

NEWS NARRATIVE

The figures in brackets at the ends of paragraphs refer to volumes and pages of *The Public* for earlier information on the same subject.

Week ending Tuesday, June 6, 1911.

Revision of the Wool Tariff.

When the Democratic tariff on wool and woolens came before the lower House of Congress last week, it came as a compromise upon the question which William J. Bryan and Senator Bailey fought over on the stump in Texas in 1909, namely, free wool or protected wool. (See vol. xiii, p. 122.)

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Under the leadership of Congressman Underwood as chairman of the ways and means committee of the House, and supported by Speaker Clark, a majority of the Democrats agreed to reduce the tariff on raw wool from 44.31 per cent to 20 per cent instead of putting it on the free list. They did so on the ground that the condition of the public revenues necessitates it. Thereupon Mr. Bryan advised his friends in Congress as he advises his friends over the country in a Commoner editorial, the more important parts of which we reproduce this week in our department of Press Opinions.

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In the Democratic caucus which followed, a virtually unanimous agreement (only three or four refusing to be bound) was arrived at upon the basis of a preamble as follows:

Resolved, That the bill revising schedule K, as presented to this caucus by the majority members of the ways and means committee, is not to be construed as an abandonment of any Democratic policy. But in view of the Democratic platform demand for a "gradual reduction" of the tariff and of the depleted and depleting condition of the public treasury, as a result of Republican extravagance, a tariff of 20 per cent ad valorem on raw wool is now proposed as a revenue necessity.

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With that preamble the proposed revision of the wool schedule was introduced in the House on the 6th by the ways and means committee, the following being the rates proposed for the new schedule, along with their estimated effect upon the revenues:

Imports.	Present rates.	Revenues collected in 1910.	Proposed rates.	Estimated duties to be collected in one year.
Raw wool.....	44.31	\$21,128,728	20.00	\$13,398,200
Manufactured wool.	90.10	20,775,820	42.55	27,158,000
Total	67.20	\$41,904,548	31.27	\$40,556,200

[See vol. xii, p. 587.]

Democratic Politics of the Northwest.

William J. Bryan was the principal speaker at a banquet of progressive Democrats on the 1st in St. Paul. There were representatives from Iowa, North Dakota, and South Dakota as well as Minnesota. Judge Wade of Iowa presided. Other speakers were Gov. Burke of North Dakota and Gov. Folk of Missouri. Ex-Gov. Lind of Minnesota, unable from illness to be present, sent a letter. Mr. Bryan mentioned both Gov. Burke and Gov. Folk as Presidential candidates, either of whom he would be glad to support. His speech in substance was along the lines of his letter to the Indianapolis meeting on the 13th of April, with the following additional points regarding political developments in the interval:

The efforts on the part of protectionists in Congress to commit the Democratic party to a tariff on wool; the effort of minority leader Martin in the Senate to form an alliance between the Lorimer Democrats and the Lorimer Republicans, to defeat the La Follette resolution; and the action of the Supreme Court of the United States in amending the anti-trust law for the benefit of the trusts.

[See current volume, page 371.]

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President Taft's Free Trade Speech in Chicago.

Before the Western Economic Association at its first public meeting, President Taft spoke on the 3d at Orchestra Hall, Chicago. Shailer Mathews, president of the Association, presided. The other speakers were J. Laurence Laughlin of the University of Chicago (chair of political economy) and Harry A. Wheeler (president of the Chicago Association of Commerce). The former discussed the economics of reciprocity along free trade lines without reserve. The latter, with hardly less reserve along similar lines, advocated reciprocity in the interest of commerce. The keynote of both speeches was the fundamental free trade principle that voluntary trading is profitable to both sides. President Taft's advocacy of reciprocity with Canada took the same free trade trend. His analysis of the Canadian agreement was minute and lucid. But it was in his praise of the results of what he called "complete reciprocity or free trade with Porto Rico," and "the struggle for Philippine free trade," that his anchorage to protection seemed to loosen most. His appeal to broad free trade principles called out the heartiest applause of his audience. Thus:

I always feel an impatience, perhaps an unreasonable one, in having to argue the question of schedules with reference to the advantage of the reciprocity agreement with Canada, because it seems to me that the reasons for adopting it are deeper and wider than are to be found in comparison of percentages and rates with respect to special localities and special businesses.

Again:

If that [our large exportations to Canada] be true

and Canada continues to grow, what may we expect to sell her if we reduce the tariff wall, introduce as near as we can free trade, and she increases her population from seven millions to thirty millions?

Once more:

I do not advocate this treaty in view of its benefit to the United States alone but because I am sure it will be beneficial to Canada also. If I did not think so my earnestness and enthusiasm for the treaty would be much abated. Not that I have as much interest in the people of Canada as I have in the people of the United States, for I haven't reached that altruistic point, but because no such agreement can become permanent unless it does result in common benefit to both countries.

And finally:

I sincerely hope the bill will pass and that in the course of a year we shall have a demonstration of the principle that trade, to be beneficial, must be beneficial to both parties; that artificial restrictions that interfere with the advantage of geographical proximity to natural markets and with the closer business association of neighboring peoples of the same race, intelligence, conditions, and traditions, are of no advantage to either people.

[See current volume, pages 394, 401, 409.]

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Investigation of the Steel Trust.

Elbert H. Gary, chairman of the directors of the United States Steel Corporation, commonly called "the steel trust," appeared as a witness on the 2d before the Stanley investigating committee of the lower House of Congress, and gave important testimony bearing upon violations by this trust of the Sherman anti-trust law. [See current volume, page 515.]

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Mr. Gary's testimony was to the effect that he and Henry C. Frick, at the instance of J. Pierpont Morgan, consulted Theodore Roosevelt and Elihu Root (the former President of the United States at the time and the latter Secretary of State in his cabinet), regarding the purchase by the steel trust of the Tennessee Coal and Iron Company in 1907 for the purpose of preventing failure of the Moore and Schley bankers and thereby causing a disastrous financial upheaval; and that all agreed that the purchase would be in violation of the anti-trust law but it would be "an outrage" to interfere with the transaction. Mr. Gary also said that through the American Iron and Steel Institute the heads of the steel trust are trying to steer a course between the Sherman anti-trust law (which he characterized as "archaic"), on the one hand, and the old time methods of "destructive competition" on the other, in order to operate for the public welfare, and he announced to the committee that he wanted publicity for everything concerning the steel corporation. He advised some responsible government bureau to which such "a necessary

great corporation could appeal for guidance in the conduct of its business."

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The Lorimer Case.

A further hearing in the Lorimer case was ordered by the United States Senate on the 1st, by the adoption of a resolution designating the committee on privileges and elections to make the inquiry in a body. It was the Martin (Democrat) resolution that the Senate adopted, the La Follette resolution appointing a special committee having been defeated by 48 to 20. Following is the vote in detail:

Yeas: Bradley, Brandegee, Burnam, Burton, Clark of Wyoming, Crane, Cullom, Curtis, Dillingham, Dupont, Gallinger, Gamble, Guggenheim, Heyburn, Jones, Lippitt, Lodge, McCumber, McLean, Nelson, Nixon, Page, Penrose, Root, Smith of Michigan, Stephenson, Sutherland and Wetmore (Republicans); and Bacon, Bailey, Chilton, Clarke of Arkansas, Culberson, Fletcher, Foster, Johnson, Johnston, Kern, Martin, Overman, Rayner, Shively, Simmons, Stone, Taylor, Terrell, Watson and Williams (Democrats).

Nays: Borah, Bourne, Bristow, Brown, Clapp, Crawford, Cummins, Dixon, Gronna, Kenyon, La Follette, Perkins and Poindexter (Republicans); and Davis, Hitchcock, Lea, Martine, Newlands, Owen and Pomeroy (Democrats).

[See current volume, page 515.]

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A sub-committee was organized on the 5th by the committee on privileges and elections. It consists of Senators Dillingham, Gamble, Jones and Kenyon (Republicans), and Johnson, Fletcher, Kern and Lea (Democrats); and its instructions and authority as proposed by the general committee are to prosecute the investigation imposed by the Senate upon the general committee.

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Ohio Legislation.

When the Ohio legislature adjourned it had passed the following among other measures:

The income tax amendment to the Federal Constitution.

Initiative and Referendum rights for municipalities.

Corrupt practices act.

Among those it refused to enact were the following:

Direct primaries for the State.

Municipal ownership of street car lines.

Presidential preference bill.

[See current volume, page 322.]

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Ohio Reactionaries.

In order principally to oppose the adoption of direct legislation by the Ohio Constitutional convention the Ohio State Board of Commerce (the