getter in the west, because it goes

to the homes of poor and rich

SINGLE COPY TWO CENTS.

WEATHER FORECAST.

VOL. XXXIX-NO. 1.

OMAHA, THURSDAY MORNING, JUNE 17, 1909-TWELVE PAGES.

SPECULATION IS NOT GAMBLING

Conclusion Reached By Hughes' Commission to Investigate Stock Exchange Practices.

FUTURE DEALINGS STEADY PRICES

Markets Depends on Operations of the Bulls and Bears.

SOME THINGS ARE NOT VERY NICE putgrowth of a series of conferences held

Plain Gambli Tutures Should Be Absolut + rohibited.

"EXCHAN "Metnl" and "Me 5% Legitimate Boy " 5 ctually

Be Abolia

NEW YORK, June 16.-The report of the committee appointed by Governor Hughes in verbiage, looking to the same end, and to investigate speculation in securities and these two resolutions are before the ficommodities and the organizations used nance committee of the senate tonight. in dealings therein was made public to-night. The New York stock, the Consolidated stock, the cotton, the produce, among those senators who had hoped for face of President Taft's special message the coffee, the mercantile, and the Metal a vote on the income tax proposition, and exchanges and the Curb market were thor. Senator Brown seemingly was picked out oughly investigated and recommendations by some of the insurgent republicans for looking to improvement of existing condi- intense criticism.

Trading and to

changes, as follows: Under present conditions, we are of the opinion that the Mercantile and Metal ex- from Nebraska, "I have helped in a small changes do actual harm to producers and way to resuscitate the corpse."

consumers, and that their charters should Senator Borah, who has been

tions were made at length by the com-

be repealed." committee declares that it may be wholly for the constitutionality of such a measegitimate, pure gambling, or something ure, said even harder things to Senator partaking of the qualities of both, that in Brown than had Senator Cummins, but some form it is a necessary incident of Brown, knowing his position and having productive operations; that it tends to been in conference, not only with the pressteady prices and that for the merchant or ident, but with the lawyers of the cabinet, manufacturer the speculator performs a believes that the only way to make the 'In law," says the report, "speculation becomes gambling when the trading which it involves does not lead, and is not intended to lead, to the actual passing is dealtein. The rules of all the exchanges his farsightedness and his appreciation of forbid gambling as defined by this opinion; but they make so easy as to technical dethe practical effect of much speculation, in point of form legitimate, is not greatly lifferent from that of gambling."

The committee makes no presentment against short selling, but declares the tendency of such a selling is to steady prices. It is recommended that the minimum margin should be 20 per cent and strong disapproval is expressed of branch brokerage offices which supply liquor and resert to other improper means

Most Important in the World. hange, the volume of transactions thereon nost important financial institution in the attacked the tactics employed by the cler- preme court as is the tax on corporate world, its "enormous business affecting ical party against bim. They had even incomes alone. There is no reason for the financial and credit interests of the dared, he said to accuse him of dis- exempting from this tax the vast incomes country in so large a measure that its loyalty to the emperor and infidelity to the change are divided by the committee into five groups, namely, investors, who pay for what they buy; manipulators of prices; floor traders; outside operators having capital and experience, and "inexperienced persons who act on interested advice, tips,' advertisements in newspapers, or circulars sent by mail, or 'take flyers,' In absolute ignorance and with blind con- Germans will be as other people. Partic- measures. In other words, there is the fidence in their luck. Almost without ex-

character of the transactions the commit- relations." It is unquestionable that only a small part of them is of investment character; a substantial part may be characterized as virtually gambling. Yet we are unable to see how the state could distinguish by law between proper and improper transactions, since the forms and mechanisms used are identical. Rigid statutes directed against the latter would seriously interfere with the former. The experience of Germany with similar legislation is illusticed.

prohibited.

Itisofar as losses are due to insufficient margins, they would be materially reduced if the customary percentage of margins were increased. In preference to recommend the companion of the companion of the customary percentage upon all mending legislation brokers to discourage speculation upon small margins and upon the Exchange to use its influence, and if necessary, its power, to prevent members from soliciting and generally accepting business on a less margin than 29 per cent.

Pyramiding is Condemned. Pyramiding, that is the use of paper profits as margin for further commitments, should be discouraged, says the commit tee. In this connection it is suggested that if brokers and the banks would make it a rule to value securities for the purpowe of margin or collateral, not at the current price of the moment, but at the average price of, say, the previous two or three months (provided that such average price were not higher than the price of houn's explanation of the bribery indictthe moment the dangers of pyramiding ment against him was practically subwould be largely prevented. The report mitted to the jury tonight, when A. A.

We have been strongly urged to advise the prohibition or limitation of short saies, not only on the theory that it is wrong to agree to sell what one does not pussess, but that such sales reduce the market price of the securities involved. We do not think that it is wrong to agree to not think that it is wrong to agree to not think that it is wrong to agree to not think that it is wrong to agree to not think that it is wrong to agree to not think that it is wrong to agree to not think that it is wrong to agree to not select times when prices seem high in order to sell and times when prices seem how in order to to show the offer of a bribe."

The state had failed, he declared to show the offer of a bribe to show that Gallagher made an offer to the words, short-selling tends to show that Gallagher made an offer to the words, short-selling tends to show that Gallagher made an offer to the words, short-selling tends of prices in other words, short-sellers or few words, short-selling tends to show that Gallagher made an offer to the words, short-selling tends to show that Gallagher made an offer to the words, short-selling tends to show that Gallagher made an offer to the words, short-selling tends to show that Gallagher made an offer to the words, short-selling tends to show that Gallagher made an offer to the words, short-sellers of the tentimony of the transcripts of prior trials, that Gallagher and Nicholas had both failed on the for himsdif," he said. "If you know a man who had added perfidy to perjury, had been turned informer and sworn his does the tried to go up stairs to the harded perfidy to perjury, had deed turned informer and sworn his does the harded perfidy to perjury, had deed turned informer and sworn his the tried to go up stairs to the harded perfidy to perjury, had deed turned informer and sworn his does to sell the ward of the pound on his testimony, or would you deprive a man of his iberty. We had been turned informer and sworn his does to sell the harded perfidy to perjury, had deed turned inf

The committee here calls attention to several occasions prior to the present trial of fortune who incidentally served at the can move it myself.' She was stargering the New York law of 1812, which declared to testify that any such offer had been same time under two flags, and took drunk. She grabbed the clock and they vold all short sales, and to the law of made and he intimated more than once money from both sides. We are told he fell against the wall together." ISS, repealing the act of 1812 and legalizing that the prosecution had submitted a was decorated by the Czar of Russia, I short sales.

Mitking the Market.

Manipulation of prices is divided by the "Without this potent factor, this absocommittee into two classes: First, that lute essential," said Moore, "this case falls which is resorted to for the purpose of making a market for issues of new securities, and second, that which is designed to serve merely speculative purposes in the endeavor to make a profit as the re-

(Continued on Second Page.)

Norris Brown Chloroforms the Income Tax

His Resolution to Submit Constitutional Amendment Ends That

Fight for Present.

(From a Staff Correspondent.) WASHINGTON, June 16.-(Special Tele gram.)-President Taft's message, recomsending a tax on the net revenues of corporations, read in the senate today, is the between the progressive republicans and the conservatives, with a view of clarify ing a very much strained situation. Coupled with the recommendation of President Taft such a tax, in his opinion, would be onstitutional is the direct suggestion that CONDEMNED in this legislation should be a provision for a vote by the states on a constitutiona amendment giving power to congress to levy a tax on incomes. Senator Brown of Nebraska introduced

the first resolution suggesting such a constitutional amendment. Senator Nelson of Minnesota later, in the present session of congress, introduced a resolution very simflar in character, but somewhat different When the message came into the senate

"You have chloroformed the tariff sit-The most drastic finding is that uation," said Senator Cummins to Senator affecting the Mercantile and Metal ex- Brown, as they stood together in the marble room fronting the senate chamber. "On the contrary," replied the senator

Senator Borah, who has been the most pronounced income taxite of the insurgent Concerning speculation in general, the forces, and who argued at great length states say so, and the finance committee tonight is laboring with that question. the constitutional question.

Germans Narrow Says Von Buelow in Bitter Address

Chancellor Scores Countrymen for Allowing Political Opinions to Enter Into Social Life.

s referred to as making it probably the low, in the Reichstag today, sarcastically consonant with the decision of the susendent importance." Patrons of the Ex- considered it necessary to sever their fortunes do not consist of corporation tongue. social relations with him.

"Possibly it is because I have lived so long abroad," continued the chancellor, "that it never occurred to me to exclude anyone from social relations because of increased charges and prices. differences of political opinions. I hope

The chancellor praised the part that liber-

resign the chancellorship. Von Buelow form with the former. The experience of Germany with similar legislation is illuminating. But the Exchange, with the pietiary power over tembers and their operations, could the correctives, as believes that my co-operation in the interpretations.

ternal policies of the government is useon margin is as ternal position, and so long as my own as a purchase of ful to the empire, and so long as my own gittimate a transactor as a purchase of ful to the empire, and so long as my own by other property in which part payment deferred. We therefore see no reason natisoever for recommending the radical of the political situation make me because suggested, that margin trading be

Degree tor Baron Takabira. tage of margins champaign. CHAMPAIGN. Ill., June 16.—Baron opposed to the adoption of the president's commencement exercises of the annual commencement exercises of the University of Illinois today. Degrees were conferred by President James. The honorary degree of doctor of laws was conferred on the ambassador.

Moore senior of the six counsel for the

Gullagher and Nicholas had both failed on

was no offer, there was no bribe.

'Nicholas, as well as Gallagher, comes

of the tools.

Calhoun's Lawyer Exhausts

SAN FRANCISCO, June 1A. Patrick Cal- | ceived an offer and then that he has not

to the ground of its own weight. If there pose these two doughty warriors to be

before you an accredited perjurer and has and Korngold, falling on their knees would

of high crimes against the state. He has Patrick Callhoun laughed openly at some

confessed as well that he had been guilty say with one voice: 'Both'

sworn both ways-first that he had re- of the speakers metaphora.

of James L. Gallagher.

WILLFIGHTON FOR INCOME TAX

'Progressive" Leaders in Senate Will Continue Battle Despite Mes-

They Give Out Statement Defining

DEMOCRATS ARE UNDECIDED

eide to Carry On Fight On Original Lines.

WASHINGTON, June 16 .- Five prog ressive republican senators, Messrs. Borah conferred tonight to determine what their to congress today, favoring the submission of the question to the states for a consti

s not inconsistent with their demands for the adoption of an amendment taxing in comes, and that both may be adopted to harmony. They assume that the president's plan, endorsed by leading republicans on the finance committee, is designed "chloroform," the income tax amendment, but nevertheless announce that they will continue to fight for its adoption. In a brief statement prepared by Messra

come tax amendment, say: "The friends of the income tax feel it duty to continue to put forth every efforto secure the adoption of the measure They will, therefore, urge the adoption of service which has the effect of insurance. income tax constitutional is to have the the amendment. They also stand ready to support a resolution providing for an amendment to the constitution of the In the meantime, Senator Brown is re- United States. While they believe that ceiving congratulations on all sides for the supreme court will sustain the law, yet to provide against a possible contingency that might result from an adverse decision they gladly favor the propositions to amend the constitution. They do not feel satis fied with simply a corporation tax.

Corporation Tax "Imperfect." "A tax upon the net income of corpora tionse only will imperfectly reach the desired result. It will tax tens of thou sands of stockholders whose total incomes are small, and will exempt in large meas BERLIN. June 16.-Chancellor Von Bue- views to their legitimate end, and is

> "It is also well known that corporations, especially the larger ones, can in most instances shift the burden of the tax to the public by imposing upon the people

"As to the publicity feature, there is no to see the day when in this respect also substantial difference between the two ularly in England, no one is so petty as to same necessity for securing information ception they eventually lose." As to the carry political antagonisms into personal and insuring publicity in the income tax as in the corporation tax. "Every possible effort will be made to

secure the passage of the income tax

Expect Some More Help. The small attendance at the conference, it is asserted, does not augur a lack of but is explained by the fact that the meeting was not called until after the president's message was received and many senators had engagements which they could not break. An effort will be made tomorrow to get together again. Senator Brown, author of the first resolution introduced to enable the states to pass upon the question of amending the constitution so as to empower congress to levy a tax on incomes, was present tonight for about

That the supporters of a direct tax on

"The top of his head does not amerge

work in the land of spies. Consider Helms

challenged by a sentry who demanded

'under which king? speak or die,' Helms

sage of President.

ANY ANTAGONISM

Declare Their Position Not Inconsistent With Taft's Attitude.

EARNINGS TAX IS NOT ENOUGH

Their Views in Detail.

Borah, Bristow, Clapp, Cummins and La Follette Hold Meeting and De-

Bristow, Cummins, La Follette and Claps attitude is to be in relation to the income tax amendment to the tariff bill in the tutional amendment, and the enactment of a law taxing the net earnings of cor

They decided that the president's plan

Borah and Bristow, the supporters of ar

ure the immense personal incomes of the country. The provision they favor treats did not go on the stand today to testify North Platte irrigation project will be much large incomes exactly alike, whether re- sgainst his wife. Katherine Cichimons improved, and settlers along the taking of his appeal in federal power without apportionment accepted by pending the taking of his appeal in federal power without apportionment accepted by the state of the second settlers along the taking of his appeal in federal power without apportionment accepted by the state of the second settlers along the taking of his appeal in federal power without apportionment accepted by the second settlers along the second second settlers along the second secon ceived by corporations or individuals and whose sait for sparation he is the United States circuit court of appeals the United States circuit court of app they propose simply carries the president's of servants' gossip accounts by meniate of the propose simply carries the president's of servants' gossip accounts by meniate of the propose simply carries the president's of servants' gossip accounts by meniate of the propose simply carries the president's of servants' gossip accounts by meniate of the propose simply carries the president's of servants' gossip accounts by meniate of the propose simply carries the president's of servants' gossip accounts by meniate of the propose simply carries the president's of servants' gossip accounts by meniate of the president's of servants' gossip accounts by meniate of the president's of servants' gossip accounts by meniate of the president's of servants' gossip accounts by meniate of the president's of servants' gossip accounts by meniate of the president's of the presid illating details, as sworn to on the stand, received a number coholic beverages, and her manner at such of individuals like Carnegie, Rockefeller, the influence of liquor, brought from her proper regulation is a matter of trans- Austro-German alliance, and they had and others, a very large part of whose lips remarks ill suited to a woman's

impracticable and decidedly unobasant. hence that the charge of abandonment, the mainstay of Mrs. Gould's case, is not

From the New York World.

Her Former Servants Tell Scandalous

Stories About Her Conduct.

GETS DRUNK EVERY OTHER DAY

Evidence is That She Cursed and

Swore at Grooms-Raves in Dis-

hevelled Condition Before Meni-

nls-End is Not Yet.

borne out. Was Often Intextented. a reiteration and in some respects an am- fold will be presented to the president and plication of yesterday's testimony, the on behalf of the governors of Ak-Sar-Ben basis of which is that at various and divers will tender to the president an invitation times at the vast Long Island show place, to stop over at Omaha on his trip to the sympathy with the income tax proposition, Castle Gould, she had, according to the west, either going or returning, should Mr. witnesses, been intoxicated: had abused Taft decide to make this trip during the menials, had given arbitrary and unreasonable commands to the servants and had

her husband. Coachman, gardener, maid and other ser-dent and J. K. Moore, is cashier, vants went on the stand and swore to the Rural carriers appointed. Nebraska demeanor of the woman who used to give Farwell, route 2. J. J. Hofseth, carrier; them orders. An occasion when she would A. W. Lang, substitute. South Dakota have fallen from her carriage, but for the Herreld, route 1, Karl J. Baessler, carrier; protecting arm of a coachman, an attempt Andrew Lang, substitute, of hers to drive through a closed gate, and falling intoxicated, were among the things vant on the witness stand. As on yesterday, Mrs. Gould was greatly moved as she heard this evidence.

A carpenter, Herbert Trotter, was the last witness of the day. He said when he was working in the servants' quarters, Mrs. Gould rushed in at one time, ewore at and abused the servants. Language of Vituperation

"Her voice was shaky and incoherent, her hair disheveled and she was very prowitness.

She Swears at the Grooms. "At another time she came into the sta

Mr. Moore was severe in his denunciation bles while I was working there and swore at the grooms and was so drunk that from the pit of corruption be has digged every one could tell that she was drunk,

"Helms," he said, "Is one of the soldiers have to get help, and she said: 'Why, Trotter testified that Mrs. Gould " machine-made case that showed the marks surmise for some magnificent gum shoe only occasionally intoxicated" during her

> Drunk Every Other Day. "How many times do you think she was intoxicated during that ten days?" asked Mr. Shearn.

'Every other day," was the reply. Referring to a time when Trotter said

(Continued on Second Page.)

MRS. GOULD IS BLACKENED Money Needed to Finish North Platte Ditch

"OH, YOU KID!"

Senator Burkett and Director Newell Face Lack of Funds to Complete Third Section.

(From a Staff Correspondent.) WASHINGTON, D. C., June 16 .- If plans formulated by Senator Burkett and Director Newell of the reclamation service And indications are that the plaintiff this may be overcome by some arrange- shortly before 6 o'clock. must endure for another day, possibly for ment whereby settlers can do the work two, the embarrassing ordeal of listening themselves. Director Newell has expressed to the testimony of former servants, all of himself to the effect that he will push whom have been called at the instance work in every way he can. He has talked of her husband to sustain, if possible, his with settlers concerning it and says he contention that living with his wife was will do all in his power to assist them Detailed plans are being made to complete the third section of the ditch, and

they will be put into execution at the earliest possible date. H. J. Penfold and wife of Omaha, as companied by their little granddaughter, What Mrs. Gould heard today was but are at the Raleigh. Tomorrow Mr. Pencoming summer.

The First National bank of Bristow used severe language in altercations with ness with a capital of \$25,000. F. M. Wid-Neb., has been authorized to begin busi ner is president, F. W. Woods vice presi

a time when a footman saved her from FAIRBANKS HONORED BY JAPS testified by the Long Island rustic or ser- Former Vice President Elaborately

Entertained By Dignituries Enroute to Kobe.

TOKIO, June 16 .- Former Vice President Charles W. Fairbanks was elaborately entinguished traveler received the addresses of the mayor of Osaka and at Kobe he was driven to his hotel in the governor's mayor and councillors. At Kene Mr. Fairbanks spoke before the assembled school eachers and the Christian girls' school. On the eve of his departure for Korea for which country he salls tomorrow, the former vice president returned profound thanks to the Japanese people for the courtesy and hospitality he has received everywhere throughout his tour of the is-

BANKER RELASED ON BAIL pensible to the nation's life in great crises."

WALL STREET

BULLETIN

UMPR SCODENTE D

RIZE IM VALUE

OF FECURITIES

COME IN

TRY YOUR WER

Charles W. Morse Given His Liberty was preferable to the one proposed of re Pending an Appeal.

HIS BOND PLACED AT \$125,000

Twenty New York Bankers and Business Men Believe Him Innocent Qualify On Bond-Four Months' Freedom At Least.

NEW YORK, June 16 .- Charles W. Morse, onvicted banker, was released on ball to- on property," he says, "and is within the from them new trial or affirm the sentence of fifteen of Mrs. Gould's alleged fendness for at. asking that the ditch be finished if pos- years' imprisonment imposed upon the sible. He has been working on the matter, former ice king in November of last year, actions and the gains and profits of every and he and Director Newell have been The ball bond for \$125,000 was signed late view of having work go forward promptly. of Morse, who volunteered for this service The principal difficulty has been because several months ago, and Morse quit the of lack of funds, but it is possible that custody of the United States marshal

Morse's release came largely through the they believed in his innocence, and were bond for an indefinite sum. The signers another subject. included Frank A. Munsey, Augustus Vah Wyck, John D. Crimmins, Oakleigh Thorne and other prominent New York bankers and business men.

Morse was convicted of having misappropriated the funds of his former chief bank. the National Rank of North America, in financial operations which led to less being thrown into bankruptcy early in 1908. He was sentenced to fifteen years in the fed- all the democrats cast their votes against eral prison in Atlanta, Ga. Since his con- that proposition. viction he has been in the Tombs. Attempts to have him admitted to bail have demand that provision be made for a extended over a period of seven months.

Clark on Stand in Smuggling Case

Witness Tells of Conversations With Dining Car Cooks and Payment of Money.

CHICAGO, June 16 .- W. H. Clark, one of the alleged conspirators in the plot to smuggle Chinamen into the United States from Mexico, who had already pleaded guilty to the charge, testifying for the government this afternoon, told of conversations he had with dining car cooks on the tertained yesterday by the governor of Atchison, Topeka & Santa Fe railroad and principles upon which I thought the re-Kyto while an route to Kobe. The dis- of having paid them money supplied by John Heltzell, another of the conspirators, who has already pleaded guilty.

> Position an Easy One and Vessel Was Floated at the Next High Tide.

NEW YORK, June 16.-The White Star Ambrose changel opposite Sandy Hook, The Teutonic was floated by the rising tide this afternoon and proceeded on its lection of such a tax. voyage apparently uninjured.

Ten Thousand Steel Workers Will Strike at End of Month

and Tin Workers, who are employed by was the American Sheet and Tin Plate com- tion will resist all efforts to carry out that opening of the present session makes'it apof the company becomes effective. Many reached by that time." unskilled workmen will also be affected.

special convention here. Amalgamated association:

PITTSBURG. Pa., June 16.-More than of the sheet and tin mills lodges, held for PITTSBURG. Pa., June 15.—More than of the sheet and tin milis lodges, held for power of the federal government to impose 10.000 skilled workmen, members of the the purpose of taking action on the unless apportioned among the several Amaigamated Association of Iron, Steel declaration of the American Sheet and Tin states according to population. This new plate company to run its plants nonunion. has decided that the Amalgamated associapany, will quit work on the night of June policy and will refuse to work after June propriate for me to submit to the congruss 30, at which time the "open shop" order 30, 1909, unless a satisfactory agreement is

In the Pittsburg district a majority of will be effective total 52 mills in the tin It is undoubtedly a power the national "The convention of the representatives trade and 51 mills in the sheet steel trade, government ought to have. It is indispen-

TAFT URGES AN EARNINGS TAX

President Sends Special Message to Congress Favoring Levy on Corporations.

AMEND CONSTITUTION

Thinks Federal Government Should Have Income Tax Authority.

BUT IT HASN'T GOT IT NOW

Executive Reported to Be Confident of Downward Revision.

FIRST STRICTLY PARTY VOTE

On Motion to Instruct Finance Committee, Democrats All Vote in Affirmative and Republicans in Negative.

WASHINGTON, June 16-Recommending legislation leading to the placing of a ! per cent tax on the net income of corporations and also the adoption of an amendment to the constitution providing for the Imposition of an income tax without an apportionment among the several states, President Taft today sent to congress a message embodying his views on the subject. This action followed a protracted special meeting of the cabinet.

President Taft, is was announced later in the day, is highly gratified over the outlook. It is said that he regards the prospects for "tariff revision downward" as being brighter than ever. In his message the president speaks of

the apparent inability of congress to agree to an inheritance tax, and as regards an income tax he refers to the decision of the supreme court in the case of Pollock against the Farmers' Loan and Trust company, in which the court held the tax to be unconstitutional unless apportioned according to population. "It is," says the president, "undoubtedly a power which the government ought to have. It might be indis-

The amendment, therefore, he declares, was the only proper course. Such an amendment to the constitution, he contends, viving a law judicially declared to be un-

Big Revenue from Tax. The amendment which he says should be made to the tariff bill, provides for the imposition on all corporations and joint stock companies for profit, except national bank (otherwise taxed), savings banks and building and loan associations of an excise tax of 2 per cent on the net income of said corporations. This, it is estimated by him, will bring an annual revenue of \$25, 000,000. "This is a tax on privilege and not

lic knowledge of the real business transcorporation in the country. The adoption of the amendment, he says, will make a long step "toward that supervisory contro of corporations which may prevent a fur-

ther abuse of power." Reception of Message.

When the message reached the senate activity of twenty-five of his friends, who Mr. Root, who was in the chair, made the petitioned the court in May, saying that customary reference of the document to the committee on finance and Mr. Heyburn ready to become responsible upon a ball secured the floor and began a speech on

Senator Gore broke in and attempted to have the committee instructed to report on the income tax feature of the movement by next Friday when, under general agreement, the income tax question is again to be taken up for consideration. His motion was, however, voted down and for the first time in many weeks the division was strictly along party lines, all the republicans voting to lay on the table, while

Senator Bailey gave notice that he would graduation of any income tax that might be provided for and intimated that much time would be necessary to get through a provision, which did not carry that quali-

Text of the Message.

The text of the president's message is

"To the Senate and House of Representatives: It is the constitutional duty of the president from time to time to recom mend to the consideration of congress such measures as he shall judge necessary and expedient. In my inaugural address, immediately preceding this present extraordinary session of congress, I invited attention to the necessity for a revision of the tariff at this session and stated the vision should be effected. I referred to the then rapidly increasing deficit and pointed out the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an adequate income and suggested that if it was not possible to do so by import duties, new kinds of taxation must be adopted, and among them I recommended a graduated inheritance tax as corsteamer Teutonic, which left its pier today rect in principle and as certain and easy for European ports, ran aground in the of collection. The house of representatives has adopted the suggestion and has provided in the bill it has passed for the col-

"In the senate the action of its finance committee and the course of the debate indicate that it may not agree to this provision, and it is now proposed to make up the deficit by the imposition of a general ncome tax in form and substance of aimost exactly the same character as that which in the case of Pollack against Farmers' Loan and Trust company (157 U. S. 429) was held by the supreme court to ne a direct tax, and therefore not within the proposal, which I did not discuss in my inaugural address or in my message to the

certain additional recommendations. Payors Income Tax Amendment. The decision of the supreme court in The decision to take this action followed the mills of the American Sheet and Tin the income tax cases deprives the national Plate company, a subsidiary of the United government of a power, which, by reason The following announcement was made States Steel corporation, are nonunion. The of previous decisions of the court, it was by President J. P. McArdie of the combined plants in which a strike order generally supposed the government has