

How the Trust Captains Control Congress

The Boston Herald printed recently an interesting tariff story from the pen of Ernest G. Walker, together with several interesting letters from the pens of certain republican congressmen.

Mr. Walker's article follows:

The great trust captains shake their mallets in the ways and means committee room at Washington and the leaders of the standpatism cower. They overawe the standpat speaker, whose place as presiding officer is supposed to be the seat of power. They slam the doors against measures that would relieve the country of tariff burdens. It boots little to protest.

Such, in brief, is the arraignment which Representative William C. Lovering of Taunton, a stalwart republican, makes. Four years and more he endured the secret opposition of trusts to his drawback bills. Now he has spoken out in a letter to Representative John Dalzell of Pittsburg, next to Speaker Cannon, the arch standpatter. He takes up the charge which Mr. Henry M. Whitney made before the Boston City club that the steel trust directed the Pennsylvania congressman to check consideration of the drawback measure. While Mr. Dalzell has written with much tergiversation, denying that such was the case, Mr. Lovering drives back at him with sentences which can not be misinterpreted.

"You will doubtless recall our meeting on the steps of the New Willard hotel in the spring of 1903," Mr. Lovering writes, "when I asked you why it was that I could not get a report on my drawback bills by the committee on ways and means. You replied that if I could get the United States Steel corporation to withdraw its opposition to the bills, you would cease to oppose a report on them."

Mr. Lovering's bills had been reposing in committee pigeon-holes. He was striving for action by which some of them would come before the house for a hearing and a vote. He only asked for an expression of opinion from that legislative branch.

On that hint from the guardian of steel trust interests in the federal city, Mr. Lovering entered upon a new campaign. He sought by explaining his proposed enactments to allay the trust opposition. He wrote letters to and had personal interviews with trust magnates.

Lovering Bills Covered with Congressional Cobwebs

He found them like adamant. They cared nothing about the development of export trade. The Dingley law provision admitting steel for shipbuilding free and the qualifying clause that annulled it seemed very satisfying to the billion dollar corporation. The opposition, which Mr. Dalzell said on the Hotel Willard steps must be removed before he would consent to a favorable report, proved unyielding, and Mr. Lovering's bills are now covered with the dust and cobwebs of two more congresses.

Several letters about the throttling of the drawback bills have passed between Taunton and the Pittsburg congressmen since Mr. Whitney made his Boston City club speech. There has also been a formal exchange between Messrs. Whitney and Dalzell.

Drawback Bills Not in Interest of Steel Company

Mr. Whitney spoke of a letter, which he had reasons for believing had been "written by one of the vice presidents of the United States Steel company to Mr. Dalzell of the ways and means committee, advising him that it was not in the interest of the steel company that the drawback bill should pass, and directing him to stop any further discussion of the bill."

In proceeding to his comments Mr. Whitney stated that he was "not prepared to say that it was in consequence of this letter that the bill was not allowed to pass," but in newspaper reports the following morning the word "not" was omitted inadvertently, and Mr. Dalzell made much of the statement that Mr. Whitney was "prepared to say," etc. Mr. Whitney has shown the error therein and also written to Mr. Dalzell that when he (Whitney) asked: "Why could not even a hearing be had on a proposition so reasonable as Mr. Lovering's?" he meant a hearing before the house of representatives. Mr. Dalzell dwelt upon the fact that the drawback bills had had extended hearings before the committee. Mr. Whitney quoted from a colloquy between Mr. Lind of Minnesota

and Mr. Lovering, when the latter was addressing the house, in which the importance of getting the bill into the house, so as to bring members to a thorough understanding of it, was discussed. "How did it happen," asked Mr. Lind, then an ex-governor of Minnesota, "that we can not get the bill into the house for consideration, so that an opportunity may be afforded to get that understanding?"

"In the district which I have the honor to represent," replied Mr. Lovering, "industries with an annual product of over \$100,000,000 in value would be substantially and permanently benefited by the passage of this bill, or a bill containing its principal provisions, and still it is impossible to get a hearing for it."

"Remarkable Piece of Mendacity and Demagogy"

With the exception of these explanations, Mr. Whitney has left the controversy alone. Mr. Dalzell's letter was severely critical, alluding to Mr. Whitney's remarks as "this remarkable piece of mendacity and demagogy," and in a subsequent paragraph adding: "What he (Whitney) says about me, or about any one else, for that matter, is not, in my judgment, of the least consequence. If nothing more were involved than Whitney's reputation for veracity, it would be a sin to waste time in the discussion."

"Mr. Dalzell has forwarded to me," said Mr. Whitney yesterday, "a copy of the letter that he wrote Mr. Lovering, doubtless for the purpose of informing me of the favorable opinion he entertains of me. I did not regard that as a matter of any great consequence, and hence in my reply paid no attention to that part of the correspondence."

"But it did occur to me it was just possible the general public might not care quite so much about Mr. Dalzell's opinion of me as he seems to think they would."

"I am more interested to hear from the steel company whether the statement I made in that same speech about their sales can be successfully contradicted. I pointed out that their gross sales and earnings, as shown in the report for 1905, were \$585,000,000, whereas at a liberal calculation of the market prices for which they disposed of their products the sales that year were really \$200,000,000 less."

Mr. Dalzell accuses Mr. Lovering of giving Mr. Whitney the information on which he based the statement that has stirred up such a hornet's nest. He makes some statements about the history of the proposed legislation, which Mr. Lovering denies. He declares that a letter from W. T. Graham, vice president of the American Tin Plate company, contained no orders to him to stop the consideration of the drawback bill, and argues that no such letter was written.

Letter Written By Dalzell

The full text of Mr. Dalzell's letter to Mr. Lovering is given herewith. It was written several weeks after the congressman had exchanged preliminary communications and was as follows: The Hon. William C. Lovering, Taunton, Mass.—

Dear Mr. Lovering: For a variety of reasons I have been unable sooner to reply to your letter of April 8, which was a reply to mine of April 2. Among other reasons I have been traveling between here and Pittsburg, have been ill a portion of the time, and have been delayed in hunting up the facts about the letter which is the subject of this correspondence.

To begin at the beginning, the Boston Herald of March 29 last, contains what purports to be a report of a speech made by H. M. Whitney before the Boston City club. The headlines in the Herald contain, among others, the following: "Tells City Club of Letter to Dalzell, Ordering Discussion on Lovering's Drawback Bill Stopped."

What justification there was for such headlines will appear further along.

In Mr. Whitney's speech reported in the Herald he quotes from a speech made by you in congress upon certain bills introduced by you to amend the drawback provision of the existing tariff law, as follows:

"The first fact that I discovered was, etc. * * * and the second fact was that certain industrial combinations of great influence not content with the full measure of protection ac-

corded them at home, were secretly using their power to defeat legislation which was merely intended to carry into practical effect the declared purpose of the republican party, that the tariff should not hamper our export trade."

Drawback Bill Did Not Pass

Mr. Whitney says: "What does Mr. Lovering mean by these words (just quoted)? I have reasons for believing that he referred to a letter written by one of the vice presidents of the United States Steel company to Mr. Dalzell of the ways and means committee advising him that it was not in the interest of the steel company that the drawback bill should pass, and directing him to stop any further discussion of the bill. I am not prepared to say that it was in consequence of this letter that the bill was not allowed to pass, but as a matter of fact it did not pass, and nothing since has been heard of it. I believe Mr. Lovering's statement had reference to this letter. I did not receive my information from him (this is a mere evasion of the truth; in your letter to me you say he got his information from you "indirectly"), but I believe that he will not deny that such a letter was written and sent to Mr. Dalzell, and that he saw the letter, and thereafter all hope of a drawback bill, so desirable for our people and the people of many other states, was absolutely dead. Ask Mr. Lovering if such a letter was not written, and if it did not produce the results I have mentioned. I challenge Mr. Dalzell and the vice president of the steel company to deny it."

From the foregoing it appears:

1—You asserted "that certain industrial combinations of great influence were secretly using their power to defeat legislation" (your bill).

2—Mr. Whitney asserts that this secret influence was a letter written by the vice president of the United States Steel company to me advising me that your bill was against the interests of the steel company and directing me to stop any further discussion of the bill.

3—Mr. Whitney calls you as a witness to prove the truth of his assertions, and challenges me and the vice president to deny that such a letter was written and that it produced the alleged results.

Letter from W. T. Graham

4—In the form of a question Mr. Whitney asserts to his audience that your bill could not even have a hearing. "Why," he says, "could not even a hearing be had on a proposition so reasonable as Mr. Lovering's?"

When I read this remarkable piece of mendacity and demagogy I had entirely forgotten that I had ever received any letter from any one connected with the United States Steel company on this subject. I searched my files without effect and forthwith addressed you asking you if you knew of any such letter, if so, by whom it was written and to whom? In reply you said you knew such a letter had been written and said:

"Perhaps you have forgotten that you showed me a letter from W. T. Graham, vice president of the American Tin Plate company, a constituent company of the United States Steel corporation, objecting to the consideration of the bill to amend the drawback law." You are not altogether accurate. Mr. Graham was not the vice president, but was the president of the American Tin Plate company. I never so far as I know saw, I believe, nor did you either, any letter objecting to a consideration of the bill to amend the drawback law.

The facts in the premises are these. The correspondence on the subject of your bill (No. 15,368) was initiated by you. On February 10, 1903, you addressed a letter to W. T. Graham, president of the tin plate company, containing an argument in favor of your bill, and asking him to write to me to assist you in securing its enactment. On February 11 Mr. Graham replied to you. He said: "My objections to your bill, No. 15,368, were stated in some detail in a letter addressed to Mr. James Gayley, first vice president of the United States Steel corporation, on January 29, and I assume that this letter was forwarded to Hon. John Dalzell and that he has, or will on request, give you the original or a copy, if you care for it. Briefly, the objections were" and then follows a frank statement of legal objections to your bill. Under the same date Mr. Graham wrote me. His let-