

evidenced by an effort to pass a tariff-commission bill in the short session of the Sixty-first congress in which many of both parties united.

"Such a bill passed both houses. It provided for a commission of five members to be appointed by the president, not more than three of whom were to belong to the same party and gave them the power and made it their duty to investigate the operation of the tariff, the comparative cost of production at home and abroad and like matters of importance in fixing the terms of a revenue measure and required them to report to the executive and to congress when directed.

"Several, not vital amendments were made in the senate which necessitated a return of the bill to the house, where, because of the limited duration of the session, a comparatively small minority were able to prevent its becoming a law.

"Upon the failure of this bill, I took such steps as I could to make the tariff board I had already appointed a satisfactory substitute, protected tariff commission. I asked for \$25,000 to continue the work until June 1, 1912, the alternative to be applied to the board I had appointed unless a tariff commission bill was passed.

"In this appropriation bill, the non-partisan tariff commission, if created and appointed was decided to make a report on schedule K, by December 1, 1911. Accordingly I added two members to the tariff board from the opposition party and directed the board to make a report on schedule K, by December 1, next. The board differs in no way from the tariff commission as it would have been, except in its power to summon witnesses, and I am advised by the members of the board that, without this power, they have had no difficulty in securing the information they desire.

"The board took some months to investigate the methods pursued in other countries in procuring information on tariff subjects and to organize its forces. In October, 1910, its work of investigation began with a force of forty that has now increased to eighty. In addition to the 'glossary' which is near completion, and other work connected with furnishing information in connection with the enforcement of the maximum and minimum clause of the Payne tariff act, and in respect to the Canadian reciprocity measure its attention has been especially called to comparative cost, as to schedule K, (wool and woolsens) under schedule M, (paper and pulp) and under schedule I, (cotton manufactures.)

"The report on schedule M, (pulp and paper) has already been sent to congress. Full reports on wool and cotton will be submitted to congress. They also have directed an investigation into metals which, it is hoped, can be submitted to congress at its first regular session in time to permit their consideration and legislative action if necessary."

The president, after quoting from a report of the tariff commission continued:

"I have thus reviewed the history of the movement, establishment of a tariff commission or a board, in order to show that the real advance and reform in tariff-making are to be found in the acquiring of an accurate information as to the proposed tariff changes under each schedule before they are adopted, and further to show that if delay in the passage of a bill to amend schedule K can be had until December, congress will then be in a possession of a full and satisfactory report upon the whole schedule.

"This brings me to the consideration of the terms of the bill presented for my approval. Schedule K is the most complicated schedule in the tariff. It classifies raw wool

with different rates from different classes; it affords the manufacturer what is called a compensatory duty to make up for the increased price of raw material he has to use, due to the rate on raw wool, and for the shrinkage that takes place in scouring the wool for manufactures; and it gives him, in addition, an ad valorem duty to protect him against foreign competition with cheap labor.

"The usages which prevail in scouring the wool, in making the yarn and in the manufacture of cloth present complication of technical detail that prevents anyone not especially informed concerning wool growing and manufacture from understanding the schedule and the effects of changing the various rates.

"If there ever was a schedule that needed consideration and investigation and elaborate explanation by experts it is schedule K. There is a widespread belief that many rates in the present schedule are too high and are in excess of any needed protection for the wool growers or manufacturer. I share this belief and have so stated in several public addresses. But I have no sufficient data upon which I can gauge how schedule K ought to be amended or how its rates ought to be reduced, in order that the new bill shall furnish the proper measure of protection and no more.

"Nor have I information satisfying me that the bill presented to me for signature will accomplish this result. The parliamentary history of the bill is not reassuring on this point. It was introduced and passed in the house as providing a tariff for revenue only and with the avowed purpose of departing from a protective tariff policy.

"The rate of duty on raw wools of all classes was changed from a specific duty of 11 cents a pound to 20 per cent ad valorem. On the average for the importations of the last two years, this is a reduction from 47.24 per cent to 20 per cent. Rates on cloth were reduced in the mill from the present average duty of 97.27 per cent to 40 per cent, and on wearing apparel from 81.31 per cent to 45 per cent.

"The bill was defeated in the senate and so was a substitute introduced as a protection measure. The proposed substitute fixed the duty on raw wool, first class, at 40 per cent, and on a second class of carpet wools at 10 per cent and on cloths at 60 per cent and on wearing apparel at the same rate.

"On re-consideration, a compromise measure was passed in the senate which was a compromise between the house bill and the senate substitute bill, in which the rate on first class wool was fixed at 35 per cent, carpet wool 10 per cent, cloth and wearing apparel 55 per cent.

"In conference between the two houses, the rate on all classes of raw wool was fixed at 29 per cent, this being an increase in carpet wools of 9 per cent as compared with the house bill, and of 19 per cent as fixed in the senate bill. The conference rate on clothes and wearing apparel was fixed at 49 per cent.

"No evidence as to the cost of production here or abroad was published and the compromise amendment in the senate was adopted without reference to or consideration by a committee.

"I do not mention these facts to criticize the method of preparation of the bill, but I must needs refer to them to show that the congressional proceedings make available for me no accurate or scientifically acquired information, which enables me to determine that the bill supplies the measure of protection promised in the platform on which I was elected.

"During the years in which the Wilson bill was in force, the woolen

manufacturers suffered. Many mills were compelled to shut down. These were abnormal years, and it is not necessary to attribute the hard times solely to the tariff act of 1894.

"But it was at least an addition to other factors operating to injure the woolen business. It is the only experience we have had for a generation of a radical revision of this schedule, and, without exaggerating its importance, one pledged to a moderate protection policy may well hesitate before giving approval without full information to legislation, which makes a more radical reduction in the protection actually afforded the manufactures of wool than in the Wilson act.

"Nor does the hesitation arise only for fear of injury to the manufacturer. Manufacturers are able to continue their business and buy wool from domestic wool-growers, but the latter will have no benefit from the tariff that is supposed to protect them, because they will have to sell in competition with foreign wool. Hence the wool-grower is as much interested in the protection of the manufacturer as he is in his own.

"It may well be that conditions of manufacture in this country have changed so as to require much less protection now for the manufacturers than at the time of the Wilson bill, but in view of the possible wide suffering involved by hasty action, based on insufficient knowledge, the wise course, in my judgment, is to postpone any change for a few months needed to complete the pending inquiry.

"When we have the accurate information which justifies such action, I shall recommend to congress as great a reduction in schedule K as the measure of protection, already stated, will permit. The failure of the present bill has not been regarded, therefore, as taking away the only chance for reduction by this congress.

"More than a million of our countrymen are engaged in the production of wool and the manufacture of woolsens. Large communities are almost wholly dependent upon the prosperity of the wool-grower and the woolen manufacturer.

"Roughly estimating, 5,000,000 of American people would be injured or affected by ill-advised reduction of the tariff.

"I have no doubt that if I were to sign this bill I would receive the approval of very many persons who favor a reduction of duties in order to reduce the cost of living, whatever the effect on our protected industries, and who fail to realize the disaster to business generally and to the people at large which may come from a radical disturbance of that part of business dependent for its life on the continuance of a protective tariff. If I fail to guard as far as I can the industries of the country to the extent of giving them the benefit of a living measure of protection, and business disaster ensues, I shall not be discharging my duty. If I fail to recommend the reduction of excessive duties to this extent, I shall fail in my duty to the consuming public.

"There is no public exigency requiring the revision of schedule K in August without adequate information, rather than in December next with such information. December was the time fixed by both parties in the last congress for the submission of adequate information on schedule K with a view to its amendment.

"Really the public weal is better preserved and it will be better to wait ninety days than to blindly enact a law which may seriously injure the industries involved and the business of the country in general."

#### FREE LIST BILL VETO

In his message vetoing the farmers' free list bill, the president de-

clared in his message that the bill was so carelessly drawn that he was uncertain as to just what articles it covered. He especially criticized every section of the bill, and said the language was too ambitious to be practical.

Mr. Taft objected to the principle in the bill which admits raw materials free and keeps the machinery necessary to finished product on the dutiable list.

Lastly, the president based his veto on the fact that the tariff board had no opportunity to report on the schedules affected by it.

#### IRON AND STEEL SCHEDULE IN THE SENATE

Democrats in the senate broke away from all previous arrangements and gave the iron and steel schedule a start towards revision. The story is told by the Associated Press in this way:

Washington, Aug. 17.—A shrewd move by the regular republicans, as unexpected as it was effective, today suddenly threw the democrats into complete control of the senate in their own right and forced them absolutely to abandon their coalition with the progressive republicans.

Out of the chaos and uproar came a bill to revise the cotton tariff of the Payne-Aldrich law. It was the bill as passed by the house, but saddled with amendments to revise the iron and steel, the cotton machinery and chemical schedules of the tariff law, coupled with a provision for reciprocal free trade in bituminous coal across the Canadian river. The bill as amended will go back to the house and probably will be sent to conference. If it emerges from this ordeal and goes to the white house, it unquestionably will meet the fate of the wool revision bill which was vetoed today by President Taft.

Democratic votes alone were cast in favor of the bill. The regular republicans deliberately absented themselves from the chamber and thus left their progressive colleagues in a hopeless situation. The insurgents, taken by surprise, were thrown into a rage.

Alternately they denounced what they termed the treachery of the democrats with whom they had been in alliance and inveighed against the regular republicans for the part they had played in the new combination.

In vain the insurgents invoked regulars of the senate to compel the regulars to attend and to cast their votes. Senatorial courtesy was tossed to the winds. The insurgents charged that the democrats had broken faith, although in caucus last night the latter had determined to carry through an insurgent-democratic program on the cotton bill, which would have included the adoption of the La Follette substitute for the measure. They insisted that the democrats had entered into an agreement or understanding with the regulars to leave the progressives in the lurch.

Neither the regular republicans nor the democrats would acknowledge that such an understanding exists, but Senator Bristow of Kansas boldly declared he overheard a conversation between Senator Johnstone of Alabama, a democrat, and Senator Penrose of Pennsylvania, the regular republican leader, that left no doubt in his mind.

Despite the drastic rules invoked many of the regular republicans still insisted on their right to decline to vote, and when serious consequences threatened, they resorted to motions to be excused, which in several cases were carried by safe majorities. The democrats sought to relieve their new found allies with a blanket motion of excuse from voting, but this plan failed.

Whatever understanding, the re-