

now to prove that a corporation is a trust or a part of a trust or monopoly and if congress does not remedy this statute in the future, the attorneys for the government will not only have to prove that a party is part of a trust or monopoly, but they will have to go further and prove that such combination unreasonably interferes with trade and commerce."

Mr. Oldfield's bill is as follows: "House Roll 13,004. A bill to declare certain acts in restraint of interstate or foreign commerce to be unlawful and unreasonable.

"Be it enacted by the senate and house of representatives of the United States of America in congress assembled,

"That every contract, combination, or conspiracy of whatever kind or character in restraint of trade or commerce among the several states or with foreign nations which is declared to be illegal by an act entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' approved July second, eighteen hundred and ninety, known as the Sherman anti-trust law, whenever made, engaged in, or continued after the approval of this act, shall be presumed, construed, and adjudged to be unreasonable.

"Section 2. That no contract, combination, or conspiracy of whatever kind or character in restraint of trade or commerce among the several states or with foreign nations which is declared to be illegal by an act entitled, 'An act to protect trade and commerce against unlawful restraints and monopolies,' approved July second, eighteen hundred and ninety, known as the Sherman anti-trust law, whenever made, engaged in or continued, shall be construed or adjudged to be reasonable.

"Section 3. That every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a term of imprisonment of not less than one year or more than ten years."

SENATOR KERN'S STRONG LETTER

Senator Kern's letter to a woolen manufacturer of his state is worth reading. The senator strikes from the shoulder, as usual. He says:

T. F. Thieme, Esq., Secretary Textile Manufacturers' Association: My Dear Sir—Your letter of the 28th instant, containing copy of resolutions adopted by your association at its recent convention held at French Lick has been received.

It is perhaps unnecessary for me to say in reply that I do not agree with the sentiment of your letter or the declarations of your association. The objection to the continued agitation of the tariff question is in my judgment particularly untenable.

I remember no protest from any protected interest against the agitation which resulted in the enactment of the vicious and oppressive Payne-Aldrich bill, a measure condemned without stint by fair men of all political parties, the president himself declaring that schedule "K" is indefensible.

Now that this measure, under which the earnings of the people are being unjustly absorbed, is in force, your association demands that the people be compelled to suffer from its extortions until there shall be a report from "the tariff commission."

Your association being made up of well informed men, must know that there is no tariff commission.

A tariff board was provided for and created, but denied power necessary for the purpose of investigation. It can not compel the attendance of witnesses nor the production of books and papers. It is now vainly endeavoring to ascertain the alleged difference in the cost of production at home and abroad, but in arriving at the cost of production here is compelled to rely upon such data as may be handed to it by the men who are beneficiaries of the present law, while it must of necessity "guess off" the cost of production abroad. The reports of this board already made have been unsparingly criticised, and little weight will be given to any of its determinations.

The proposition that the "adjustment of rates" should be left entirely in the hands of a permanent tariff commission yet to be appointed is equally untenable.

The question as to how much the people shall be taxed for the support of the government, is a question to be determined by the people themselves under our form of government. If the people of Allen county, or the city of Fort Wayne believed that they were being grossly

overtaxed, do you think they would be willing to surrender their right to vote on that proposition and give over their authority to some board to be appointed by some man who believed in overtaxation as a principle?

My position on the question of tariff taxation was well known to the people of Indiana when they elected me.

I do not believe that the people of Fort Wayne should pay a single dollar for city taxes in excess of the amount necessary for the economical government of the city. I believe that the people of Allen county should not pay a cent more for the support of the county government than the county needs, and I am equally firm in my belief that the national government has no right to take from the people, by any form of taxation, more money than is necessary for the legitimate purposes of that government. In other words, I believe that when an American citizen earns a dollar that dollar belongs to him, and that neither city, county, state nor nation has a right to take any part of that dollar from the man who earned it except as such government may actually need it for its proper administration.

The idea that the taxing power of the government should be exercised for the purpose of compelling the masses of the people to contribute from their earnings for the benefit of a few men favored by special legislation, is contrary to all my notions of fair dealings and that equality which should be the basis of all systems of taxation.

For these reasons I am opposed to all so-called protective tariffs, and whenever I have an opportunity to cast a vote which will bring down the rate of taxation to a purely revenue basis I shall cast such vote promptly and with pleasure. I have no sort of doubt that when trade barriers are lowered and commercial intercourse with other nations is encouraged the markets of the world will be opened to our manufacturers and that with our indomitable energy, inventive genius, improved machinery, cheap raw materials, superior facilities for transportation, superiority of our labor and better workmanship, we shall capture those markets and become the greatest manufacturing nation in the world.

That will bring about a natural healthy growth of business in strong contrast to the artificial hot house growth which must of necessity result from our present system of taxing all the people to secure bounties for the few who may by special legislation derive temporary benefit from the so-called protective system.

I have written at this great length that my answer to your letter may serve also as an answer to any similar communications that may come to me during the pendency of proposed tariff legislation.

While our differences of opinion are marked and fundamentally irreconcilable, I shall be pleased to have your views at any time on any questions.

With kind personal regards, I am, very truly yours, JOHN W. KERN."

Practical Tariff Talks

Much of the confusion in the public mind over the tariff question arises from the fact that it has been the policy of high tariff advocates always to involve the discussion of the question in a maze of technical phraseology, coupled with the employment of masses of figures that have little or no bearing upon the matter at issue. In truth it is not so complicated or involved as most persons think it is. A tariff is levied, under the protection theory, for the express purpose of enabling the domestic manufacturer to charge a higher price for his product than he could get if the ports were free to the merchandise of the world. It is manifest that if an article that is imported comes into competition with a similar article manufactured here, and that imported article bears a tariff of 40 per cent, its market price is 40 per cent higher than if there were no tariff; and the imported article being raised in price 40 per cent, the home manufacturer will not sell his product for materially less than the competitive article brings. In fact the tariff was put upon it so that he could charge more than otherwise would be possible.

If this tariff be so high that no foreign-made article can profitably be imported under it, it may be set down as prohibitive. When a tariff rate is prohibitive it means that the home manu-

facturer has the market all to himself, and can make, subject only to whatever competition exists, whatever price he pleases, only so that it is not so high that it starts a flow of importations. The reason advanced by the protectionist for a high duty on imports is that, given freedom from competition by manufacturers employing poorly-paid labor, domestic manufacturers will be developed, labor will always find profitable employment and a home market afforded for all the produce of our farms. In theory this sounds very nice. In practice, it is true, manufactures have been highly developed, but instead of inaugurating an era of competition the greater the development the greater the tendency has been toward combinations and trusts, which means higher prices. In practice, instead of labor being assured of continuous employment at high wages, employment is notoriously intermittent and wages are almost invariably lower in the protected industries than in the unprotected. And our farmers still export large quantities of grain.

A tariff duty possesses all of the essential elements of a tax. The price of the clothing one wears, the price of what one uses or consumes, if burdened with a tariff, is arbitrarily raised in price because of that duty. Only that portion of this tax which is collected through the custom houses finds its way into the public treasury. That portion which the protective tariff enables each manufacturer to levy goes only into his own pocket. As for example, a pair of blankets costing \$3 abroad can not come through the customs house and into the American jobber's warehouse until after it has paid a tariff tax of approximately 125 per cent, or \$3.75. Manifestly, it can not be sold for less than \$3 plus \$3.75 or \$6.75. Manifestly also, the domestic maker of blankets will not sell for less than that figure because he wants and takes the protection the law affords him, and there is not enough local competition to cut his price materially. Thus, for all practical purposes, the tariff operating just as its makers and sponsors want it to act, whoever buys either blanket will pay at least \$6.75. If it is the foreign-made blanket that is bought, the tax goes into the treasury, but if the American-made article is purchased, the manufacturer pockets it.

By the operation of the protective system, therefore, we allow the manufacturer to collect the tax on what he sells, and trust to him to distribute the proceeds fairly. The protectionist says that the true measure of a tariff duty is the difference between labor costs here and abroad, together with a reasonable profit for the manufacturer. Thus, by law, is guaranteed as much as any government can guarantee, that a manufacturer whose industry is protected shall make a reasonable profit. In addition it makes him the trustee to hand over to the labor he employs that portion of the tax which represents the difference in labor cost. How does he go about that task? Who supervises his execution of it, and who checks up on him to see that the trust is properly administered? It is a trusteeship like no other trusteeship on earth. It is unlimited, unregulated, unsupervised. The result is that the manufacturer pockets as much of it as possible, gets his labor as cheaply as he can, imports from Europe, if no other way presents itself to get cheap labor, that pauper labor he so affects to abhor when he is asking for a tariff—in short, does as he pleases, subject only to natural causes and conditions. This is the system, as we have it—the protection system. Nothing very mysterious about it or its operations, is there? C. Q. D.

WRITE YOUR CONGRESSMAN
If the democratic members of the house did not submit to secret caucuses on public affairs there would be no doubt concerning any of their proceedings.
Why should any democratic member submit to the secret caucus? Why should not the public business which these men have to do be transacted in the open so that their constituents may be able to fix responsibility for all that they do and for all that they fail to do?
The secret caucus is one of the worst foes of popular government. If you are opposed to it write your member of congress and urge him to protest against it.