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SUMMARY OF RECOMMENDATIONS  
CONTAINED IN THE  
TESTIMONY OR STATEMENTS

PRESENTED BEFORE THE  
  
COMMITTEE ON FINANCE

ON

H. R. 8224

A BILL TO REDUCE EXCISE TAXES, AND  
FOR OTHER PURPOSES



Prepared by the Staff of the  
Joint Committee on Internal Revenue Taxation

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## INTRODUCTION

This report summarizes the statements submitted to the Senate Finance Committee during its hearings on H. R. 8224, a bill to reduce excise taxes and for other purposes. This report has been prepared prior to the publication of the complete hearings. It only includes statements filed prior to 4 p. m., March 17, 1954, and some witnesses may have been omitted inadvertently. Part I of the report is a brief digest of recommendations grouped according to subject, alphabetically. Part II is a table of the persons appearing as witnesses or filing statements for the record. Part III summarizes the recommendations presented.

## PART I

### BRIEF DIGEST OF RECOMMENDATIONS ACCORDING TO SUBJECT

*Admissions tax.*—Specific recommendations were made to eliminate the tax on historic sites and museums; baseball, amusement parks, legitimate theater admissions, cabarets, club memberships, etc.

*Automobiles, trucks, parts and accessories.*—Generally recommended a reduced rate of tax. Specific rates were given as 7 percent on autos and 5 percent for trucks. All recommendations requested provisions for floor stock tax refunds.

*Bowling alleys, billiard and pool tables.*—Recommended that the present tax of \$20 per bowling alley and billiard and pool tables be reduced to \$10 per year.

*Cutting oils.*—Recommended that excise tax on lubricating oils be removed from cutting oils.

*Electric light bulbs.*—Recommended that provision be made for the filing of claims for credit or refund in connection with floor stocks within 5 months of the date of the rate reduction instead of 3 months.

*Excise tax on household appliances.*—In general recommendations favored the complete elimination of the tax on household appliances. It was suggested that sales could be increased by 20 to 50 percent. It was further suggested that if complete relief from the tax is not feasible at this time, the bill should provide termination date of April 1, 1955.

*Fountain pens and mechanical pencils.*—Recommended termination of tax April 1, 1954.

*Gasoline and oil.*—It was recommended that gasoline and oil products be given relief.

*Ladies' handbags.*—Recommended complete elimination of the tax.

*Matches.*—Recommended that rate be cut in half.

*Photographic products.*—It was recommended that the excise tax be entirely eliminated when revenue conditions permit.

*Power lawn mowers.*—Recommended repeal of excise tax on power lawn mowers.

*Retail jewelry tax.*—Recommended that this tax be terminated in 1955.

*Telegrams.*—Recommends greater reduction in the excise tax rate on telegrams than proposed by the bill.

*Tobacco taxes.*—Recommended new schedule relative to rates as an approach to an ad valorem tax without drastic changes in the cigar industry's pricing practices.

*Transportation tax.*—Recommended complete repeal of the excise tax on transportation of persons and property. With respect to travel in Central America and the Caribbean area, it was recommended that the tax be repealed.

## PART II

### TABLE OF WITNESSES AND TESTIMONY PRESENTED

Statement of American Home Laundry Manufacturers' Association  
McDaniel, Glen, president, Radio-Electronics-Television Manufacturers' Association  
Mendelson, L. R., president, Holstream Heater Co.  
Frantz, C. G., president, Apex Electrical Manufacturing Co.  
Farr, Mort, chairman of the board, National Appliance and Radio-Television Dealers Association  
Dunkel, Pauline B. (Mrs.), executive secretary of the Institute of Cooking and Heating Appliance Manufacturers  
Trible, John R., president, Appliance Parts Jobbers Association, Inc.  
Fancey, Oliver F., representative of the National Screw Machine Products Association  
Statement of National Association of Photographic Manufacturers, Inc.  
Howe, Harold K., executive secretary, Lawn Mower Institute, Inc.  
Coleman, L. V., director, the American Association of Museums  
Johnson, Walter S., Friden Calculating Machine Co., Inc.  
Paul, Victor, chairman, Retail Jewelers Tax Committee, Inc.  
Reck, Jacob, representative, Beauty and Barber Industry Legislative Committee  
Statement submitted by Ford C. Frick, commissioner of baseball, and George M. Trautman, president-treasurer, National Association of Professional Baseball Leagues  
Ott, William H., Jr., chairman of the legislative committee of the National Industrial Traffic Leagues  
Statement of the Association of American Railroads  
Canelli, John, representing the National Bowling Council and American Bowling Congress  
Cigar Manufacturers Association of America, Inc.  
Davis, William C., North Dakota director, National Automobile Dealers Association  
Henricksen, H. M., president, Montana Automobile Dealers Association  
Orr, John D., executive vice president, New Hampshire Auto Dealers Association  
Macleod, D. W., Jr., Macleod Motors, Inc.  
Elkes, Eugene R., president, Florida Automobile Dealers Association  
Great Falls Auto Dealers Association  
Decatur Automobile Dealers Association  
Boise Auto Co.  
Idaho Automobile Dealers  
Wood, Robert N., president, Fountain Pen and Mechanical Pencil Manufacturers' Association  
Maudlin, C. V., Perpetual Building, Washington, D. C.  
Coyne, Robert W.  
Easby, Dudley T., Jr., secretary, the Metropolitan Museum of Art  
Gilstad, Leif, first vice president, Transportation Association of America  
Statements from representatives of the Central American and Caribbean areas



Millham, Donald L., vice president, General Electric Co.

Chamber of Commerce of the United States

Batt, Harry J., Sr.

Babbitt, Samuel B., Vermont director, National Automobile Dealers Association

Bossemeyer, James L., executive vice president, National Association of Travel Organizations

Costley, Alton M., chairman, National Affairs Committee of the National Automobile Dealers Association

Barit, A. E., chairman, AMA Taxation Committee

Becker, Ralph E.

Packard, Arthur J.

Ford, Charles N., counsel, Beauty and Barber Supply Institute, Inc.

Parker, C. A., National Aviation Trades Association

Jacoby, Glenn J., the University of Wyoming

Allen, Thomas, pastor, Presbyterian Church

Thomas, R. O., legal counsel and director, W. A. Sheaffer Co.

Holloway, Fuller, on behalf of the Toilet Goods Association

Western Union Telegraph Co.

Pinkney, James F., general counsel, American Trucking Associations Inc.

Berkowitz, Max, director, National Authority for Ladies' Handbag Industry

Jones, Rowland, Jr., president, American Retail Federation

Tufty, Duke

Broderick, D. B., South Dakota Automobile Dealers Association

Allen, Ernest

Ryan, W. T., Ryan Motor Co.

Goodman, Leo

Donovan, James J., president, National Licensed Beverage Association

Litzenberger, Arthur

Holland, Spessard L., United States Senator

American Telephone & Telegraph Co.

Hester, Clinton B., Washington counsel, United States Brewers Association

Kline, Allan B., president, American Farm Bureau Federation

Halvorson, Lloyd C., economist

Joyce, R. E., chairman, Tax Council of the Alcoholic Beverage Industry

Bean, D. D., president, D. D. Bean & Sons Co.

Greene, Francis T., executive vice president, American Merchant Marine Institute, Inc.

Gregory, Bertha Akin, chairman, American Home Economics Association Committee on Legislation

Baldwin, D. K., secretary, Minnesota State Agricultural Society

Way, William B., Mid-State Theaters, Inc.

McCargo, Wade G., president, National Retail Dry Goods Association

Simpson, H. E., president, Baltimore & Ohio Railroad Co.

Nuesse, Arthur H., executive manager, Truck Body and Equipment Association, Inc.

The International Union of Electrical, Radio, and Machine Workers affiliated with the Congress of Industrial Organizations

Tipton, S. G., general counsel, Air Transport Association of America

### PART III

#### BRIEF SUMMARY OF RECOMMENDATIONS MADE BY EACH WITNESS ALPHABETICALLY

##### *Statement of American Home Laundry Manufacturers' Association*

Eliminate the manufacturers' excise tax on household ironers and driers. Believe that such action would reduce the price of such items by \$20 or \$25. Would increase sales from 20 to 50 percent. Estimates \$9 million revenue from this tax.

##### *Statement of Glen McDaniel, president, Radio-Electronics-Television Manufacturers' Association*

Urges a reduction in the excise tax from 10 percent to 7 percent on refrigerators, ranges, and other kitchen equipment, television and radio sets, home laundry equipment, and household appliances, effective not later than April 1, 1955. No estimate as to revenue given covering recommendation.

##### *Statement of L. R. Mendelson, president of Holstream Heater Co.*

Urges the complete elimination of the excise tax on domestic water heaters, gas, oil, and electric. No estimate of revenue from this tax.

##### *Statement of C. G. Frantz, president, Apex Electrical Manufacturing Co.*

Urges that ironers and driers be exempt from the manufacturers' excise tax. Believes that such action would be a much-needed stimulant to business by reducing the sales prices of these items as much as \$25. Estimates that revenue from this tax is \$9 million.

##### *Statement of Mort Farr, chairman of the board, National Appliance and Radio-Television Dealers Association*

Urges the complete elimination of the 10 percent manufacturers' excise tax on domestic ironers and dryers. Believes consideration should be given to reducing the tax on such other items as radios and television sets. Estimates \$9 million revenue from this tax.

##### *Statement of Mrs. Pauline B. DuncKel, executive secretary of the Institute of Cooking and Heating Appliance Manufacturers*

Urges immediate repeal of the manufacturers' excise tax on domestic ranges and water heaters with proper steps to protect distributors and dealers against a loss of taxes paid on stocks they own when the tax is removed. Estimate that revenue derived from this tax is negligible.

##### *Statement of John R. Tribble, president, Appliance Parts Jobbers Association, Inc.*

Urges the elimination of the manufacturers' excise tax on ironers and dryers. Believes that such items should be considered in the same category as washing machines. No estimate given.



*Statement of Oliver F. Fancey, representative of the National Screw Machine Products Association*

Recommends that the Internal Revenue Code be amended to provide that the excise tax on lubricating oils not apply to cutting oils.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3413 of the Internal Revenue Code (relating to tax on lubricating oils) is hereby amended by adding at the end thereof the following: "Oils used primarily in cutting and machine operations on metals and known commercially as 'cutting oils' shall not, for the purposes of this section, be considered as lubricating oils."

SEC. 2. The amendment made by the first section of this Act shall take effect on the first day of the first month which begins more than ten days after the date on which this Act is enacted.

(Estimate annual revenue approximately \$1.5 million at 6 cents per gallon.)

*Statement by National Association of Photographic Manufacturers, Inc.*

Urges favorable consideration of the excise tax bill reducing from 20 percent to 10 percent the rate on photographic products. Further recommends that the tax on photographic products be entirely eliminated when conditions permit. No estimate given.

*Statement of Harold K. Howe, executive secretary, Lawn Mower Institute, Inc.*

Recommends consideration be given to the repeal of the 10 percent manufacturers' excise tax on power lawn mowers. (Estimate of \$8.5 million annual revenue from this tax.)

*Statement of L. V. Coleman, director, the American Association of Museums*

Recommends that section 1701 (e) of title 26, United States Code, be amended by adding thereto a new subsection to read as follows:

(3) Historic sites and museums: Any admissions to historic sites, houses, and shrines, and to museums of history or art or science, including planetariums, and to exhibitions in connection therewith, operated by the United States or any agency or instrumentality thereof, or by any State or political subdivision thereof, or by any municipality, or by any nonprofit institution or organization, if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.

(Estimates \$125,000 revenue involved in this proposal.)

*Statement of Walter S. Johnson, Friden Calculating Machine Co., Inc.*

Urges that the excise tax on office machines be repealed.

*Statement of Victor Paul, chairman, Retail Jewelers Tax Committee, Inc.*

Urges support of the reduction in the excise tax on jewelry products to 10 percent. Recommends that this tax be repealed in 1955. (No estimate of revenues given.)

*Statement of Jacob Reck, representative, Beauty and Barber Industry Legislative Committee*

Urges support of the proposed reduction in the retailers' excise tax on toilet preparations to 10 percent. Disapproves any amendment to the bill.

*Statement submitted by Ford C. Frick, commissioner of baseball, and George M. Trautman, president-treasurer, National Association of Professional Baseball Leagues*

Recommends that the admissions tax on baseball be removed. Estimate revenue loss at \$8.2 million.

*Statement of William H. Ott, Jr., chairman of the legislative committee of the National Industrial Traffic League*

Recommends consideration be given to the complete repeal of excise taxes on transportation of persons and property. (No estimate given as to revenue.)

*Statement of the Association of American Railroads*

Recommends that immediate relief be given from the 3-percent transportation tax upon amounts paid for transportation of property. (No estimate given.)

*Statement of John Canelli, representing the National Bowling Council and American Bowling Congress*

Recommends that the present tax of \$20 per bowling alley and billiard and pool tables be reduced to \$10 per year. (No estimate given as to revenue.)

*Statement of Cigar Manufacturers Association of America, Inc.*

Recommends a new schedule as an equitable means of taxation and the nearest approach to an ad valorem tax without improving drastic changes in the cigar industry's pricing practices. Believes that this schedule will provide flexibility in the pricing of cigars accomplished by a natural grouping of prices in each tax bracket. It establishes a direct and fixed relationship between tax rates and retail prices.

Price class	Retail price	Tax rate per thousand	Price class	Retail price	Tax rate per thousand
A.....	Up to 3.5 cents.....	\$2.00	E.....	13.1 cents to 17.0 cents...	\$8.50
B.....	3.6 cents to 6.0 cents.....	2.50	F.....	17.1 cents to 23.0 cents...	11.00
C.....	6.1 cents to 8.5 cents.....	3.50	G.....	23.1 cents to 30.0 cents...	14.50
D.....	8.6 cents to 13.0 cents.....	5.50	H.....	Over 30.0 cents.....	20.00

*Telegram from William C. Davis, North Dakota director, National Automobile Dealers Association*

Recommends a reduction of the excise tax on cars and trucks.

*Letter from H. M. Hendricksen, president, Montana Automobile Dealers Association*

Urges that the excise tax on motor vehicles be reduced.

*Telegram from John D. Orr, executive vice president, New Hampshire Auto Dealers Association*

Recommends that the excise tax on autos be reduced to 7 percent and on trucks to 5 percent.

*Telegram from D. W. Macleod, Jr., Macleod Motors, Inc.*

Urges that the tax on essential transportation commodities be reduced April 1, 1954. Recommends floor stock tax refunds be provided for.



*Telegram from Eugene R. Elkes, president, Florida Automobile Dealers Association*

Urges that the excise tax on new cars, trucks, parts and accessories be reduced on April 1, 1954. Recommends floor stock tax refunds be provided for.

*Telegram from the following dealers: Great Falls Auto Dealers Association; Bennett-Pontiac Motors; Bison Motor Co.; Eneboe Motor Co.; General Truck & Tractor Co.; Great Falls Motor Co.; Great Falls Nash, Inc.; Kearns Motor Co.; Olson Motors, Inc.; Rice Motors; Robinson Motor Co.; Schroeder-Oldsmobile Co.; Seese Chevrolet Co.; Silver State Auto Co.; Strobel Motors; Suhr Motor Co.; Thisted Motor Co.*

Urge that the excise tax rate on automobiles be 7 percent.

*Telegram from Decatur Automobile Dealers Association*

Recommends that the excise tax on essential transportation commodities be reduced on April 1, 1954, and floor stock tax refunds be provided for.

*Telegram from Boise Auto Co.; Boise Nash; Campbell Simpson Motors; Larry Barns Chevrolet; Custom Motor Car Co.; Roy C. Davidson Co.; Dufresne Auto Company; Gem State Motors; Harrison Motors; Happer Motor Co.; Logdson York Motor Co.; Motor Center, Inc.; Parks Auto Co.; Peterson Motor Co.; Jensen Motor Sales*

Urges reduction of excise tax on new cars, trucks, parts and accessories effective April 1, 1954, and floor stock tax refunds be provided for.

*Telegram from Idaho automobile dealers*

Urges reduction of excise tax on new cars, trucks, parts and accessories effective April 1, 1954 and provide for floor stock refunds.

*Statement of Robert N. Wood, president, and Frank L. King, executive vice president, the Fountain Pen and Mechanical Pencil Manufacturers' Association*

Recommends the immediate April 1, 1954 termination of the 15-percent manufacturers' excise tax on fountain and ballpoint pens and mechanical pencils. (Estimate \$8.5 million revenue derived from this tax.)

*Statement of C. V. Maudlin, Perpetual Building, Washington, D. C.*

Recommends that the tax on book matches and matches with plain wooden stems be reduced to 1 cent per 1,000 matches by striking out "2 cents per 1,000 matches" in section 3409 of the Internal Revenue Code and inserting "1 cent per 1,000 matches."

*Statement by Robert W. Coyne*

Urges consideration of the following amendment to H. R. 8224: Page 3, line 8, insert the following before "For":

Section 1700 (a) (1) (relating to tax on single or season tickets and subscriptions) is hereby amended by striking out the second sentence and inserting in lieu thereof the following: "No tax shall be imposed on the amount paid for admission if the amount paid is 50 cents or less."

And in line 20, strike out "(a) and (b)" and insert "(a), (b), and (d)."

*Statement of Dudley T. Easby, Jr., secretary, the Metropolitan Museum of Art*

Request consideration of an amendment to the Internal Revenue Code to exempt purchases of artistic antiquities for exhibition or study purposes from excise tax on jewelry imposed by section 2400, when the purchaser is a public museum no part of the net earnings of which inures to the benefit of any private shareholder or individual.

*Statement of Leif Gilstad, first vice president, Transportation Association of America*

Recommends that the excise tax on transportation—the 15 percent tax on passenger travel and the 3 percent tax on transportation of property—should be repealed.

*Statements from representatives of the Governments of the Dominican Republic, Mexico, Costa Rica, Haiti, Cuba, El Salvador, Honduras, United Kingdom, Panama, France, and the Netherlands*

Recommend that serious consideration be given to eliminating the tax on travel of persons in the Central American and Caribbean area.

*Statement of Donald L. Millham, vice president, General Electric Co.*

Urges that provision be made for the filing of claims for credit or refund in connection with floor stocks of electric light bulbs within 5 months of the date of the rate reduction instead of 3 months as would be required if the bill is passed in its present form.

*Statement of Chamber of Commerce of the United States*

Urges that favorable consideration be given to H. R. 8224.

*Statement of Harry J. Batt, Sr.*

Recommends the complete elimination of the excise tax on amusement parks. Believes that the reduction to 10 percent as provided for in the bill is not sufficient.

*Telegram from Samuel B. Babbitt, Vermont director, National Automobile Dealers Association*

Recommends that previously scheduled April 1, 1954, reduction on cars and trucks should take effect and dealers be protected on new cars and trucks in stock.

*Statement of James L. Bossemeyer, executive vice president, National Association of Travel Organizations*

Recommends the complete repeal of the excise tax on transportation. Recommends that serious consideration be given to eliminating the tax on travel of persons in the Central American and Caribbean area.

*Statement of Alton M. Costley, chairman, national affairs committee of the National Automobile Dealers Association*

Urge serious consideration be given to the complete repeal of excise taxes on automotive products. Believe the reductions scheduled to become effective April 1, 1954 should become effective. Recommends further that the floor stock refund provision be retained.



*Statement of A. E. Barit, chairman, AMA Taxation Committee*

Urges serious consideration be given to the complete repeal of excise taxes on automotive products. Believes the reductions scheduled to become effective April 1, 1954 should become effective. Recommends further that the floor stock refund provision be retained.

*Statement by Ralph E. Becker*

Urges the complete elimination of the 20 percent excise tax imposed on legitimate theater admissions.

*Statement of Arthur J. Packard*

Recommends that the 20-percent tax on cabarets be reduced to 10 percent. Hope the Senate bill will not take on discriminatory features by lifting out certain segments of the entertainment field, such as moving-picture theaters, and granting them relief, while denying similar relief to cabarets, club memberships, general admissions, etc.

*Statement of Charles N. Ford, counsel, Beauty and Barber Supply Institute, Inc.*

Endorses H. R. 8224 and respectfully urges the committee to report it favorably without amendments.

*Statement of C. A. Parker, National Aviation Trades Association*

Request that consideration be given to deleting the tax on air taxi services in the excise reduction bill or amend the Internal Revenue Code, section 3469 (a) (2) subchapter C, by adding *aircraft* to the present section relating to motor vehicle exemption and establishing this section as follows [additions italicized]:

\* \* \* Such tax shall apply to transportation by motor vehicles *and aircraft* having a passenger seating capacity of less than ten adult passengers, including the driver or pilot, only when such vehicle is operated on an established line.

*Statement of Glenn J. Jacoby, the University of Wyoming*

Urges that the admissions tax relating to college and university athletic events be repealed.

*Statement of Thomas Allen, pastor, Presbyterian Church*

Urges complete elimination of the excise tax on pens, gold awards, etc., for church school attendance.

*Statement of R. O. Thomas, legal counsel and director, W. A. Sheaffer Co.*

Urges that section 303 of the bill be amended to read as follows:

SEC. 303. TAX ON MECHANICAL PENCILS, FOUNTAIN AND BALL-POINT PENS, AND MECHANICAL LIGHTERS FOR CIGARETTES, CIGARS, AND PIPES.

Section 3408 (a) (relating to tax on mechanical pencils, fountain and ball-point pens, and mechanical lighters for cigarettes, cigars, and pipes) is hereby amended by striking out "15 per centum" and inserting in lieu thereof "10 per centum," and by striking out the period at the end thereof and adding the following "but this tax shall not apply to such articles sold by the manufacturer, producer, or importer on or after April 1, 1955."

*Statement by Fuller Holloway on behalf of the Toilet Goods Association*

Urges favorable consideration be given to H. R. 8224.

*Statement by the Western Union Telegraph Co.*

Urges relief from the excise tax on telegrams to a degree that would exceed the 5 percent reduction proposed in H. R. 8224. Believes that such action would reduce the cost of telegraph service so that the

volume of business done can be increased and the position of the vital public service improved.

*Statement of James F. Pinkney, general counsel, American Trucking Associations, Inc.*

Urges favorable consideration be given to the repeal of or at least the reduction of the taxes directed solely on users of highways and the transportation tax on property.

*Telegram from Max Berkowitz, director, National Authority for Ladies' Handbag Industry*

Urges favorable consideration be given to the complete repeal of the excise tax on handbags.

*Statement of Rowland Jones, Jr., president, American Retail Federation*

Recommends that the same measure of relief afforded other items under the bill be given to essential family and household articles such as ranges, laundry equipment, water heaters, refrigerators, business machines, television sets, radio sets, and other electrical appliances.

*Telegram from Duke Tufty*

Urges that the excise taxes on automobiles, trucks, accessories and parts be reduced April 1, 1954, and floor stock refunds provided for.

*Telegram from D. B. Broderick, South Dakota Automobile Dealers' Association*

Urges that the excise taxes on automobiles, trucks, accessories and parts be reduced April 1, 1954, and floor stock refunds provided for.

*Telegram from Ernest Allen*

Urges that the excise taxes on automobiles, trucks, accessories and parts be reduced April 1, 1954, and floor stock refunds provided for.

*Telegram from W. T. Ryan, Ryan Motor Co.*

Urges that the excise taxes on automobiles, trucks, accessories and parts be reduced April 1, 1954, and floor stock refunds provided for.

*Statement of Leo Goodman*

Urges repeal of the 3 cents per pound upon the first domestic processing of coconut oil paid by the processor. Believes that such action is necessary to relieve unemployment in the industry now estimated at 2,000 and to prevent further closing of processing plants.

*Statement of James J. Donovan, president, National Licensed Beverage Association*

Recommends that the excise tax levied on alcoholic beverages and the cabaret taxes be completely eliminated. Recommends that the April 1, 1954, automatic termination date of the present rates of alcohol beverages be allowed to take effect. If this is not possible, recommends that a new termination date of April 1, 1955, be written into the law. Recommends consideration be given to the complete repeal of the cabaret tax.

*Statement of Arthur Litzenberger*

Opposes an amendment to section 1701 (d) of the Internal Revenue Code to provide that the tax on admissions shall not apply in the case of admissions to privately operated swimming pools, skating rinks, and other places providing facilities for physical exercise.



*Statement of Hon. Spessard L. Holland, United States Senator*

Recommends the repeal of that part of the transportation of persons tax which affects transportation to Central America and the Caribbean area.

*Statement of American Telephone and Telegraph Co.*

Urges removal or reduction of the excise tax on telephone calls. Notes that recent polls indicate that the tax on telephone services are the most disliked by the public.

*Statement of Clinton B. Hester, Washington counsel, United States Brewers Association*

Urges that the \$1 increase in the excise tax on beer, levied in 1951 be permitted to expire April 1, 1954, as provided by present law.

*Statement of Allan B. Kline, president, American Farm Bureau Federation*

Recommends that the excise tax on gasoline and diesel fuel be repealed. Also urges repeal of the excise tax on transportation and communications. Notes that the overall reduction in excise tax rates as provided in the House bill is questionable in view of more desirable principles which can be served by repealing the excise taxes enumerated above.

*Statement of Lloyd C. Halvorson, economist*

Supports the elimination or reduction of automotive excise taxes. Points out that the tax on gasoline and oil should have highest priority for such reduction. Such reduction would stimulate automobile buying, encourage travel, and tend to bring truck freight rates down.

*Statement of R. E. Joyce, chairman, Tax Council of the Alcoholic Beverage Industry*

Recommends that the Congress should first remove the temporary excise taxes imposed by reason of the Korean military activities as provided by present law before reducing the basic rate of other excise taxes not temporarily increased at that time. Recommends further that if the last increase of \$1.50 is not removed at this time that the provision for its termination now contained in H. R. 8224 be retained.

*Statement of D. D. Bean, president, D. D. Bean & Sons Co.*

Urges that the present tax of 2 cents per thousand matches be reduced to 1 cent per thousand. Notes that the tax on competitive lights (mechanical lighters) is reduced by 33½ percent and that an inequity would be created if the tax on wood matches is not reduced.

*Statement of Francis T. Greene, executive vice president, American Merchant Marine Institute, Inc.*

Requests that the 15 percent excise tax on the transportation of persons be completely repealed rather than reduced by 10 percent as provided in the House bill.

*Telegram by Bertha Akin Gregory, chairman, American Home Economics Association, committee on legislation*

Recommends removal of the 10 percent manufacturers' tax on household equipment. Notes that this tax was levied to conserve materials and has outlived its purpose.

*Statement of D. K. Baldwin, secretary, Minnesota State Agricultural Society*

Urges that the tax on admissions be repealed and the former tax exemption on admissions to grandstand performances staged by agricultural fairs for the sole benefit of extending their educational programs be restored.

*Statement of William B. Way, Mid-State Theaters, Inc.*

Urges that the tax on motion picture theater admissions, where admission is less than 50 cents, be eliminated.

*Statement of Wade G. McCargo, president, National Retail Dry Goods Association*

Recommends that the excise tax on items in the consumer-durable field be reduced as soon as economically possible.

*Statement of H. E. Simpson, president, Baltimore & Ohio Railroad Co.*

Urges that the 3 percent rate on transportation of property be reduced, noting that its effect is to divert freight from public carriers where it is subject to the cumulative tax, to private carriers to which the tax does not apply.

*Statement of Arthur H. Nuesse, executive manager, Truck Body and Equipment Association, Inc.*

Recommends that the 8-percent excise on truck bodies, truck parts, and accessories be repealed. Notes that truck bodies are essential tools, not luxuries, and that such tax can be justified only on an emergency basis. Notes further that this tax discriminates against manufacturers and users alike and that it constitutes a threat to price demand and employment.

*Statement of the International Union of Electrical, Radio, and Machine Workers, affiliated with the Congress of Industrial Organizations*

Urges that the present 10 percent tax on household appliances be reduced to 7 percent. Feels that an inequity is created when tax on luxuries are decreased while tax on basic articles such as household appliances are ignored.

*Statement of S. G. Tipton, general counsel, Air Transport Association of America*

Recommends complete repeal of the 15 percent tax on transportation, pointing out that it discourages the use of various forms of public transportation, discriminates against travel in the United States and to Canada, Mexico, Central America, and the Caribbean and encourages tax avoidance practices, which result in increased business costs.

