

EDUCATIONAL SERIES

The Abolition of the House of Lords

(By W. DeWitt Hyde, President of Bowdoin College, in Twentieth Century)

Under this title I do not refer to the political problem of our English cousins; but to the American house of lords and the campaign of 1910 in the United States. By the American house of lords I do not mean the senate, though individual senators are its most effective agents. I refer to the rapidly increasing group of men, hereditary through incorporation, who determine at the same time and by the same decree how much we shall pay in taxes to the federal government, and how much we shall pay in bounty to themselves.

First let me state my economic creed. I am a moderate protectionist. If I were in England where the dumping of the surplus products of other nations is demoralizing domestic industry; where a tariff could be utilized to bind the colonies to the empire; and where the making of the budget by the ministry, with adoption or rejection but not amendment in parliament reduces opportunity for log-rolling to a minimum, I should vote for Mr. Chamberlain's program of protection.

In our own country I should regard a sudden and radical reversion to free trade as foolish, treacherous, and disastrous. We are committed to the policy of importing, on the whole, the workers rather than their works. I do not object to paying whatever taxes the government needs. I do not object, if the benefits of diversified industry require and warrant it, to paying ten times the amount of my taxes in bounty to protected manufactures.

Where I draw the line beyond which I refuse to go in support of protection is precisely where the English liberals are drawing it in opposition to their house of lords. They deny the right of a group of interested landlords to determine what taxes the English people shall pay and what exemptions from taxation shall be granted.

Our house of lords is not made up of landlords, but of steel lords, woolen lords, cotton lords, lumber lords and, as the latest creation, zinc lords. The amount of taxes and bounties on steel, woolen and cotton goods, lumber and zinc, is determined for us, not by a responsible ministry as in England, but by these lords, through the influence they can exert on individual members of congress; still more through the pressure they bring to bear on senate and house committees; and most of all by their power to dictate terms to the committee of conference which, subject to the votes of their colleagues and the presidential veto, practically determines what the tariff shall be.

Under such conditions a tariff becomes, not a careful adjustment of revenue to estimated expenditure, modified by a scientific comparison of the cost of production at home and abroad, but a resultant of what each producer wants, plus what all are willing to give each other to secure support for their own demands.

For instance, when the president sent his demand for a reduction on lumber to the recent committee of conference, Mr. Aldrich announced that, if that was an ultimatum, the whole bill was at an end; the conference did nothing for six hours, until one of the conferees, on the part of the house, himself a lumber man, went out and labored with the representatives of the lumber interests, induced them to withdraw their claims, and reported their concession to the conference committee; whereupon Mr. Aldrich said, "Of course, if they yield, we yield;" and so, by grace of these lumber lords, we pay the Aldrich-Payne rather than the Dingley rates of tax and bounty on all sorts of things.

A protective tariff is a bounty hid behind a tax, a tax concealed within a bounty; and this its dual nature is not altered by the fact that bounty and tax are paid together over the same retail counter as often as we buy a woolen coat or a cotton shirt or a steel hammer or a galvanized iron kitchen utensil.

What I am objecting to is not either the tax or the bounty, or the mixture of the two, or the amount of both; but having these things assessed upon me by the very persons who are to draw the bounty. This is utterly inconsistent with the traditions of Anglo-Saxon liberty on both sides of the water, and is a disguised form of essentially the same tyranny as that against

which, when attempted by the British house of lords, the English nation is protesting.

Fortunately, the germ of a better method is in sight. The tariff board (our house of lords refused to let it be called a commission, and tried ineffectually to strip it of a commission's powers), "properly construed," enables the president to get the facts about a particular schedule and present those facts simultaneously to congress and the country.

To be sure, in his testimony before the ways and means committee, one of the woolen lords, Mr. Whitman (the man who made information about "what I need" so conveniently obtainable for the framers of the Dingley bill) declared that "comparative costs of production in the United States and foreign countries are unobtainable." Of course, if such information is "unobtainable," the republican platform, which was based on the assumption that such facts are obtainable, is meaningless. Doubtless the facts are unobtainable by present methods from persons interested in their concealment. President Taft evidently believes that such facts are obtainable, for he said in a recent speech: "The wool schedule is too high, and ought to have been reduced; and probably represents considerably more than the difference between the cost of production abroad and the cost of production here." And in another speech, referring to the methods of tariff-making above described, he said, "There ought to be other methods of obtaining the evidence and reaching the conclusion." The other methods are ready to his hand. The country will watch eagerly to see whether he avails himself of them.

In some form or other the tariff is bound to be the issue of the campaign of 1910. The tariff is with us, and prices are rising upon us. To be sure, the tariff is only one of three causes of the alarming rise in prices, monopolistic tendencies of both capital and labor being the second, and the inflation of the currency of the world through the increased production of gold being the third. But on the democratic stump the tariff will figure as the sole or chief cause, and on that issue pure and simple the democrats are sure to win. The republicans can hardly expect to create a diversion like the Spanish war; and this not being a presidential year, the democrats are not under the necessity of putting up a candidate for whom independents refuse to vote.

The only chance for the republicans is to shift the issue from the merely economic aspect of the tariff to the political issue outlined above. A genuine effort, with the help of the tariff board, led by the president, to remove, one at a time, the worst injustices of the recent tariff would be accepted as a real though belated fulfillment of party pledges. Nothing else can save the party from overwhelming defeat. In other words, the only way by which President Taft can hope to maintain his party in power is to take advantage of the popular support that such a movement would have and abolish once for all the method of tariff-making which has created and maintains our present house of lords.

Having begun with a confession of my economic creed, I will conclude with a declaration of my party affiliations.

Born and bred a republican, I thrice voted for Cleveland with all the ardor of youthful conviction, twice reluctantly for Mr. McKinley, once enthusiastically for Roosevelt, and once with mingled doubt and hope for Taft. The doubt has been neither dispelled nor confirmed; the hope has been neither destroyed nor fulfilled.

I make this declaration of party affiliation, not because it is of any consequence in itself, but because I am one of hundreds of thousands of citizens in the same state of mind, and who from now on propose to vote primarily on this clear-cut issue. The independent vote, large and growing as it is, has an importance out of all proportion to its size. The independent in politics is like the steersman in a boat. He need not be as strong or heavy as the men who row. The rowers are the two great parties, each with its face to the past, too often unmindful of the port in their eagerness to pull each other around. The independent is the man facing forward with his eye upon the port, who, with little strength

railroad presidents to control elections through their power to threaten their employes with discharge.

The railroad presidents in politics, however, will not be able to monopolize the credit for hastening government ownership. The inside rings, composed of officials, that plunder the companies will have a part. The Illinois Central is now exposing one of these rings.

PLAIN TRUTH ABOUT ALDRICH

Collier's Weekly prints the following "Plain Truth About Aldrich:"

"Think of the power of personal enrichment involved in Senator Aldrich's position when a new tariff bill is being made. In the course of a speech at Winfield, Kan., on July 9, Senator Bristow made these charges, every one of which is a matter of record and easily verifiable:

"When the new tariff bill passed the lower house of congress, the duty on manufactured rubber was left the same as it had been in the Dingley bill, 30 per cent; in the senate, the rate was raised to 35 per cent; the change was made by Senator Aldrich in the room of the finance committee. This tariff became a law on August 5. Within a month, in September of last year, the news came out that a rubber company was being organized. Within three months the organization was complete; its capital is \$40,000,000, its managing head is the son of Senator Aldrich, Senator Aldrich himself is a director and holds 25,000 shares; among the other large stockholders are Simon Guggenheim, senator from Colorado, with 10,000 shares, and four of Senator Guggenheim's brothers, with an aggregate of 38,900 shares. Within three months after its organization, the new rubber company had paid dividends aggregating 18.2 per cent."

"Mr. Aldrich is a thoroughly sinister figure in American politics. The story of another tariff trick, his addition of a tenth of a cent a pound to the duty on sugar, against the earnest opposition of William McKinley, who was later president, and the connection of that added duty with Mr. Aldrich's personal fortunes, is too long a tale to tell here.

"Compared to Mr. Aldrich, mere bribers of legislators, like Lorimer and ex-Senator Clark, are not very harmful. But Senator Clark's capacity and effectiveness for evil depend not on any power within himself, but upon his position, upon the fact that a majority of all the republican senators, for one motive or another, can be depended on to vote with him.

"Moral—Aldrich has effaced himself, but a good many of his senators are candidates for re-election."

A PRAYER FOR NEWSPAPER MEN AND WRITERS

O thou great source of truth and knowledge, we remember before thee the writers of books, the newspaper men, and all whose calling it is to gather and winnow facts and to inform the people. Grant them a determined love for honest work and a staunch hatred for the making of lies, lest they pervert the judgments of our nation and teach us to call light darkness and darkness light. Suffer them not to drug the mind of our people with falsehood and prejudice. Since the sanity and wisdom of a nation are in their charge, may they count it shame to set the baser passions of men on fire for the sake of gain.

Grant them boldness to turn the unwelcome light on those who love the darkness because their deeds are evil. Put into their hands the shining sword of truth, and make them worthy sons of the champions of the people in the past who held truth to be a holy thing for which men should die. Make them realize that they have a public function in the commonwealth, and that their country may be saved by their courage and undone by their cowardice and silence.

Grant them the heart of manhood to cast their mighty influence with the forces which make the people strong and free, and if they suffer loss, may they rejoice in that as proof to their own souls that they too have been friends of the common man and servants of the higher law.—Walter Rauschenbusch in the American Magazine.

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