

the west, have directed farm operations in Nebraska, the Dakotas, Colorado, Kansas, Oklahoma and Texas. I have charge of two farms in Texas now. I have just opened a farm in Alberta, Canada. A demonstration farm at Holdrege, Neb., is well known. The work done at Hill City, Kan., Grainfield, Kan., Trenton and Champion, Neb., has had wide effect. Scientific soil culture is better known today than ever before.

But it is literally true that all the world is interested. They are getting down to a practical trial in South Australia. I have correspondence with missionaries in India who are applying the principles under difficult conditions there. The great Russian revolutionist, Nicholas Tchiakosky, who visited the United States a few years ago and whose admiration for Mr. Bryan is well known, has translated my Manual into Russian for the benefit of the peasants of that country. Way down on the plains of Hungary an imitation of the sub-surface packer is being manufactured. And so it goes all over the world.

If what I have written aids some farmers to get a better grasp upon their opportunities, if this leads a few to deeper study of the great problem of surer crops and bigger crops, then I will be content.

THE TARIFF IN THE SENATE

The joint resolution proposing an income tax amendment to the constitution was approved by Senator Aldrich, of the finance committee, and was ordered to be printed and lie on the table. The proposed amendment is as follows:

Article 16. The congress shall have power to lay and collect taxes on incomes from whatever source derived, without apportionment among the several states and without regard to any enumeration.

Mr. Aldrich said he thought this amendment might be passed by the senate without debate, but Senator Borah replied that he could not give his assent until the income tax amendment to the tariff bill should be disposed of.

Senator Aldrich made no further effort to obtain action.

With the tariff schedules disposed of, the senate entered upon the consideration of the income tax.

Senator Tillman of North Carolina undertook to secure a duty of ten cents a pound on tea. The Associated Press report follows:

Senator Dixon proposed a bounty of 10 cents a hundred on tea, instead of a protective duty at the same rate, which he said meant 50 per cent increase on 90,000,000 pounds of imported tea a year to foster an industry which produces now only 12,000 pounds. General debate followed, in which senators on each side of the chamber exchanged threats at the other's consistency on the subject of probation on the tariff for revenue only.

"Anybody who undertakes a hunt for consistency here will have a hard job," said Mr. Tillman.

"As I understand your proposition you want a duty of 10 cents for protective purposes," said Mr. Dixon.

"Yes, for the republican side of the chamber, I do," said Mr. Tillman. "For this side I want the duty for the 90,000,000 revenue it will produce."

"You shoot with a double-barrelled gun," retorted Mr. Dixon, while the senate was convulsed with laughter.

The Tillman amendment for a duty of 10 cents a pound on tea was then brought to a vote, and defeated by 18 to 55. The affirmative votes were as follows: Bailey, Bradley, Bulkeley, Burnham, Carter, Dick, Dupont, Elkins, Frye, Gallinger, Heyburn, Nixon, Perkins, Root, Scott, Smith (Michigan), Tillman and Wetmore, all republicans except Bailey and Tillman. Mr. Tillman's colleague voted against the amendment.

Concerning the proceedings relative to the income tax the Associated Press report says:

As soon as the consideration of the schedules had been completed Mr. Aldrich formally called up the Bailey income tax amendment, as the pending provision under the senate agreement, and Mr. Lodge promptly offered a substitute, providing for discriminatory duties to be declared by the president when any country imposes an export tax on articles imported into the United States.

To this substitute Mr. Aldrich offered as an amendment the corporation tax provision reported by the finance committee.

The Lodge amendment was offered to give the corporation tax provision the position of

"third degree" amendment, which will prevent any further effort to modify it.

Mr. Flint who, as a member of the finance committee, is to have charge of the corporation tax provision, then explained the provisions of the amendment. He said the finance committee had not been united on the question as to whether it would be necessary to have revenue in addition to those produced by the pending bill.

The committee had considered not only a corporation, but also an income tax law as supplementary to the tariff and had decided it would be unwise to pass such an income tax bill as either of those introduced by Senators Bailey and Cummins. They had, he said, abandoned the idea of an inheritance tax, because such a tax was so largely imposed by states, and they did not wish by making a double tax to have it become burdensome.

"When the president suggested the corporation tax," said Mr. Flint, "the committee agreed to it and is here prepared to support it."

The inquisitorial features of the bill, he explained, had been reduced to a minimum by the provision that the investigation contemplated could only be made of such books and papers as were necessary.

"The issue respecting an income tax had suddenly changed," declared Senator Cummins in the senate today. "Until within a few days the issue was whether any income tax should be authorized by congress. It now seems to be what kind of an income tax should be adopted. The amendment offered by the senator from Texas and myself, which now has been merged into a single amendment, provide for a general income tax to be paid by all persons, co-partnerships and corporations with net annual earnings in excess of \$5,000, so adjusted that the tax would not be levied upon any person unless he earned such an income, even though a part of it is derived from a corporation."

"The amendment recommended by the president and offered by the finance committee provides for a small income tax duty on corporations, measured by their net earnings, the difficulty between the two being fundamental and involving the most vital principle in the authority of any government to tax its citizens and their property."

Mr. Cummins said that while he believed it to be the duty of a senator to give recommendations of the president careful consideration, he did not consider such consideration as a command, and he would not want any senator to accept it unless it is in harmony with his own judgment. He felt that he could not agree with the president's conclusions.

"I believe," said Mr. Cummins, "that the special income tax which has been postponed by the finance committee not only contravenes the most sacred principles of our governmental compact, not only overrides the deepest convictions that civilized man holds with respect to taxation, but that it collides with the decision of the supreme court, so often mentioned in this debate, at the same point and with the same force as does the general income tax provision which we propose. I believe that it is not only in conflict with the Pollock case, but I believe that it has constitutional weakness in itself, and its validity is much more doubtful than the validity of the amendment that we have offered."

Mr. Cummins suggested that the very extent of the protective system would make necessary some other means of raising revenue than that being followed. The people, he said, would not consent to the exorbitant duties that would be required for revenue. Objections that are urged against the income tax when weighed with objections that can be brought against other forms of taxation open to congress will be found to be as trivial and ephemeral as can that term be applied to the tax proposed by the committee.

"The stroke of a pen will make the tax authorized by our amendment a tax upon the right to receive and enjoy a certain income, and it will be as well described as the tax which the committee insists upon when it is said that it is open to the net incomes of the corporations with respect to their business."

During Mr. Cummins' comment on the receipts and expenditure of the government, Mr. Aldrich declared that with additional revenue to be provided by the corporation tax, he would be greatly surprised if there is any deficit next year. His estimates of expenditures for the present year, when the tariff bill was reported to the senate, he said, were about \$9,000,000 too high, and he had, he said, congratulated

himself that he had estimated within \$2,000,000 of the annual receipts.

The deficit for the present year, he added, would be about \$6,000,000 and not so great as formerly estimated. Again he declared that if the tariff bill becomes a law in its present form it would next year produce an income of \$350,000,000.

Perhaps the most interesting feature of this particular day's proceedings relates to Senator Aldrich's frank confession. The following is taken from the Associated Press report:

Senators Bailey and Clay appeared especially anxious to know whether Senator Aldrich would revise the tariff schedule downward if the income tax amendment should be adopted, in order to lower the revenue from customs to an extent equal to that which would be raised by the income tax. It was in response to a direct question from Mr. Clay that Mr. Aldrich responded. Stating his position with reference to the corporation tax, he said bluntly:

"I shall vote for the corporation tax as a means of defeating the income tax. He added: "I shall be perfectly frank in that respect. I shall vote for it for another reason. The income of the government this year will show a deficit of \$60,000,000. Next year there will be a deficit of \$45,000,000. I am willing that the deficit shall be taken care of by a corporation, but at the end of two years it should either be reduced to a nominal amount or repealed."

Mr. Aldrich said he did not favor as a permanent form of taxation "a tax which is sure in the end to destroy the protective system."

At once Mr. Bailey declared that Mr. Aldrich had announced that his attitude in favoring a corporation tax was a mere subterfuge.

"Under the statement made by the senator from Rhode Island," said Mr. Bailey, "those who have said they favor an income tax and now join him in this subterfuge to defeat it may see clearly what they are doing. We are now told that this corporation tax is to be entirely repealed or at least emasculated within the next two years and see that, after all, it is simply a contest between an income tax as a part of our fiscal system, or a corporation tax as a subterfuge to be continued two years."

"My support of the corporation tax," replied Mr. Aldrich promptly, "is not a subterfuge in any sense of the word. The corporation tax is a tax on corporations, which is clearly within the right of congress to impose, and those senators who are honestly in favor of an income tax that is constitutional and can be operated will support the income tax proposition of the administration as against the proposition of the senator from Texas, which is certainly, in the minds of more thoughtful people, unconstitutional."

"The least thoughtful people," corrected Mr. Bailey.

"My direct authority," continued Mr. Bailey, "for saying this was a subterfuge is the statement of the senator from Rhode Island that he will vote for a corporation tax for the purpose of defeating an income tax. If that does not define a subterfuge we will need a new dictionary."

Mr. Aldrich said he favored an income tax only for the times of emergency and declared Senator Bailey wished to use the tax as a means for destroying the protective system.

"This proposition for a corporation tax was made by the president of the United States before the house committee on ways and means prior to the time we considered it here," said Mr. Aldrich.

"I am here as a republican to support a republican administration as far as I can consistently with my duty. I shall vote for this proposition for the purposes I have named, and the fact that it is a republican proposition and supported by the president of the United States is not the least controlling."

Mr. Bailey said he had a curiosity to know whether, "when they had set their heads at work to defeat the income tax amendment, the president made the suggestion or the senator from Rhode Island suggested it to the president."

"I suppose the senator scarcely expects an answer to that question," responded Mr. Aldrich, who added his recent conversation with the president was a private one.

"While you are talking about all these things," pleaded Mr. Tillman in behalf of his tea proposition, "my poor little tea baby has been laid aside and is crying for pap."

Mr. Clay said he believed the senator from