

WASHINGTON NEWS

THE TARIFF BILL

With the submission of the report of majority members of the finance committee on the Underwood tariff bill, July 18, formal consideration of the bill was begun in the senate. Senator Simmons inaugurated the debate the following day with a speech setting forth the general views of the democratic majority on the bill and the needs of tariff revision. According to the report of the finance committee majority, submitted to the senate by the chairman, Senator F. M. Simmons, an average reduction of 27.64 per cent under the rates of the existing Payne-Aldrich law is proposed by the democratic Underwood-Simmons bill. The report also shows that the bill, as reported by the senate, provides rates lower than the Underwood bill as it passed the house, and that from it, together with other government receipts for the fiscal year ending June 30, 1914, there will be an estimated surplus in the government treasury of \$2,020,000. The following is taken from an Associated Press report:

"A salient feature of this bill, it is pointed out, is the large increase of imports to be admitted free of duty. Under the house bill the value of free listed imports, on the basis of 1912 importations, was \$103,000,000, whereas the democrats of the senate in caucus by sweeping changes propose to free-list imports valued at \$147,367,000.

"On the basis of ten months for the coming fiscal year, the report estimates that the receipts from customs alone under the new bill will be \$266,730,000, from income tax for ten months, \$58,330,000; corporation tax, \$37,000,000; internal revenue, including tax on cotton futures of \$5,000,000, \$207,000,000 and that the revenue from all other sources will bring the total for the fiscal year to \$996,810,000. With disbursements, estimated for the committee by treasury experts at \$994,790,000, a balance is shown in favor of the government of \$2,020,000.

"In analyzing its changes in the house administrative features of the bill, the committee deemed the acts of the house entirely too drastic, particularly those authorizing admittance of books of foreign manufacture in American ships and other like features which were stricken out.

"Particular attention is called to the senate provision 'designated to furnish the president with power to impose tariff duties of a retaliatory character on all articles comprised in a specified list,' which includes many agricultural products.

"Reduction of the basic exemption from income tax from \$4,000 as in the house bill to \$3,000 for unmarried persons and the consequent rearrangement of this, the report comments on as follows:

"Your committee reduces the amount of exemption of net income to \$3,000 and allows on account of marriage an additional exemption of \$1,000 to either the husband or wife if they are living together, but not to both. Children living with or dependent upon parents, such parents will be allowed an exemption of \$500 for minor children except where both parents are taxable, in which case no exemption is allowed on account of children.

"By the amendment the lowest

possible exemption to any one person will be \$3,000 and the highest possible exemption to any one person \$5,000. While the amendment may make no wide difference in the volume of revenue derivable from the tax, it is deemed equitable as recognizing the added obligations on



HIS EYESIGHT IMPROVING

(The Senate now sees the "insidious lobby."—The Columbus Evening Dispatch.)

account of marriage, children and salary as emphasizing the family as the unit in our social structure."

"Of agricultural products, many of which were transferred to the free list in addition to those put there by the house, the committee has this to say:

"The house bill and amendments made by the committee on finance fully recognized the paramount interests of our agricultural population by placing agricultural implements of every kind an" description, fence and baling wire, cotton bagging and ties, low priced blankets boots and shoes, cement, nails, lumber, coal, harness, saddles, cotton gins, wagons, carts, bagging for grain, wool and other bags, sewing machines and many other products of daily utility on the free list.

"In common with the rest of our people, our agricultural population will share in the benefits brought about by the reduction of the duties on sugar and its eventual elimination.

"The substantial reductions made all along the line of cotton and woolen goods, wearing apparel of every description, on crockery, household furnishings and utensils, hardware and similar products of our factories, will remove a considerable part of the burden of tariff taxation now borne by the farmer as well as the dweller in the city and the laborer in the factory, field and mines."

"The sugar and free raw wool, by reductions by the senate committee in wool tops and yarns are explained, and sweeping reductions in the metal

schedule are treated in the report with considerable comment."

GOVERNMENT ARMOR PLATE PLANT

Naval experts' figures showing that a government armor plate factory costing \$8,466,000 would save \$140 a ton on armor, or more than a million dollars a year net, were submitted to congress by Secretary of the Navy Daniels, July 14. The secretary's report was sent in response to a senate resolution and supplemented previous statements

constructed. In consequence, according to Mr. Daniels, 'the armor plate manufacturers were allowed to jump their prices from \$346 a ton in 1906 to \$420 in 1907 and to keep at that figure until last year, when they were advanced, under the excuse of increased expenses caused by the eight-hour law, to \$454 a ton.'

"As to the expense of a government plan and the saving to be thus accomplished, Mr. Daniels said:

"The cost of a plant capable of turning out 10,000 tons a year, which is about half of the armor needed on a two-battleship program, it is estimated by the chief of bureau of ordnance at \$8,466,000 and the cost of the armor at \$314 a ton. The estimate of this officer is considerably in excess of the figures given the government by the last board which investigated the subject. But even at this estimated cost of the plant and the cost of \$314 a ton of armor plate, there would be effected a saving of \$140 a ton over the price now paid."

"On 10,000 tons the government would save \$1,400,000 per annum. Deducting 4 per cent as the interest on the money used in building the plant, there still remains a net saving to the government of \$1,061,360. In the case of the 20,000-ton plant, which it is estimated can produce armor at \$279 a ton, the net saving is \$348,842. Surely this is, on the face of it, an economy well worth the serious consideration of congress. If a committee with expert assistance is given the authority to get at the exact cost of constructing a factory and of making armor plate, it is believed the estimate for both will be reduced. Experience has demonstrated the wisdom and economy of manufacturing guns and powder in government factories."

NEW WATER PERMIT POLICY

A new policy in granting water power permits was begun July 29, when authority for the development of an electric project, with an ultimate capacity of 350,000 horse power on the Pend d'Oreille river, Washington, was granted to the International Power and Manufacturing company. The grant may run perpetually, and can be revoked only for violation of its terms or the provisions of the general regulations. The higher the rate charged the consuming public, the larger the rate collected by the government, and to protect the public a maximum rate of six cents per kilowatt hour was fixed. It was announced that the interior and agricultural departments, in agreement on the power permit question as the result of a recent conference between Secretaries Lane and Houston, had three objects in view in adopting the new form of permit. The first and most important was to control the price of water power to the consumer by charging the development companies less in proportion as it charged the public less and by fixing a maximum charge. The second was to secure full development of the power available through low rates and by decreasing rates with the amount of power developed. The third object was to secure fair competition, and officials declare that the company must begin work within one year and within three years have at least 5,000 horse power developed.

PARCEL POST CHANGES

On July 19, Postmaster General Burleson announced plans for the extension, improvement and reduction in rates of the parcel post. The changes, which became effective August 15, include an increase from eleven to twenty pounds in the maximum weight of parcels; a material reduction in the postage rates in the first and second zones, and the

issued by him advocating a government-owned armor plate plant. The following is taken from the Associated Press report:

"Reviewing the situation in his report the secretary said the accepted plan had been that the Bethlehem, Carnegie and Midvale plants should be given the armor work at practically their own prices.

"This step having been taken," he said, "it clearly followed that the manufacturers, themselves convinced that one-third the work is coming to them without much reference to the price, have not overlooked the advantage of putting in bids practically of the same figure and at the same rate. They have argued that should one of them put in a bid much lower than the others the only result would be that the other two firms would have to come down in their prices to that of the bidder in the eventual distribution of the work."

"He explained that the European countries, France, Italy and Russia, have sought relief from the high cost of armor plate by the operation of government-owned plants while Japan has built two government factories. He found the same subject agitated in England, where many charges of monopolistic agreements and extortionate prices have been made.

"The English manufacturers appear to have been able to keep up a higher price for armor than those in the United States," he added. "Although money for an armor plant was provided in an appropriation bill passed at the beginning of the second Roosevelt administration, after an investigation the plant was never