

Wouldn't it be wise for the Order of the Needle's Eye to offer a reward for proof of Mr. Rauschenbusch's error? Pretty dangerous doctrine, that of his—for the perpetuity of unearned fortunes.

* * *

PROGRESSIVE TARIFF REVISION.*

General tariff revision in the United States has always been attended by graft and scandal. It has usually brought about the defeat of the party that has attempted it. Invariably it has ended in the adoption of iniquitous schedules, through the time-dishonored process of "you scratch my back and I'll scratch yours."

Any effort by the incoming Democratic Congress to accomplish revision by wholesale—that is, by attempting to revise all the schedules in one measure—will result inevitably in a repetition of the disgraceful bargaining between sections and interests which has accompanied all tariff legislation of recent years. It will finally bring forth a measure containing few reductions, and which will satisfy nobody.

The method of tariff revision suggested by the progressive Republicans, and which President Taft, with great reluctance and only after a bitter experience of defeat at the polls, has adopted as his policy, affords the most rational method yet offered to secure an honest revision of the tariff.

+

Of course if the Democratic party had the country educated up to the point where it would willingly abandon the tariff, both as means of protection and as a method of raising revenue, then a simple repeal of existing duties would suffice. But everybody knows that any revision which takes place now or in the immediate future will be a mere matter of degree—a simple alteration of the schedules. And any process of legislation that furnishes industries and interests an opportunity to trade votes stands condemned by the experience of years.

So long as we are to have a tariff at all, some effort should be made to make it as nearly scientific as possible. The writer is free to admit that he personally sees no moral difference between

scientific protection and scientific grand larceny; but a majority of the American people think differently, and the incoming Democratic Congress must deal with conditions and not with theories. For many years to come we are certain to have a tariff, and whether it be called a revenue or a protective tariff, it is bound to be more or less protective in its nature.

+

The progressive Republicans have adopted the theory of a tariff based on the difference between cost of production at home and abroad. Free traders believe and most business men who are in the slightest degree connected with export trade know, that this difference—if ascertained even approximately, and it cannot be ascertained to the accuracy of a cent—will prove that in America, the land of relatively high wages, the average cost of production of most staple articles now bearing a heavy duty is cheaper than in Europe, the land of low wages. If this were not true the American manufacturers would not be underselling their foreign competitors in their own markets, and European countries would not be raising tariff walls against the United States.

It is probable that many progressive Republicans do not realize the tremendous blow which the report of an honestly constituted tariff commission would deal the protective system. The average Republican hasn't known much about the tariff question until within the last three or four years. Even now his knowledge, as a rule, is limited to the fact that he is being gouged; and he still believes that many industries would perish if the tariff wall were removed. The cold fact remains, however, that an honest and thorough investigation by a commission clothed with adequate powers would destroy every vestige of argument in favor of protection on most articles that are now heavily protected. No free trader ought to object to a plan which, if honestly worked out, would justify his own theories.

+

It may be argued that a commission named by a Republican President would not make an honest report.

There is little warrant for such a suspicion. Governmental boards as a rule have reported facts. Men do not willingly stultify themselves by signing their names to self-evident falsehoods. The Interstate Commerce Commission, no matter by whom appointed, has usually sided with shippers in their controversies with the rail-

*A signed editorial urging wholesale revision of the tariff by the Democratic party, appeared in *The Public* of January 6 (p. 6), the writer, Thomas Scanlon, being a well known Eastern free trader of the fundamental type. Mr. Scanlon's view is here met with a counter view by "D. K. L.," a favorite Western correspondent of *The Public*, who is also a free trader of the fundamental type. Both articles are from the same viewpoint of principle. Their difference in respect to party policy at a particular juncture adds to the value of each.—Editors *The Public*.

roads. It has been hampered and blocked in its operations by the meddling of the Federal courts; but, so far as it could, it has investigated the facts, and has usually stood against railroad extortion.

A report by a tariff commission that any schedule was extortionate would create a moral force that Congress could not resist. People would never consent to be taxed for the benefit of a special interest, once it was shown in black and white that the protection was wholly unnecessary. Such a report on the wool schedule, for example, would compel Congress to revise or abolish that schedule without delay. Few Congressmen would dare face their constituents after having voted to continue the protection of an article that was palpably able to compete with the foreign article with all protection removed.

Under the separate revision plan, that wool schedule would go before Congress absolutely on its own merits. The friends of wool protection would be unable to trade with the friends of other schedules, because no other schedule would be before Congress for action. Such a system spells the end of log-rolling. It means that members of Congress would no longer be able to excuse their support of wicked tariff bills on the plea that they were compelled to do so in order to secure protection for those interests in which their constituents were interested.

Col. W. P. Hepburn, an incorrigible Iowa standpatter, in a recent interview in Washington recently, warned protectionists against the separate revision plan. "It means the downfall of protection," he declared. "Why," he added, "under that plan nobody would vote for a tariff schedule except those directly interested."

It is just that condition, which so affrights Col. Hepburn, that the progressive Republicans are seeking to create. The first break in the high tariff wall accomplished by separate schedule revision would be followed speedily by other breaks.

Assume that the wool tariff were abolished upon the recommendation of a tariff commission. Certainly the friends of the wool schedule would no longer have any interest in maintaining a tariff on the industries of other States or localities, and the next proposal to revise a schedule would find them voting with the friends of tariff reform. Each new revision would increase this force.

✦

Revision by separate schedules through the instrumentality of a tariff commission has

another strong argument in its favor. It would afford a working basis for the progressive Republicans, who are already committed to it, and the progressive Democrats.

Protection sentiment in the Democratic party itself has become so strong that those Democrats who wish to put through a measure of real revision will find enough Democrats opposed to them to form an effective combination in the Senate with the standpat Republicans for its defeat.

It is well for Democrats to look facts in the face.

Several of the worst schedules in the Payne-Aldrich bill were put there by the aid of Democratic Senators. These Senators, in a general tariff revision, became parties to trades and dickers with Aldrich, by which they obtained concessions for the industries in which they were interested. In return they supplied Aldrich with enough votes to put through the schedules in which he was interested, and which, had the Democrats voted solidly with the progressive Republicans, would have been defeated. No tariff revision worthy the name can be accomplished in the future except through the co-operation of progressive Republicans and progressive Democrats.

It is probable that the present Tariff Board, weak and impotent as it is, will have reports ready on several schedules by the time the new Congress meets. It will be enough if the Democrats show their good faith by acting on these schedules, without plunging into the hopeless task of general tariff revision. This legislation should be accompanied by an act which will create a genuine tariff commission, and clothe it with proper authority. If the Democrats, in their first session, do these things, they need have little fear of the campaign of 1912, so far as the tariff is concerned. We have had a protective tariff in this country most of the time for a century, and we are not going to get rid of it in a single day nor in a single session of Congress.

D. K. L.

EDITORIAL CORRESPONDENCE

THE MINT REALTY COMPANY'S MINT.

Philadelphia, Pa., Jan. 20.

Given \$2,000,000 in the possession of a syndicate of ambitious citizens, the site of a United States mint situated in the heart of a great city for sale, and a Treasury Department at Washington run by level-headed business men.