

them to come in here and hog-tie you. You are not going to give us an opportunity to vote against that proposition.

It will absolutely destroy your party if you permit it to remain in the bill, or any other party. It will destroy the country, and I do not want to see the country destroyed.

Mr. Chairman and gentlemen, let us take up the proposition of the reduction of high surtaxes. Let us see how that operates and see if you can defend that, if you please. Here is a man who has an income of \$70,000 under this bill and he pays \$20 less of surtax than under the present law. This does not amount to much, but you will relieve the rich, and you ought not to do it. If he has an income of \$72,000, his tax is reduced \$60; if it is \$74,000, it is reduced \$120; if it is \$76,000, it is reduced \$220; if it is \$78,000, it is reduced \$300; if it is \$80,000, it is reduced \$420; if it is \$82,000, it is reduced \$560; if it is \$84,000, it is reduced \$720; if it is \$86,000, there is a reduction of \$900; if it is \$88,000, there is a reduction of \$1,100; if it is \$90,000, there is a reduction of \$1,320; if it is \$92,000, there is a reduction of \$1,600; if it is \$94,000, there is a reduction of \$1,800; if it is \$96,000, there is a reduction of \$2,100; if it is \$98,000, there is a reduction of \$2,400; if it is \$100,000, there is a reduction of \$2,700; if it is \$150,000 income, there is a reduction of \$10,720; and if he has \$200,000 income, you reduce his surtaxes \$24,720; if he has an income of \$300,000 per year, you reduce his taxes \$52,720; if he has \$500,000 income, you reduce his taxes \$114,700; if he has a \$1,000,000 income a year, you reduce his taxes \$274,720; and if he has \$1,500,000 income annually, you reduce his taxes by this bill \$439,720; if he has a \$2,000,000 income, you reduce his taxes \$604,720.

Now, gentlemen, I do not know whether you can defend that or not. I do not believe you can. You are going to place these burdens on the masses of the people. If you do not change it while this bill is in progress you will do it later.

Mr. Chairman, I was very much surprised at the statement made by the gentlemen from New York (Mr. Mills) yesterday. He made a splendid speech. I have heard him make the same speech before the Committee on Ways and Means, and the effect of it, what he really meant in what he said yesterday I will tell you. I do not know whether his speech is in the Record or not, but I heard every word of it, and he is a very interesting speaker and a very able gentleman. The effect of that speech was that the congress of the United States can not collect these high taxes from the big corporations and the superrich individuals of this country. He says it makes no difference what congress does; it makes no difference what kind of a law you place on the statute books of America; these men will find some escape from its provisions. Has the time come when the congress of the United States can not tax the big corporations like the Steel Trust and the Standard Oil Trust and the rich people of America? I say to you that they have entirely too much influence in this country now. They have too much influence, gentlemen. When they can avoid the law, when you can not make them pay taxes, something is radically wrong with your system of government, if you please. That is the purport of the remarks of the gentlemen from New York (Mr. Mills) yesterday.

#### PROFITEERING CORPORATIONS SEEKING TO SHIFT BURDEN OF WAR DEBT

(Commenting on a statement made in the New York Times of August 7, 1921, by Henry H. Klein, the first deputy to the commissioner of accounts, in which he gave estimates of American fortunes and great estates handed down in the last few years, Congressman Oldfield closed his speech with the following remarks.—Ed.)

Now, gentlemen, if you can not pass a tax law in America that will reach these people; if the congress of the United States can not pass a tax law that will make the ultrarich share the burden of this war debt, then we had better look elsewhere. We had better limit fortunes in this country, if we can not do it in any other way, and double and treble the inheritance taxes. Take, for example, a few estates in this country—the Vanderbilt and Astor estates, the Morgau, Harriman, and Hill estates, and a few others—which control the railroad systems and in large part the food products of the country, the coal mines of the country; and if you can not reach them by excess-profits taxes, gentlemen, you will have to find some other way to do it. Mr. Mills says you can not pass a law that they can not evade. I believe that congress could force

these people to pay the taxes, to pay this war debt. The trouble is you Republicans do not want to make them pay their just proportion of taxes.

Oh, gentlemen, what is the effect of this legislation? You take these big corporations, and you find that there are about 100,000 corporations in America that would not have to pay much of tax under this proposed law, while there is another 100,000 which you would make pay more, because they would make less. Those who make less pay proportionately more tax under this proposition. There are about 10,000, however, in the class here (indicating on diagram) which you relieve of from half a million to a million dollars in taxation annually. In effect you are licensing profiteering. You are telling these great corporations that profited in America while the masses of the people were fighting the battles of the country on the battle fields of France, trying to save civilization, to go on and continue their profiteering. When the masses of our people were fighting and bleeding and dying, gentlemen, these corporations that you are going to relieve of taxes now were profiteering and did profiteer to the extent of \$38,000,000,000 in the years from 1916 to 1920, inclusive. They made that much profit after all taxes were paid, and now you say you are going to shift that burden from them to the masses of the people and the small corporations, whom you will compel to pay \$24,000,000,000 war debt. But the people, gentlemen, will revolt against this outrage. You know they will.

I know how Mr. Fordney will attempt to explain it. Every farmer's organization in America from every state in the union have been appealing to the congress, "For God's sake, do not repeal the excess-profits tax and the high surtaxes." The gentleman from Michigan will explain his failure to comply with their wishes by saying to them, when they tell him, "You did an awfully unwise thing when you passed that law repealing the excess-profits tax"—Mr. Fordney will say, "What are you talking about? Did we not pass the emergency tariff bill for the benefit of the farmer?" He will attempt to close the whole business up by saying, "Did we not pass the emergency tariff bill for the farmer?" But as to that tariff bill, I think it has done one good thing, it has disillusioned the American farmer with regard to protective tariffs on farm products.

Gentlemen, in the general tariff bill you are going to place on the statute books almost a prohibitive tariff, because the Senate Finance Committee, as I understand, has agreed to adopt the American valuation scheme. What does that mean? You are going to hold the American market for the American manufacturers at all hazards. You are going to permit them to charge monopoly prices, and after they have charged monopoly prices in this country under your tariff system, gentlemen, then you encourage them and tell them they may profiteer, and the more they profiteer the less taxes proportionately they will have to pay.

That is the situation, gentlemen. There could be nothing plainer than that proposition. If you are going to place on a corporation an income tax, for God's sake why don't you graduate it up, and the more profit the corporation makes compel it to pay more taxes. But here the more it makes the less it pays. Can you explain it or defend it? Not a man in this House or elsewhere can deny those figures.

#### SONS OF MASSES FOUGHT FOR COUNTRY WHILE RICH PROFITED

I say to you, my friends, that when the flower of the youth of America was fighting the battles of the people and the civilization itself in France, those soldiers came almost entirely from the masses—of course, naturally so, because 95 per cent of the people of America and every other country are composed of the masses, not the rich. I do not cast any reflection on the rich man's son who went to war. He did a good thing. It is all right, but in the very nature of the case there were only a few rich men's sons who went to war. In other words, you sent the sons of the masses of the country to fight the battles of the country, to protect these great corporations, to protect these great institutions, to protect their profits while the war was going on, permitting them to make profits to the extent of \$38,000,000,000, and after the war is over you come back and by your legislation you make the weak corporations and the masses of the people pay the great war debt. Another thing, under this bill you know you are going to have a deficit. You know it can not raise the amount of money you will require to run the government. Therefore you provide in this bill for the issuing by the Treasury of \$500,000,000 in short-time certificates. You know you are not

going to raise the money, and it looks to me like you have traded this legislation for campaign funds, campaign contributions, if you please. You evidently have done it. No honest, sane person, without pressure being brought to bear on him, would ever vote for a proposition like this. No party would do it, and I believe that if you had not hog tied yourselves with this rule you would not vote for it Saturday. Now, the question is, Are you going to shift the burden of taxation to pay this great war debt onto the shoulders of the same men, and their fathers and mothers, who fought the battles of the country in France? That is the question here today. While you have the power to do it if you want to, my friends, I hope you are not going to do it.

During the campaign, when Gov. Cox was saying that the Republican party was going to spend \$15,000,000 or \$20,000,000 to elect its candidate for the Presidency, I saw in the papers one day where Secretary Weeks, former Senator John Weeks, made a statement in reply. I served in the House with Mr. Weeks. I liked him personally very much. He is a splendid gentleman. I saw in the New York papers in great headlines the statement that Senator Weeks addressed a bunch of business men in reply to the statement of Gov. Cox. The paper went on to say how many billion dollars were represented in the audience. There were a few hundred people at the meeting. Senator Weeks's answer was this: "Ah, gentlemen, suppose it does cost \$15,000,000 or \$20,000,000 to elect the Republican ticket; it will be worth it to the business men of the country." That is what Secretary Weeks said. He said, "It will be worth more than that to you, gentlemen."

Ah, gentlemen, it will be worth more than that to them if you put this bill on the statute books, because you admit you will relieve these great profiteering corporations that have made this \$38,000,000,000, of \$450,000,000 thirty times \$15,000,000, in taxes. Ten thousand of them made \$30,000,000,000 during the war. All of them put together made \$38,000,000,000 and 10,000 of them made four-fifths of that money. One thousand of them made more than half of it, or \$16,000,000,000. In other words, you are letting off not to exceed 10,000 corporations; and when you take off the burden you automatically place it on weak corporations, and you do it, gentlemen, knowing the facts and knowing the results. You also admit in your report that you relieve the multimillionaires of \$90,000,000 in surtaxes.

#### APPEALS TO INDEPENDENT REPUBLICANS TO HELP DEFEAT PROPOSED LEGISLATION

Now, gentlemen, I have taken all the time I care to in the discussion of this bill. My time is about up, but I hope and trust that there will be enough independent Republicans on that side to unite with a solid Democratic minority to defeat this proposition; and let your Ways and Means Committee come in here with a proposition that every honest man in America can stand upon, whether he be a Democrat or a Republican. If you would fix this thing so that it would bear equally on all corporations, the Democrats would vote for it. They would all vote for it if you would equalize it and make all of the corporations of the country and all the rich individuals pay proportionately their just part of the war debt; but, of course, they can not afford to vote for this sort of a bill. In fact, no honest man can afford to vote for it.

Now, the Democrats are in this position: Of course, you did not permit us to help write the bill. But that is not all. You did not permit us to have the facts that you had. We have not got the facts. I do not know whether you have the facts or not. I do not believe you have. I know you have not disclosed the facts. It seems that the President of the United States has the best mind around him that Wall Street can furnish. There is no better Wall Street man in America than your Secretary of the Treasury; and yet, gentlemen, he made a better proposition than you have put up here. The Secretary of the Treasury did that. You are not only fixing to destroy your party, but you are fixing to destroy the country. I thank you, gentlemen.

A Nebraska banker who disappeared after his institution went to the wall with \$750,000 of depositors' money has returned home, and been given a royal welcome. He was met at the city gate with a procession, and has had a dozen offers of jobs. The fact that he postponed his return until after the state guaranty fund had reimbursed the depositors for their entire losses robs the incident of any value in determining just how great a capacity for forgiveness a wronged community possesses.