

The Tariff in the Senate

In spite of all the protests Mr. Aldrich seems to have it his own way in the senate. He has regularly put through his amendments by safe majorities. Washington dispatches say that a combination has been formed between democrats and republicans to adopt the income tax. A dispatch to the New York World says:

"Those who believe in an income tax as a revenue producer declare that victory awaits a final test of strength. They declare that thirty-one democrats will unanimously vote for the scheme. Senator Davis will not return for this session, and thirty-one represents the minority. Eleven republicans are pledged to vote for an income tax. These are Senators Borah, Brown, Bristow, Bourne, Burkett, Crawford, Cummins, Dixon, Dolliver, Gamble and LaFollette. Eight other republicans lean toward an income tax and will be subjects for missionary work. They are Senators Clapp, Curtis, Gugenheim, Johnson, Jones of Washington, McComber, Nelson and Piles. The combination was arranged at a conference held by Senators Cummins, Borah and Bailey, who will frame the amendments as a substitute for all other propositions of a similar character. The Bailey amendment will be taken as the basis for building up the income tax feature. The chief points in it are:

"For raising about \$35,000,000 annual revenue from the income tax; for the imposition of the uniform tax of two per cent on the excess above \$5,000 in all incomes; for the imposition of this tax on individuals and corporations alike, the burden to fall upon net incomes only, and only on the excess above \$5,000 per annum; for the collection of the tax from corporations direct, with provision for remitting to stockholders, in their individual capacity, such share of their income tax as comes from corporations that have already paid the tax."

"In doing this Senator Cummins abandons his graduated tax plan, and further agrees to the imposition of a tax on corporations, which he has opposed. The democrats insist that the rate should be three per cent, and a change to that effect may be made when the amendment is drawn. Senator Aldrich and his associates have prepared to meet the attack of the income taxers. They have carefully counted noses, and do not concede the progressive republicans more than twelve votes. This with thirty-one democrats would be three short of a sufficient number to win. Senator Aldrich has mapped out his program. He will defer action on the income tax amendment until the last possible moment. He will then move that it be referred to the judiciary committee, with instructions to investigate all the legal questions involved and report whether such a tax would be constitutional in view of the supreme court's decision in the Pollock case. The test vote will then come on his motion to refer to the judiciary committee. Stalwart leaders are absolutely certain they will have enough votes to make this reference, thus disposing of the question for the present session. The coalition of republicans and democrats has not improved the chances of income tax legislation as a part of the pending tariff bill. The entire democratic strength has always been conceded for such a proposition. The progressives fluctuate. They count at varying times all the way from twelve to 21 votes, but fifteen must be actually produced when the test comes."

As a sample of the ease with which Mr. Aldrich has his way the following from a dispatch carried by the Associated Press, May 19, is instructive:

"An amendment by Mr. Newlands to reduce the duty on sewing machines from 30 to 20 per cent ad valorem was rejected by a vote of 29 to 43, Senators Beveridge, Bristow, Brown, Clapp, Cummins, Dolliver and LaFollette joining the democrats in voting for reduction. Mr. Dolliver offered an amendment to make the duty of 45 per cent ad valorem apply to articles or wares not specially provided for whose 'chief value' was metal instead of those composed 'in part' of metal and declared that the committee provision placed under his schedule many articles containing but a trifling quantity of metal. Mr. Aldrich said the provision was one that had been in all tariff laws since 1883, and he defended it as being necessary to prevent evasions of the law. The amendment was rejected by a vote of 30 to 40. The paragraphs relating to typewriters, sewing machines, etc., was adopt-

ed as were all sections of the metal schedule. Just before the senate adjourned Mr. Aldrich announced that the sections passed over in the chemical schedule would be taken up tomorrow.

"Senator Paynter of Kentucky endeavored to obtain a reduction of duty on bottle caps from 55 to 45 per cent ad valorem, but the paragraph was adopted as reported by the finance committee. Lace-making machines will be taxed at the rate of 45 per cent ad valorem when imported into this country although they have been admitted free of duty in the past, as the senate adopted the provision to that effect recommended by the committee. Mr. Paynter supported an amendment placing linotype typesetting machines on the free list instead of continuing a duty on them of 30 per cent ad valorem. Changing his amendment later so as to provide a duty of 10 per cent, Mr. Paynter asked for a vote, and the amendment was defeated, 35 to 43. Messrs. Borah, Bristow, Brown, Burkett, Clapp, Dolliver, LaFollette and Nelson (republicans) voted with the democrats. Mr. Paynter sought to reduce the duty on linotype and other type setting machines from 30 per cent ad valorem as provided in the tariff bill to 10 per cent ad valorem, but his amendment was rejected."

The Associated Press of May 20, says:

"The senate today distributed its attention among the three items in the tariff bill providing a duty on an extract of chestnut bark used in tanning known as quebracho, on cottonseed oil, and on white lead. On each of these articles the senate was led by the committee on finance, although the committee was induced to change its original suggestions on both white lead and cottonseed oil. The lead duty fixed by the committee was originally 2 1/2 cents per pound, but Mr. Curtis, who is a member of the committee, today suggested a reduction of one-eighth cent a pound, bringing the figures down to 2 1/8 cents, and Chairman Aldrich accepted the reduction. Even this increase over the house provision excited sharp criticism, especially from Mr. Curtis' colleague, Mr. Bristow, who contended that the duty would prove to be a direct tax on the consumer. When the vote was taken the committee obtained its usual triumph, the figures standing 41 to 32 in favor of the Curtis amendment. As usual Senators Beveridge, Bristow, Brown, Burkett, Clapp, Cummins, Dolliver, Gamble, LaFollette and Nelson voted with the democrats. Senator Borah voted with the republicans."

"Probably the most interesting contest of the day was that over the question as to whether there should be any duty on cotton seed oil. Senators Tillman, Bacon and Money made an intense fight against the senate provision fixing a tariff of three cents a gallon on the ground that it would injure the sale of cottonseed and after the controversy had gone on for some time Mr. Aldrich withdrew the provision."

"Mr. LaFollette sought to reduce the duty on quebracho to one-quarter of one cent a pound, but his amendment to that effect was rejected, 29 to 38. Mr. Daniel led the fight for a higher rate, exciting much interest because of his advocacy of low duties in the past. The committee had reduced the house rate and the Virginia senator, in whose state are several quebracho factories, sought to have that figure restored. He did not succeed, and the duty was fixed at half a cent per pound instead of seven-eighths of a cent as he proposed."

The tariff debate stirred the ire of many senators. Hale of Maine charged Beveridge of Indiana with seeking newspaper notoriety. Beveridge hotly denied it. Mr. Culberson of Texas said:

"While there may be found a democrat who is a protectionist or another who is a free trader, yet the democratic party believes in neither protection nor free trade. It stands for a revenue tariff; that is, for a tariff that will admit imports yielding revenue primarily as opposed to protective duties whether levied on finished products or on raw materials."

The protective tariff, he said, had undoubtedly contributed to the formation of trusts and had created a favored class which it had assisted in building up colossal fortunes.

On all propositions Mr. Aldrich of Rhode Island continued to have his way, showing that Aldrich is complete master of the senate and Aldrichism the essential quality of the republican party.

BAILEY AND JOHNSON

Senator Bailey of Texas, and Governor Johnson of Minnesota, have clashed. A Washington dispatch under date of May 20 to the Denver News says:

"Senator Bailey was excessively savage in his reference to the governor of Minnesota, and among other things declared him unfit to hold any office."

"Senator Clay's attack on the sugar trust was the most sweeping condemnation of that corporation ever uttered in the senate. After stating that it had violated the criminal and civil laws of the country repeatedly and had robbed the American people without mercy, he declared that the sugar magnates 'ought to be at the bar of the criminal courts on trial for the most serious criminal offenses, and instead of enjoying their ill-gotten wealth they deserve to be serving long terms in federal prisons.'

"Senator Smoot also took part in the carnival of denunciation and pronounced 'absolutely untrue' Clay's statement that Joseph F. Smith, head of the Mormon church, every year fixed the price of beets in the interest of the Utah sugar factories."

"The senate dropped into a party discussion late today and democrats and republicans taunted each other with the dissensions each party has suffered during the consideration of the tariff. The debate was precipitated by Bailey, who charged the republicans with entering into a conspiracy by exaggerating democratic dissensions in order to hide their own difficulties. He said he had by careful observation recently become convinced 'that a deliberate and systematic plan had been inaugurated to obscure the differences on the republican side by exaggerating and even misrepresenting the differences on this side.' Bailey referred to an interview with Governor Johnson of Minnesota, criticising the minority in its attitude toward the bill."

"If this represents the views of Mr. Johnson," Bailey said, "then he might be better at home studying the tariff question than seeking democratic favor in other states. If this interview was authorized or sanctioned by Governor Johnson he was utterly reckless of the truth and is disqualified for any station. His explanation is that the railroads of the south have interested themselves in this legislation and have overcome the consciences of some senators. He ought if he knows that, in the cause of truth, to name the men to whom he refers."

"Senator Clay of Georgia made a warm appeal for a smaller differential on refined sugar in the interest of consumers. Clay argued that the consumer was discriminated against in favor of the American Sugar Refining company, and that the sugar grower got no benefit from the differential between the duties on raw and refined sugar. He criticised most severely the manner in which the sugar schedule of the Payne bill was framed. Clay declared that the duty on refined sugar almost prohibited the importation of foreign sugar into this country. He said that the beet grower and the cane grower of sugar both are compelled to sell to the sugar trust at the price which it fixes."

An Associated Press dispatch from St. Paul, Minn., follows: Governor Johnson, when asked regarding the statement made yesterday by Senator Bailey of Texas, criticising the governor for making alleged untruthful statements in regard to the minority in the senate and its attitude toward the tariff bill, said:

"So far as Mr. Bailey is concerned I do not care to make any denial of the charges he makes, but I do care to have other senators in the south know I did not make the statements that the railways of the south influenced any of the southern senators. Nor did I make any statements reflecting on any senator from the south or any other section. I did say the republican party would be held responsible for the result of the extra session and could not screen itself with the co-operation of a few democrats acting with the conservative republican element of the senate."

Tariff revision downward is coming with what billiardists call the "reverse English."

If there are those who are expecting downward revision at the hands of the present congress they would do well to be sending in their "C. Q. D." messages.

A car load of live lobsters has been shipped from the Atlantic to the Pacific coast. The shipment did not include any of the species that hold to the opinion that the protective tariff which makes raw wool higher is the same tariff that makes manufactured woollens cheaper.