

**PROTECTION OF THE GOLD RESERVE:
HEARINGS BEFORE THE COMMITTEE ON
WAYS AND MEANS, HOUSE OF
REPRESENTATIVES, ON H.R. 13201, MAY
25, 28, AND DECEMBER 10, 1920,
FEBRUARY 1 AND 8, 1921. INDEXED**

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Indexed by Various

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FEBRUARY 1 AND 8, 1921. INDEXED**

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Protection of the Gold Reserve

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HEARINGS *P11554*



BEFORE THE
COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ON

H. R. 13201

A BILL TO PROVIDE FOR THE PROTECTION OF THE MONETARY GOLD RESERVE BY THE MAINTENANCE OF THE NORMAL GOLD PRODUCTION OF THE UNITED STATES TO SATISFY THE REQUIREMENTS OF THE ARTS AND TRADES, BY IMPOSING AN EXCISE UPON ALL GOLD USED FOR OTHER THAN MONETARY PURPOSES, AND THE PAYMENT OF A PREMIUM TO THE PRODUCERS OF NEWLY MINED GOLD, AND PROVIDING PENALTIES FOR THE VIOLATION THEREOF

MAY 25, 28, AND DECEMBER 10, 1920
FEBRUARY 1 AND 8, 1921

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Protection of the Gold Reserve

HEARINGS

BEFORE THE

COMMITTEE ON WAYS AND MEANS

HOUSE OF REPRESENTATIVES

ON

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MAY 25, 28, AND DECEMBER 10, 1920
FEBRUARY 1 AND 8, 1921

I N D E X E D



WASHINGTON
GOVERNMENT PRINTING OFFICE

COMMITTEE ON WAYS AND MEANS,

HOUSE OF REPRESENTATIVES,

SIXTY-SIXTH CONGRESS, THIRD SESSION.

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NICHOLAS LONGWORTH, Ohio.
WILLES C. HAWLEY, Oregon.
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PART I.

PROTECTION OF THE GOLD RESERVE.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Tuesday, May 25, 1920.

The committee met at 10.30 o'clock a. m., Hon. Joseph W. Fordney (chairman) presiding.

The CHAIRMAN. Gentlemen, we are here to hear certain gentlemen interested in the so-called McFadden bill (H. R. 13201).

(The bill referred to is as follows:)

A BILL To provide for the protection of the monetary gold reserve by the maintenance of the normal gold production of the United States to satisfy the requirements of the arts and trades by imposing an excise upon all gold used for other than monetary purposes, and the payment of a premium to the producers of newly mined gold, and providing penalties for the violation thereof.

Be it enacted, etc., That on and after May 1, 1920, in addition to any existing tax now assessed or levied thereon, there shall be levied, assessed, collected, and paid a tax of 50 cents per pennyweight of fine gold contained in all gold manufactured, used, or sold for other than coinage or monetary purposes, by or for a manufacturer or dealer, or his estate, on or after such date, and upon the gold contained in any manufactured articles sold by any dealer or manufacturer or his estate.

Sec. 2. That the Internal Revenue Department shall prescribe, and provide a proper and sufficient stamp that shall be attached to or imprinted upon any and every manufactured article, or the package containing the same, in which gold is used, that may be sold after the 1st day of May, 1920, and upon all gold used in any form other than for monetary purposes after the said May 1, 1920. The stamps to be so provided and authorized to be sold and imprinted upon or attached to such manufactured articles, or the packages containing the same, shall be in such form, and shall be imprinted upon or attached to, the articles or packages, at such time and in such manner as may be provided by the rules and regulations of the Internal Revenue Department carrying this act into effect.

That on account of the impracticability of suitably stamping finished dental restorative appliances, the Internal Revenue Department shall further prescribe such rules and regulations for the collection of the tax provided herein upon all gold used for dental purposes as will equitably protect the interests of the public; that all gold used by the Government for dental, medical, and surgical purposes, and all gold employed in dental services rendered to war risk insurance patients by the United States Public Health Service, shall be exempt from the excise provided herein; and that all gold used in corrective and restorative dental work for children of both sexes not over the age of fifteen, and all gold used in dental infirmaries conducted for the benefit of the poor and not for private profit, shall be exempt from the excise provided herein.

Sec. 3. That all moneys collected pursuant to the provisions set forth in section 1 of this act shall be paid into the custody of the Treasurer of the United States, and shall be kept by him in a separate fund designated as "the gold premium fund," and shall be used and paid out in accordance with the provisions of this act as herein set forth, and for no other purpose; except that if, at the end of any current year, a balance has accrued in the gold premium fund over