

Current Comment on Leading Topics

TAFT RAISES A STORM

As predicted by The Independent last week Secretary Taft's decision that Panama canal supplies shall be secured wherever they can be bought cheapest in the markets of the world has aroused a storm of protest. Already the "stand-patters" have begun to growl ominously. Writing in the Chicago Record-Herald, Walter Wellman describes the situation thus:

No one should understand that the determination of the executive committee is to buy all its ships, machinery and materials in foreign countries. Probably the great bulk of all purchases will be made in the United States. But the decision of the committee is that it will buy where it can buy cheapest. If it can get the lowest prices in the United States, it will purchase here; if foreign manufacturers and dealers underbid American sellers the contracts will go abroad. On the face of it this looks like nothing more than good business policy. But it does not please the high tariffites at all. They look upon it as rank heresy. They perceive, as everyone perceives, that it raises the whole tariff question, and raises it in a manner calculated to give far more comfort to democrats and independents and tariff reformers than to those who have helped push up the walls and who have made exclusion of foreign trade in any form an article of party faith. It will be a long time before the Panama commission, the administration and the country hears the last of the storm brewed by this important decision. "For generations we have been teaching that it is better to buy at home, even if we have to pay a little higher prices, because that is for the general good," said one member of congress. "That is the very essence of the protection doctrine. Yet here comes the government and says it is not willing to abide by the practice of the country. It will break down the rule to which it is at least morally a party, and will buy abroad whatever it can buy there cheaper than at home. In other words, you and I can't go into the world's market and buy where we can buy cheapest. The tariff prevents us. But the government, having no duty to pay on what it imports into the isthmus, announces its intention to go into the world's markets and save all the money it can. A fine example indeed for a government to set in a protection country! What are we coming to, anyway?" One prominent high-tariff senator, expressing his amazement, said he would have to withhold comment until he had seen the official indorsement of Secretary Taft upon the commission's action. He could hardly credit the statement that the commission proposed to purchase a considerable amount of supplies abroad, discriminating against American goods. Another senator who ranks high in the republican party, said he would regard the action as highly unfortunate and certain to bring the republicans face to face with the tariff issue in its keenest form. He said it would give the democratic party just the weapon it most badly needed in its fight against the protective tariff system. Even if most of the supplies and machinery be purchased in this country at the lowest possible or export prices, the high tariff people argue that the damage is already done. The action of the government serves as confirmation strong as holy writ of the cry which the democrats and the tariff reformers who are not democrats set up in last year's presidential campaign. Voluminous pages were devoted to meeting this argument of the enemy that American manufacturers deliberately sell abroad cheaper than they sell at home, and that home consumers are entitled to at least as much consideration

as foreign consumers. At that time it was not expected the Roosevelt administration itself, in whose behalf all those ingenious arguments were compiled, would be the first to establish the truth of the democratic position. When congress meets again the high tariffites say the democrats will be sure to make the most of the opportunity which this canal affair has thrown their way, and they are at a loss to know how to meet the looked for onslaught. Apparently events are conspiring to bring the tariff question very much to the front during the coming winter.

Secretary Taft's decision is, of course, the subject of the editorial comment in all the leading papers of the country. Here are some of the opinions expressed:

Has President Roosevelt resolved, late but firmly, to become the Richard Cobden of the Dingley act? Certainly Cobden, matchless popular orator that he was, and strong in the perfect sincerity of his purpose, never dealt the British corn laws a more terrible blow than that Mr. Roosevelt has dealt the Dingley law. It is time for the beneficiaries of the high tariff to take heed about their protected interests, for this is a very leviathan of tariff reform that the president has unloosed. It is more than reform—it is rebellion, the most astonishing ever recorded in the chronicles of the world, the rebellion of a government against its own laws. It is repudiation. It is virtual nullification. It is a destructive assault by the most powerful force upon the citadel of protection. Does anybody suppose that a tariff policy which is too extortionate and outrageous for the government business will long be put up with by those who carry on private business?—New York Times.

The Panama canal commission can not be too severely censured for its decision to buy supplies where it can secure them cheapest, whether in the United States or in Europe. Doesn't the commission understand that this is an un-American procedure? Isn't it familiar with President McKinley's assertion that a cheap coat makes a cheap man, and does it want to build a cheap canal with the consequent deterioration of the American people? However, there is no occasion to worry. The fifty men whom the Wall Street Journal calls the senate of American finance are not likely to stand such an imposition. It will be strange if their influence is not effectively exerted at the next session of congress to stop this preposterous attempt of the Panama commission to safeguard the people's money and to build the canal as cheaply as possible.—Kansas City Star.

If the American people, who are paying for this canal, pay their money for its construction to Americans they virtually pay it back to themselves. The hundred million dollars paid abroad would be taken from the people of the United States, who are paying for the canal. The government can obtain reasonable bids at home by refusing to accept them if they are excessive as it did in the case of warships. It ought to spend the money for the construction of the canal at home. If necessary congress ought to compel this plan.—New York Press.

In at least two important particulars the government has long been committed to the very policy now formally announced. In purchasing the unfinished canal from the French company it purchased millions of dollars worth of foreign machinery and other supplies. Having done that at the beginning, it would seem to be logical for it to continue

so doing whenever it is to its material advantage to do so. Again, the principal of employing alien labor has been well established. Natives of Panama, imported workmen from Jamaica and other non-Americans are employed and are to be employed. This is necessary, since it would probably be impossible to get labor in this country to do the work. If, then, we are to employ foreign workmen, there would seem to be no reason why they should not use foreign machinery.—New York Tribune.

Richard Weightman, the Washington correspondent of the Chicago Tribune, points out the danger of a bankrupt treasury if the present high tariff policy is continued:

But there is one brooding possibility which touches even the hardiest financier with terror, and that is the possibility of a bankrupt treasury. Some twenty years ago, John Jay Knox, then controller of the currency, said to me that he feared the worst from Mr. Cleveland's election, since it might usher in a policy of tariff reform. He went on to explain that a serious reduction in certain schedules would so stimulate importations as to fill the national vaults to bursting, and then he added that, under a representative form of government, nothing was worse for any nation than a swollen public treasury. In the first place, the hoarding of countless millions would mean a dangerous depletion of the circulating medium. In the next place, the possession of those idle millions inevitably would bring about an era of lavish, wasteful, and corrupt public expenditure, debauching congress and demoralizing the people. Now we have the other horn of the dilemma. Protection has been carried so far that our national revenues are attenuated to the point of peril. With our vast schemes of expansion, our ambitious enterprises in foreign lands, our constantly increasing civil list, and all the rest of it, we have outgrown the resources of our income, and on top of the uneasiness caused by this condition comes the president's declaration—for such it virtually is—that the same system which is starving the public treasury is also operating for the oppression and spoliation of the private citizen. No other deduction is considered as rational or even permissible here in Washington, and thinking men are treating it with special gravity. Naturally, if the president and his trusted advisers find the prices of material excessive in this country, and at the first opportunity practice economy by making purchases abroad, the inference must be that the masses are victims of corporate rapacity. This has long been the contention of the tariff reformers. Now it receives an indorsement which can not well be explained away.

RAILROAD REGULATION

Governor Cummins of Iowa, has declared himself unequivocally for government regulation of railway rates. In his opinion the people are confronted by a principle so wide and deep that it involves possession by the railroads of a power more potential than that of congress itself, greater than the taxing power and probably greater than any other power that can be wielded in our country. Testifying before the senate committee on interstate commerce, Governor Cummins said:

"If there had been in my mind a lingering doubt about the wisdom of conferring the proposed authority upon the commission, the statements which have been made before your committee by men connected with the railway companies would have dispelled it completely. Over and over again