CHAPTER VI

The Interstate Assembly

Meeting of Official Representatives of State Governments

ORIGIN

At the annual meeting of the American Legislators’ Association in Washington, in September, 1932, it developed that the various legislatures which were represented had been concerning themselves with the problem of conflicting taxation by the state and federal governments. The proposal was made by Senator Woodward of Pennsylvania that state legislatures make common cause in negotiating with Congress. Senator Mastick of New York said: “The New York State Commission for the Revision of the Tax Laws, of which I am chairman, has already been charged with the responsibility of conferring with the appropriate congressional committee concerning this subject. We must act whether any other legislators do so or not. It would be our disposition to join forces with legislators from other states.” The possibilities of concerted action were discussed at considerable length in the sessions of September 20. All of those present recognized the fact that the problem under consideration devolves primarily upon the legislatures. At the conclusion of these discussions, President Belknap of the American Legislators’ Association was authorized to call a special meeting of the Association’s Board of Managers to confer concerning this national problem, and to consider the advisability of calling a national conference.

Original Financing

During the discussion, Senator Woodward—who has been one of the most generous individual donors to the Association’s work since its inception—stated that he would contribute $2,000 toward the launching of this national conference, and the Director of the Association stated that there was an item of $2,000 in a conditional appropriation from the Spelman Fund which might possibly be secured to match Senator Woodward’s $2,000.

Congressional Subcommittee

In the meantime Mr. Frederic P. Lee, who was for many years the Legislative Counsel of the United States Senate, who is one of the Association’s most active Advisers, and who was in attendance at all of the sessions of the September Conference, informed the meeting that the Ways and Means Committee of the Congressional House of Representatives had already created a Subcommittee for the express purpose of studying conflicting taxation: This group, which is concerned with the allocation of the sources of revenue between the federal government and the states, is known as the Subcommittee on Double Taxation. Its members were at that time:

HON. FRED M. VINSON, Chairman—Ashland, Kentucky.
HON. DAVID J. LEWIS—Cumberland, Maryland.
HON. THOMAS H. CULLEN—Brooklyn, New York.
HON. FRANK GROWTHER—Schenectady, New York.
HON. CARL R. CHINDBLOM—Evanston, Illinois.

Congressional Contact

Accordingly, by Mr. Lee’s arrangement, immediately upon the adjournment of the Annual Conference on September 21, the following individuals met:

CONGRESSMAN CHINDBLOM (the only member of the Subcommittee then in Washington).
MR. LOVEL H. PARKER, Chief of the Subcommittee’s Staff.
MR. COLIN STAM, Counsel to the Subcommittee.
HON. FREDERIC P. LEE, Member of the
Advisory Board of the American Legislators' Association.

HON. WILLIAM B. BELKNAP, President of the American Legislators' Association.

HENRY W. TOLL, Director of the American Legislators' Association.

The situation was discussed by the members of this group for more than two hours. The representatives of the Subcommittee expressed the opinion that it would be desirable to develop a group which would represent the state legislatures, and that they were in sympathy with the Association's objective.

Consequently, after further discussion among various members of the Board of Managers of the Association and others, a second conference was held on October 24, 1932, at which Messrs. Parker, Stam, Belknap and Toll further developed the plan for the first national meeting of state legislators.

Managers Called Together

After subsequent consultation between Mr. Belknap and Mr. Toll, who also consulted Dr. Thomas Walker Page and other tax experts, President Belknap called the special meeting of the Association's Board of Managers. The Board convened at the Mayflower Hotel in Washington on Friday, December 9, 1932, and devoted two long days to a painstaking analysis of the problem in taxation with which we are confronted. Present at this meeting were the following members of the Board of Managers:

HON. WILLIAM B. BELKNAP, Kentucky.
SENATOR SEABURY C. MASTICK, New York.
EX-SENATOR HENRY W. TOLL, Colorado.
HON. ROBERT L. PATTERSON, California.
SENATOR HENRY PARKMAN, Jr., Massachusetts.
SENATOR SHERMAN W. CHILD, Minnesota.
SENATOR LYCURGUS L. MARSHALL, Ohio.
HON. R. BEVERLEY HERBERT, South Carolina.
EX-SENATOR JOHN A. CHAMBLISS, Tennessee.
HON. HUGH REID, Virginia.
SENATOR ALVIN REIS, Wisconsin.

Also present were:

HON. MARK GRAVES, Budget Commissioner of the State of New York.
HON. HENRY F. LONG, Commissioner of Taxation of Massachusetts.
HON. LEON D. METZGER, Secretary of the Department of Revenue of Pennsylvania.

JUDGE EDWARD L. LEAHY, former member of the legislature and present member of the Tax Commission of Rhode Island.
HON. OLIVER MEZZOROTT, Maryland.
HON. J. P. HARTIGAN, West Virginia.
RICHARD E. SAUNDERS, staff member of the Association.

A picture of this group is on page 46.

There were few points upon which the members of this group were in entire agreement at the outset, and one question after another was vigorously argued. By the end of the second day, however, a project had been formulated which every member of the group enthusiastically approved. And it can be said, almost without qualification, that by the end of the conference every member of the group was in complete agreement as to every feature of the plan.

Of especial interest was the comment of Mr. Graves that the undertaking is of such direct concern to the state governments that it would be to their interest to provide financial support for the project. This view was shared by the other fiscal officials present, as well as by the legislators who were in attendance.

In the meantime Senator Parkman had taken up the matter of a national conference with the Director of the Budget, the Chairman of the Ways and Means Committee, and the Governor of Massachusetts, all of whom expressed their approval of the project. In New York State, Commissioner Mark Graves secured state assistance. Hon. Clyde L. King, former Secretary of the Department of Revenue of Pennsylvania, and his successor Hon. Leon Metzger, were active in the development of the plan in Pennsylvania. Governor Pinchot aided them with the following statement:

"Forty-eight states are taxing the citizens of the United States. The federal government also is taxing the same citizens. Clearly these forty-nine separate jurisdictions should not organize and conduct their
taxing systems with complete disregard of each other.

"It is not easy to establish a satisfactory and effective contact between the various states. The proposal of the American Legislators' Association for an Interstate Conference of Legislators gives real promise of contributing to the solution of this national problem.

"I shall recommend to the Senate and the House of Representatives that each send a delegate to the conference, and I shall designate both the former and the present Secretaries of Revenue to represent this State in an advisory capacity at the conference.

"I trust that each of the Governors will designate one or more fiscal officials to attend the conference. Much good should come of it."

Newspaper Interest

Press dispatches concerning the meeting of the Board of Managers, and concerning its decisions, were given national circulation by the Associated Press; the United Press, and the International News Service, and leading newspapers in many sections of the country carried special news stories. In all sections of the United States, also, the newspapers subsequently published editorials which gave earnest moral support to the proposed work. The general attitude of the press was fairly expressed by the concluding paragraph of an editorial published by the Scripps-Howard nationwide system of newspapers:

"The times call for cooperation and courage. If the states act in unison through organizations like the American Legislators' Association and the coming national state tax conference, they can save time and effort."

The Fort Worth Evening Star, on December 12, 1932, gave a somewhat different angle to the question in the following passage contained in an editorial entitled, In the right direction:

"The American Legislators' Association takes the most important forward step in governmental coordination and economy when it proposes to institute conferences between the States and the Federal Governments with a view to avoiding dual taxation. The duplication of taxes is already creeping upon us, and it threatens to cover the whole field of property and commodities. If it is necessary for both state and federal authorities to tax everything, the public at least should have the benefit of an agreement between its tax masters. In other words, these tax masters should determine how their exactions are to be distributed, and what limits are to be placed upon them. The project now launched by the American Legislators' Association has long been needed."

An editorial published in the Toronto Mail and Empire on December 10 concerning the present project of the American Legislators' Association, gave international perspective to this problem: "The unnecessary burden on taxpayers created by the overlapping of Dominion, provincial and municipal taxation is one of the subjects which will be discussed at the conference between the provinces and the Dominion at Ottawa in January. A similar evil prevails, to a much greater degree, in the United States."

The first of the dispatches issued by the Associated Press was a six-paragraph story which contained this picturesque lead: "Just whose fingers should dip where into the taxpayer's pocket—that is the enigma studied by leaders of the American Legislators' Association who seek to lessen the tax competition between the state and federal governments."

In New Orleans on December 12 the Times-Picayune introduced a column-editorial with the following bouquet: "The multiplication, and particularly the duplication of taxes, is worrying the intelligent leadership of the American Legislators' Association, whose studies of state government are always interesting and would be helpful if applied."

President-Elect Endorses Assembly

President Roosevelt, then Governor of New York, discussed the imperfect adjustment of the cogwheels of state and federal government in a United Press report:

"It is time to define more clearly, where the federal machinery of government ends, and where the state machinery of government begins. It is time, likewise for closer contacts between the president and the governors."

President Roosevelt swung
into his discussion of state and federal relationships, after pointing to the necessity of reducing the cost of local government. “Less well defined,” he explained, “but of great importance, nevertheless, is another relationship—that between the government of state and the government of the federal Union. The crisis has brought about new problems, and at the same time new possibilities, whereby Washington and the several state capitals may become more mutually helpful—especially in the matters which—with increasing frequency—involves overlapping functions.”

President-elect Roosevelt on December 28, endorsed the call for the national conference, which was to be known as the Interstate Assembly, in his letter to Mr. Toll, which is printed on the opposite page.

THE CALL TO THE CONFERENCE

To the Governor, the Senate, and the House of Representatives of Each of the Forty-Eight States: It has long been apparent that substantial benefits would result to the citizens of all states from a closer contact between the various legislatures, and that many governmental difficulties are aggravated by the absence of adequate facilities for conference between these law-making bodies.

In connection with problems of taxation the evils resulting from this lack of contact had become especially acute even before the present economic depression. The further factor of the inability of the states to deal with the federal government in an orderly and cooperative manner has involved heavy burdens upon the taxpayer, upon the federal government, and upon each state.

The impaired ability of our people to bear the cost of government has now rendered these problems of taxation critical. The burdens of our individual taxpayers and the difficulties of each of our forty-eight states, imperatively demand that an attempt be made to improve this situation.

This is a legislative problem. The present economic emergency creates an imperative necessity for joint counsel and concerted action. It is time for the states to make common cause.

Accordingly, after careful consideration and after conference with representative legislators, with eminent tax experts, and with state revenue officials, the American Legislators' Association now issues this call. Time: The Interstate Assembly of official delegates of the forty-eight legislatures will be held on Friday and Saturday, February 3 and 4, 1933 in Washington, D.C. This will be the first official conference of this character which has ever convened in the United States. Purpose: This conference is called to consider the advisability of establishing a standing committee of legislators—with an advisory board of fiscal officials—to study the problems of conflicting taxation, and to confer concerning them. It will be the duty of this committee, if established, to negotiate with the appropriate Congressional committees, and to report its findings and recommendations at a subsequent meeting of the Interstate Assembly.

Invitation to Legislators: The Senate of each state is hereby invited to send as its delegate to this conference one of its members—chosen in such manner as the Senate may determine.

Similarly the House of Representatives of each state is hereby invited to send as its delegate to this conference one of its members—chosen in such manner as the House of Representatives may determine.

Invitation to Governors: The Governor of each state is hereby invited to send to this conference one of more principal fiscal officers of the state (such as the Budget Commissioner, the Chairman of the State Tax Commission, or the Director of the Department of Revenue) to represent him at the conference of legislators, in an advisory capacity.

Designations: All such delegates and fiscal officials—and an alternate for each—should be designated on or before Thursday, January 12, 1933. And on or before that date, official notification of the names of such delegates and alternates should be mailed in behalf of each state to the corresponding secretary of the conference: (1) for the Senate by its Secretary, (2) for the House of Representatives by its Clerk, and (3) for the Governor by his Secretary.

Expenses of Delegates: In most cases the expenses of the delegates to the conference will be provided from contingent funds of
Hon. Henry W. Toll,
The American Legislators’ Association,
Drexel Ave. & 58th St., Chicago, Ill.

Dear Mr. Toll:

The plan to hold an Interstate Conference of Legislators to secure a better coordination of the revenue systems of the Federal Government and of the forty-eight states is a splendid idea. Many exceedingly important public questions are pressing for solution and among the more urgent of these is the very one with which your Association proposes to deal.

In the past, the Federal Government has passed revenue legislation with too little consideration for state taxing systems and, on the other hand, the states have legislated with little reference to the Federal revenue plan and with almost no consideration for the tax programs of other states. This is not as it should be. I have given considerable thought to this problem and it is my hope to make at least a small contribution to a better synchronized Federal, state and local taxing system. And I shall eagerly follow the proceedings of your Conference, being hopeful that from it many good ideas will develop.

I do hope that every state legislature will be represented in the Conference and that the governors of the several states will appreciate, as I do, the importance of this movement and lend their support by sending representatives to the meeting.

Very sincerely yours,

[Signature]
GOVERNOR
TIME: December 9 or 10, 1932.
PLACE: The Mayflower Hotel, Washington, D. C.
ACTION: At the Seventh Annual Meeting of the Association which was held during September, 1932—also in Washington—the President of the Association was instructed to call these public officials together. They are here assembled to plan the first Interstate Conference of State Legislators, which the American Legislators’ Association has now called for February 3, 1933.

DRAMATIS PERSONAE: Seated about the board, from left to right, are:
Hon. Robert L. Patterson of California.
Senator Henry W. Toll of Colorado.
Director of the American Legislators’ Association.
Hon. Oliver Mezzerot of Maryland.
Mr. Richard E. Saunders of Washington, D. C.
Hon. William B. Belknap (with his hands on the table) of Kentucky, President of the American Legislators’ Association.
Hon. Mark Graves, Budget Commissioner of the State of New York.
Judge Edward L. Leahy, Member of the Tax Commission of Rhode Island.
Hon. Henry F. Long, Commissioner of Taxation of Massachusetts.
Senator Henry Parkman, Jr., of Massachusetts.

Standing, from left to right, are:
Mr. Lovell H. Barker of Washington, D. C., Chief of the technical staff of the Congressional Subcommittee on Double Taxation.
Hon. J. P. Hartigan of West Virginia.
Hon. Hugh Reid of Virginia.
Senator Sherman W. Child of Minnesota.
Hon. Frederic P. Lee of Washington, D. C., former Legislative Counsel of the United States Senate.
Hon. Leon D. Metzger, then Secretary of Revenue of Pennsylvania.
Hon. R. Beverley Herbert of South Carolina.
Ex-Senator John A. Chambliss of Tennessee.
Senator Lycurgus L. Marshall of Ohio. Not shown in picture:
Senator Seabury C. Mastick of New York.
Senator Alvin Reis of Wisconsin.
Senator George Woodward of Pennsylvania, who was unable to attend the conference.
their respective legislatures, and the expenses of the fiscal officials will be paid by their respective departments. Otherwise, special administrative or legislative action will be necessary. But in each state, whether or not such financial provisions have been made prior to January 12, 1933, the delegates and alternates should be designated by that date. In other words, all delegates should be named immediately, without delay on account of any financial uncertainties. Each legislature and each Governor is strongly urged to take action promptly in order that the roster of the states may be complete from the outset. Obviously the conference will have no official point of contact with any legislature which fails to designate its delegates.

Place: The two-day conference will be held at the Shoreham Hotel, Washington, D. C. The opening sessions will convene at 10 A.M. on Friday, February 3.

Correspondence: Communications should be addressed in care of the American Legislators' Association, Drexel Avenue and Fifty-eighth Street, Chicago, Illinois.

President Greets Assembly

The First Interstate Assembly met in the Shoreham Hotel, Washington, D. C., and was greeted by President Hoover in the following words:

"Gentlemen: It is a very great pleasure to welcome this first Interstate Conference of Legislators to Washington. The subject of your discussions is one of the important problems before the Nation.

"The depression has naturally made the Nation urgently conscious of the tax burden, but the problem is much older than that. The evolution of the governmental functions of municipalities, townships, counties, and states has led to a haphazard development of sources of taxation to support these functions. The result has been a perfect maze of overlapping, conflicting tax systems, with inevitable invasions by one authority of tax areas properly belonging to another authority. If your conference can help to make a scientific division of tax sources among the various governmental authorities, you will have made a distinct contribution to the efficiency as well as to the economy of our whole governmental system.

"I do not expect, and probably you do not expect, that you will evolve a complete system at this first session. But the very fact that you have entered upon the problem, that you bring it prominently before the Nation, and that you succeed in directing the country's thought to it, will be a contribution of the first importance.

"I warmly hope that your deliberations will produce fruitful results in this most important field. Our economic situation is such that the people must have relief from tax burdens. A decrease in income, whether individual or governmental, requires a decrease in expenditures. Likewise, it implies and necessitates a balancing of budgets, and in all of the maze of problems that we have to consider to attain these ends, there is none more important than to arrive at some basis of taxation that can be equitably divided amongst our different governmental agencies. In that I look forward to a real contribution from this Assembly.

"I wish you all the success in the world. I will be glad to give you any measure of cooperation that the Federal authorities can afford. I know that on the administrative side we will be glad to cooperate with you in every particular.

"Thank you for coming and undertaking the service which you are giving.

The Conference

During the morning session eighty-seven official delegates from thirty-one states were seated. These included the voting delegates who represented their respective senates and houses and also fiscal officials and representatives of Governors. Twelve state senators, ten state representatives and seven state tax administrative officers presented the states' tax problems. Eight United States Congressmen voiced the Federal Governments' recognition of the problems of conflicting taxation. The theoretical side was ably presented by several college professors.

The Interstate Assembly was considered an outstanding success. The delegates were enthusiastic over the accomplishments. The outcome of the first Interstate Assembly may best be told by printing the committee reports.
"THANK YOU FOR COMING"

Members of the first Interstate Assembly face the camera immediately after President Hoover delivered his address of welcome.
Objectives

Your Committee on Resolutions begs leave to report that whereas, members of the legislature or other official representatives of 31 states have assembled in Washington, D. C., for the purpose of considering the problem of conflicting taxation, and

Whereas, deliberation over a period of two days, participated in by all of such states through their representatives has made clear to all those present the tremendous burden of taxation by all the various units of government; federal, state and local, resulting in taking out of a total national income in taxes an estimated amount in excess of $9,500,000,000 a year, and

Whereas, all those present are alive to the urgent necessity of reducing such tax burden, and, as a means to that end, to the importance of finding some basis for agreement between the states and the federal government on the problem of conflicting and overlapping taxation, and

Whereas, for that purpose, cooperation between the states is a first essential in order that the states may place themselves in a position to confer with the federal government.

Now, Therefore, Be It Resolved: That the First Interstate Assembly endorses the following objectives:

1. The establishment of a permanent commission composed of legislators of various states and equipped with an adequate staff for the making of the necessary factual study concerning the problem of conflicting taxation.

2. The holding of a second Assembly at such time as the Board of Managers may determine, at which time the said Commission shall render its report.

3. Continuing cooperation between all the states through the medium of the American Legislators' Association.

4. Reduction of the tax burden—first, by reduction of government expenditures, federal, state, and local, to bring such expenditures more in line with the ability of the people to pay; second, by the development of a more orderly, equitable tax system, through coordination and agreement between the states and the federal government; and third, by eliminating so far as possible the expense and aggravation caused the taxpayers by multiple assessments and collections from the same sources of revenue.

HENRY PARKMAN, JR., Chairman,
EARL R. LEWIS,
LOUIS P. EKELNS,
J. SINCLAIR BROWN,
SEABURY C. MASTICK,
JOSEPH G. WOLBER.
Interstate Commission on Conflicting Taxation

Your Committee on Committees begs leave to report that it appears from this conference that the paramount question before the Assembly is that of conflicting taxation, and that it is therefore important that this organization shall, for the present, give its especial attention to that subject.

With this end in view, your Committee recommends:

1. That the organization be perfected by securing the support and cooperation of all of the states possible;
2. That the states be urged to appoint representatives to the Assembly to serve both as present members, and for such future meetings as may be arranged;
3. That the President appoint an Interstate Commission of not less than ten nor more than fifteen members, having regard to geographical location and economic conditions in making such appointments;
4. That such Commission so appointed shall examine into the problem and report what may be done to relieve the present conflicting and overlapping systems of taxation;
5. That such Commission shall, if necessary, arrange subcommittees to study and report concerning particular phases of the subject referred to them;
6. That such Commission provide for an Advisory Board, and for such technical assistance and staff as it deems advisable.

Your Committee expresses the hope that at a later time it may be feasible to arrange interstate commissions to report on other subjects, of which there are many that challenge the attention of this Assembly. Examples of such subjects are:

1. Employment rehabilitation, and effective relief policies.
2. Scope and cost of public education.
3. Protection of bank deposits and insurance policies.
4. Interstate highways and utilities.
5. The federal policy of fifty-fifty appropriations.
7. Simplification of local government.
8. Reorganization of state governments.

Your Committee further recommends that a permanent finance committee be appointed by the President, of such size and drawn from such locations as may, under all the circumstances, seem appropriate.

We recognize that particular problems peculiar to groups of states may best be worked out through conferences by such states, and therefore we recommend that such regional commissions or subcommittees shall be appointed by the President.

WILLIS SMITH, Chairman,
R. BEVERLEY HERBERT,
HUGH REID,
DOUGLAS H. GORDON,
ERLAND F. FISH,
PHILLIP STERLING.

The Commission's procedure: Resolved:
That whenever two-thirds of the members of the Commission appointed to study tax conflicts between the states on the one hand and the federal government on the other, and to draw up proposals for the reconciliation and simplification of taxing systems, find themselves in agreement on any plan, the Commission shall transmit such plan by mail to the voting delegates then qualified under the rules of this Assembly. The said delegates shall vote by mail upon the question of whether or not the Commission shall proceed to treat with the appropriate Congressional agencies concerning the said plan, and if two-thirds of the delegates who vote within the time specified by the Commission, shall cast affirmative ballots, the Commission shall proceed to treat with the said Congressional agencies:

Financing the Assembly

Your Committee on Finance begs leave to report that it believes that each House of each Legislature should appropriate funds during the current sessions to provide travelling expenses for their delegates to the next meeting of the Interstate Assembly, and that the funds appropriated by the legislatures of the states whose members are serving upon such Interstate Commissions of this Assembly as will hold interim meetings should be sufficient to defray the travelling expenses of such members to such interim meetings;

Also, that all of the states should ap-
propriate on the basis of an average of three thousand dollars each, toward the support of the Interstate Reference Bureau and toward the support of the proposed technical staff of the Interstate Commission on Conflicting Taxation; and each state is urged to appropriate not less than the sum of one thousand dollars for such support;

Also, realizing that adequate funds will probably not be available from the states to prosecute immediately the proposed program, your Committee recommends that funds be solicited from foundations;

Also, that the Director of the American Legislators’ Association be authorized to solicit and receive funds from corporations or trade associations or both, provided sufficient funds are not secured from federal and state governments, foundations or individuals, but subject to the provisos that no contribution shall be accepted from any individual, corporation, or trade association exceeding ten per cent of the amount received from all of such donors, and that the names of donors and the amount donoted by each is publicized.

Robert L. Patterson, Chairman,
George Woodward,
George D. Cummings,
Lycurgus L. Marshall,
Walter L. Pratt,
Ben G. O’Neal,
McMillan Lewis,
Arthur N. Pierson.

Resolution of Appreciation.

Resolved, that the first Interstate Assembly express its deep appreciation and gratitude to President Hoover for his cordial address of welcome and especially for his valued and heartening interest in our efforts toward the elimination of conflicting state and federal taxation.

That the Assembly express its deep appreciation and gratitude to President-elect Roosevelt for his leadership in endorsing the call for this Assembly, which leadership contributed so signally to its success.

That the Assembly extend a vote of sincere thanks to all others who have contributed to the success of this meeting, and especially to the president of the American Legislators’ Association, Honorable William B. Belknap, and to the Association’s Director, Senator Henry W. Toll, whose untiring efforts and unselfish devotion to the project of interstate cooperation have resulted in this important gathering.

That the Assembly also express its appreciation for the unselfish support which it has received from the members of the various state legislatures whose far-sighted assistance in furthering this project has materially promoted friendly cooperation among the states.

That the Assembly extend its sincere thanks to the learned men who, as invited speakers, contributed so substantially to the interest and value of the first day’s sessions; Honorable Clyde L. King, Honorable Henry F. Long, Professor Robert Murray Haig, Honorable Franklin S. Edmonds, and Honorable Mark Graves.

That the Assembly also express its appreciation for the helpful cooperation of the Double Taxation Committee, which is a subcommittee of the House Ways and Means Committee of Congress, and particularly to Chairman Fred M. Vinson, Honorable Carl R. Chidlaw, and Honorable David J. Lewis for their interesting and informative addresses to the Assembly on the question of conflicting taxation as it affects federal fiscal problems.

That the Assembly acknowledge with gratitude the enthusiastic and fair-minded attitude of the press toward the efforts of this Assembly, and its generous and encouraging comments regarding the entire project.

That the Assembly express its appreciation to the management of the Shoreham Hotel and to the Greater National Capital Committee for their courteous service and assistance.

That the Assembly extend its sincere thanks to the members of the staff of the American Legislators’ Association for their efficient and unfailing assistance in organizing this Assembly and its work.

Reception Committee:
George V. Bradley, Chairman,
Walter Murphy,
Roy Rawlins,
 Josiah J. Evans,
J. Vaughan Gary,
J. D. Parler,
A. L. Helmick,
Roy V. Harris.
Press Comment

Newspaper comments upon the results of the first Interstate Assembly follow.

The Christian Science Monitor: The plan to hold a national conference of state legislators to work out something in the way of a gentleman’s agreement as to what taxes the federal government will levy and what the states will levy, carries deeper significance than that which attaches to “just another conference.” For if the American Legislators’ Association is successful in developing the kind of project it has outlined, it may give to the United States a new agency which can act as a go-between on all matters where state and federal activities conflict or duplicate each other.

At the outset the purpose of the association, however, is to develop a formula on which all the states can agree, as to who shall tax which, and how much, and then to mediate with the federal government for the adoption of this formula as a federal as well as state tax policy. To do this the Assembly authorized a standing committee to study the problem of double taxation and then negotiate with a corresponding committee of Congress.

Here, then, is where the plan begins, but here it does not end. The association points out that the field of taxation is not the only domain in which there are duplicating functions.

If the American Legislators’ Association succeeds in its primary objective of reducing tax duplication, that indeed will be a feather in its cap. But if it can develop this new agency into a permanent instrumentality for furthering state and federal negotiations, that will be a whole crown.

New York Herald Tribune: There convened in Washington yesterday as important a gathering as this country has welcomed to the national capital in many moons. It is composed of delegates from the various state governments, called together by the American Legislators’ Association. Its object is to form a permanent organization which shall represent the states in solving the problem of conflicting taxation.

The experiment is without precedent in American history, but so is the emergency it is called upon to deal with. The latter has brought our federal system face to face with a test of the first importance. It requires an entirely new mechanism of negotiation.

Minneapolis Journal: The American Legislators’ Association will have fully justified its existence if its first and last accomplishment is the conference in Washington on duplication of taxation. And if the conference succeeds in any degree there will be glory enough for the association for all time.

When the legislators strike at duplication of taxation they strike at a national sore spot. Taxation is never more irritating than when two or more levies strike in the same place at the same time. And of late these irritants have been multiplying at an unseemly rate as municipal, state, and federal governments scan the field for new revenue sources.

In this movement the association is assured of the support of every taxpayer. It has found a shoe that pinches every foot.

SECOND INTERSTATE ASSEMBLY

Delegates

Since the meeting of the first Interstate Assembly at which thirty-one states, were represented, the legislatures in nine other states have appointed delegates to represent their respective states when the second Interstate Assembly convenes.

Resolution

Your Committee on the next Assembly recommends that the President and other executive officers be empowered to select the place and date of the next meeting of this Assembly.

And your committee suggests to the said executive officers that they select either the capital city of the Nation, or of some state, or some historical site of Legislative Assembly as the place of meeting.

Grover C. TALBOT, Chairman,
Charles C. Hedges,
Arthur I. Burgess,
Elwood Griffenberg,
O. Metzerott.

Date of Meeting

The Second Interstate Assembly will meet in Washington, February 28, March 1,
and 2 at the call of the American Legislators' Association and the Council of State Governments. A copy of the resolution is given here.

Resolution

The Council of State Governments recognizes the fundamental importance of the problem of conflicting taxation.

Foreseeing the approaching necessity for the harmonizing of federal and state tax policies, the Ways and Means Committee of the United States House of Representatives three years ago established a sub-committee on double taxation, and subsequently the Finance Committee of the United States Senate established a similar sub-committee. The United States Department of the Treasury also foreseeing the approaching necessity for the harmonizing of tax policies has been conducting investigations in this field for some time. The President of the United States, has also been giving this problem his personal attention.

The states also have foreseen the necessity for an understanding between federal and state governments in this field. With the assistance of President Roosevelt—as President Elect of the United States, the various states in February, 1933, organized the First Interstate Assembly for the purpose of developing coordinated action by the states as to tax policies. That Assembly established the Interstate Commission on Conflicting Taxation composed of leading tax experts among state legislators and state fiscal officials. During the past two years this Commission has been studying this problem with the assistance of a substantial and highly competent technical staff and last September arrangements were made for the second biennial meeting of the Interstate Assembly to convene in Washington on February 22, 1935 under the joint auspices of the Council of State Governments and of the American Legislators' Association.

The states are more than ready to do their part in conferring with the Federal Government and in attempting to develop mutually just and beneficial bases for the imposition of taxes by federal, state, and local governments. Obviously neither broad understanding nor just results can be secured without negotiation and conference between state and federal governments.

Fully realizing that it will require many months of negotiations and conference to arrive at a just and proper solution of the inter-governmental matter which affects every citizen of the United States, the Council of State Governments believes that there should be no unnecessary delay in beginning such conferences at the earliest possible time. The legislatures of 43 of the 48 states are now in session. Obviously this conference should be held before these sessions adjourn in order that the legislatures may send appropriate delegates, and in order that the policies discussed at the Assembly may be further considered by the lawmaking bodies of the various states.

The Council of State Governments believes that the public interest requires that the fullest accord be given by the states and by the federal government toward the solution of this problem. Accordingly we respectfully urge that all join in the organization and conduct of the Assembly which will convene on February 28, 1935.