

source whence the income was derived, that is, that the tax upon realty and the tax upon receipts therefrom were alike direct; while as to income from municipal bonds, that could not be taxed, because of want of power to tax the source, and no reference was made to the nature of the tax as being direct or indirect. We are now permitted to broaden the field of inquiry and determine to which of the two great classes the tax upon a person's entire income, whether derived from rents or products or otherwise, from real estate or from bonds, stocks or other forms of commercial property belong; and we are unable to conclude that the enforced subtraction from the yield of all an owner's real or personal property in the manner prescribed, is so different from a tax upon the property itself that it is not a direct but an indirect tax in the meaning of the Constitution.

"The words of the Constitution are to be taken in their obvious sense and have a reasonable construction. We know no reason for holding otherwise than that the words 'direct taxes' on one hand and 'duties, imports and excises' on the other, were used in the Constitution in their natural and obvious senses; nor in arriving at what those terms embrace, do we perceive any ground for enlarging them beyond or narrowing them within the natural and obvious import at the time the Constitution was framed and ratified. And passing from the text we regard the conclusion reached as inevitable when the circumstances which surrounded the convention and controlled its action and the views of those who framed and those who adopted the Constitution are considered."

The Chief Justice discussed the reasons for the constitutional provisions regarding direct taxation. The states had plenary powers of taxation, he said, but gave up the great source of revenue derived from commerce and retained the power of levying taxes and duties covering anything other than excises, but in respect to them the range of taxation was narrowed by the power granted the Federal government over interstate commerce. While they granted the power of apportioning direct taxation, they secured to the states the opportunity to pay the amount apportioned and recoup from their own citizens in the most feasible way.

The opinion continued: "It is said the tax on the whole income of property is not a direct tax but a duty. We do not think so. Direct taxation was not a restriction in a breath and restriction blown to winds in another."

The opinion dismisses the Hylton case with this comment: "What was decided in the Hylton case was that the tax on carriages was excise and therefore an indirect tax."

The Opinion next took up the argument that tax on property is not a direct tax within the meaning of the Constitution, and said:

"We find it impossible to hold that the fundamental requisition deemed so important as to be enforced by two provisions, one of affirmation and one negative, can be defined away by forced distinctions between that which gives value to property, and the property itself." The stress of the argument is thrown, however, on the

assertion that the income tax is not a property tax at all; that it is an assessment upon the taxpayer on account of his money spending power as shown by his revenue for the year preceding the assessment; that rents received, crops harvested, interest collected have lost all connection with their origin and although once not taxable had been transmuted in their new form into taxable subject matter, in other words that the income is taxable irrespective of the source whence it is derived.

The chief justice said since the court had held unanimously that receipts from municipal bonds should not be taxed because the bonds were instruments of states, the same rule applied to revenue from other sources not subjected to tax, and the lack of power to levy any but an apportioned tax on real and personal property equally as to the revenue therefor.

"The court does not understand," it says, "that the income tax ever has been regarded in England as any other than a direct tax."

Justices Harlan and Jackson read dissent and Justice Brown will do the same.

WASHINGTON, D. C., May 20.—Internal Revenue Commissioner Miller has telegraphed all collectors of internal revenue to forward at once to his office all the income tax returns and everything else pertaining to the tax.

There has been collected about \$80,000 under the income tax law. While no action yet has been taken it is almost certain that Commissioner Miller as soon as he is officially informed of the court's decision will take steps to refund all collections.

SENATOR CULLOM.

Illinois' senior United States Senator, Shelby M. Cullom a Presidential possibility at the hands of the Republican party arrived in Salt Lake Monday morning from Portland to which place he went direct from San Francisco after spending a couple of weeks on the coast. The distinguished gentleman is a member of the Senate committee on Commerce which for a considerable time has had before it the question of selecting either San Pedro or Santa Monica as the ocean port of Los Angeles.

The senator while in California made very careful inquiries into the respective merits and claims of each place receiving and hearing delegates and advocates for both. What the result of these investigations will be, however, the senator does not care to state at this time.

Among the prominent Salt Lake who met the senator at the depot on his arrival in this city this morning were Hon. Charles Crane, chairman of the Republican Territorial Committee, Judge Zane, the senator's former law partner, and Bishop Clawson. With the gentlemen named the senator and his party, consisting of himself, wife daughter, a Miss Ridgley, a Miss Bunn and Mr. Ray, were driven about the central part of the city. At 10:30 they visited the Tabernacle and listened to an organ recital by Professor Daynes, after which they again entered their carriages and drove to Fort Douglas. On their return they went direct to Col. Trumbo's residence, where

an informal reception was held. This afternoon the senator and party were taken out to Saltair on the 2:15 train. They will leave for the East over the Union Pacific at 5:20 this evening instead of by way of the Rio Grande Western, as heretofore announced.

Senator Cullom politely granted a representative of the NEWS a brief interview this afternoon. On the question of general politics he had nothing to say, and as to local political questions he did not pretend to be informed on them. Speaking of his visit to Utah he said: "This is my first trip to this Territory and the great West. Of your Territory at large I cannot say very much because I only know of it by hearsay. But as to your city it is most beautiful and charming—more so than I anticipated and I have heard very much of it. I am highly delighted with it and I imagine that it is of one of the pleasantest places in which to live. There are so many homes in it and they are so handsome."

"Now, then, senator," said the newspaper man, "I would like to have you express your views on the silver question."

The senator laughed and replied, "Yes, I presume so. I have not undertaken to define my position on that question, however. What I have said on it has been merely of a rambling order and as I am not out on political expedition I have refrained from being specific. I will state, however, that I am not an enemy to silver, but a friend of it and all interests of the great body of the people."

In answer to the question as to whether the following from the San Francisco *Chronicle* correctly stated his position he replied, "I presume that substantially reflects my views:"

"Do you think, senator, the establishment of bimetalism will restore confidence and produce good times?"

"While I believe in bimetalism and the parity of values of both gold and silver, giving to both metals equal chances and equal privileges in the money markets, I am not so sanguine as to believe that the United States alone can, by simple decree, produce the desired result. We ought to have an international agreement which shall establish the proper relations as to metallic currency. Then the obstructions to currency legislation which now exist will become mere cobwebs. The country is worried by the theories of charlatans, who offer unfailing remedies for every ill, ignoring the teachings of experience. Ultra silver theorists and ultra gold theorists are alike impatient of each other, and alike opposed to any middle ground, but there is always safety in moderate and well-considered action. Much as we may wish to give to silver its equal and proper place as a money metal, we must look to existing conditions, where they demand it at our hands. The duty of a statesman is to look after and care for the interests of the entire country. He must sacrifice no interest for the benefit of any other interest."

Then he was asked by the NEWS man as to whether or not he had read the Constitution. He replied in the negative, but said he was anxious to do so. He understood that it was a very