

by the Senate on the 5th as reported by the conference committee, and, having already passed the lower house, was immediately signed by the President and is now the law.

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Prior to the vote there was some discussion, in the course of which Senator Dolliver (Republican) of Iowa presented a statement prepared by the Treasury Department, and said:

It shows that the rates in the cotton schedule are increased over the present law all along the line, and some of them as much as 100 per cent. And yet the statement has been made here that only minor and insignificant changes had been made in that schedule. The American people are being duped with that kind of humbug and misrepresentation. I denounce this as an organized conspiracy against the American people. I do not propose to go back to my people and tell them I accepted an act which, in a few years, is likely to mean a reorganization of the cotton business with unnumbered millions in common stock, issued against the statutes of the United States.

Senator La Follette (Republican) of Wisconsin presented for publication in the Record as a document a statement carefully prepared by the bureau of manufactures of the Department of Commerce and Labor, showing 286 increases of duty and 38 decreases of duty, which do not appear in the table printed by the conferees; and, alluding to his having been prevented from commenting, said that nevertheless between now and December he would make a number of speeches, in the course of which he would express his opinion of the Senate and the tariff bill.

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In the vote Democrats were supported in opposition to the bill by the following Republicans:

Beveridge of Indiana, Bristow of Kansas, Clapp of Minnesota, Cummins of Iowa, Dolliver of Iowa, La Follette of Wisconsin, and Nelson of Minnesota. The vote stood 47 for the bill and 31 opposed.

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An attempt to put cotton bagging into the free list was defeated by 43 to 36; and by 42 to 23 an attempt to put shoes, harness and saddlery into the free list was also voted down. A concurrent resolution was immediately adopted by both Houses correcting the leather schedule.

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President Taft signed the new law at 5:05 p. m., and at 6 the two Houses adjourned sine die.

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#### The New Tariff Law.

As enacted, the new tariff law (p. 755) is long, technical and complicated.

It puts into the free list hides, petroleum, cotton seed oil, croton oil, paintings and sculpture twenty years old, wooden fence-posts, canary seed, radium, and several chemicals; but it takes out of the Dingley free list tin and tin ore after American mines shall begin to produce 1,500 tons a year.

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It authorizes the President to employ experts to assist him in enforcing the tariff.

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It continues the reciprocity arrangements with Cuba, and establishes free trade to a limited extent with the Philippines.

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Drawbacks are allowed on exported products into the manufacture of which dutiable imports have been used.

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A court of appeal in customs cases is established with five \$10,000 judges whose decisions are to be final.

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The clause for taxing corporations provides for a tax of 1 per cent upon the entire net income over and above \$5,000 exclusive of amount received as dividends upon stock of other corporations subject to the tax. Exempted from this tax are labor, agricultural and horticultural organizations, fraternal beneficiary societies, orders and associations operating under the lodge system and providing for the payment of life, sick, accident and other benefits to members, domestic building and loan associations operated exclusively for the benefit of members, and religious, charitable and educational institutions. Corporations subject to the tax must file attested reports. The Commissioner of Internal Revenue is empowered to examine the books of any corporation as he deems expedient, but no information collected by the government relative to the affairs of the corporation shall be made public except on orders of the President.

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The bill makes the rate of duty prescribed by the schedules of the dutiable list the minimum tariff of the United States, and provides that an addition thereto of 25 per cent ad valorem shall constitute the maximum tariff, which shall be applied on proclamation to be issued by the President to such foreign countries as apply discriminations against American imports or pay export bounties or impose export duties or prohibition.

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#### President Taft's Apology.

Following his approval of the new tariff law (p. 755) President Taft gave to the newspapers a

statement which he had prepared in collaboration with Attorney General Wickersham and Senators Root and Aldrich, in which he said:

I have signed the Payne tariff bill because I believe it to be the result of sincere effort on the part of the Republican party to make a downward revision and to comply with the promises of the platform as they have been generally understood and as I interpreted them in the campaign before election. This is not a perfect tariff bill, nor a complete compliance with the promises made strictly interpreted, but a fulfillment free from criticism in respect to a subject matter involving many schedules and thousands of articles could not be expected. It suffices to say that except with regard to whisky, liquors, and wines, and in regard to silks and as to some high classes of cottons—all of which may be treated as luxuries and proper subjects of a revenue tariff—there have been few increases in rates. There have been a great number of real decreases in rates, and they constitute a sufficient amount to justify the statement that this bill is a substantial downward revision and a reduction of excessive rates.

This is not a free trade bill. It was not intended to be. The Republican party did not promise to make a free trade bill. It promised to make the rates protective, but to reduce them when they exceeded the difference between the cost of production abroad and here, making allowance for the greater normal profit on active investments here. I believe that while this excess has not been reduced in a number of cases, in a great majority the rates are such as are necessary to protect American industries, but are low enough, in case of abnormal increase of demand and raising of prices, to permit the possibility of the importation of the foreign article and thus to prevent excessive prices.

The power granted to the Executive under the maximum and minimum clause may be exercised to secure the removal of obstacles which have been interposed by foreign governments in the way of undue and unfair discrimination against American merchandise and products.

The Philippine tariff section I have struggled to secure for ten years last past, and it gratifies me exceedingly by my signature to give it the effect of law. I am sure it will greatly increase the trade between the two countries, and it will do much to build up the Philippines in a healthful prosperity.

The administrative clauses of the bill and the customs court are admirably adapted to secure a more uniform and a more speedy final construction of the meaning of the law.

The authority to the President to use agents to assist him in the application of the maximum and minimum section of the statute, and to enable officials to administer the law, gives a wide latitude for the acquisition, under circumstances favorable to its truth, of information in respect to the price and cost of production of goods at home and abroad which will throw much light on the operation of the present tariff and be of primary importance—of officially collected data upon which future Executive

action and Executive recommendations may be based.

The corporation tax is a just and equitable excise measure, which it is hoped will produce a sufficient amount to prevent a deficit and which incidentally will secure valuable statistics and information concerning the many corporations of the country and will constitute an important step toward that degree of publicity and regulation which the tendency in corporate enterprises in the last twenty years has shown to be necessary.

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#### The British Land Question.

The debates over the British financial bill (p. 727) both in the House of Commons and out among the people has settled down to the land question. Churchill's speech, reproduced in *The Public* last week (p. 762) is an example of the kind that both he and Lloyd George are making on the public platform; and Asquith himself struck the key-note, as may be seen from our recent extracts (p. 683) from his Southport speech. Press dispatches of the 7th, particularly the *New York World's* special dispatches, describe, in the language of the dispatches themselves, "a startling change owing to the increasing popularity of the budget." It seems from these dispatches that "the attempts to terrify the public by denouncing its manifold democratic provisions as socialistic have failed, and now the House of Lords has ceased threatening to reject it;" and that the platform speeches of George and Churchill "have so powerfully influenced public opinion that the *Times* and the *Daily Mail*, hitherto virulent opponents of the budget, are now warning the Tory party of the futility of attacking the measure further." Naturally "the Tories are furious."

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Mail advices are indicative of the progress of the bill through the Commons and the attitude toward it of the public mind. "Land Values" for August says of it that—

In its original form the bill was of the weakest possible nature so far as the taxation of land values is concerned. New exemptions of different kinds of land from the operation of the increment duty have further weakened it to such an extent that serious Liberals are now demanding that the valuation shall be limited to land on which taxes actually fall. There is to be no tax on the value of agricultural land, no tax on freeholds the value of which is under £500, no tax on land held by local authorities, no tax on land held for public or charitable purposes, and no tax on land belonging to statutory companies, such as railways—land which can only be used for statutory purposes. In spite of these exemptions the Government declare that they will provide for a complete valuation of land apart from improvements. . . . We fully appreciate the importance of the finance bill. By introducing the proposal to value the land of the country it has raised a great issue. But