,322	1,467,756		1,203,506	Incorporated Jan. 2, 1913.

d Deficit for the year. Tax not apply.

REVENUES TO DEFRAY WAR EXPENSES.

Net income of representative industrial corporations, by years, 1911-1917, average net income for pre-war period, and undistributed surplus, 1916—Contd.

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Company or corporation.	Net income.								Undistrib- uted surplus, 1916.	
	1911	1912	1913	Average for pre-war period.	1914	1915	1916	1917		
29. Butte & Superior Mining Co.			\$942,988	\$942,988	\$1,417,127	\$9,125,947	\$8,873,446		(d) \$616,984	
30. Calumet & Arizona Mining Co.		\$2,932,718	3,001,151	2,966,934	2,663,097	5,453,881	11,155,004		5,377,708	
31. Central Leather Co.	\$285,182	5,736,885	4,236,345	3,472,804	4,876,923	6,626,897	15,469,202		9,882,946	
32. Colorado Fuel & Iron Co.	1,259,672	1,901,229	1,727,192	1,596,031	(d) 905,968	(d) 334,661	2,201,170		1,601,170	
33. Continental Can Co. (Inc.)			788,016	788,016	1,222,615	1,325,839	2,143,534		1,390,317	Incorporated Jan. 17, 1913.
34. Corn Products Refining Co.	2,650,682	1,714,835	2,284,855	2,016,781	2,305,174	3,168,368	6,083,746		2,951,922	
35. Cramp (Wm.) & Sons Ship & Engine Building Co.	8,188	208,108	306,676	173,651	847,477	651,635	1,087,704		1,087,704	
36. Crucible Steel Co.	2,857,518	3,424,996	4,905,886	3,629,467	1,015,039	3,073,750	13,223,658		11,098,653	
37. Cuban-American Sugar Co.	142,330	730,746	356,888	409,988	2,705,723	5,594,048	8,235,112		6,255,306	
38. Distillers Securities Corp.	857,823	527,182	359,567	614,791	701,864	1,430,872	4,651,686		2,161,085	
39. du Pont (E. I.) de Nemours Powder Co.	5,821,576	6,222,414	4,533,901	5,525,964	4,997,772	57,257,308	82,107,693		19,598,821	
40. Federal Mining & Smelting Co.	1,241,115	895,429	690,015	942,186	552,396	310,367	868,198		358,789	
41. General Chemical Co.	2,018,949	1,975,755	2,267,930	2,067,548	2,266,054	4,079,273	9,695,188		5,374,054	
42. General Electric Co.	19,552,806	12,578,737	13,057,879	12,066,474	11,287,827	11,737,910	18,589,528		10,467,882	
43. General Motors Co.	2,315,251	3,896,293	7,459,471	4,557,338	7,249,734	14,457,803	28,789,560		17,010,437	
44. Goldfield Consolidated	7,526,846	4,836,399	2,731,945	5,048,397	1,036,533	822,596				
45. Goodrich (B. F.)		3,522,489	2,599,747	3,040,745	5,440,427	12,265,680	9,447,299		5,136,299	Incorporated May 2, 1912.
46. Great Northern Iron Ore Properties.	2,239,242	2,630,980	1,260,745	2,060,322	805,916	1,056,583	2,088,884		213,884	
47. Greene Cananea Copper Co.		2,092,025	1,131,680	1,407,902	959,378	506,039	3,435,879		3,408,514	
48. Hercules Powder Co.			1,017,212	1,017,212	1,247,255	4,886,102	16,658,873		16,284,373	Incorporated Oct., 1912.
49. International Agricultural Corporation.	1,420,346	1,465,513	14,391	966,750	326,544	47,084	1,186,231		940,190	
50. International Harvester Cor- poration.			7,155,253	7,155,253	4,262,595	3,720,141	5,137,098		3,037,098	Incorporated Jan. 27, 1913
51. International Nickel Co.	3,775,600	3,581,960	5,020,305	4,125,955	4,792,665	5,598,071	11,748,279	\$13,557,970	2,982,910	
52. International Mercantile Ma- rine Co.	772,477	122,333	2,299,687	1,068,166	(d) 302,529	13,581,600	26,299,596		26,299,596	
53. International Paper Co.	1,186,255	1,197,678	933,805	1,105,913	1,137,709	1,219,515	4,620,727		3,836,493	
54. Lackawanna Steel Co.	82,803	1,008,812	2,755,884	1,282,500	(d) 1,652,445	2,409,110	12,218,234		9,065,897	
55. Maxwell Motor Co. (Inc.)					1,505,467	2,303,315	5,426,636			Incorporated Dec. 31, 1912.
56. Mexican Petroleum Co. (Ltd.) of Delaware.	2,445,705	2,549,771	4,123,205	3,139,560	2,763,055	2,888,100	7,153,060		6,413,060	

REVENUES TO DEFEND WAR EXPENSES.

REVENUES TO DEFRAY WAR EXPENSES.

57. Miami Copper Co.....	489,604	2,094,805	1,305,398	1,296,602	1,231,538	3,408,562	7,759,784	3,463,879
58. National Enameling & Stamping Co.....	769,419	656,165	761,273	728,952	548,756	913,742	1,917,803	1,319,541
59. Nevada Consolidated Copper Co.....	2,018,815	4,342,532	2,896,651	3,419,286	1,470,372	5,558,115	15,002,051	7,504,088
60. New York Air Brake Co.....	47,798	372,380	854,512	424,897	641,046	1,343,286	8,214,962	7,065,836
61. Nipissing Mines Co.....	1,792,029	1,807,502	1,798,362	1,799,298	1,199,441	1,178,979	1,805,243	5,247
62. Morris & Co. (packers).....	1,036,747	1,112,653	1,918,997	1,588,799	2,205,673	2,321,415	3,632,213	2,632,213
63. Phelps-Dodge Corporation.....	5,634,302	8,227,185	7,907,709	7,442,399	6,664,839	9,720,863	21,974,263	7,349,263
64. Pittsburgh Coal Co.....	1,391,937	2,259,483	2,726,268	2,047,896	1,371,059	1,653,574	3,143,927	1,793,029
65. Pittsburgh Steel Co.....	1,081,507	1,330,388	1,193,670	1,191,855	416,551	858,160	4,564,067	2,954,067
66. Pressed Steel Car Co.....	892,836	70,343	2,374,816	1,412,665	892,352	1,324,814	2,751,152	1,344,902
67. Railway Steel Spring Co.....	984,787	1,123,978	1,121,660	1,276,808	374,454	1,363,228	3,710,805	2,597,055
68. Ray Consolidated Copper Co.....	288,640	1,227,282	2,675,193	1,634,365	2,395,623	4,267,206	11,716,428	7,746,211
69. Republic Iron & Steel Co.....	2,422,519	1,479,282	3,101,300	2,265,694	1,028,748	3,515,819	14,789,162	9,881,297
70. Sears, Roebuck & Co.....	6,984,967	8,322,611	9,027,669	8,111,749	9,081,521	11,100,388	16,488,622	11,729,560
71. Shattuck Arizona Copper Co.....			1,115,504	1,115,504	556,865	1,142,663	3,039,077	1,376,577
72. Sloss-Sheffield Iron & Steel Co.....	404,649	553,255	673,466	545,457	510,140	522,388	1,990,674	1,521,674
73. Standard Oil Co. of California.....	3,141,625	7,106,156	19,388,110	9,877,964	10,058,388	9,529,946	17,605,304	10,773,389
74. Standard Oil Co. of Indiana.....			14,687,696	14,687,696	6,590,924	15,998,376	30,043,614	26,443,614
75. Standard Oil Co. of Kansas.....		1,106,190	1,912,626	1,509,408	33,218	563,946	1,270,314	950,314
76. Standard Oil Co. of Kentucky.....			1,002,458	1,002,458	704,376	1,124,640	2,068,598	1,468,598
77. Standard Oil Co. of New York.....			16,212,985	16,212,985	7,735,919	15,761,663	36,638,495	30,638,495
78. Studebaker Corporation.....	2,050,061	2,587,674	1,905,413	2,184,383	4,844,664	9,067,425	8,611,245	4,843,695
79. Swift & Co.....	6,137,500	8,250,000	9,250,000	7,879,167	9,450,000	14,087,500	20,465,000	14,465,000
80. Tennessee Copper Co.....	367,049	1,045,875	966,703	793,209	650,767	1,058,158	387,658	277,658
81. Texas Co. (oil).....	2,702,995	2,203,882	6,663,123	3,886,667	6,185,974	6,393,327	13,898,862	10,548,862
82. United Cigar Stores.....	1,346,529	1,166,702	2,171,517	1,561,583	2,241,783	2,404,471	2,892,072	673,842
83. United Fruit Co.....	4,710,969	4,907,530	5,315,631	4,978,043	2,264,911	5,900,522	11,943,151	8,527,683
84. United States Cast Iron Pipe & Foundry Co.....	484,369	527,978	564,427	525,591	(d) 59,868	381,387	1,308,641	828,641
85. United States Industrial Alcohol Co.....	902,745	1,021,751	652,358	858,951	653,264	4,407,573	4,884,586	4,336,024
86. United States Rubber Co.....	5,300,989	7,544,217	7,140,125	6,661,777	7,868,224	8,696,039	11,226,208	6,271,126
87. United States Smelting, Refining & Mining Co.....	2,840,413	4,232,965	3,585,586	3,552,988	2,265,642	6,592,324	8,898,464	4,704,000
88. United States Steel Corporation.....	55,300,297	54,240,049	81,216,986	63,585,777	22,496,768	75,833,333	271,531,730	246,312,053
89. Utah Copper Co.....	6,237,828	8,449,273	8,513,105	7,733,435	8,678,491	17,913,481	39,738,675	19,655,063
90. Virginia-Carolina Chemical Co.....	2,309,770	2,476,554	1,747,096	2,177,807	2,550,377	3,714,509	4,507,549	2,907,077
91. Virginia Iron, Coal & Coke Co.....	(d) 262,786	(d) 373,033	(d) 38,090	(d) 224,638	(d) 117,605	(d) 244,723	(d) 248,094	(d) 248,094
92. Westinghouse Air Brake Co.....	2,872,563	3,676,160	5,255,260	3,934,661	3,482,994	1,882,137	9,585,928	(d) 6,444,956
93. Westinghouse Electric & Manufacturing Co.....	4,957,773	2,534,094	3,254,632	3,581,966	4,192,558	2,094,953	9,666,789	8,858,592
94. Willys-Overland Co.....			5,653,899	5,553,899	8,250,374	9,870,678	10,884,383	6,230,738
95. Wilson & Co. (packers).....		1,325,008	1,364,245	1,344,926	1,511,528	2,463,732	4,913,873	4,213,159

Incorporated Nov., 1912.

& Deficit for year. Tax does not apply.

Net income of representative railroad corporations by years, 1911-1916, average net income for pre-war period, and undistributed surplus, 1916.

Company or corporation.	Net income.							Undistributed surplus, 1916.
	1911	1912	1913	Average for pre-war period.	1914	1915	1916	
1. Pennsylvania R. R. Co.....	\$34,683,023	\$37,828,904	\$40,854,475	\$27,788,801	\$36,397,775	\$33,245,661	\$53,733,439	\$3,996,206
2. New York Central R. R. Co.....	14,315,058	14,092,049	15,761,509	14,722,872	-10,638,183	10,791,766	40,373,684	27,907,123
3. Baltimore & Ohio R. R. Co.....	12,819,991	13,898,058	13,382,112	13,366,720	9,250,024	10,780,881	13,692,447	7,463,115
4. New York, New Haven & Hartford Railroad.....	11,187,312	13,885,551	8,922,238	11,165,034	268,663	2,397,971	4,315,757	4,315,757
5. Pennsylvania Company.....	9,935,444	9,221,760	12,146,370	10,434,525	8,622,511	4,415,924	14,299,905	2,812,636
6. Erie Railroad.....	5,379,732	3,228,174	8,014,967	5,540,964	1,349,595	958,984	10,349,313	8,363,642
7. Philadelphia & Reading Ry. Co.....	7,663,005	\$,138,578	12,090,170	9,297,251	7,426,622	6,528,850	13,711,841	12,668,354
8. Boston & Maine R. R.....	355,983	1,290,248	145,010	597,082	1,970,903	256,657	4,173,128	4,065,691
9. Delaware, Lackawanna & Western R. R. Co.....	8,531,050	9,634,901	11,734,196	9,966,716	10,313,232	10,873,340	14,289,516	3,788,694
10. Lehigh Valley R. R.....	8,509,007	6,813,920	8,761,828	8,024,952	7,056,660	6,539,029	7,880,902	7,666,440
11. Pittsburgh, Cincinnati, Chicago & St. Louis Ry.....	4,082,987	4,864,326	3,513,360	4,153,258	2,233,397	2,692,325	6,424,861	2,917,955
12. Cleveland, Cincinnati, Chicago & St. Louis Ry.....	1,024,394	1,793,543	879,116	1,232,351	4,108,651	925,053	7,103,086	6,866,275
13. Michigan Central R. R.....	703,500	2,586,260	3,299,094	2,196,285	98,914	1,043,615	5,565,222	4,642,590
14. Wabash R. R.....	218,051	1,954,099	163,000	778,383	1,713,035	2,057,725	3,627,151	3,354,866
15. Central R. R. Co. of New Jersey.....	6,702,593	6,018,663	7,832,882	6,684,713	5,723,934	5,312,178	5,972,573	2,680,157
16. Delaware & Hudson Co.....	5,289,386	5,061,681	6,963,539	5,778,202	4,113,759	3,746,852	4,769,972	4,769,972
17. Pittsburgh & Lake Erie R. R.....	7,101,683	5,940,467	8,130,719	7,057,620	5,169,317	4,509,904	10,162,841	7,163,441
18. Pere Marquette R. R.....	1,813,761	1,979,681	1,595,550	1,796,331	7,152,895	1,419,265	254,558	254,558
19. Chicago & Eastern Illinois Ry.....	1,234,561	1,018,088	518,665	923,771	1,523,526	1,828,969	2,923,598	2,923,598
20. Vandalia.....	532,791	342,303	920,148	598,414	554,150	394,926	1,061,101	602,005
21. Maine Central R. R.....	430,989	526,931	1,138,979	698,966	1,386,189	1,618,080	1,600,476	247,858
22. Buffalo, Rochester & Pittsburgh Ry.....	1,706,286	1,771,922	2,145,214	1,874,474	1,355,202	912,720	1,964,137	512,820
23. Bessemer & Lake Erie R. R.....	499,591	1,937,264	2,268,518	1,568,458	1,028,564	2,499,707	3,974,519	3,974,519
24. Western Maryland Ry.....	760,336	646,184	394,593	600,371	2,715,665	907,905	539,693	539,693
25. New York, Susquehanna & Western R. R.....	534,536	172,895	208,096	305,176	230,383	301,283	430,314	271,206
26. New York, Ontario & Western Ry.....	1,142,936	473,729	1,211,633	942,765	663,692	612,507	983,878	402,597
27. Chicago, Indianapolis & Louisville Ry.....	712,325	408,958	538,162	553,148	145,799	239,773	892,084	892,084
28. Central New England Ry.....	352,420	813,685	914,416	693,507	230,021	409,290	978,415	657,607
29. New York, Philadelphia & Norfolk R. R.....	535,233	543,284	534,773	537,763	442,434	468,141	1,133,913	771,889
30. Elgin, Joliet & Eastern Ry.....	486,242	1,954,050	2,503,562	1,647,951	141,427	1,121,760	1,836,394	936,394
31. Southern Ry.....	6,670,004	6,763,117	7,121,169	6,851,430	4,875,581	1,920,545	9,620,939	9,245,704
32. Illinois Central R. R.....	11,575,921	3,865,882	6,575,113	7,338,972	8,138,824	6,859,162	11,907,565	11,654,633
33. Louisville & Nashville R. R.....	8,555,333	9,629,638	8,630,944	8,938,653	7,084,162	4,951,764	14,039,130	13,953,849
34. Norfolk & Western Ry.....	7,547,318	9,381,674	11,106,641	9,345,211	10,279,918	10,409,905	20,628,059	19,704,386
35. Chesapeake & Ohio Ry.....	3,605,326	4,273,656	3,298,503	3,725,828	2,973,974	2,666,138	6,882,338	6,879,216
36. Atlantic Coast Line R. R.....	7,506,995	7,010,882	7,890,645	7,469,507	7,338,846	4,313,281	7,755,536	7,598,895
37. Seaboard Air Line Ry.....	1,529,328	565,593	1,467,933	1,187,618	1,366,091	33,575	1,138,122	1,138,122
38. Yazoo & Mississippi Valley Ry.....	296,930	251,450	9,120	185,833	259,810	10,825	12,750	-----
39. Nashville, Chattanooga & St. Louis Ry.....	1,595,830	1,396,180	1,580,187	1,514,066	1,848,631	824,628	2,337,518	1,297,986

40. Central of Georgia Ry.....	1,115,332	1,643,038	1,227,515	1,328,028	1,091,042	1,202,005	1,921,313	1,921,313
41. Southern Pacific Ry.....	23,131,707	20,111,714	26,225,263	23,156,228	40,366,504	22,094,253	21,791,216	21,786,216
42. Atchison, Topeka & Santa Fe Ry.....	21,371,067	19,660,241	22,143,009	21,058,106	20,171,243	24,336,378	32,825,355	6,830,819
43. Chicago, Milwaukee & St. Paul Ry.....	16,358,315	9,913,538	17,761,987	14,678,047	15,457,226	12,108,175	16,860,684	16,717,357
44. Chicago & North Western Ry.....	12,747,100	11,467,331	14,875,013	13,029,815	12,306,142	11,914,049	17,282,510	6,168,325
45. Great Northern Ry.....	17,516,754	20,903,924	24,354,815	20,925,164	19,880,502	20,427,729	27,625,169	2,311,582
46. Northern Pacific Ry.....	20,441,847	19,661,715	21,809,464	20,637,675	19,892,229	18,819,040	25,729,874	8,369,874
47. Chicago, Rock Island & Pacific Ry.....	5,094,535	3,847,948	3,937,779	4,293,421	395,915	765,245	2,796,059	2,796,059
48. Union Pacific Ry.....	92,513,618	31,263,709	35,209,012	52,995,446	33,420,198	27,960,064	36,801,730	12,406,891
49. St. Louis & San Francisco Ry.....	1,220,078	1,209,845	447,392	959,105	2,283,549	626,749	2,168,517	2,148,133
50. Chicago, St. Paul, Minneapolis & Omaha Ry.....	2,773,719	2,084,603	2,278,934	2,379,085	2,021,616	2,219,085	3,003,027	915,910

REVENUES TO DEFRAY WAR EXPENSES.

APPENDIX II.

[H. Doc. 290, 65th Cong., 1st Sess.]

DEFICIENCY AND SUPPLEMENTAL ESTIMATES—WAR
DEPARTMENT.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

COPY OF A COMMUNICATION FROM THE SECRETARY OF WAR
SUBMITTING DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF
APPROPRIATIONS REQUIRED BY THE WAR DEPARTMENT FOR
THE FISCAL YEAR ENDING JUNE 30, 1918.

JULY 26, 1917.—Referred to the Committee on Appropriations and ordered to be
printed.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, July 25, 1917.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith, for the consideration
of Congress, copy of a communication of the Secretary of War, of
this date, submitting deficiency and supplemental estimates of
appropriations required by the War Department for the fiscal year
ending June 30, 1918, aggregating \$5,917,878,347.98.

Respectfully,

W. G. McADOO,
Secretary.

WAR DEPARTMENT,
Washington, July 25, 1917.

SIR: I have the honor to forward herewith for transmission to
Congress deficiency and supplemental estimates of appropriations
required by the War Department for the current fiscal year ending
June 30, 1918, amounting to \$5,917,878,347.98.

The submission of all of these estimates, with the exception of
those for salaries of employees, public buildings and grounds, United
States Military Academy, and for aviation, is made necessary on
account of the increased cost of equipment; increase in authorized
allowances; increase in the strength of the military forces that have
to be considered, and to other conditions that could not be foreseen
in the organization, equipment, arms supplies, transportation and
maintenance of the Regular Army, the National Guard, and the

National Army in the United States and abroad, and in order to provide cantonment construction instead of tentage accommodations for the National Guard.

Among these estimates is included an item of \$639,241.452 for aviation, being the estimated amount required to carry out the plans of the Aircraft Production Board. Since the preparation of this estimate an act has been passed making provision for the organization and equipment of an Aviation Corps, but this estimate is submitted in order to meet the requirement of the statute, which prescribes that all estimates of appropriations shall be submitted to Congress through the Treasury Department, and for the further reason that if no estimate is submitted for this appropriation when Congress makes up its comparative statement of estimates and appropriations it would show appropriations greatly in excess of estimates submitted by the department. An item is also included for a "Submarine base at Coco Solo Point" (\$902,625), estimate for which has been previously submitted to this session of Congress; also an item for "Protecting Panama Canal and canal structures" (\$692,900), which is to take the place of the estimate of \$428,900 submitted to Congress on May 11, 1917.

A statement is hereto attached showing the amount required under each individual appropriation for which an estimate is submitted and giving the aggregate amount of all of the estimates.

In view of the urgent need for these additional appropriations, it is requested that the estimates be forwarded to Congress as early as possible for inclusion in the next urgent deficiency bill, hearings on which have already begun.

Very respectfully,

NEWTON D. BAKER,
Secretary of War.

The SECRETARY OF THE TREASURY.

Statement of deficiency and supplemental estimates required by the War Department for the service of the fiscal year ending June 30, 1918.

DEFICIENCIES.

Office of the Chief of Staff:	
Contingencies, military-information section, General Staff Corps.....	\$489,000.00
Signal Corps:	
Signal Service of the Army.....	3,000,000.00
Commercial telephone service at Coast Artillery posts.....	5,000.00
Quartermaster's Department:	
Pay, etc., of the Army.....	715,828,440.98
Substance of the Army.....	329,072,218.15
Regular supplies.....	163,017,025.00
Incidental expenses.....	11,010,799.00
Transportation of the Army and its supplies.....	450,490,305.00
Water and sewers at military posts.....	34,327,500.00
Clothing and camp and garrison equipage.....	357,500,097.85
Horses for Cavalry, Artillery, and Engineers.....	51,751,466.00
Barracks and quarters.....	82,118,000.00
Shooting galleries and ranges.....	6,014,540.00
Military post exchanges.....	500,000.00
Roads, walks, wharves, and drainage.....	17,270,000.00
Construction and repair of hospitals.....	33,000,000.00
Target range, Fort Bliss, N. Mex.....	10,540.00
Claims for damages to and loss of private property.....	10,000.00
Civilian military training camps.....	2,110,000.00

Medical Department:	
Medical and hospital department.....	\$100,028,000.00
Engineer Department:	
Engineer equipment of troops.....	4,300,000.00
Engineer operations in the field.....	100,000,000.00
Ordnance Department:	
Ordnance service.....	1,825,000.00
Ordnance stores, ammunition.....	39,520,000.00
Small-arms target practice.....	2,000,000.00
Ordnance stores and supplies.....	70,000,000.00
Automatic machine rifles.....	170,277,000.00
Armored motor cars.....	21,750,000.00
Armament of fortifications.....	2,468,613,000.00
Submarine mines.....	700,000.00
Proving ground.....	3,000,000.00
Benicia Arsenal, Benicia, Cal.....	91,500.00
Frankford Arsenal, Philadelphia, Pa.....	2,630,000.00
Picatinny Arsenal, Dover, N. J.....	40,000.00
Rock Island Arsenal, Rock Island, Ill.....	1,645,200.00
San Antonio Arsenal, San Antonio, Tex.....	185,000.00
Springfield Arsenal, Springfield, Mass.....	445,000.00
Storage facilities at armories and arsenals.....	500,000.00
Terminal facilities.....	25,000,000.00
Watertown Arsenal, Watertown, Mass.....	741,500.00
Testing machines.....	10,000.00
Watervliet Arsenal, West Troy, N. Y.....	789,500.00
Ordnance depot, Panama Canal.....	59,700.00
Panama Canal:	
Protecting Panama Canal and canal structures.....	692,900.00
Submarine base, Canal Zone, Panama Canal.....	902,625.00
	<hr/>
	5,275,753,756.98

SUPPLEMENTALS.

Signal Corps:	
Signal Service of the Army.....	639,241,452.00
Quartermaster's Department:	
Military posts.....	339,000.00
Acquisition of land, Leon Springs Military Reservation, Tex.....	316,941.00
Acquisition of land for mobilization, aviation, maneuver, training, and supply purposes in El Paso County, Tex.....	155,400.00
Enlargement and reclamation of Fort Taylor, Key West, Fla.....	350,000.00
Enlargement of Fort Worden, Wash.....	7,500.00
Barracks and quarters, seacoast defenses.....	750,000.00
Acquisition of a tract of land in the Malli Pocket adjoining military reservation of Schofield Barracks, Hawaii.....	41,000.00
Acquisition of a tract of land, Schofield Barracks, Hawaiian Territory Military Reservation.....	10,300.00
National cemeteries.....	30,362.00
Engineer Department:	
Salaries of employees, public buildings and grounds.....	17,280.00
Washington Aqueduct, D. C.....	70,000.00
United States Military Academy:	
Current and ordinary expenses.....	10,000.00
Miscellaneous items and incidental expenses.....	4,100.00
Buildings and grounds.....	772,250.00
	<hr/>
	642,124,591.00

SUMMARY.

Deficiencies.....	5,275,753,756.98
Supplementals.....	642,124,591.00
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Total.....	5,917,878,347.98

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT.		
OFFICE OF THE CHIEF OF STAFF.		
<p>Contingencies, Military Information Section, General Staff Corps— For contingent expenses of the Military Information Section, General Staff Corps, including the purchase of law books; professional books of reference; periodicals and newspapers; drafting and messenger service; and of the military attachés at the United States embassies and legations abroad; and of the branch office of the Military Information Section at Manila; the cost of special instruction at home and abroad and in maintenance of students and attachés; and for such other purposes as the Secretary of War may deem proper; to be expended under the direction of the Secretary of War: <i>Provided</i>, That section 3648, Revised Statutes, shall not apply to subscriptions for foreign and professional newspapers and periodicals to be paid for from this appropriation (acts May 12, 1917, and June 15, 1917).</p>	\$489,000.00	\$511,000.00
<p><i>NOTE.</i>—At the time the regular estimate for \$11,000 for carrying on the work of the Military Information Section, General Staff Corps, was submitted it was not foreseen that additional funds would be necessary. Upon the entrance of the United States into the war and the sending of troops to France and the necessity for intelligence work in the United States, this amount was found to be wholly inadequate. An estimate was therefore submitted for incorporation in the urgent deficiency bill for \$1,000,000. Only \$500,000 of this amount was allowed by Congress. As time goes on it is becoming more and more evident that at least \$1,000,000 will be needed in order that the Military Information Section, General Staff Corps, may be able to carry on the work which has been entrusted to it. (<i>Tasker H. Bliss, Major General, Acting Chief of Staff.</i>)</p>		
OFFICE OF THE CHIEF SIGNAL OFFICER.		
<p>Signal Service of the Army— For expenses of the Signal Service of the Army, as follows: Purchase, equipment, and repair of field electric telegraphs, radio installations, signal equipments and stores, binocular glasses, telescopes, heliostats, and other necessary instruments, including necessary meteorological instruments for use on target ranges; motorcycles and motor-driven vehicles used for technical and official purposes; professional and scientific books of reference, pamphlets, periodicals, newspapers, and maps, for use in the office of the Chief Signal Officer; war balloons and airships and accessories, including their maintenance and repair; telephone apparatus, including exchange service at mobile Army posts, and maintenance of the same; electrical installations and maintenance at military posts; fire-control and direction apparatus and matériel for field artillery; maintenance and repair of military lines and cables, including salaries of civilian employees, supplies, general repairs, reserved supplies, and other expenses connected with the duty of collecting and transmitting information for the Army by telegraph or otherwise (acts May 12, 1917, and June 15, 1917).</p>	3,000,000.00	59,007,766.00
<p><i>NOTE.</i>—The urgent necessity for this appropriation arises as follows: I. Due to the increased cost of equipment; to the substitution of motor for horse-drawn transportation in telegraph battalions; and to increases in authorized allowances. II. To stock and maintain an adequate signal supply depot with the expeditionary forces. III. To provide maintenance equipment that must be purchased at this time for the National Army and the National Guard. This amount was not included in the regular estimates for the reason that this increased expense could not be foreseen at that time. (<i>George O. Squier, Brigadier General, Chief Signal Officer.</i>)</p>		
<p>Commercial telephone service at Coast Artillery posts— For providing commercial telephone service for official purposes at Coast Artillery posts (act May 12, 1917).</p>	5,000.00	8,500.00
<p><i>NOTE.</i>—The urgent necessity for this appropriation is due to the increase of the Regular Army to its full strength and the raising of the additional forces provided by the act of May 18, 1917. This amount was not included in the regular estimates inasmuch as it was not known at the time these estimates were submitted that these increases would take place during the fiscal year 1917-18. (<i>George O. Squier, Brigadier General, Chief Signal Officer of the Army.</i>)</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
QUARTERMASTER CORPS.		
Pay, etc., of the Army—		
Officers of the line—		
For pay of officers of the line (acts May 12, 1917; June 15, 1917).....	\$27,380,503.00	.....
Additional pay to officers for length of service (same acts)....	500,000.00	.....
Enlisted men of the line—		
For pay of enlisted men of all grades, including recruits (same acts).....	476,449,236.00	.....
Additional pay for length of service of enlisted men of the line (same acts).....	296,480.08	.....
Signal Corps—Pay of enlisted men.....	350,000.00	.....
Clerks, messengers, and laborers, office of the Chief of Staff—		
Clerk, at \$2,250 per annum (same acts).....	\$2,250.00	
Clerk, at \$2,000 per annum (same acts).....	2,000.00	
Clerk, at \$1,800 per annum (same acts).....	1,800.00	
Clerk, at \$1,600 per annum (same acts).....	1,600.00	
Clerk, at \$1,400 per annum (same acts).....	1,400.00	
Clerks, at \$1,000 each per annum (same acts) ..	4,000.00	
	13,050.00	.....
Clerks and messengers at headquarters of the several territorial departments, territorial districts, tactical divisions and brigades, and service schools—		
Clerks, at \$2,000 each per annum (same acts) ..	60,000.00	
Clerks, at \$1,800 each per annum (same acts)....	115,200.00	
Clerks, at \$1,600 each per annum (same acts)....	384,000.00	
Clerks, at \$1,400 each per annum (same acts)....	890,400.00	
Clerks, at \$1,200 each per annum (same acts)....	2,148,000.00	
Clerks, at \$1,000 each per annum (same acts)....	740,600.00	
	4,337,600.00	.....
Corps of Engineers—Pay of officers of the Corps of Engineers (same acts).....	8,493,493.00	.....
Ordnance Department—For pay of officers of the Ordnance Department (same acts).....	12,067,600.00	.....
Quartermaster Corps.—For pay of officers of the Quartermaster Corps (same acts).....	6,939,000.00	.....
Medical Department—		
For pay of officers of the Medical Department (same acts)....	31,443,448.00	.....
Nurses (female) (same acts).....	8,742,938.00	.....
Judge Advocate General's Department—For pay of the officers in the Judge Advocate General's Department (same acts)....	11,000.00	.....
Signal Corps—For pay of officers of the Signal Corps (same acts) ..	21,870,833.00	.....
Retired officers—Increased pay to retired officers on active duty (same acts).....	400,000.00	.....
Retired enlisted men—		
For pay and allowances of retired enlisted men on active duty (same acts).....	50,000.00	.....
For pay and allowances of Regular Army reservists on active duty (same acts).....	17,000.00	.....
Miscellaneous—		
For commutation of quarters and of heat and light to commissioned officers, members of the Nurse Corps, and enlisted men on duty at places where no public quarters are available, including enlisted men of the Regular Army Reserve and retired enlisted men when ordered to active duty (same acts).....	1,000,000.00	.....
For mileage to commissioned officers, members of the Officers' Reserve Corps when ordered to active duty, contract surgeons, expert accountant, Inspector General's Department, Army field clerks, and field clerks of the Quartermaster Corps, when authorized by law (same acts).....	750,000.00	.....
For additional 10 per cent increase of pay of officers on foreign service (same acts).....	9,956,055.70	.....
For additional 20 per cent increase of pay of enlisted men on foreign service (same acts).....	79,265,805.20	.....
For payment of exchange by acting quartermasters serving in foreign countries and when specially authorized by the Secretary of War by officers disbursing funds pertaining to the Quartermaster Corps when serving in Alaska, and all foreign money received shall be charged to and paid out by disbursing officers of the Quartermaster Corps at the legal valuation fixed by the Secretary of the Treasury, and published on the first day of each quarter (same acts).....	74,400.00	.....

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
QUARTERMASTER CORPS—continued.		
Pay, etc., of the Army—Continued.		
Miscellaneous—Continued.		
For six months' pay to beneficiaries of officers and enlisted men who die while on active service from wounds or disease not the result of their own misconduct (same acts).....	\$24,925,000.00	.....
For one year's pay to beneficiaries of officers and enlisted men who die as the result of aviation accidents (same acts).....	495,000.00	.....
	715,828,440.98	\$437,961,512.90
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
Subsistence of the Army—		
<p>Purchase of subsistence supplies: For issue as rations to troops, including enlisted men of the Regular Army Reserve and retired enlisted men when ordered to active duty, civil employees when entitled thereto, hospital matrons, nurses, applicants for enlistment while held under observation, general prisoners of war (including Indians held by the Army as prisoners, but for whose subsistence appropriation is not otherwise made), Indians employed with the Army as guides and scouts, and general prisoners at posts; for the subsistence of the masters, officers, crews, and employees of the vessels of the Army transport service; hot coffee for troops travelling when supplied with cooked or travel rations; meals for recruiting parties and applicants for enlistment while under observation; for sales to officers, including members of the Officers' Reserve Corps, while on active duty, and enlisted men of the Army: <i>Provided</i>, That the sum of \$12,000 is authorized to be expended for supplying meals or furnishing commutation of rations to enlisted men of the Regular Army and the National Guard who may be competitors in the national rifle match: <i>Provided further</i>, That no competitor shall be entitled to commutation of rations in excess of \$1.50 per day, and when meals are furnished no greater expense than that sum per man per day for the period the contest is in progress shall be incurred. For payments: Of commutation of rations to the cadets of the United States Military Academy in lieu of the regular established ration, at the rate of 40 cents per ration; of the regulation allowances of commutation in lieu of rations to enlisted men on furlough, enlisted men and male and female nurses when stationed at places where rations in kind can not be economically issued, including enlisted men of the Regular Army Reserve and retired enlisted men when ordered to active duty, and when travelling on detached duty where it is impracticable to carry rations of any kind, enlisted men selected to contest for places or prizes in departments and Army rifle competitions while travelling to and from places of contest, male and female nurses on leaves of absence, applicants for enlistment, and general prisoners while travelling under orders; of commutation of rations in lieu of the regular established ration for members of the Nurse Corps (female) while on duty in hospital, at 40 cents per ration, and for enlisted men, applicants for enlistment while held under observation, and general prisoners sick therein, at the rate of 40 cents per ration (except that at the general hospital at Fort Bayard, N. Mex., 50 cents per ration and at other general hospitals 40 cents per ration are authorized for enlisted patients therein), to be paid to the surgeon in charge; advertising for providing prizes to be established by the Secretary of War for enlisted men of the Army who graduate from the Army schools for bakers and cooks, the total amount of such prizes at the various schools not to exceed \$900 per annum; for other necessary expenses incident to the purchase, testing, care, preservation, issue, sale, and accounting for subsistence supplies for the Army (same acts).....</p>	329,672,218.15	151,500,000.00
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
<p>WAR DEPARTMENT—Continued. QUARTERMASTER CORPS—continued.</p>		
<p>Subsistence of the Army—Continued. the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,482 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
<p>Regular Supplies, Quartermaster Corps— Regular supplies of the Quartermaster Corps, including their care and protection; construction and repair of military reservation fences; stoves and heating apparatus required for heating offices, hospitals, barracks, and quarters, and recruiting stations, and United States disciplinary barracks; also ranges, stoves, coffee roasters, and appliances for cooking and serving food at posts, in the field, and when traveling, and repair and maintenance of such heating and cooking appliances; and the necessary power for the operation of moving-picture machines; authorized issues of candles and matches; for furnishing heat and light for the authorized allowance of quarters for officers, including members of the Officers' Reserve Corps when ordered to active duty, and enlisted men, including enlisted men of the Regular Army Reserve and retired enlisted men when ordered to active duty; contract surgeons when stationed at and occupying public quarters at military posts; for officers of the National Guard attending service and garrison schools, and for recruits, guards, hospitals, storehouses, offices, the buildings erected at private cost, in the operation of the act approved May 31, 1902; for sale to officers, and including also fuel and engine supplies required in the operation of modern batteries at established posts; for post bakeries, including bake ovens and apparatus pertaining thereto, and the repair thereof; for ice machines and their maintenance where required for the health and comfort of the troops and for cold storage; ice for issue to organizations of enlisted men and offices at such places as the Secretary of War may determine, and for preservation of stores; for the construction, operation, and maintenance of laundries at military posts in the United States and its island possessions; for the authorized issues of laundry materials for use of general prisoners confined at military posts without pay or allowances, and for applicants for enlistment while held under observation; authorized issues of soap; for hire of employees; for the necessary furniture, text-books, paper, and equipment for the post schools and libraries; for the purchase and issue of instruments, office furniture, stationery, and other authorized articles for the use of officers' schools at the several military posts; for purchase of relief maps for issue to organizations, commercial newspapers, market reports, etc.; for the tableware and mess furniture for kitchens and mess halls, each and all for the enlisted men, including recruits; of forage, salt, and vinegar for the horses, mules, oxen, and other draft and riding animals of the Quartermaster Corps at the several posts and stations and with the armies in the field, and for the horses of the several regiments of Cavalry, and batteries of Artillery, and such companies of Infantry and Scouts as may be mounted; for remounts and for the authorized number of officers' horses, including bedding for the animals; for seeds and implements required for the raising of forage at remount depots and on military reservations in the Hawaiian and Philippine Islands, and for labor and expenses incident thereto, including, when specifically authorized by the Secretary of War, the cost of irrigation; for straw for soldiers' bedding stationery, typewriters and exchange of same, including blank books and blank forms for the Quartermaster Corps, certificates for discharged soldiers, and for printing department orders and reports (same acts)</p>	<p>\$163,917,025.00</p>	<p>\$105,250,114.23</p>
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,482 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		

REVENUES TO DEFRAY WAR EXPENSES.

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
QUARTERMASTER CORPS—continued.		
<p>Incidental Expenses, Quartermaster Corps— Postage; cost of telegrams on official business received and sent by officers of the Army, including members of the Officers' Reserve Corps, when ordered to active duty; extra pay to soldiers employed on extra duty, under the direction of the Quartermaster Corps, in the erection of barracks, quarters, and storehouses, in the construction of roads and other constant labor for periods of not less than ten days; as additional school-teachers during the school term at post schools, and as clerks for post quartermasters at military posts and for overseers of general prisoners at posts designated by the War Department for the confinement of general prisoners, and for the United States disciplinary barracks guard; <i>Provided</i>, That hereafter the extra-duty pay to the United States disciplinary barracks guard shall be at the following rates per day: Battalion sergeants major, first sergeants, mess sergeants, supply sergeants, and sergeants, 35 cents; corporals, 30 cents; cooks and mechanics, privates first class, privates, and buglers, 20 cents; of extra-duty pay at rates to be fixed by the Secretary of War for mess stewards and cooks at recruit depots, who are graduates of the schools for bakers and cooks, and instructor cooks at the schools for bakers and cooks; for expenses of expresses to and from frontier posts and armies in the field; of escorts to officers or agents of the Quartermaster Corps to trains where military escorts can not be furnished; authorized office furniture, authorized issues of towels; hire of laborers in the Quartermaster Corps, including the care of officers' mounts when the same are furnished by the Government, and the hire of interpreters, spies, or guides for the Army; compensation of clerks and other employees to the officers of the Quartermaster Corps, and clerks, foremen, watchmen, and organist for the United States disciplinary barracks, and incidental expenses of recruiting; for the apprehension, securing, and delivering of deserters, including escaped military prisoners, and the expenses incident to their pursuit, and no greater sum than \$50 for each deserter or escaped military prisoner shall, in the discretion of the Secretary of War, be paid to any civil officer or citizen for such services and expenses; for a donation of \$5 to each dishonorably discharged prisoner upon his release from confinement under court-martial sentence involving dishonorable discharge; for the following expenditures required for the several regiments of Cavalry, the batteries of Field Artillery, and such companies of Infantry and Scouts as may be mounted, the authorized number of officers' horses, and for the trains, to wit, purchase of picket ropes, blacksmith's tools and materials, horseshoes and blacksmith's tools for the Cavalry service, and for the shoeing of horses and mules; chests and issue outfits; and such additional expenditures as are necessary and authorized by law in the movements and operations of the Army, and at military posts and not expressly assigned to any other department (same acts).....</p>	\$11,010,799.00	\$10,000,000.00
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the not making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
<p>Transportation of the Army and its supplies— For transportation of the Army and its supplies, including transportation of the troops when moving either by land or water and of their baggage, including members of the Officers' Reserve Corps, enlisted men of the Enlisted Reserve Corps, and retired enlisted men when ordered to active duty, including the cost of packing and crating; for transportation of recruits and recruiting parties; of applicants for enlistment between recruiting stations and recruiting depots; for travel allowance to enlisted men on discharge; for payment of travel allowance as provided in section 126 of the act approved June 3, 1916, to enlisted men of the National Guard on their discharge from</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
<p>WAR DEPARTMENT—Continued.</p>		
<p>QUARTERMASTER CORPS—continued.</p>		
<p>Transportation of the Army and its supplies—Continued. the service of the United States; and to members of the National Guard who have been mustered into the service of the United States and discharged on account of physical disability; for payment of travel pay to officers of the National Guard on their discharge from the service of the United States, as prescribed in the act approved March 2, 1901; for travel allowance to persons on their discharge from the United States disciplinary barracks or from any place in which they have been held under a sentence of dishonorable discharge and confinement for more than six months, or from the Government Hospital for the Insane, after transfer thereto from such barracks or place to their homes (or elsewhere, as they may elect), provided the cost in each case shall not be greater than to the place of last enlistment; of supplies furnished to the militia for the permanent equipment thereof; of the necessary agents and other employees, including per diem allowances in lieu of subsistence not exceeding \$4 for those authorized to receive the per diem allowance; of clothing and equipage and other quartermaster stores for Army depots or places of purchase or delivery to the several posts and Army depots and from those depots to the troops in the field; of horse equipment; of ordnance and ordnance stores, and small arms from the foundries and armories to the arsenals, fortifications, frontier posts, and Army depots; for payment of wharfage, tolls, and ferrages; for transportation of funds of the Army; for the hire of employees; for the payment of Army transportation lawfully due such land-grant railroads as have not received aid in Government bonds (to be adjusted in accordance with the decisions of the Supreme Court in cases decided under such land-grant acts), but in no case shall more than 50 per cent of full amount of service be paid; <i>Provided</i>, That such compensation shall be computed, upon the basis of the tariff or lower special rates for like transportation performed for the public at large and shall be accepted as in full for all demands for such service; <i>Provided further</i>, That in expending the money appropriated by this act a railroad company which has not received aid in bonds of the United States, and which obtained a grant of public land to aid in the construction of its railroad on condition that such railroad should be a post route and military road, subject to the use of the United States for postal, military, naval, and other Government services, and also subject to such regulations as Congress may impose restricting the charge for such Government transportation, having claims against the United States for transportation of troops and munitions of war and military supplies and property over such aided railroads, shall be paid out of the moneys appropriated by the foregoing provision only on the basis of such rate for the transportation of such troops and munitions of war and military supplies and property as the Secretary of War shall deem just and reasonable under the foregoing provision, such rate not to exceed 50 per cent of the compensation for such Government transportation as shall at that time be charged to and paid by private parties to any such company for like and similar transportation; and the amount so fixed to be paid shall be accepted as in full for all demands for such service; <i>And provided further</i>, That nothing in the preceding provisions shall be construed to prevent the accounting officers of the Government from making full payment to land-grant railroads for transportation of property or persons where the courts of the United States have held that such property or persons do not come within the scope of the deductions provided for in the land-grant acts; for the purchase and hire of draft and pack animals in such numbers as are actually required for the service, including reasonable provision for replacing unserviceable animals; for the purchase, hire, operation, maintenance, and repair of such harness, wagons, carts, drays, other vehicles, and motor-propelled and horse-drawn passenger-carrying vehicles, as are required for the transportation of troops and supplies, and for official, military, and garrison purposes; for drayage and cartage at the several depots; for the hire of teamsters and other employees; for the purchase and repair of ships, boats, and other vessels required for the transportation of troops and supplies and for official, military, and garrison</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
QUARTERMASTER CORPS—continued.		
<p>Transportation of the Army and its supplies—Continued, purposes; for expenses of sailing public transports and other vessels on the various rivers, the Gulf of Mexico, and the Atlantic and Pacific Oceans (same acts).....</p> <p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 80,168 officers and 2,033,345 men. <i>Henry G. Sharpe, Quartermaster General.</i></p>	\$150,400,305.00	\$237,963,745.42
<p>Water and sewers at military posts— For procuring and introducing water to buildings and premises at such military posts and stations as from their situations require it to be brought from a distance; for the installation and extension of plumbing within buildings where the same is not specifically provided for in other appropriations; for the purchase and repair of fire apparatus, including fire-alarm systems; for the disposal of sewage, and expenses incident thereto, including the authorized issue of toilet paper; for repairs to water and sewer systems and plumbing within buildings; for hire of employees (same acts).....</p> <p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 80,168 officers and 2,033,345 men. <i>(Henry G. Sharpe, Quartermaster General.)</i></p>	31,327,500.00	12,546,169.00
<p>Clothing and camp and garrison equipage— For cloth, woolens, materials, and for the purchase and manufacture of clothing for the Army, including enlisted men of the Regular Army Reserve and retired enlisted men when ordered to active duty, for issue and for sale at cost price according to the Army Regulations; for payment for clothing not drawn due to enlisted men on discharge; for altering and fitting clothing and washing and cleaning when necessary; for equipage, including authorized issues of toilet articles, barbers' and tailors' materials for use of general prisoners confined at military posts without pay or allowances and applicants for enlistment while held under observation; issue of toilet kits to recruits upon their first enlistment, and issue of housewives to the Army; for expenses of packing and handling and similar necessities; for a suit of citizen's outer clothing, to cost not exceeding \$10, to be issued upon release from confinement to each prisoner who has been confined under a court-martial sentence involving dishonorable discharge; for indemnity to officers and men of the Army for clothing and bedding, etc., destroyed since Apr. 22, 1898, by order of medical officers of the Army for sanitary reasons (same acts).....</p> <p>Provided, That all the money heretofore appropriated under the titles Subsistence of the Army; Regular supplies, Quartermaster Corps; Incidental expenses, Quartermaster Corps; Transportation of the Army and its supplies; Water and sewer at military posts; and Clothing and camp and garrison equipage shall be disbursed and accounted for by officers and agents of the Quartermaster Corps as "Supplies, services, and transportation, Quartermaster Corps," and for that purpose shall constitute one fund.</p> <p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 80,168 officers and 2,033,345 men. <i>(Henry G. Sharpe, Quartermaster General.)</i></p>	357,500,097.85	260,178,548.04

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
QUARTERMASTER CORPS—continued.		
<p>Horses for Cavalry, Artillery, and Engineers— For the purchase of horses of ages, sex, and size as may be prescribed by the Secretary of War for remounts for officers entitled to public mounts for the Cavalry, Artillery, Signal Corps, and Engineers, the United States Military Academy, service schools, and staff colleges, and for the Indian scouts, and for such Infantry and members of the Medical Department in field campaigns as may be required to be mounted, and the expenses incident thereto, and for the hire of employees: <i>Provided</i>, That the number of horses purchased under this appropriation, added to the number now on hand, shall be limited to the actual needs of the mounted service, including reasonable provisions for remounts and unless otherwise ordered by the Secretary of War, no part of this appropriation shall be paid out for horses not purchased by contract after competition duly invited by the Quartermaster Corps and an inspection under the direction and authority of the Secretary of War. When practicable, horses shall be purchased in open market at all military posts or stations when needed, at a maximum price to be fixed by the Secretary of War: <i>Provided further</i>, That no part of this appropriation shall be expended for the purchase of any horse below the standard set by Army Regulations for Cavalry and Artillery horses, except when purchased as remounts or for instruction of cadets at the United States Military Academy: <i>And provided further</i>, That no part of this appropriation shall be expended for polo ponies except for West Point Military Academy, and such ponies shall not be used at any other place (same acts)</p>	\$51,571,466.00	\$25,400,000.00
<p><i>Note</i>.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 80,168 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
<p>Barracks and quarters— For barracks, quarters, stables, storehouses, magazines, administration and office buildings, sheds, shops, and other buildings necessary for the shelter of troops, public animals, and stores, and for administration purposes, except those pertaining to the Coast Artillery; for constructing and repairing public buildings at military posts; for hire of employees; for rental of the authorized allowance of quarters for officers, including members of the Officers' Reserve Corps when ordered to active duty, on duty with the troops at posts and stations where no public quarters are available; of barracks or authorized allowance of quarters for noncommissioned officers and enlisted men on duty where public quarters are not available, including enlisted men of the Regular Army Reserve, retired enlisted men, and members of the Enlisted Reserve Corps when ordered to active duty; of grounds for cantonments, camp sites, and other military purposes, and of buildings or portions of buildings for occupation by troops, for use as stables, storehouses, and offices, and for other military purposes; for the hire of recruiting stations and lodgings for recruits; for such furniture for the public rooms of officers' messes and for officers' quarters at military posts as may be approved by the Secretary of War; for wall lockers in permanent barracks and refrigerators in barracks and quarters; for screen doors, window screens, storm doors and sash, and window shades for barracks, offices, and quarters, and for flooring and framing for tents, and for the National Guard when called or drafted into the service of the United States (same acts)</p>	82,118,000.00	50,603,314.20
<p><i>Provided</i>, That no part of the moneys so appropriated shall be paid for commutation of fuel or quarters to officers or enlisted men; <i>And provided further</i>, That the number of and total sum paid for civilian employees in the Quartermaster Corps shall be limited to the actual requirements of the serv-</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
QUARTERMASTER CORPS—continued.		
Barracks and quarters—Continued.		
<p>and that no employee therein shall receive a salary of more than \$150 per month, except upon the approval of the Secretary of War.</p>		
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917. Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
<p>Shooting galleries and ranges— For shelter, shooting galleries, ranges for small-arms target practice, machine-gun practice, field-artillery practice, repairs, and expenses incident thereto, including flour or paste for marking targets, hire of employees, such ranges and galleries to be open as far as practicable to the National Guard and organized rifle clubs under regulations to be prescribed by the Secretary of War (act May 12, 1917).....</p>	\$6,014,540.00	\$45,000.00
<p>NOTE.—The funds estimated for under this appropriation are imperatively necessary to provide rifle and artillery ranges for the National Guard and National Army and are required in addition to the \$4,014,510 asked for in estimate submitted July 8, 1917, and to the amount appropriated in the act making appropriations for support of the Army, fiscal year 1918, approved May 12, 1917, and were not included in said estimates for the reason that definite data as to actual requirements were not available at the time. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
Military post exchanges—		
<p>For continuing the construction, equipment, and maintenance of suitable buildings at military posts and stations for the conduct of the post exchange, school, library, reading, lunch, amusement rooms, and gymnasium, including repairs to buildings erected at private cost, in the operation of the act approved May 31, 1902, for the rental of films, purchase of slides, supplies for and making repairs to moving-picture outfits, to be expended in the discretion and under the direction of the Secretary of War (acts May 12, 1917; June 15, 1917).....</p>	800,000.00	250,000.00
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917.</p>		
<p>Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
Roads, walks, wharves, and drainage—		
<p>For the construction and repair by the Quartermaster Corps of roads, walks, and wharves; for the pay of employees; for the disposal of drainage; for dredging channels; and for care and improvement of grounds at military posts and stations (acts May 12, 1917; June 15, 1917).....</p>	17,270,000.00	6,139,965.00
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917.</p>		
<p>Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (<i>Henry G. Sharpe, Quartermaster General.</i>)</p>		
Construction and repair of hospitals—		
<p>For construction and repair of hospitals at military posts already established and occupied, including the extra-duty pay of enlisted men employed on the same, and including also all expenditures for construction and repairs required at the Army</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
<p>WAR DEPARTMENT—Continued. QUARTERMASTER CORPS—continued.</p>		
<p>Construction and repair of hospitals—Continued. and Navy Hospital at Hot Springs, Ark., and for the construction and repair of general hospitals and expenses incident thereto, and for additions needed to meet the requirements of increased garrisons, and for temporary hospitals in standing camps and cantonments (acts May 12, 1917; June 15, 1917)..</p>	\$33,000,000.00	\$2,805,207.00
<p>NOTE.—The funds estimated for under this appropriation are to meet deficiencies in the amount required to meet the needs of the Regular Army, National Guard, and National Army in excess of the amount appropriated therefor in the act making appropriations to supply urgent deficiencies on account of war expenses for the fiscal years ending June 30, 1917 and 1918, approved June 15, 1917.</p>		
<p>Appropriations made were based on 45,462 officers and 1,072,908 men. The strength contemplated is 86,158 officers and 2,033,345 men. (Henry G. Sharpe, Quartermaster General.)</p>		
<p>Claims for damages to and loss of private property—</p>		
<p>For payment of claims for damages to and loss of private property incident to the training, practice, and operations of the Army that have accrued, or may hereafter accrue, from time to time, to be immediately available and to remain available until expended; <i>Provided</i>, That settlement of such claims shall be made by the Auditor for the War Department, upon the approval and recommendation of the Secretary of War, where the amount of damages has been ascertained by the War Department, and payment thereof will be accepted by the owners of the property in full satisfaction of such damages (act May 12, 1917).....</p>	10,000.00	8,000.00
<p>NOTE.—The funds estimated for are required to meet claims that will accrue during the fiscal year 1918 in addition to amounts already appropriated for the purpose by reason of mobilization of large bodies of troops to meet existing war conditions. (Henry G. Sharpe, Quartermaster General.)</p>		
<p>Target range, Fort Bliss, N. Mex.—</p>		
<p>For the acquisition of private holdings now embraced in the Fort Bliss target range, situated in Dona Ana County, N. Mex., by condemnation or purchase (Act Aug. 29, 1916, vol. 39, p. 639, sec. 1).....</p>	10,510.00	7,120.00
<p>NOTE.—The act of Aug. 29, 1916 (39 Stat., 639), appropriated \$7,120 for this purpose, but the owners refused to accept the amount, and condemnation proceedings were resorted to. The award was in the amount of \$20,660 and the amount of the estimate, \$19,540, is the difference between the appropriation and the award.—(Henry G. Sharpe, Quartermaster General.)</p>		
<p>Civilian military training camps—</p>		
<p>For the expense of maintaining, upon military reservations or elsewhere, camps for the military instruction and training of such citizens physically capable of bearing arms as may be selected under such regulations as may be prescribed by the Secretary of War, and for furnishing said citizens, at the expense of the United States, uniforms, subsistence, transportation by the most usual and direct route within said limits as to territory as may be prescribed; for such expenditures as may be deemed necessary for water, fuel, light, temporary structures, not including quarters for officers nor barracks for men, schooling, and damages resulting from field exercises, and other expenses incidental to maintaining said camps and the theoretical winter instruction in connection therewith, including textbooks and stationery; for furnishing such equipments, tentage, field equipage, and transportation belonging to the United States as may be deemed necessary as authorized by section 84 of the act of Congress approved June 3, 1916 (acts May 12, 1917; June 15, 1917).....</p>	2,110,000.00	6,971,000.00
<p>NOTE.—The funds estimated for are required in addition to funds appropriated for the purpose to meet expenses of the large number of camps now being maintained and to be maintained for the training of officers. The needs as now existing could not have been anticipated at the time previous estimates were submitted.</p>		
<p>That the appropriations contained herein shall be available for the payment of obligations on account of the existing emergency incurred prior to the passage of this act and which are properly chargeable to such appropriations.—(Henry G. Sharpe, Quartermaster General.)</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT--Continued.		
OFFICE OF THE SURGEON GENERAL.		
Medical and Hospital Department--		
For medical and hospital department, including the same objects specified under this head in the Army appropriation act for the fiscal year 1918, approved May 12, 1917, and in the deficiency appropriation act approved June 15, 1917 (acts May 12, 1917; June 15, 1917).....	\$100,026,000.00	\$30,780,000.00
<p>NOTE.--The amount above asked for is to complete the medical equipment of the first million men of the aggregate military forces to be raised, and to provide the required medical equipment entire for the second million; also to cover their current medical upkeep during the fiscal year 1918. (W. C. Gorgas, Surgeon General, United States Army.)</p>		
OFFICE OF CHIEF OF ENGINEERS.		
<i>Supplemental estimate.</i>		
Engineer equipment of troops--		
For pontoon material, tools, instruments, supplies, and appliances required for use in the engineer equipment of troops, for military surveys, and for engineer operations in the field, including the purchase, maintenance, operation, and repair of the necessary motorcycles; the purchase and preparation of engineer manuals and procurement of special paper for same, and for a reserve supply of above equipment; to be immediately available and remain available until June 30, 1919: Provided, That where the expenses of persons engaged in field work or travelling on official business outside of the District of Columbia and away from their designated posts of duty are chargeable to appropriations of the Engineer Department contained in this act, a per diem rate of \$4 may be allowed in lieu of subsistence (acts May 12, 1917; June 15, 1917).....	4,300,000.00	37,050,000.00
<p>NOTE.--The above estimate is submitted to provide complete equipments for 15 railway construction regiments, 3 shop regiments, 4 road-construction battalions, 4 fortification battalions, 8 construction battalions, 40 supply-depot detachments, 6 water-supply companies, 2 lumbering regiments, 20 work companies, 5 electrical regiments, 5 inland waterway companies, and 6 mining companies.</p>		
<p>This estimate is submitted to meet emergency conditions which could not be foreseen at the time the regular annual estimates were submitted. (W. M. Black, Brig. Gen., Chief of Engineers.)</p>		
Engineer operations in the field--		
For expenses incident to military engineer operations in the field, including the purchase of material and a reserve of material for such operations, the construction or rental of storehouses within and outside the District of Columbia, the purchase, operation, maintenance, and repair of horse-drawn and motor-propelled passenger-carrying vehicles, and such expenses as are ordinarily provided for under appropriations for "Engineer depots," "Civilian assistants to Engineer officers," and "Maps, War Department;" to be immediately available and remain available until June 30, 1919 (acts May 12, 1917, and June 15, 1917).....	100,000,000.00	94,800,000.00
<p>NOTE.--The above estimate is submitted to provide for the operations of the Corps of Engineers in France, including the construction of wharves, piers, landings, storehouses, hospitals, barracks, and other buildings of a similar nature required by the operations of our troops, the construction and maintenance of roads, ferries, bridges, and incidental structures, and the construction, maintenance, and operation of railroads under military control, including the construction and operation of armored trains.</p>		
<p>This estimate is submitted to meet emergency conditions which could not be foreseen at the time the regular annual estimates for the fiscal year 1918 were submitted. (W. M. Black, Brig. Gen., Chief of Engineers.)</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued. OFFICE OF CHIEF OF ORDNANCE.		
Ordnance Service—		
For the current expenses of the Ordnance Department in connection with purchasing, receiving, storing, and issuing ordnance and ordnance stores, comprising police and office duties, rents, tolls, fuel, light, water, and advertising, stationery, typewriters, and adding machines, including their exchange, and office furniture, tools, and instruments of service; for incidental expenses of the Ordnance Service and those attending practical trials and tests of ordnance, small arms, and other ordnance stores; for publications for libraries of the Ordnance Department, including the Ordnance Office; subscriptions to periodicals which may be paid for in advance; and payment for mechanical labor in the office of the Chief of Ordnance; and for purchase, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles (acts, May 12, 1917; June 15, 1917).....	\$1,825,000.00	\$3,000,000.00
Ordnance stores—ammunition—		
Manufacture and purchase of ammunition for small arms and for hand use for reserve supply (same acts).....	39,520,000.00	143,048,000.00
Small-arms target practice—		
For manufacture and purchase of ammunition, targets, and other accessories for small-arms hand, and machine gun target practice and instruction; marksmen's medals, prize arms, insignia for all arms of the service; and ammunition, targets, target materials, and other accessories which may be issued for small-arms target practice and instruction at the educational institutions and State soldiers' and sailors' orphans' homes to which issues of small arms are lawfully made, under such regulations as the Secretary of War may prescribe (same acts).....	,000,000.00	19,500,000.00
Ordnance stores and supplies—		
For overhauling, cleaning, repairing, and preserving ordnance and ordnance stores in the hands of troops and at the arsenals, posts, and depots; for purchase and manufacture of ordnance stores to fill regulations of troops; for Infantry, Cavalry, and Artillery equipments, including horse equipments for Cavalry and Artillery (same acts).....	70,000,000.00	116,550,000.00
Automatic rifles—		
For the purchase, manufacture, test, repair and maintenance of automatic machine rifles or other automatic or semiautomatic guns, including their mounts, sights, and equipments and the machinery necessary for their manufacture (same acts).....	170,277,000.00	70,000,000.00
Armored motor cars—		
For the purchase, manufacture, test, repair, and maintenance of armored motor cars, to remain available until the end of the fiscal year 1919 (same acts).....	21,750,000.00	—4,500,000.00
NOTE.—Conditions which have arisen since the submission of the regular estimates render imperatively necessary the appropriation of the amounts above stated. (William Crozier, Brigadier General, Chief of Ordnance, United States Army.)		
That of the sums herein appropriated ten per centum under any item may be expended for any purpose of the Ordnance Department necessary for carrying on the war in which the United States is engaged (submitted).		
The Chief of Ordnance, United States Army, is authorized to employ in the District of Columbia, out of the appropriations made in this act for designing, procuring, caring for, and supplying ordnance and ordnance stores to the Army, such services as are necessary for carrying out these purposes (submitted).		
All material purchased under the appropriations made in this act for the Ordnance Department of the United States Army shall be of American manufacture, except in cases when, in the judgment of the Secretary of War, it is to the manifest interest of the United States to make purchases abroad, which material shall be admitted free of duty (submitted).		
The appropriations made in this act shall be available for the payment of obligations on account of the existing emergency incurred prior to the passage of this act and which are properly chargeable to such appropriations (submitted).		
That not to exceed \$101,000 of the funds appropriated by this or other acts may be expended for the rental of suitable space in Washington, District of Columbia, or for the alteration or repair of any available building owned by the Government, for the use of the Office of the Chief of Ordnance, United States Army; Provided, That the Chief of Ordnance is authorized, in his discretion, to enter into a contract for the lease of such suitable space for a period not to exceed five years, at an annual rental not to exceed \$150,000 (submitted).		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
FORTIFICATIONS AND OTHER WORKS OF DEFENSE.		
Armament of fortifications—		
For purchase, manufacture, and test of mountain, field, and siege cannon, including their carriages, sights, implements, equipments, and the machinery necessary for their manufacture (acts Feb. 14, 1917; June 15, 1917).....	\$899,013,000.00	
For purchase, manufacture, and test of ammunition for mountain, field, and siege cannon, including the necessary experiments in connection therewith and the machinery necessary for its manufacture and the necessary storage facilities (same acts).....	1,363,000,000.00	
For alteration and maintenance of the mobile artillery, including the purchase and manufacture of machinery, tools, and material necessary for the work and the expenses of the mechanics engaged thereon (same acts).....	206,600,000.00	
	\$2,468,613,000.00	\$762,210,000.00
NOTE.—Conditions which have arisen since the submission of the regular estimates render imperatively necessary the appropriation of the amounts above stated. (<i>William Crozier, Brig. Gen., Chief of Ordnance, U. S. Army.</i>)		
Submarine mines—		
For purchase of submarine mines and nets and necessary appliances to operate them for closing the channels leading to our principal seaports, and for continuing torpedo experiments (act June 15, 1917).....	700,000.00	2,926,330.00
NOTE.—This is the amount the Chief of Coast Artillery has requested to be included in these estimates. (<i>William Crozier, Brig. Gen., Chief of Ordnance, U. S. Army.</i>)		
ARMORIES AND ARSENALS.		
Proving ground—		
For increasing facilities for the proof and test of ordnance material (submitted).....	3,000,000.00	
Benicia Arsenal, Benicia, Cal.—		
For addition to main issuing and receiving storehouse (submitted).....	\$11,000.00	
For two storerooms (submitted).....	60,000.00	
For a garage for motor trucks and automobile messenger wagon (submitted).....	7,000.00	
For additional amount for an oil storehouse (act June 12, 1917).....	3,500.00	
For road repairs (submitted).....	10,000.00	
	9,500.00	5,700.00
Frankford Arsenal, Philadelphia, Pa.—		
For additional amount for a primer shop and planning room (act June 12, 1917).....	35,000.00	
For additional amount for two sets of double quarters for officers (same act).....	10,000.00	
For additional amount for a combination wall and picket fence along the north side and a picket fence along the east and south sides of the arsenal reservation (same act).....	12,000.00	
For additional amount for the construction and repair of roads, including railroad sidings (same act)...	20,000.00	
For additional amount for extension of high-explosive loading shop (same act).....	4,000.00	
For additional amount for a paint shop (same act)....	10,000.00	
For additional amount for an artillery firing range, including an explosion chamber (same act).....	25,000.00	
For additional amount for a small-arms firing range, including a proof house and target (same act).....	35,000.00	
For increasing the facilities for fire protection, including alteration of the power house and the construction of a conduit from the Delaware River to the power plant (act Aug. 1, 1914).....	130,000.00	
For extension of barracks building (submitted).....	30,000.00	
For a lumber storehouse (submitted).....	30,000.00	
For improving power plant (submitted).....	205,000.00	
For an office building (submitted).....	200,000.00	
For a sea wall along the Delaware River (submitted)....	34,000.00	

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT--Continued.		
ARMORIES AND ARSENALS--continued.		
Frankford Arsenal, Philadelphia, Pa.--Continued.		
For a small-arms ammunition storeroom and cart house (submitted).....	\$175,000.00	
For enlargement of instrument department building and construction of a shrapnel shop (submitted)...	292,000.00	
For an artillery case shop building and a carpenter shop building (submitted).....	500,000.00	
For a general storeroom (submitted).....	260,000.00	
For additional dry houses (submitted).....	30,000.00	
For three magazines (submitted).....	60,000.00	
For increasing facilities for assembling artillery ammunition (submitted).....	150,000.00	
For a pier and warehouse (submitted).....	300,000.00	
For increasing facilities for the manufacture of small-arms ammunition (submitted).....	30,000.00	
For a target range (submitted).....	15,000.00	
For a pediment to the fuze shop building (submitted).....	30,000.00	
	\$2,630,000.00	\$732,000.00
Picatinny Arsenal, Dover, N. J.--		
For buildings for assembling powder charges, including an igniter building, a storeroom for completed cartridge bags, an office building, covered passageway connecting the same, heating plant, toilets, etc. (submitted).....	40,000.00	68,500.00
Rock Island Arsenal, Rock Island, Ill.--		
For additional amount for increasing facilities for the manufacture of field artillery material, including the necessary buildings and equipment, etc. (act June 12, 1917).....	795,200.00	
For improving the water-power plant (submitted)...	175,000.00	
For enlargement of officer business (submitted)....	170,000.00	
Additional for a plant for the manufacture of rifle and hand grenades, including necessary buildings, etc. (act June 12, 1917).....	75,000.00	
For a synchronous motor for the armory shops (submitted).....	15,000.00	
For lighting facilities for shops (submitted).....	30,000.00	
For a small-arms target range, including necessary buildings, etc. (submitted).....	80,000.00	
For an extension to the carpenter shop (submitted)...	60,000.00	
For a building for storing lumber (submitted).....	25,000.00	
For procuring additional and replacing old and worn-out machinery in armory shops (submitted).....	125,000.00	
For a railroad crane (submitted).....	5,000.00	
For increasing railroad transportation facilities (submitted).....	90,000.00	
	1,615,200.00	4,971,100.00
San Antonio Arsenal, San Antonio, Tex.--		
For increasing railroad transportation facilities (submitted).....	9,000.00	
For a magazine (submitted).....	30,000.00	
For a storeroom (submitted).....	125,000.00	
For increasing facilities for fire protection (submitted).....	21,000.00	
	185,000.00	128,000.00
Springfield Arsenal, Springfield, Mass.--		
For the replacement of obsolete and worn-out machinery (submitted).....	300,000.00	
For the installation of a plant for the generation and distribution of electric power at the water shops (submitted).....	90,000.00	
For the installation of a modern lighting system in the water shops (submitted).....	25,000.00	
For a physical and chemical laboratory, including buildings (submitted).....	30,000.00	
	445,000.00	194,500.00
Storage facilities at armories and arsenals--		
Additional for storage facilities at armories and arsenals (act June 12, 1917).....	500,000.00	1,000,000.00
Terminal facilities--		
For terminal storage and shipping buildings and other facilities, including rentals (submitted).....	25,000,000.00	

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT--Continued.		
ARMORIES AND ARSENALS--continued.		
Watertown Arsenal, Watertown, Mass.--		
For replacing roof and floors of machine shop (submitted).....	\$160,000.00	
For an extension of the erecting shop (submitted)....	230,000.00	
For a building for storing patterns, including its equipment (submitted).....	100,000.00	
For an extension of the office building (submitted)..	20,000.00	
For replacing obsolete and worn-out machine tools (submitted).....	14,500.00	
For increasing facilities for the production of armor-piercing projectiles (submitted).....	26,000.00	
For increasing facilities for the manufacture of gun carriages (submitted).....	130,000.00	
Additional for construction and repair of roads, sidewalks, etc. (act June 12, 1917).....	0,000.00	
For two sets of field officers' quarters (submitted)....	40,000.00	
Additional for one locomotive crane (act June 12, 1917).....	15,000.00	
	\$741,500.00	\$1,021,100.00
Testing machines, Watertown Arsenal, Watertown, Mass.--		
Additional for necessary professional and skilled labor, purchase of material, tools, and appliances for operating the testing machines, for investigative tests and tests of material in connection with the manufacturing work of the Ordnance Department, and for instruments and materials for operating the chemical laboratory in connection therewith, and for maintenance of the establishment (act June 12, 1917).....	10,000.00	15,000.00
Watervliet Arsenal, West Troy, N. Y.--		
For alteration and improvement of office building (submitted).....	15,000.00	
For a garage and oil storehouse (submitted).....	0,000.00	
For increasing facilities for fire protection (act July 1, 1916).....	8,000.00	
For increasing facilities for the manufacture of mobile artillery cannon, including the necessary buildings (submitted).....	750,000.00	
For alteration and improvement of steam-heating system in large gun shop (submitted).....	7,500.00	
	780,500.00	178,100.00
NOTE.—Conditions which have arisen since the submission of the regular estimates render imperatively necessary appropriations for the various items enumerated above. (William Crozier, Brig. Gen., Chief Ordnance, U. S. A.)		
FORTIFICATIONS, PANAMA CANAL.		
Ordnance Depot, Panama Canal--		
Additional for a building for storing artillery vehicles (act June 12, 1917).....	\$5,500.00	
For continuing and completing the work of installing roads, walks, sewers, light and power lines, and for such permanent ditches, grading, and filling as are necessary to obtain proper sanitation and healthful conditions of the grounds (act Sept. 8, 1916).....	30,000.00	
For grading, leveling, and filling in the western portion of the depot reservation, to reclaim ground for building purposes, to prevent mosquito breeding, and to prevent nuisance from Rio Grande Ditch (submitted).....	12,500.00	
For a fence to protect storehouses and magazines of the depot (submitted).....	0,000.00	
For a set of quarters, single family cottage, for armament machinist at Fort Grant (submitted).....	2,700.00	
	50,700.00	50,700.00
NOTE.—Progress of construction work at the Panama Ordnance Depot since the date of submission of the regular estimates, and conditions which have arisen since that date which could not then have been foreseen, now make the items enumerated above imperatively necessary. (William Crozier, Brigadier General, Chief Ordnance, United States Army.)		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT--Continued.		
FORTIFICATIONS, PANAMA CANAL--continued.		
Protecting Panama Canal and canal structures--		
For fortifications and armament thereof for the Panama Canal, to be immediately available and to continue available until expended, namely:		
For extraordinary expenses heretofore and hereafter incurred by the Panama Canal in protecting the canal and canal structures (submitted)..... \$137,000.00		
For extraordinary expenses for military purposes heretofore and hereafter incurred in protecting the Panama Canal and canal structures (submitted)..... 255,000.00		
	\$692,000.00	
<p>NOTE.--The above estimate is to cover the unforeseen expenses made necessary for the military protection of the Panama Canal and canal structures precipitated by the interruption of diplomatic relations with Germany of Feb. 3, 1917, which resulted in the declaration of war later. Among these items of expense are the care of four German ships taken over, including the shelter, subsistence, and maintenance of crews of same, cantonment shelters for troops guarding lock gates, barbed-wire fences about canal utilities, submarine nets, additional police to guard locks, mounts for small guns and howitzers, etc. These items have been submitted by the commanding officer of the Panama Canal and Canal Zone and by the governor of the Panama Canal, and it is extremely urgent that these funds be made available at the earliest possible moment.</p> <p>A deficiency estimate for \$128,000 for this purpose was previously submitted to this session of Congress, as will be seen by reference to Senate Document No. 29, Sixty-fifth Congress, first session. (<i>Tasker H. Bliss, Major General, Acting Chief of Staff.</i>)</p>		
Submarine base, Canal Zone, Panama Canal--		
For fortifications and armament thereof for the Panama Canal, to be immediately available and to continue available until expended, namely:		
For the establishment and equipment of a submarine base at the Panama Canal, to be immediately available and to continue available until expended, namely: Atlantic base (Coco Solo Point), dredging inner basin and channel to same, concrete dock, containing walls, finger docks, tracks, dry fill, municipal works, electrical work, officers' quarters, barracks, shops, storehouses, stationary cranes, magazines and torpedo storage, shop and power tools, furniture, and plant equipment (act June 12, 1917).....		
	902,025.00	\$750,000.00
<p>NOTE.--The sundry civil act approved June 12, 1917, authorized the construction of this base and provided an appropriation of \$780,000 for its construction, but I am advised by the Secretary of the Navy that it will be necessary to secure an additional appropriation of \$490,125 in order to complete the buildings and facilities provided for in the above act. This increase is due largely to two causes: First, the increase in the cost of labor and material; second, the increase in facilities required by the Navy Department after the original estimate had been completed. In addition to the above, the sum of \$412,500 will be required to cover the cost of certain buildings and quarters and their equipment originally estimated for, but not specifically provided for in the sundry civil act. This makes a total of \$902,625 required in addition to the appropriation made in the sundry civil act.</p> <p>In view of the great importance of the proper defense of the Panama Canal, especially at the present time, it is urged that this appropriation be made during the present session of Congress so as to be available during the fiscal year 1918. (<i>Tasker H. Bliss, Major General, Acting Chief of Staff.</i>)</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT--Continued.		
OFFICE OF THE CHIEF SIGNAL OFFICER.		
Signal Service of the Army--		
<p>For expenses of the Signal Service of the Army, as follows: For the purchase, manufacture, maintenance, repair, and operation of airships and other aerial machines, including instruments and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, including guns, armament, ammunition, and all necessary spare parts and equipment connected therewith; and all necessary buildings for equipment and personnel in the Aviation Section, and for the exclusive purchase, maintenance, repair, and operation of motor-propelled passenger and equipment-carrying vehicles which may be necessary for the Aviation Section and for other purposes, \$639,241,452.</p>		
<p><i>Provided</i>, That the foregoing appropriations may be used for the establishment, equipment, maintenance, and operation of aviation stations, including (a) the acquisition of land, or any interest in land with any buildings and improvements thereon, by purchase, lease, donation, condemnation, or otherwise; (b) the improvement of such land by clearing, grading, draining, seeding, and otherwise making the same suitable for the purpose intended; (c) the construction, maintenance, and repair of permanent or temporary barracks, quarters, hospitals, mess houses, administration, instructional, and recreational buildings, hangars, magazines, storehouses, sheds, shops, garages, boathouses, docks, wireless stations, laboratories, observation stations, and all other buildings and structures necessary or advisable; (d) procuring and introducing water, electric light and power, telephones, telegraph, and sewerage to aviation stations and buildings and structures thereon by the extension of existing systems or the creation of new systems and their maintenance, operation, and repair, installation of plumbing, electric fixtures, and telephones, fire-apparatus and fire-alarm systems and the maintenance, operation, and repair of all such systems, fixtures, and apparatus; (e) construction and repair of roads, walks, seawalls, breakwaters, bridges, and wharves, dredging, filling, and otherwise improving land and water sites; (f) purchase of stoves and other cooking and heating apparatus, kitchen and tableware and furniture and equipment for kitchens, mess halls, offices, quarters, barracks, hospitals, and other buildings, screens, lockers, refrigerators, and all other necessary equipment; (g) purchase of gasoline, oil, fuel, and all supplies of every kind and character necessary or advisable for maintenance and operation of aviation stations, including electric light and power, telephones, water-supply and sewerage service; (h) purchase and manufacture and installation of all kinds of machinery, tools, material, supplies, and equipment for construction, maintenance, and repair of aircraft, buildings, and improvements at aviation stations, or property or appliances used in connection with aviation.</p> <p>For the purchase or manufacture and issue of special clothing, wearing apparel, and similar equipment for aviation purposes.</p> <p>For the actual and necessary expenses of officers, enlisted men and civilian employees of the Army and authorized agents sent on special duty at home and abroad for aviation purposes, including observation and investigation of foreign military operations and organization, manufacture of aircraft and engines, also special courses in foreign aviation schools and manufacturing establishments, to be paid upon certificates of the Secretary of War certifying that the expenditures were necessary for military purposes.</p>		
<p>For vocational training, including employment of necessary civilian instructors in important trades related to aviation, purchase of tools, equipment, materials, and machines required for such training, purchase of text books, books of reference, scientific and professional papers, periodicals and magazines, and instruments and material for theoretical and practical instruction at aviation schools and stations and all other means to carry out the provisions of section 27 of the act approved June 3, 1916, authorizing in addition to the military training of soldiers while in active service means for securing educational and vocational training of a character to increase their military efficiency and enable them to return to civil life better equipped for industrial, commercial and general business occupations.</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
OFFICE OF THE CHIEF SIGNAL OFFICER—continued.		
Signal Service of the Army—Continued.		
<p>For paying and otherwise providing for such officers of the Officers' Reserve Corps of the Aviation Section of the Signal Corps and such enlisted men of the Enlisted Reserve Corps of the Aviation Section of the Signal Corps as may be called into active service and such enlisted men as may be enlisted in the Aviation Section of the Signal Corps under the provisions of section 2, of the act to increase temporarily the Military Establishment of the United States, approved May 18, 1917, or any subsequent act temporarily increasing the commissioned or enlisted personnel of the Aviation Section of the Signal Corps, and such civilian employees as may be necessary, for the payment of their traveling and other necessary expenses when not traveling with troops, and for the necessary expenses of the Aircraft Production Board: <i>Provided</i>, That hereafter all Reserve Officers and enlisted men of the Aviation Section of the Signal Corps shall be paid by Quartermaster Corps disbursing officers from funds transferred to their credit from Signal Corps appropriations.</p>		
<p>For the payment of all expenses in connection with the development of suitable types of aviation engines, airplanes and other aircraft appurtenances, including the cost of sample engines, airplanes and appurtenances, cost of any patents and other rights therein, and costs of investigation, experimentation, and research in respect thereto.</p>		
<p>For the payment of all expenses in connection with the creation, expansion, acquisition, and development of plants, factories, and establishments for the manufacture of airplanes, aircraft, engines, and appurtenances, including provision for the purchase or lease of land with the buildings thereon, construction of permanent or temporary buildings for all purposes, purchase of machinery, tools, and employment of operatives, together with all administrative expenses necessary, the purchase and supply of raw and semifinished materials and of fuel and all other things necessary for creating and extending the production of airplanes, aircraft, engines, and all appurtenances.</p>		
<p>For creating, maintaining, and operating at technical schools and colleges courses of instruction for aviation students, including cost of instruction, equipment, and supplies necessary for instruction and subsistence of students while receiving such instruction.</p>		
<p>For organization, administrative, and contingent expenses in the District of Columbia and elsewhere, including chief clerk and seven principal clerks, chiefs of divisions, and such other services as the Secretary of War may deem necessary, office rents, office furniture and equipment, stationery, plans, drawings, photographs, photograph materials and equipment, and all other necessary office supplies and expenses.</p>		
<p><i>Provided</i>, That motor-propelled vehicles, airplanes, engines, parts thereof, and appurtenances may be exchanged in part payment for new equipment of the same or similar character to be used for the same purpose as those proposed to be exchanged.</p>		
<p><i>Provided further</i>, That during the present emergency officers and enlisted men of foreign armies attached to the Aviation Section of the Signal Corps as instructors or inspectors when traveling on official business pertaining to the Aviation Section of the Signal Corps shall be authorized, from funds appropriated in this act, the same mileage and transportation allowances as are authorized for officers or enlisted men of the Regular Army.</p>		
<p>The sum appropriated by this act is provided for war expenses of the Aviation Section of the Signal Corps of the Army in the United States and elsewhere, and the specific purposes herein enumerated shall not limit or restrict the application of such amounts as may be required from the sum appropriated to any necessary war expense of the Aviation Section of the Signal Corps of the Army (submitted).....</p>	<p>3639,241,453.00</p>	
<p>NOTE.—This amount was not included in the regular estimates for the reason that this increased expense could not be foreseen at that time. (C. McK. Saltzman, (Wagon), Signal Corps, Acting Chief Signal Officer.)</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.	
WAR DEPARTMENT--Continued.			
QUARTERMASTER CORPS.			
Military posts--			
For the construction of buildings for additional storage at the St. Louis depot of the Quartermaster Corps, including the necessary mechanical equipment, handling devices, etc. (submitted).	\$339,000.00	.....
<i>NOTE.</i> --The urgent need for additional storage facilities at the St. Louis depot of the Quartermaster Department, Quartermaster Corps, due to increased demands by reason of existing war conditions and the increase of the Regular Army, is imperative. (<i>Henry G. Sharpe, Quartermaster General.</i>)			
Acquisition of land, Leon Springs Military Reservation, Tex.--			
For the acquisition of approximately 16,578 acres of land as an addition to the Leon Springs Military Reservation (submitted).....	\$314,441.00	.....
For the acquisition by purchase or condemnation of approximately 85.3 acres of land as an addition to the Leon Springs Military Reservation (submitted).....	2,500.00	.....
	316,941.00	.....
<i>NOTE.</i> --This estimate is submitted in accordance with instructions of the Secretary of War. The acquisition of this land is imperatively necessary to provide additional room for artillery practice, exercises in combat firing, and for maneuvers of large bodies of troops. It will bring the portion of the reservation on which camping is possible within 10 miles of Fort Sam Houston instead of 22 miles as now, making it an easy day's march for infantry. The Government has options on the tracts comprising the 16,578 acres which expire on Aug. 24, 1917. (<i>Henry G. Sharpe, Quartermaster General.</i>)			
Acquisition of land for mobilization, aviation, maneuver, training, and supply purposes in El Paso County, Tex.--			
The Secretary of War is authorized to acquire by purchase for military field maneuvers and field gun target practice a tract of land consisting of about 15,000 acres situated in El Paso County, Tex., and lying within 5 miles of the Fort Bliss Military Reservation (submitted).....	155,400.00	.....
<i>NOTE.</i> --This land is imperatively needed for mobilization, aviation, maneuver, training, and supply purposes. It is so situated that troops of all arms of the service can maneuver, and infantry and artillery combat firing is practicable without possibility of objection from neighboring land owners, which is not true of any other tracts conveniently situated with reference to Fort Bliss, where large bodies of troops will probably be usually kept and trained. This land is abundantly watered. The Government has acquired an option on the land for the amount carried in this estimate. (<i>Henry G. Sharpe, Quartermaster General.</i>)			
Enlargement and reclamation of Fort Taylor, Key West, Fla.--			
For the acquisition of additional land, for the filling in of such parts of land so purchased and other parts of the reservation as may be necessary, and for the construction of a sea wall, Fort Taylor, Key West, Fla. (submitted).....	350,000.00	.....
<i>Object of expenditure.</i>			
	Rate.	Estimated, 1918.	Expended, 1916.
Acquisition of land.....		\$150,000.00
Filling in land (under contract).....		100,000.00
Construction of sea wall (under contract).....		100,000.00
Total.....		350,000.00
<i>NOTE.</i> --This estimate is submitted in accordance with instructions of the Secretary of War. The acquisition of the land, the construction of the sea wall, and the filling in of the land are imperatively necessary to prepare accommodations for the troops to be stationed at Fort Taylor, Key West, Fla. (<i>Henry G. Sharpe, Quartermaster General.</i>)			

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued		
QUARTERMASTER CORPS—continued.		
<p>Enlargement of Fort Worden, Wash.— For the acquisition of additional land at Fort Worden, Wash. (submitted).....</p>	\$7,500.00	
<p>NOTE.—The Coast Artillery district commander of the coast defenses of Puget Sound and the department commander report that there will not be sufficient land at Fort Worden to accommodate the increased personnel and it will be necessary to man those fortifications after the Coast Artillery National Guard shall have been called to Federal service. (Henry G. Sharpe, Quartermaster General.)</p>		
<p>Barracks and quarters, seacoast defenses— For the construction of temporary quarters and barracks at seacoast posts for the accommodation of officers and enlisted men of the Coast Artillery Regular Army (submitted).....</p>	780,000.00	
<p>NOTE.—The funds asked for are imperatively necessary to provide for the required shelter for officers and enlisted men of the Coast Artillery, United States Army, due to increase thereof brought about by reason of the five increments provided in the act of June 3, 1916, being added during the current fiscal year. The present accommodations are wholly inadequate to provide for the additional officers and troops. (Henry G. Sharpe, Quartermaster General.)</p>		
<p>Acquisition of a tract of land in the Mall Pocket adjoining military reservation of Schofield Barracks, Hawaii—</p>		
<p>The Secretary of War is hereby authorized and directed to acquire by purchase or condemnation, subject to existing leasehold rights therein, a tract of land consisting of approximately 654 acres in the Mall Pocket adjoining the military reservation of Schofield Barracks, Hawaii, for field artillery and infantry target range purposes; and to carry out the purposes of this act there is hereby appropriated and authorized to be expended, out of any money in the Treasury not otherwise appropriated, the sum of \$41,000, or so much thereof as may be necessary, to be immediately available; and the Secretary of War is further authorized to acquire the existing leasehold rights in the said tract by granting in exchange therefor a leasehold right in the lands within the said Schofield Barracks Military Reservation at such rental and under such conditions as he may determine, the total area of such lands not to exceed 360 acres and the said leasehold right therein to run for not to exceed 18 years (submitted).....</p>	41,000.00	
<p>NOTE.—The acquisition of this land is imperatively necessary to enlarge the military reservation of Schofield Barracks for field artillery and infantry target range purposes. (Henry G. Sharpe, Quartermaster General.)</p>		
<p>Acquisition of a tract of land, Schofield Barracks, Hawaiian Territory, Military Reservation—</p>		
<p>The Secretary of War is hereby authorized to acquire a tract of land known as the Kalena tract, which is embraced within the boundary of the Schofield Barracks, Hawaiian Territory, Military Reservation (submitted).....</p>	10,300.00	
<p>NOTE.—The Kalena tract is privately owned land comprised within the boundaries of the Schofield Barracks, Hawaiian Territory, Military Reservation and its acquisition by the United States is considered imperatively necessary by the commanding general of the Hawaiian Department to permit the full use of the reservation in maneuvers, target practice, etc. (Henry G. Sharpe, Quartermaster General.)</p>		
<p>National cemeteries—</p>		
<p>For maintaining and improving national cemeteries, including fuel for superintendents, pay of laborers, and other employees, purchase of tools and materials (act June 12, 1917).....</p>	30,362.00	\$120,000.00
<p>NOTE.—The funds appropriated for maintaining and improving national cemeteries for the fiscal year 1918, viz, \$120,000, is not sufficient to properly care for the 83 national cemeteries under the jurisdiction of the War Department, due partly to much needed repairs accruing during the past several years which could not be made because of lack of funds and to the great increase in cost of labor and materials. The funds estimated for herein are imperatively necessary for the proper maintenance of said cemeteries. (Henry G. Sharpe, Quartermaster General.)</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918, by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT--Continued.		
OFFICE OF CHIEF OF ENGINEERS.		
Salaries of employees, public buildings and grounds--		
For second sergeant of park watchmen (submitted)..	\$900.00	
For 18 park watchmen for duty at the Highway Bridge and the Pennsylvania Railroad bridge across the Potomac River, D. C. (submitted).....	15,120.00	
For purchase and repair of bicycles and revolvers for park watchmen and for purchase of ammunition (submitted).....	316.00	
For purchasing and supplying uniforms to park, monument, and bridge watchmen (submitted)....	950.00	
	\$17,286.00	.....
<p>NOTE.--At the present time the Highway Bridge and railroad bridge across the Potomac River are guarded by a detail from the First Separate Battalion of the District of Columbia National Guard. It is understood, however, that this battalion is likely to be called for foreign service and may be ordered to training camps at any time. It is not likely that these troops could be replaced with others, so that it is necessary that provision be made for a civil guard. It is imperative that the bridges be protected from the depredations of disaffected persons, but it is impossible to meet this expense from the existing appropriations. Conditions were such that it was impossible to foresee the necessity for this action when the regular estimates were submitted. (W. M. Black, Brigadier General, Chief of Engineers.)</p>		
Washington Aqueduct, District of Columbia--		
For operation, including salaries of all necessary employees, maintenance, and repair of the Washington Aqueduct and its accessories, including the same objects specified under this head in the District of Columbia appropriation act for the fiscal year 1918, to be paid out of the revenues of the water department (act Mar. 3, 1917).....		70,000.00
		\$130,000.00
<p>NOTE.--The submission of this estimate is made necessary by the removal of the military guards stationed on the Washington Aqueduct and its accessory structures, and is for the purpose of employing and equipping the necessary number of civilian guards, estimated at 84, for the proper protection of the water supply of the city. It is imperative that adequate provision be made for protecting the city's water supply from the depredations of disaffected persons, but it is impossible to meet this expense from the regular appropriations which are required for other purposes. Conditions were such that it was impossible to foresee the necessity for this action when the regular estimates were submitted. W. M. Black, Brig. Gen., Chief of Engineers.</p>		
MILITARY ACADEMY.		
Current and ordinary expenses, Military Academy--		
For fuel and apparatus, namely: Coal, wood, charcoal, stoves, grates, heaters, furnaces, ranges and fixtures, fire bricks, clay, sand, and for repairs of steam-heating and coal-conveying apparatus, grates, stoves, heaters, ranges, furnaces, and mica, and repair, improvement and maintenance of power plant (submitted).....	\$15,000.00	
		45,000.00
<p>NOTE.--This \$15,000 is in addition to the \$45,000 originally submitted. It has been found after advertisement for 30 days in the papers that no bids could be obtained for fuel (coal) during the coming fiscal year. The only proposal received stated that coal would be furnished the Government at the cost price to the contractor and no assurance of a stated price could be given. Since the above was submitted, the National Council of Defense has notified the quartermaster that two coal companies had agreed to furnish the Military Academy the coal needed, at current prices at the mines. The price of coal at mines, including contractor's</p>		

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department--Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918:
WAR DEPARTMENT--Continued.		
MILITARY ACADEMY--continued.		
Current and ordinary expenses, Military Academy--Con. profit in contract for fiscal year 1917, was 47 cents net ton. The current prices at mines recently quoted was \$2.15, an increase of \$1.08 per net ton. The power plant will require about 9,000 net tons. The increase in cost of fuel for power plant will amount to at least \$15,000. This deficiency estimate should be submitted to Congress at once. (S. E. Tillman, Colonel, U. S. Army, Superintendent.)		
For gas pipes, gas and electric fixtures, electric lamps, telephone and lighting supplies, lamp-posts, gasometers and retorts, and annual repairs of the same (submitted).....	\$1,500.00	\$6,500.00
NOTE.--This amount is required in order to cover the increased cost of materials and due to the fact that two retorts in the gas plant will have to be replaced within the next six months. The additional amount is necessary and should be appropriated in order that the work at the academy be properly carried out. (S. E. Tillman, Colonel, U. S. Army, Superintendent.)		
For the actual expenses of members of the Academic Board in making visits to other institutions of learning, to factories, arsenals, etc., or so much thereof as may be necessary, to be expended under the direction of the superintendent (submitted)....	2,500.00	
Miscellaneous items and incidental expenses, Military Academy--		
For gas coal, oil, candles, lanterns, matches, chimneys, wicking, and electric lamps and supplies; and for operating the gas plant (submitted).....	3,500.00	10,000.00
NOTE.--Bids have been received for gas coal for the next fiscal year, and if we use the same amount of gas coal next year as we have used during the present fiscal year, the present appropriation of \$10,000 will be required for the purchase of coal alone. During the fiscal year 1917, \$6,500 was spent for gas coal. The price of gas coal for fiscal year 1918 is \$1.75 per ton higher than in 1917. About 2,000 tons will be required. This deficiency estimate should be submitted to Congress at once. (S. E. Tillman, Colonel, U. S. Army, Superintendent.)		
For supplies for recitation rooms not otherwise provided for and for renewing and repairing furniture in same (submitted).....	600.00	
		600.00
Building and Grounds, Military Academy--		
For purchase of certain lands adjacent to the United States reservation at West Point, N. Y. (submitted).....	12,000.00	
For repairs to the West Point Hotel (submitted)....	45,000.00	
For removing, replacing, and resetting 4,200 square feet of white tile in cadet hospital (submitted).....	3,150.00	
NOTE.--The tile on four wards in cadet hospital has separated from the cement backing holding it against the walls. Some of the tiling has fallen and broken. Sounding shows that nearly all of the tile is loose and requires resetting, and in so doing a considerable quantity of the tile will have to be renewed. This item could not have been foreseen so that it could be incorporated in original estimates for fiscal year 1918. The necessity for this work became evident within the last few weeks when part of the tiling fell away from the walls. (S. E. Tillman, Colonel, U. S. A., Superintendent.)		

REVENUES TO DEFRAY WAR EXPENSES.

Estimates of appropriations required for the service of the fiscal year ending June 30, 1918,
by the War Department—Continued.

Detailed objects of expenditures, and explanations.	Total amount to be appropriated under each head of appropriation.	Amount appropriated for the current fiscal year ending June 30, 1918.
WAR DEPARTMENT—Continued.		
MILITARY ACADEMY—continued.		
Building and grounds, Military Academy—Continued.		
For enlarging the Military Academy to accommodate the authorized number of cadets:		
Construction of cadet barracks and headquarters, to be located at the south of the area of the old or south barracks (submitted).....	\$114,000.00	
Quartermaster Corps garage (submitted).....	10,000.00	
Temporary mess accommodations (submitted).....	6,500.00	
Enlarging camp grounds (submitted).....	10,000.00	
Eight sets married officers' quarters (submitted).....	120,000.00	
Twenty sets bachelor officers' quarters (submitted).....	120,000.00	
(These are each a single building arranged as flats based on plans in office of quartermaster at West Point.)		
For alterations and additions to organ in cadet chapel (submitted).....	1,600.00	
	\$772,250.00	
<p>NOTE.—The proposed alterations and additions to the organ are made necessary for the installation of additional stops and parts subscribed and donated by certain parties. When these alterations and additions are made the capacity of the organ will be greatly improved. (S. E. Tillman, Colonel, U. S. A., Superintendent.)</p>		

APPENDIX III.

FINANCES FOR THE FISCAL YEAR 1918.

MEMORANDUM SUBMITTED TO THE COMMITTEE ON FINANCE
IN RELATION TO THE FINANCES OF THE GOVERNMENT FOR
THE FISCAL YEAR ENDING JUNE 30, 1918.

Printed for the use of the Committee on Finance.

Statement showing the appropriations for the fiscal year 1918, made during the Sixty-fourth Congress, second session (including appropriations made by the Army, Military Academy, sundry civil, and general deficiency acts passed during the Sixty-fifth Congress, first session).

Agriculture.....	\$25,929,113.00	
Army.....	273,046,322.50	
Diplomatic and consular.....	5,082,746.66	
District of Columbia.....	14,172,997.85	
Fortification.....	51,306,593.00	
Indian.....	11,589,736.67	
Legislative, etc.....	39,894,592.42	
Military Academy.....	1,344,896.18	
Navy.....	517,273,802.08	
Pensions.....	160,060,000.00	
Post office.....	331,851,170.00	
River and harbor.....	¹ 27,826,150.00	
Sundry civil.....	147,363,928.77	
Total.....	1,606,832,049.13	
General deficiency.....	163,841,400.52	
Urgent deficiency.....	4,578,250.00	
Miscellaneous.....	² 41,093,670.08	
Permanent annuals.....	145,864,830.32	
Total.....		\$1,962,210,200.05
Increased compensation of 5 and 10 per cent to certain employees (estimated).....		25,000,000.00

¹ This is the amount as passed the Senate.

² This sum includes an appropriation of \$10,000,000 for the War Risk Insurance Bureau which has been repealed by subsequent legislation.

REVENUES TO DEFRAY WAR EXPENSES.

Appropriations for fiscal year 1918, made during the Sixty-fifth Congress, first session (exclusive of Army, Military Academy, sundry civil, and general deficiency acts):

By act making appropriations for expenses incident to the first session, Sixty-fifth Congress (Public Act 1).....	\$68,020.00	
By act to authorize an issue of bonds to meet expenditures for the national security and defense (Public Act 3).....	3,007,063,945.46	
By act to amend the war risk insurance act (Public Act 20).....	45,150,000.00	
By act making appropriations to supply urgent deficiencies for the Military and Naval Establishments on account of war expenses (Public Act 23).....	3,281,094,541.60	
By act authorizing the President to increase the Signal Corps of the Army and to purchase, manufacture, maintain, repair, and operate airships, etc.....	640,000,000.00	
By act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel.....	152,500,000.00	
Total.....		\$7,125,876,507.06
Grand total.....		9,113,086,707.11

MONTHLY ESTIMATED EXPENDITURES FOR ORDNANCE DEPARTMENT, 1918

Memorandum from the Chief of Ordnance showing estimated expenditures for each month of the present fiscal year for amounts appropriated or estimated for, including the last supplemental estimates.

July.....	\$49,936,060
August.....	88,783,834
September.....	128,299,830
October.....	183,632,138
November.....	232,000,207
December.....	254,318,873
January.....	302,281,224
February.....	327,628,129
March.....	403,598,058
April.....	398,794,223
May.....	393,771,641
June.....	391,914,934
Grand total.....	3,154,959,151

ADDITIONAL DEFICIENCY APPROPRIATIONS WHICH WILL BE ASKED FOR BY THE DEPARTMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 1918.

LETTER FROM THE SECRETARY OF THE TREASURY TO THE CHAIRMAN OF THE COMMITTEE ON FINANCE, TRANSMITTING A STATEMENT WITH REFERENCE TO FINANCES FOR THE FISCAL YEAR ENDING JUNE 30, 1918.

DEPARTMENT OF THE TREASURY,
Washington, July 27, 1917.

MY DEAR SENATOR: Replying to your letter of the 24th of July, transmitting the resolution adopted by the Senate Finance Committee, requesting that I obtain from each of the departments and other governmental agencies, as early as possible, any additional deficiency appropriation which they will ask for the fiscal year ending June 30, 1918, and also requesting that the estimates show specifically, as far as practicable, the purpose for which the different appropriations will be desired and the expenditures which will be made therefrom during the year, I send you herewith a statement based upon information furnished me by the several departments and independent establishments. This includes the appropriations already made for the current fiscal year, the estimates that are pending before Congress, and the estimates that are proposed, together with the estimated expenditures for the year.

Sincerely, yours,

W. G. McADOO.

Hon. F. M. SIMMONS,
Chairman Finance Committee, United States Senate.

Summary.

Estimated expenditures for fiscal year 1918.....	\$10,735,807,000
Estimated receipts for fiscal year 1918, on basis of existing laws.....	1,333,500,000
	9,402,307,000
Bonds authorized by act of April 24, 1917, in addition to loans to other countries.....	2,000,000,000
	7,402,307,000
Expenditures in 1917, or estimated expenditures in 1918, which are reimbursable by bond issues:	
Mexican situation.....	\$132,000,000
Alaskan Railway.....	25,000,000
Armor-plate plant.....	6,500,000
Nitrate plants.....	5,000,000
Shipping Board.....	50,000,000
Danish West Indies.....	25,000,000
Navy emergency.....	150,000,000
	393,500,000
	7,008,807,000

REVENUES TO DEFRAY WAR EXPENSES.

ESTIMATED RECEIPTS, FISCAL YEAR 1918, UNDER EXISTING LAWS.

From customs.....		\$225,000,000
From internal revenue:		
Ordinary, including emergency.....	\$650,000,000	
Corporation income.....	175,000,000	
Individual income.....	175,000,000	
		<u>1,000,000,000</u>
From miscellaneous, including public lands.....		70,000,000
		<u>1,295,000,000</u>
From Panama Canal, tolls, etc.....		7,000,000
From public debt:		
Deposits to retire bank notes.....	30,000,000	
Deposits for Postal Savings bonds.....	1,500,000	
		<u>31,500,000</u>
Total estimated receipts.....		1,333,500,000

ESTIMATED DISBURSEMENTS, FISCAL YEAR 1918.

Total estimated disbursements.....	10,735,807,000
Estimated excess of disbursements, 1918.....	9,402,307,000

NOTE.—Receipts exclusive of issues of certificates of indebtedness and liberty bonds, and on interest on loans to allies. Also exclusive of postal receipts.

Disbursements exclusive of Postal Service paid from postal revenues, sinking-fund requirements, and purchase of obligations of foreign Governments.

TREASURY DEPARTMENT, July 26, 1917.

Statement of appropriations for 1918, of estimates of appropriations pending and proposed, and estimated expenditures in 1918.

	Appropriations, 1918.	Estimates pending.	Estimates proposed.	Total.	Estimated expenditures.
LEGISLATIVE.					
Senate and House of Representatives.....	\$7,068,672.75			\$7,068,672.75	\$7,000,000.00
Library of Congress and Botanic Garden.....	746,905.00			746,905.00	740,000.00
Public printing and binding.....	7,080,315.00	\$414,436.66		7,494,751.66	7,400,000.00
Miscellaneous.....	424,915.00			424,915.00	260,000.00
Total.....	15,320,807.75	414,436.66		15,735,244.41	15,400,000.00
EXECUTIVE.					
Executive Office.....	193,780.00			193,780.00	190,000.00
Bureau of Efficiency.....	65,000.00			65,000.00	65,000.00
Civil Service Commission	330,910.00			330,910.00	375,000.00
Tariff Commission.....	300,000.00			300,000.00	250,000.00
Miscellaneous.....	33,000.00			33,000.00	20,000.00
Total.....	972,690.00			972,690.00	900,000.00
STATE DEPARTMENT.					
Salaries and expenses....	491,960.00			491,960.00	480,000.00
Foreign intercourse.....	5,032,746.66	180,600.00		5,213,346.66	5,420,000.00
Permanent appropria- tions.....	106,000.00			106,000.00	100,000.00
Total.....	5,630,706.66	180,600.00		5,811,306.66	6,000,000.00

Statement of appropriations for 1918, of estimates of appropriations pending and proposed, and estimated expenditures in 1918—Continued.

	Appropriations, 1918.	Estimates pending.	Estimates proposed.	Total.	Estimated expenditures.
TREASURY DEPARTMENT.					
Salaries and expenses....	\$4,184,891.67	\$142,140.00	\$29,400.00	\$4,356,431.67	\$4,200,000.00
Customs Service:					
Regular.....	9,955,000.00			9,955,000.00	9,955,000.00
Permanent.....	17,710,400.00			17,710,400.00	17,710,400.00
Internal-Revenue Service:					
Regular.....	10,131,270.00		8,333,000.00	18,464,270.00	18,470,870.00
Permanent.....	3,052,600.00			3,052,600.00	3,052,600.00
Public Health Service...	3,319,500.00	959,270.00	12,000.00	4,290,770.00	3,130,050.00
Coast Guard.....	6,731,086.00			6,731,086.00	6,731,086.00
Engraving and printing...	4,203,400.00	125,000.00	400,000.00	4,728,400.00	4,728,400.00
Independent Treasury...	655,740.00			655,740.00	650,000.00
Mints and assay offices...	1,215,080.00	4,630.00	400,000.00	1,619,710.00	1,615,080.00
War Risk Insurance Bureau.....	45,150,000.00			45,150,000.00	45,100,000.00
Farm Loan Bureau.....	260,000.00			260,000.00	256,300.00
Public buildings, including maintenance.....	19,862,268.68	39,000.00	235,000.00	20,136,268.68	17,825,000.00
Miscellaneous.....	2,195,865.00			2,195,865.00	2,140,000.00
Total.....	128,627,101.35	1,270,040.00	9,409,400.00	139,306,541.35	135,564,786.00
INDEPENDENT OFFICES.					
United States Shipping Board.....	405,517,500.00		350,000,000.00	755,517,500.00	799,517,500.00
Interstate Commerce Commission.....	5,450,000.00		150,000.00	5,600,000.00	5,450,000.00
Smithsonian Institution.....	583,000.00			583,000.00	583,000.00
Federal Trade Commission.....	772,920.00		200,000.00	972,920.00	770,000.00
Federal Board for Vocational Education.....	1,860,000.00			1,860,000.00	1,700,000.00
Council of National Defense.....	500,000.00			500,000.00	500,000.00
Other boards and commissions.....	928,040.00	90,870.00		1,018,910.00	900,000.00
Total.....	415,611,460.00	90,870.00	350,350,000.00	766,052,330.00	809,420,500.00
WAR DEPARTMENT.					
Salaries and expenses....	3,896,358.00	5,497,618.00		9,393,976.00	9,318,315.41
Quartermaster Corps....	1,332,767,995.88	2,256,551,831.98		3,589,319,827.86	3,633,360,930.75
Ordnance Department....	1,060,194,377.00	2,819,322,400.00		3,885,516,777.00	3,154,959,151.00
Medical Department....	31,044,800.00	100,026,000.00		131,070,800.00	130,746,547.73
Signal Service, including aviation.....	704,078,766.00	3,005,000.00		707,083,766.00	625,000,000.00
Engineer Department.....	154,193,771.00	104,300,000.00		258,493,771.00	289,862,676.06
Rivers and harbors...	10,569,600.00	27,820,150.00		38,389,750.00	
National Guard.....	30,012,000.00			30,012,000.00	10,000,000.00
Military Academy.....	1,341,896.18	795,350.00		2,140,246.18	
Miscellaneous military....	3,636,088.00	2,459,141.00		6,095,229.00	10,992,863.00
Miscellaneous civil.....	9,736,530.00	109,950.31		9,846,480.31	
Total.....	3,353,475,182.06	5,319,893,441.29		8,673,368,623.35	7,864,240,483.95
NAVY DEPARTMENT.					
Salaries and expenses....	1,834,278.00	105,000.00		1,939,278.00	1,994,000.00
Aviation.....	17,133,000.00	45,000,000.00		62,133,000.00	51,000,000.00
Enlistment, transportation, and training.....	20,235,641.84	950,000.00		21,185,641.84	15,500,000.00
Emergency fund.....	115,000,000.00	100,000,000.00		215,000,000.00	165,550,000.00
Ordnance.....	240,460,383.00	108,991,177.00		349,451,560.00	261,000,000.00
Public works.....	48,023,755.01	23,690,000.00		71,713,755.01	62,600,000.00
Expenses of the fleet.....	135,746,280.00			135,746,280.00	130,000,000.00
Medicine and surgery....	9,645,478.00	2,200,000.00		11,845,478.00	6,700,000.00
Pay of the Navy.....	126,732,548.57			126,732,548.57	124,000,000.00
Supplies, fuel, etc.....	81,489,355.85	4,500,000.00		85,989,355.85	52,800,000.00
Naval Academy.....	989,049.20	25,000.00		1,014,049.20	1,000,000.00
Marine Corps.....	40,290,148.78	3,160,000.00		43,440,148.78	35,000,000.00
Naval Militia.....	1,863,117.70			1,863,117.70	2,040,000.00
Increase of the Navy.....	192,762,323.00			192,762,323.00	286,566,000.00
Miscellaneous.....	3,136,500.00	225,000.00		3,361,500.00	4,250,000.00
Total.....	1,035,341,858.95	288,836,177.00		1,324,178,035.95	1,200,000,000.00

Statement of appropriations for 1918, of estimates of appropriations pending and proposed, and estimated expenditures in 1918—Continued.

	Appropriations, 1918.	Estimates pending.	Estimates proposed.	Total.	Estimated expenditures.
INTERIOR DEPARTMENT.					
Salaries and expenses....	\$5,110,345.00	\$20,400.00		\$5,130,745.00	\$5,320,000.00
Public Lands Service....	2,396,000.00			2,396,000.00	2,750,000.00
Reclamation Service....	8,227,000.00			8,227,000.00	8,250,000.00
Geological Survey.....	1,550,520.00			1,550,520.00	1,500,000.00
Bureau of Mines.....	1,167,070.00			1,167,070.00	1,400,000.00
Alaskan Railway.....	7,600,000.00	4,000,000.00		11,500,000.00	11,500,000.00
Colleges for Agriculture..	2,500,000.00			2,500,000.00	2,500,000.00
Miscellaneous, beneficia- ries, national parks, etc.	1,904,890.57	200,000.00	\$500,000.00	2,604,890.57	2,207,500.00
Permanent appropria- tions.....	742,500.00			742,500.00	742,500.00
Indian Service.....	18,774,736.67			18,774,736.67	20,950,000.00
Pensions.....	160,060,000.00			160,060,000.00	160,000,000.00
Total.....	209,933,062.24	4,220,400.00	500,000.00	214,653,462.24	217,100,000.00
POST OFFICE DEPARTMENT.					
Salaries and expenses....	1,943,260.00	220.00	15,000.00	1,958,480.00	1,762,000.00
DEPARTMENT OF AGRICULTURE.					
Salaries.....	5,555,360.00			5,555,360.00	5,406,080.00
Bureau of Animal Indus- try.....	7,214,950.00			7,214,950.00	6,154,456.00
Bureau of Plant Indus- try.....	2,774,250.00			2,774,250.00	2,752,250.00
Forest Service.....	5,374,475.00		200,000.00	5,574,475.00	5,374,475.00
States Relations Service.	5,052,580.00			5,052,580.00	5,030,000.00
Weather Bureau.....	1,555,240.00			1,555,240.00	1,551,820.00
Bureau of Roads.....	11,606,240.00			11,606,240.00	7,350,000.00
Bureau of Markets.....	1,520,755.00			1,520,755.00	1,472,745.00
Food Survey, etc.....		11,450,400.00		11,450,400.00	11,450,400.00
Miscellaneous.....	4,620,257.00	500,000.00		5,120,257.00	4,561,486.00
Total.....	45,274,113.00	11,950,400.00	200,000.00	57,424,513.00	51,103,712.00
DEPARTMENT OF COMMERCE.					
Salaries and expenses....	362,970.00	28,200.00		391,170.00	350,000.00
Bureau of Standards....	1,250,000.00		40,000.00	1,290,000.00	1,300,000.00
Census Bureau.....	1,383,460.00			1,383,460.00	1,400,000.00
Coast Survey.....	1,379,970.00	22,000.00		1,401,970.00	1,775,000.00
Lighthouse Service.....	6,617,980.00	21,200.00	15,000.00	6,654,180.00	7,900,000.00
Bureau of Fisheries.....	1,160,560.00	85,000.00		1,245,560.00	1,350,000.00
Export control.....		570,000.00	350,000.00	920,000.00	734,000.00
Miscellaneous.....	1,310,070.00	45,400.00	350,000.00	1,711,470.00	2,425,000.00
Total.....	13,480,910.00	771,800.00	755,000.00	15,007,710.00	17,234,000.00
DEPARTMENT OF LABOR.					
Salaries and expenses....	1,003,240.00	414,246.00		1,417,486.00	1,228,000.00
Detention of interned aliens.....	1,000,000.00			1,000,000.00	745,000.00
Immigration Service....	2,773,300.00			2,773,300.00	3,175,600.00
Employment Service.....		750,000.00		750,000.00	600,000.00
Miscellaneous.....	275,270.75	150,000.00		425,270.75	374,500.00
Total.....	5,051,810.75	1,314,246.00		6,366,056.75	6,123,000.00
DEPARTMENT OF JUSTICE.					
Salaries and expenses....	1,961,420.00		11,250.00	1,972,670.00	1,956,170.00
United States courts....	7,662,396.00		369,000.00	8,031,396.00	7,921,956.00
Miscellaneous.....	1,549,560.00		300,000.00	1,849,560.00	1,722,900.00
Permanent appropria- tions.....	175,500.00			175,500.00	175,500.00
Total.....	11,348,876.00		680,250.00	12,029,126.00	11,776,526.00

Statement of appropriations for 1918, of estimates of appropriations pending and proposed, and estimated expenditures in 1918—Continued.

	Appropriations, 1918.	Estimates pending.	Estimates proposed.	Total.	Estimated expenditures.
DISTRICT OF COLUMBIA.					
Salaries and expenses.	\$15,171,930.85	\$108,843.88	.....	\$15,280,774.73	\$14,172,000.00
Interest on the public debt, including forty millions for liberty bonds.....	63,454,000.00	.....	.....	63,454,000.00	63,454,000.00
Increase of compensa- tion, revised estimate..	15,000,000.00	.....	.....	15,000,000.00	15,000,000.00
Food control.....	.....	152,500,000.00	.....	152,500,000.00	152,500,000.00
National security and defense.....	100,000,000.00	.....	.....	100,000,000.00	¹ 81,600,000.00
Cost of bond issues.....	7,000,000.00	.....	.....	7,000,000.00	7,000,000.00
Claims and judgments...	.....	.....	\$1,456,000.00	1,456,000.00	1,456,000.00
Panama Canal.....	22,232,474.00	1,406,625.00	.....	23,639,099.00	24,000,000.00
Retirement of bank notes	40,000,000.00	.....	.....	40,000,000.00	40,000,000.00
Grand total.....	5,504,870,243.61	5,782,958,099.83	363,365,650.00	11,651,193,993.44	10,735,807,007.95

¹ Allotments of \$18,400,000 from this appropriation to the several departments and offices are included in their reported expenditures.

NOTE.—The above figures are exclusive of Postal Service paid from postal revenues, sinking-fund requirements, and purchase of obligations of foreign Governments.

In cases in the above table where the estimated expenditures exceed the total estimated appropriations, the difference is due to balances of appropriations of prior years brought forward for expenditure during the fiscal year 1918.

TREASURY DEPARTMENT, July 26, 1917.

