

case was argued, and also because of decisions rendered by the court since the income tax case was disposed of.

Root followed Borah. He submitted statistics to show the extent to which the wealth of the country was now taxed by states, counties and municipalities.

"It is now a fact," said Root, "that in this republic property does not bear a very great proportion of the burden of taxation."

Root gave figures to show ad valorem taxes levied upon that property were at the rate of about three-quarters of one per cent, which, he said, would be equivalent to the income tax of fifteen per cent throughout the country. He said that in New York state real estate did not yield a net income of more than three and a half to four per cent, so that he regarded this tax as considerable.

### Borah Corners Root

"Who, at last, pays this real estate tax, the real estate owner or the renter?" asked Borah.

Root replied that it was imposed upon the property and paid for it in spite of any analysis that might be made as to where it came from.

"But if this income tax existed," interposed Borah, "it would catch a part of the tax that is shifted to the renter, would it not?"

"Yes, oh yes," responded Mr. Root.

Senator Bailey asserted that property did not even approximately contribute according to its value to the support of the federal government. He declared that a tax on an occupation could not be defended. It was his firm conviction, he said, that wealth ought to bear the tax.

"It is a monstrous injustice," he insisted, "for a man after being compelled to wear a suit of clothes to tax him for buying it. I think it is not right that obedience to God's law, a law which made us hungry, should compel us to appease our appetites and yet be charged for the things which keep the body and soul together."

On May 5 Mr. Dolliver again took the floor warning his colleagues that if this tariff bill should be put through it would cause an immediate country-wide demand for another revision.

On May 6 Senator Cummins of Iowa took the floor. The following is an Associated Press dispatch concerning Mr. Cummins' speech:

Washington, D. C., May 6.—Predicting that a failure to pass a tariff bill providing lower duties on imports would provoke a political contest for another revision of the tariff, Senator Cummins of Iowa delivered a notable speech in the senate today.

"The bill now before us," said Mr. Cummins, "will not be accepted by those who have favored a revision of the tariff as either a fulfillment of the party pledge or as a settlement of the controversy. If this bill, or anything substantially like it, becomes a law, I predict that a campaign for lower duties will begin the moment the extraordinary session of congress adjourns and will continue with increasing zeal until the judgment entered in the court of the public conscience is also entered in the journals of congress."

"It gives me no pleasure to utter this prophecy, for I have earnestly hoped the revision now in progress would end the dispute for years to come, and that the business of the country would enjoy the peace and tranquility which is impossible during the existence of a movement to materially change duties upon imports."

"Who insisted upon tariff revision? It was not the manufacturers; it was not the lumberman; it was not the coal man; it was not the iron and steel man; it was not the glass man; it was not the cotton or the woolen man; it was not the oil man. During the whole agitation, I never heard—you never heard—a demand from those people that the tariff must be revised. The demand came from those who believed that the duties upon many articles and commodities were too high; from those who believed they were paying too much for the things they had to buy, and that excessive import duties, coupled with other conditions were enabling a favored few to reap inordinate profits and therefore they wanted, as one of the steps leading to the remedy which they sought, a substantial reduction of these duties. It is not necessary at this moment to inquire how many people so believed, or in what part of the country they lived."

"I have heard it said over and over since we began this discussion, not of course in public debate, but in private conversation, that there are but few people comparatively who are interested in a reduction of duties. I know that

the voices of those who are clamoring for an increase of customs house taxation are more distinctly heard in the corridors and committee rooms, but there will come a time presently when the clamor of the millions who want relief will sound like the roar of a thousand Niararas from one ocean to the other. I have heard it said many times that those people who were insisting on tariff revision were not familiar with the subject, and had no opportunity to know whether duties were too high or too low.

"This distrust of skepticism of the judgment of the common man is a fundamental mistake often made and always atoned for in sackcloth and ashes. The people, it is true, have not the advantage of hearing the specific statements of interested beneficiaries and witnesses who have filled and overflowed the capitol during these months in which the subject has been under consideration."

"The people have seen the forces of competition gradually weakened in the larger fields of industry through concentration, combinations, agreements and all the other modern mechanisms which an ingenious age has discovered."

Continuing he said:

"They have seen competition shut out of some of these fields by the intervention of excessive import duties. They have felt the injustice of the discriminations which the vast power of our transportation system can inflict. They knew that these things were wrong; and after bearing the burden until it became intolerable, they began to move with irresistible strength along the pathway of reform. They have made some progress toward the regulation of transportation and the repression of corporate evils. The last administration will be remembered, so long as the history of our country is preserved, for its victories in the struggle for rate regulation and for corporate fair dealing."

"The work has just begun, and I sincerely hope the present administration will be no less distinguished than the last one for its energy in dealing with these perplexing problems. One part, however, of the program was assigned by common consent to this administration, and its conspicuous leader assumed without hesitation the task of tariff revision. The people know what they want with respect to railways and to industrial combinations; and their intelligent, educated, patriotic instinct is just as certain with respect to the tariff as it was with respect to transportation and monopolies. If we fail now to substantially reduce the duties on the important schedules, we but postpone the justice due to the people, a justice which, thanks to the genius of our institutions, they have the power to enforce, and which in the fullness of time they will enforce."

Passing to the consideration of the lumber schedule he said it made little difference whether there was a duty or not so far as the preservation of the forests are concerned. With respect to the cost of production, in the greater part of the United States at least, he said, the American had the advantage of the Canadian, and a duty was only necessary to equalize a disparity in rates of transportation.

Commending the course of his colleague Mr. Dolliver, in his attacks upon the pending tariff bill, Senator Cummins turned to Mr. Aldrich and said that the man who challenged the republicanism of senators because they seek to revise the schedules of duties forty years old was taking a most remarkable course.

"Have we arrived at that slavish state of public opinion?" he asked, "in which it becomes a question of political fealty to insist upon the correctness of schedules made forty years ago when we consider them in relation to conditions existing today?"

Senator Beveridge joined with Mr. Cummins in asking from the committee on finance an explanation of the fact that the duty on oil cloths had been doubled by making it apply to narrow widths.

Mr. Flint of the committee replied that the answer would be made in due time and added that if the members of the finance committee "had the ability of the senators from Indiana they would give the answer off-hand."

Mr. Smoot explained that the oil cloth duty had been put on to protect the American producers, but before he had concluded was interrupted by Mr. Cummins, who said he did not care to give way for a speech.

As the senator from Utah resumed his seat, Mr. Burroughs rising in his place and speaking in low tones, deliberately said he did not think the senator from Iowa "had been courteous" to the senator from Utah.

Disavowing any intention to be discourteous, Mr. Cummins resumed the controversy, by say-

ing he was not satisfied with Mr. Smoot's explanation. He wanted something less threadbare. He wanted to protect the home manufacture, but he wanted to know why these duties had been raised.

Mr. Cummins said that he had special opportunities for understanding the affairs of the American Steel and Wire company. Mr. Owen inquired how he had acquired such special information.

"I was attorney for the company," replied the Iowan.

Mr. Scott inquired whether the senator had received his fee as attorney in money or in stock.

"If I had lived in West Virginia," replied Mr. Cummins, "and had been surrounded with influences prevalent there, I fear I would be ashamed to answer; but as I live in Iowa, where there is an honest atmosphere, I can reply that my pay was in cash and I had nothing whatever to do with the capital stock issued by that company."

Further replying to Mr. Scott, Mr. Cummins said that the stock of the steel corporation had gone up so high because of its unlawful profits. "Unlawful from a moral standpoint, I mean," he said. He further declared that from a moral standpoint the profits were dishonest. He said that the corporations could not produce a single ton of steel more cheaply than could its constituent companies, or than the so-called independent companies can. He denied that it was cooperative to any extent, saying that its employes had been allowed to purchase stock, as any one else could do.

Responding to a query by Mr. Depew, Mr. Cummins said that he had not ventured to look forward "to that disastrous day when all the industries of the United States and the world are concentrated in a single hand or a single board of directors. When, he said, a day should dawn when a single man shall direct the energies of the earth and control the fortunes of mankind so far as manufacturers are concerned, "there will still remain the lamp posts and the common people after the law has failed, in order that the country may be rid of those monopolists who coerce the whole world."

### "THE MEN WHO MANAGE REPUBLICAN CAMPAIGNS HAVE BUNCOED THE COUNTRY"

The following editorial appeared in the Minneapolis Tribune, a republican paper, of April 29:

It is pretty well understood that there are to be no material changes from the Dingley law. The men who manage republican campaigns have buncoed the country and the party again. Duties are to be put up by the house and down by the senate, or down by the house and up by the senate, so as to make a delusive appearance of legislation. But after all is said and done the schedules will be practically where they are now. The sooner the consumers of the country make up their minds to this, the less disappointment will they suffer.

The surest prophets of tariff legislation are the custom house reports and the stock market. The heavy and sustained increase of imports indicates expectation of a general increase of duties. But it may be explained otherwise.

General prices are low in the stagnation of trade waiting for tariff legislation. They should be higher when it is over even without much increase of duty. Shrewd importers may be taking advantage of this. If so, they are only acting like other business men. Whether duties are to be higher or lower, whether actual business conditions are to be worse or better everybody expects some improvement when they are settled.

This being so, the sooner it is all over the better for the country. The Dingley schedules themselves are better than prolonged uncertainty with small hope of anything better at the end of it. When the people expected some benefit from tariff legislation, everybody was willing to endure a period of business uncertainty and suspense.

Now that nearly everybody has made up his mind that no improvement is to be expected and that the country will be lucky if we do not get a worse tariff, the chief anxiety everywhere is to get the thing over and send members of congress back to settle with their constituents.

"One baby girl, value \$20." This is the language of a writ of replevin recently issued in Omaha. The valuation will be considered high by "sweat shop" promoters in the east.