

# Calendar No. 722.

64TH CONGRESS, }  
1st Session. }

SENATE.

{ REPT. 793,  
Part 1. }

## TO INCREASE THE REVENUE.

AUGUST 16, 1916.—Ordered to be printed.

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

### REPORT.

[To accompany H. R. 16763.]

The Committee on Finance, to whom was referred the bill (H. R. 16763) entitled "An act to increase the revenue, and for other purposes," having had the same under consideration, report it back to the Senate with sundry amendments, and recommend that the bill as amended do pass.

The general purposes of the bill and the reason for its enactment are fully stated in the report of the Committee on Ways and Means of the House of Representatives, part of which will hereinafter be incorporated as part of this report.

As stated in the House report, the necessity for this legislation grows out of the extraordinary increase in the appropriations to defray the cost of preparedness as represented in the additional appropriations for the Army, Navy, fortifications, Military Academy, and deficiencies caused by the military situation.

The total appropriations for the fiscal year 1917, exclusive of those carried in the so-called shipping bill, which is to be defrayed by the issuance of Panama bonds, will exceed the appropriations for the fiscal year 1916 by about \$469,000,000. This increase is represented principally by \$167,000,000 additional amount appropriated for the Navy, \$166,000,000 additional amount appropriated for the Army, \$20,000,000 additional amount appropriated for fortifications, \$41,000,000 for deficiency appropriations—about \$35,000,000 of which is due to the Mexican situation and increased requirements of the Army and Navy—and \$20,000,000 for a nitrate plant, which is a preparedness appropriation. The increase in the appropriations for the present fiscal year, other than for these extraordinary purposes, is not beyond the normal increase.

But for the additional expenditures made necessary to defray the cost of preparedness the increased revenue to be raised by this bill would not be necessary, and the estimated receipts under the present law would be considerably in excess of the estimated disbursements for the fiscal year 1917. In this connection attention is called to the fact that \$21,000,000 of the normal increase for the present fiscal year represents the amount appropriated for rural credits and good roads.

In a statement furnished your committee August 17, 1916, the Treasury Department estimated disbursements for the fiscal year 1917 at \$1,126,243,000 and estimated receipts for 1917 at \$762,000,000, making the excess of disbursements over receipts \$364,243,000. This total includes appropriations amounting to about \$130,000,000 to meet extraordinary expenses and disbursements incident to the

Mexican situation, the mobilization of the National Guard, and the operation of our troops along the border and in Mexico for the six months ending December 31, 1916. Should this condition exist beyond that time a further appropriation of \$86,000,000 will be necessary.

In the opinion of your committee, concurred in by the Treasury Department, this latter sum, namely, \$130,000,000, should be financed by a bond issue. This would simply be following not only the custom of this country but of all other nations under similar circumstances. Deducting this amount from the estimated disbursements over receipts, the additional revenue required for the year 1917 would amount to \$234,243,000. It is estimated that the bill as amended by your committee will raise \$205,000,000, leaving a balance of \$29,243,000 to be taken from the general fund of the Treasury, which amounted on the 16th instant, excluding credits of disbursing officers, to \$134,337,895. Your committee is advised by the Treasury Department that it is safe to estimate that this amount can be taken from the general fund without seriously embarrassing the Treasury.

We herewith attach a financial statement of the Treasury Department furnished your committee as above stated:

Estimated disbursements for 1917 <sup>1</sup> .....	<sup>2</sup> \$1, 126, 243, 000
Estimated receipts for 1917 <sup>1</sup> .....	762, 000, 000
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Estimated excess of disbursements over receipts.....	364, 243, 000
Deduct amount included in the estimate of total disbursements because of Mexican situation, to be financed by bonds.....	130, 000, 000
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Additional revenue required.....	234, 243, 000
Estimated additional receipts under the pending bill:	
Income tax.....	\$109, 500, 000
Estate tax.....	<sup>3</sup> 20, 000, 000
Munition manufacturers' tax.....	40, 000, 000
Miscellaneous taxes.....	35, 500, 000
	<hr/>
	\$205, 000, 000
Balance to be taken from general fund.....	<sup>4</sup> 29, 243, 000
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Total additional revenue required.....	234, 243, 000

Your committee, after due consideration, concur with the House in the opinion that the additional revenue required should be raised in the main through taxes imposed upon incomes, inheritances, and munitions of war.

We have added certain additional taxes and have made important amendments increasing, by reclassification, the House rates on incomes and inheritances and changing the basis of taxation on munitions and materials entering into their manufacture.

We have also provided for imposing a small tax upon corporations in the nature of a license tax for doing business, and have provided for enacting some of the relatively unobjectionable documentary stamp taxes imposed in the present emergency law.

The report of the Committee on Ways and Means of the House of Representatives states with such clearness, ability, and sufficiency the reasons for raising this additional revenue by impositions upon incomes, inheritances, and munitions of war that your committee contents itself with incorporating in its report that part of the report of the Ways and Means Committee dealing with this subject, which is as follows:

<sup>1</sup> Estimated by Treasury Department Aug. 17, 1916.

<sup>2</sup> Exclusive of disbursements for shipping bill and nitrate plant.

<sup>3</sup> Estimated for fiscal year 1917. After the law is in full force, this will be increased to about \$65,000,000 per annum.

<sup>4</sup> General fund, exclusive of disbursing officers' balances, Aug. 16, 1916, \$134,337,895.

The first question is, From what sources shall we secure the additional revenue? What taxes can be levied that will be sufficient to meet the needs of the Treasury and at the same time place the least burden upon the people who are compelled to pay them and keep the burden of taxation equitably distributed?

Up to the present time our revenue system, in order to meet the increased demands on the Treasury, has passed through three stages. For over 50 years the National Government depended for its necessary revenue almost exclusively upon one system of indirect taxation, namely, customs revenue. During the Civil War the shortcomings of this system became apparent. Secretary of the Treasury Chase, in 1863, was obliged to admit that "the chief reliance for any substantial increase, and even for the prevention of any possible decrease, must be on internal duties." Thus the second permanent method of taxation was added, namely, internal revenue. Up to the enactment of the tariff act of August 5, 1909, our revenues were almost entirely collected from these two sources, both being taxes upon consumption. The increasing demands of the Treasury made it necessary to incorporate into the tariff act of August 5, 1909, a provision imposing a special excise tax on corporations. The tariff act of October 3, 1913, imposed a permanent and comprehensive tax on the net incomes of corporations and individuals. Of the total receipts from customs and internal revenue, amounting to \$625,456,318 during the fiscal year ended June 30, 1915, practically all except \$80,201,758.86, the receipts from incomes, were consumption taxes. No civilized nation collects so large a part of its revenues through consumption taxes as does the United States, and it is conceded by all that such taxes bear most heavily upon those least able to pay them.

Great Britain, before the European war, during her fiscal year ending March 31, 1914, collected from income taxes \$230,000,000 and from "death duties," or inheritance taxes, \$132,000,000. Great Britain's total revenue was \$620,000,000, and of this amount taxes upon incomes and inheritances yielded \$362,000,000, or 58 per cent of the total. In other words, Great Britain, in times of peace, collected 58 per cent of her revenue from the taxation of incomes and inheritances. With less than one-half the population and wealth of the United States, the revenues from income and inheritances, including "death duties," in Great Britain were more than four times the revenues derived from these sources by the United States. Similar facts might be cited as to some of the other leading nations.

It is probable that no country in the world derives as much revenue per capita from its people through consumption taxes as does the United States. It is therefore deemed proper that in meeting the extraordinary expenditures for the Army and Navy our revenue system should be more evenly and equitably balanced and a larger portion of our necessary revenues collected from the incomes and inheritances of those deriving the most benefit and protection from the Government.

#### THE PROPOSED REVENUE MEASURE.

This measure proposes two new sources of revenue, namely, an inheritance or estate tax and a tax upon the manufacture of munitions of war.

The necessary additional revenue is to be raised in the following manner:

(1) By increasing the present income-tax rates; (2) by levying an estate tax; (3) by levying a tax upon the manufacture of munitions of war; and (4) by reenacting certain of the special taxes provided in the emergency revenue act of October 22, 1914.

#### INCOME TAX.

The present income-tax law has given general satisfaction. The practical administration of the law, however, has suggested changes or modifications of some of the minor and administrative provisions, the effect of which will be both to clarify and better adjust such provisions to some of our complicated business conditions and to facilitate the administration of the law. In a few instances some rearrangements of kindred provisions have been effected in order that they might be assembled under their respective heads, with the result that the various provisions of the law now stand in their logical order. For the sake of ready and convenient reference to any provision in the law in the future, it was considered wise to reparagraph the same. The foregoing changes have not disturbed the chief or fundamental features of the present income-tax law.

#### ESTATE TAX.

Thirty States have laws imposing inheritance or share taxes both upon direct and collateral heirs. Twelve other States have laws imposing inheritance taxes upon collateral heirs. Your committee deemed it advisable to recommend a Federal estate tax upon the transfer of the net estate rather than upon the shares passing to heirs and distributees or devisees and legatees.

The Federal estate tax recommended forms a well-balanced system of inheritance taxation as between the Federal Government and the various States, and the same can be readily administered with less conflict than a tax based upon the shares.

In determining the value of the net or taxable estate, deductions for all valid claims against the estate are allowed from the gross value of the estate and in addition an exemption of \$50,000.

The proposed measure levies the following taxes upon the transfer of such net or taxable estate of every decedent:

One per cent of the amount of the net estate not in excess of \$50,000.

Two per cent of the amount by which the net estate exceeds \$50,000 and does not exceed \$150,000.

Three per cent of the amount by which the net estate exceeds \$150,000 and does not exceed \$250,000.

Four per cent of the amount by which the net estate exceeds \$250,000 and does not exceed \$450,000.

Five per cent of the amount by which the net estate exceeds \$450,000.

The inheritance tax laws of the various States never have been a source of large revenue. The total inheritance tax receipts of the 42 States having inheritance taxes amounted in 1913 to only \$26,470,964, and in 1915 to \$28,217,735.55, as compared to Great Britain's receipts from her "death duties" or inheritance taxes amounting to \$132,000,000 in 1914.

#### MUNITIONS MANUFACTURER'S TAX.

Because of exceptional circumstances, your committee is of the opinion that a special tax should be levied upon the manufacture of munitions, and that the same can be done without imposing an unjust or unreasonable burden.

It is estimated that the bill as it came from the House would raise \$197,000,000, and as amended by the Senate would raise \$205,000,000.

This difference results largely from the reductions made in the bill as reported by your committee in changing the House method of taxing munitions, and the elimination of the copper tax provided for in the House bill, substituting therefor a 5 per cent net profit tax upon materials entering into the manufacture of munitions, by adding certain additional classifications to the income tax and inheritance taxes as carried in the House bill.

Your committee has made very few changes in the income tax. The amendments suggested with reference to this title of the bill are as follows:

1 (to the additional, or surtax). The House bill doubles the present normal tax. We recommend no change in that respect. The House bill increases the surtax on incomes over \$500,000 only two-thirds. Your committee have added three new classifications to the additional or surtax provisions of the House bill and have increased the additional tax to a maximum of 13 per cent upon the excess of net incomes over \$2,000,000. This change will increase the revenue from this source about \$2,500,000.

2. The House bill provides as an exemption, in the nature of a deduction from the amount of the net income of each individual taxpayer, the sum of \$3,000, except where such person is the head of a family, when the said exemption shall be \$4,000. Your committee recommends that this be amended so as to provide, as does the present law, for an exemption from the amount of the net income of each person the sum of \$3,000, plus \$1,000 additional for a married man with a wife living with him, or plus the sum of \$1,000 additional for a married woman with her husband living with her.

3. The committee amendment fixes as a basis for ascertaining the gains and losses from the sale and other disposition of property, real personal, and mixed, acquired before March 1, 1913, the fair market value of such property as of March 1, 1913. The committee amendment also provides as a basis of deduction for depletion, in the case

of oil and gas wells, a reasonable allowance for actual reduction in flow and production, to be ascertained not by the flush flow but by the settled production or regular flow; in case of mines a reasonable allowance for depletion, not to exceed the market value in the mine of the product which has been mined and sold during the year for which the return and computation are made; and in the case of timber, a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made.

4. The committee has added to the House bill a number of amendments, in the main suggested by the Treasury Department, for the purpose of simplifying and clarifying the administrative features of the act. It is not deemed necessary to enumerate these.

#### ESTATE OR INHERITANCE TAX.

Amendments recommended by your committee to the estate or inheritance title of the bill consist chiefly of adding certain new classifications, thereby increasing the House rate from a maximum of 5 per cent to a maximum of 10 per cent. The House bill provided five classifications, the maximum being 5 per cent upon the net value of estates in excess of \$450,000. Your committee recommends five additional classifications, raising the maximum to 10 per cent upon estates in excess of \$5,000,000. The only other amendment of importance recommended by your committee to this title of the bill is one requiring returns in all cases where the gross estate exceeds \$50,000.

#### MUNITIONS TAX.

The House bill imposed a tax upon the manufacturers of munitions, upon the basis of a graduated percentage of the gross receipts of all such persons and corporations. It also imposes a tax upon the gross receipts from the manufacture or sale of copper, brass, and other alloys, whether used in the manufacture of munitions or not. It did not provide for the payment of a tax by a subsidiary manufacturer or subcontractor. Your committee thought it just that subcontractors as well as contractors should pay whatever tax was imposed by this title.

After due consideration your committee reached the conclusion that a net-profit tax would be a more just and equitable method of taxation than a gross-receipt tax, as proposed in the House bill. They have therefore amended the bill so as to provide for a tax to be levied upon the basis of net profits.

Your committee also recommends that the bill be so amended as to eliminate the tax imposed upon copper, and as a substitute for that portion of the bill they recommend a tax upon corporations selling or manufacturing materials actually entering into and used in the manufacture of munitions as specified in the bill. Your committee believes that there should be a difference between the rate of tax imposed upon a finished munitions and upon the materials used and entering into its manufacture and they therefore recommend that the tax upon munitions be fixed at 10 per cent and that upon materials at 5 per cent of the net profits. Your committee further amends the House bill by confining this tax to corporations manufacturing munitions and corporations manufacturing or selling materials for use in the manufacture of munitions.

## WINES.

Your committee has adopted the language and administrative features of the House bill with reference to wines, with slight changes, but has substituted for the House rates those of the present law. When the emergency act of October 22, 1914, was framed, the same controversy which is now made with reference to this subject was then made. A special subcommittee was appointed by the Finance Committee for the purpose of investigating this question. After long investigation and extended hearings, the various delegations representing the different views then presented to the committee entered into an agreement by way of settlement of their differences and presented the same to the committee. After due consideration this agreement was adopted and was written into the present emergency revenue act. This agreement seemed to your committee at the time, and seems to it now, to be a fair settlement of the controversy, and they have accordingly amended the House bill so as to substitute, as above stated, the rates of the present law for those carried in the House bill. A copy of the agreement referred to is hereby attached and made a part of this report:

Hon. F. M. SIMMONS,

WASHINGTON, October 14, 1914.

*Chairman Finance Committee, United States Senate.*

DEAR SIR: For many years there has been a universal desire among the grape growers and wine makers of America to standardize the quality of our domestic wines along lines that will permit all sections to make legitimate wines upon terms of equality. We are pleased to state that after several weeks of earnest effort a plan has been worked out covering the making of sweet wines which is satisfactory to every wine-making State in the Union. This plan is found in the proposed bill which was sent to your subcommittee on the 12th instant with the approval of the Secretary of the Treasury. Not only will this measure raise more than the amount of revenue anticipated by your committee from wine sources, but it will permanently settle all sectional differences and contribute materially to the upbuilding of the American wine industry upon a sound basis.

In view of the fact that the American champagne makers are very earnestly representing that their industry will be seriously affected by a tax of 25 cents per quart on champagne wines, we beg to suggest that perhaps this particular rate may be revised without materially affecting the amount of revenue desired or affecting the remainder of the proposed bill. Aside from this item, the undersigned, representing all of the grape-growing States, earnestly ask that the proposed bill be enacted into law, and that, if consistent, an opportunity be afforded them to further present their views to the committee.

Respectfully submitted.

AMERICAN WINE GROWERS' ASSOCIATION,  
By HIRAM DEWEY, *President.*  
NATIONAL WINE GROWERS' ASSOCIATION,  
By THOS. E. LANNEN, *Attorney.*  
CALIFORNIA GRAPE PROTECTIVE ASSOCIATION,  
By THEO. A. BELL, *Vice Chairman.*  
THE MISSISSIPPI WINE GROWERS' &  
GRAPE GROWERS' ASSOCIATION,  
By OTTMAR G. STARK, *President.*  
WALTER E. HILDRETH,  
*Director American Wine Growers' Association.*

The House bill imposes a tax upon imitation champagne of 1 cent per one-half pint. Your committee recommends that this rate be changed to 2½ cents per one-half pint. The changed rate is only one-half of the present rate on this and other champagne.

The tax imposed by the House bill upon medicinal compounds containing wines or spirits has been omitted. The present law imposes no taxes upon medicinal compounds, and your committee sees no reason why it should be imposed, especially in view of the fact that no considerable revenue would be realized therefrom.

Your committee recommends a license tax of 50 cents upon each thousand dollars of capital, surplus, and undivided profits of corporations, with an exemption of \$99,000 of the capital, surplus, and undivided profits of each corporation. The committee amendment also exempts from this tax corporations actually paying the tax imposed by section 41, Title III, of this act (munitions tax) to an amount not in excess of the munitions tax so actually paid. It also provides that this tax shall not be imposed upon any corporation not engaged in business or which had no net income as defined in Title I of this act during the preceding taxable year, or which was exempt under the provision of section 11, Title I, of this act (income tax).

#### THEATERS.

The House bill imposes a tax of one-half of 1 per cent upon the gross receipts from admissions of theaters, museums, or concert halls where a charge for admission is made. Your committee after due consideration believes that the present law is much fairer and more equitable, and recommends an amendment restoring the present law, but for the purpose of bringing about parity of treatment provides that in cities, towns, or villages of 5,000 inhabitants or less the rate of tax shall be one-half of that which applies to cities, towns, or villages having a population in excess of 5,000.

#### CIGARETTES.

Your committee has raised the license tax upon the manufacturers of cigarettes from 3 cents for every 10,000 cigarettes, as proposed in the House bill, to 8 cents on every 10,000 cigarettes, and included, as does the present law in this classification, little cigars weighing not more than 3 pounds per thousand cigars.

#### DOCUMENTARY STAMP TAXES.

Your committee has also amended the House bill by adding to it some of the least objectionable documentary stamp taxes now carried in Schedule A of the act of October 22, 1914. These are the stamp taxes imposed in that act upon bonds, debentures, certificates of stock, issues or transfers of the same; sales of products upon exchanges; conveyances; entries at customs houses and withdrawals from warehouses; insurance; foreign-passage tickets; and parlor-car seats and berths.

#### DYESTUFFS.

Your committee recommend that the dyestuff free list as contained in the House bill be restricted so as to include only chemicals that are really crudes and not those which belong to the intermediate class. They have transferred these advanced products to the dutiable list. Your committee recommends that medicinals, flavors, and synthetic phenolic resins be added to group 3, and that alizarin, indigo, and dyes obtained therefrom be placed upon a parity with the other articles specified in group 3 and be required to pay the additional tax of 5 cents per pound. Your committee believes it undesirable, in view of the present conditions, to impose these increased duties upon coal-tar products at the present time, so they propose an amendment to the effect that the provisions of this title of the bill shall not take effect until after the termination of the present European war, or until conditions of importations of these

articles shall become normal, such time to be evidenced by proclamation of the President.

#### POSTAL CONVENTION.

Your committee proposes an amendment to the Revised Statutes suggested by the Postmaster General and Secretary of the Treasury, providing for the importation by mail or parcel post of cigars, cigarettes, and cheroots from foreign countries. These articles can not be imported by mail under the statutes which it is proposed to amend, and by reason of this fact the Postmaster General has been unable to negotiate a parcel-post convention with Cuba.

#### ALCOHOL IN TANK CARS.

Your committee also proposes an amendment allowing the transfer of alcohol in tanks or tank cars from the distillery to the ports of export of alcohol intended for exportation. Under the present law it can not be exported from the distillery except in the original packages.

#### PAPER.

Your committee also proposes an amendment to section 322 and section 567 of the tariff act of October 3, 1913, allowing the importation of print paper such as is used by newspapers free of duty when valued at not exceeding 5 cents per pound. Under the present law only such paper valued at not above 2½ cents a pound can be imported free of duty. It was the purpose of the tariff act of 1913 to allow the importation of print paper used by newspapers free of duty. By reason of the great increase in the price of paper, unless the limit of price is raised, the newspapers of the country will not get the benefit of this exemption, and your committee recommend that the limit be raised to 5 cents in order to give them the exemption intended to be given them.

#### HALIBUT OR SALMON.

Your committee has amended the House bill by introducing a new title (Title IX), which provides that after 90 days from the passage of this act no fresh or frozen halibut or salmon from the north Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country except when the same shall be in bond from an American port. This amendment is made for the purpose of meeting an extraordinary discrimination against American fishermen and fish in Canadian ports.

#### UNFAIR COMPETITION.

Your committee recommend an amendment to section 100 of this title, providing that nothing in the section shall be construed to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the product of said foreign producer. Your committee also recommend an amendment to this title so as to provide that when any country prohibits the importation of any products of the soil or industry of the United States, not injurious to health or morals, the President may, in his discretion, prohibit during the period of such prohibition the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles the products of such country.



# Calendar No. 722.

64TH CONGRESS, }  
1st Session. }

SENATE.

} REPT. 793,  
} Part 2.

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## TO INCREASE THE REVENUE.

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AUGUST 16 (calendar day, AUGUST 17), 1916.—Ordered to be printed.

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

### VIEWS OF THE MINORITY.

[To accompany H. R. 16763.]

The undersigned minority members of the Committee on Finance find it impracticable in the time permitted to them to make any suggestion as to the method of raising additional revenue. House bill 16763 was only submitted to the full committee at a meeting held on Wednesday, August 16. The bill at the same meeting was by the majority members directed to be reported favorably to the Senate. The minority has had no time to consider the provisions of the bill except in the most general way, having had no reliable or official information regarding the measure, and no knowledge of it except the scanty reports in the daily newspapers regarding the proceedings of the Democratic caucus, and these reports indicated important changes day by day, the conclusions reached one day being reversed the next.

The session of Congress has been unduly prolonged, and it is obviously impossible at this late date to give the investigation to the subject which would be required in order to submit plans for raising revenue, from the point of view of the minority.

It is not the purpose of the minority in this report to give statistics showing the condition of the revenues and appropriations. Full information upon these subjects will be furnished in the debate on the bill. It is sufficient to call the attention of the country to the fact that the appropriations for this session of Congress will aggregate approximately \$1,700,000,000, as against \$1,114,000,000 for the fiscal year 1916, an amount that almost staggered the country at the time; and it is admitted that the additional amount appropriated at this session for what may be termed "preparedness" is not to exceed \$390,000,000, demonstrating that entirely outside of preparedness this Congress has made appropriations of approximately \$200,000,000 more than any preceding Congress.

Moreover, the minority does not feel called upon at this time to provide suggestions of ways and means for additional revenue. The statement that this additional revenue is needed for preparedness is entirely misleading. The wasteful and ill-advised appropriations for projects that were unnecessary, ill-considered and certainly not urgent, the creation of thousands of additional offices and general extravagance in expenditures in all departments of the Government, together with the failure of existing legislation passed under the present administration to provide sufficient revenue, even under normal conditions, place the responsibility distinctly on the party in power to show the way to provide sufficient revenues for a Treasury already facing a large deficit.

The pending bill admittedly emulates the example of the British and other foreign Governments, endeavoring to raise the requisite revenues by direct taxes. The minority believes that we are not called upon to imitate the British system, and that we should first endeavor to obtain revenue by duties upon imports of a character "sufficient to protect adequately American industry and American labor, and to be so adjusted as to prevent undue exactions by monopolies or trusts"; and, above all, with a view "to securing the industrial independence of the United States, to the end that 'our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense.'" The pending measure does not give any consideration whatever to these purposes, which are of overwhelming importance in view of the conditions which will confront the United States when the war in Europe is concluded.

The bill, therefore, is wrong in principle and entirely overlooks the serious international crisis which we will have to face. Additional revenue is necessary by the failure of existing laws to produce sufficient revenue, but, even with the great and burdensome increase of taxation provided in the bill, it will not produce sufficient revenue to overcome the deficit in the Treasury caused by extravagance in appropriations.

BOIES PENROSE.  
HENRY CABOT LODGE.  
PORTER J. McCUMBER  
REED SMOOT.  
J. H. GALLINGER.  
C. D. CLARK.

