

to 1 %. The government wants to add to the present corporation tax a 1 % tax.

Question by committee: Would Congress assess one part of it without another part?

Mr. Luce: The President does not want an individual tax, he does not want the English tax; he wants to tax corporation bonds.

Question by committee: Is this amendment in line with Taft's program?

Mr. Luce: Taft made the Denver speech before Congress proposed the income tax. Senator McCall voted against the bill because it was not properly phrased also Weeks and Hughes opposed it on this ground. I might also have wished a different phraseology. But it is acceptable to our Pres, our Congressmen and our leaders, and we should not demur here because we want a different phraseology.

Question by committee: Are we able to change it?

Mr. Luce: No, you must either accept or reject it.

Question by Rep. Bean: Don't you think that this measure should be framed differently? Isn't it too broad? Isn't there danger that it might go further than President Taft's program?

Mr. Luce: Perhaps, had I been in Congress, I should have wanted it changed in form, yet I believe the broad power and the general principle commended themselves to our Representatives in Washington, and to President Taft, and I think it is our duty to support it.

Question by Representative Carr: Don't you think some of the members who voted for this amendment did so in order to get the tariff bill through?

Mr. Luce: I confess I am at a loss to fathom the congressional breast. I know how the vote appears on the surface.

Question by Mr. Carr: Without mentioning any names I will say that some of the Mass. congressmen who voted for this measure are not opposing it. I know one of them has come to me, after voting for it, and asked me to oppose it here.

Mr. Luce: In the same way they have come to me.

Mr. Dean: When you said that Mass. would not tax bonds and wouldn't let the government do so, did you mean to say that we have no tax on bonds?

Mr. Luce: I didn't intend to say we didn't tax bonds. We refused to collect the tax.

I do not favor the extension of an income tax to a degree that would make it the established system of raising revenue. I am in favor of it as an emergency measure, and particularly that President Taft and the federal government might have the machinery at hand to reach corporation bonds just as they reach the stocks by the new corporation tax law

Question by committee: Was not the stamp tax sufficient in the case of the Spanish War?

Mr. Luce: At the time of the Spanish War there was no strain on our resources.

Question by committee: Is there no reason why the stamp tax should not bring as much revenue as an income tax?