

and the money saved will be used in the purchase of commodities; part of it directly, by the next man to whom its use is intrusted; that part of it which is paid out in wages, by the next man. None of the money saved remains idle many days before it is on its way toward the purchase of commodities.

R. S. ALBEE.

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, December 26, 1911.

Presidential Messages.

Prior to the Congressional recess taken on the 21st until January 3, 1912, President Taft submitted two special messages in addition to those already reported. [See current volume, pp. 1242, 1266.]

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In one of those messages, submitted on the 20th, the President recommends a revision, "immediate" and "scientific," of the wool tariff, in conformity to the principle of enough protection and not more than enough to "equalize the difference in cost of production at home and abroad. He bases his recommendation upon a report of the tariff board, which he transmits, and which finds that—it costs more to grow wool in the United States than in any other country, the average charge against the domestic wool clip being about 9½ cents a pound, whereas the average charge in South America is between 4 and 5 cents, and in Australia "a very few cents" a pound.

The duty of 33 cents a pound upon scoured wool is prohibitory and operates to exclude the importation of clean, low priced wools of inferior grades. It is possible for only the following articles to enter the country in consequence of the high duties of the Aldrich law: Raw wool, men's wearing apparel of very fine quality, lightweight dress goods for women, and oriental rugs.

Compensatory duty for numerous classes of goods is much in excess of the amount needed for strict compensation.

The cost of manufacturing woolen and worsted yarns and cloth in the United States is much higher than in Europe, the domestic manufacturer having no advantage in the way of special machinery or more efficient labor to offset higher wages.

The cost of turning wool into yarn in the United States is about double that in England.

The cost of turning yarn into cloth in the United States is more than double what it is in England.

The tariff does not enter as largely as is popularly supposed into the high prices of woolen manufactures. While American manufacturers enjoy an average duty of 133 per cent, competition has reduced the actual rate to 67 per cent.

[See current volume, page 874.]

In his other special message, submitted on the 21st, President Taft discusses naval problems, postal administration, Federal courts, the Panama Canal, the Lakes-to-Gulf waterway, Philippine government, civil service and monetary reform, laying special stress upon the last, in connection with which he recommends legislation along the lines proposed by the Aldrich "central reserve association" plan. [See current volume, pages 1162, 1169.]

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Roosevelt and the Corrupt Election of 1904.

Further explanations of the Harriman corruption fund raised for the election of 1904 were published on the 22nd. The publication was in the form of a letter to Mr. Roosevelt, from George R. Sheldon, dated the 15th, and Mr. Roosevelt's reply dated the 19th. Mr. Sheldon is treasurer of the Republican National Committee. In his letter he thus explains his object in writing it:

Ever since the election of 1904 the story has been continuously published and never denied, except by you, that you asked E. H. Harriman to contribute money to aid in your election, and that he thereupon raised or contributed \$250,000 to the national committee fund. Knowing this to be untrue, I several times suggested to my superior officer, C. N. Bliss, then treasurer of the national committee, that the facts in the case be plainly stated. Mr. Bliss always believed the books and accounts of the national committee were private, and, although always carried on by him with the highest sense of integrity and honor, he never, like all of his contemporaries, would consent to any publicity. This feeling has been changed in the last few years by the laws requiring full publicity in elections. It seems, therefore, to me that now, in justice to you, the facts in the case ought to be known.

Following this preliminary explanation Mr. Sheldon says:

Every one knew and conceded that in the election of 1904 you would carry the State of New York by a large plurality, but it was generally believed that Mr. Higgins would be defeated. The Democrats centered their efforts on the election of their candidate for Governor. About a week before the election Mr. Odell, then chairman of the New York State committee, came to Mr. Bliss and told him that unless he had \$250,000 from the national committee, the State ticket would be defeated. Mr. Bliss told Chairman Odell that he had no money to give, but would see what could be done. He visited E. H. Harriman at his office and explained to him the urgency of the situation as told by Mr. Odell. Mr. Harriman thereupon called up several of his friends on the telephone and next day handed Mr. Bliss \$160,000. Mr. Bliss himself raised \$80,000. This sum of \$240,000 was handed directly to Chairman Odell and never in any way went into the treasury of the national committee, which had charge of the Presidential election. I have personal knowledge of all the within mentioned facts.

Mr. Roosevelt's acknowledgment of Mr. Sheldon's letter thanks him for it and adds:

I never directly or indirectly, in any shape, way, or form, asked Mr. Harriman or anybody else to contribute a dollar to aid in my election. Moreover, on the only occasion on which Mr. Harriman ever spoke to me on the subject at all he did so of his own initiative, and so far from there being any request from me to him, he made to me the request that I would aid him in getting the national committee to contribute some of its funds for the campaign expenses of Mr. Higgins. He at the time stated to me that my own election was assured, that the election of Mr. Higgins, in which he was especially interested, was doubtful, and that he earnestly hoped that the national committee would divert some of its funds from the national to the State campaign, where the need was great, and where he believed the election of Mr. Higgins to be in jeopardy. As shown in your letter, this was precisely what the national committee did.

This version of the matter is in conflict with the version of the late Mr. Harriman in a letter to Sidney Webster, revealed in 1908. Mr. Sheldon's explanation of the circumstances leading to his writing the letter are as follows, as published in the Chicago Tribune of the 23rd:

Col. Roosevelt and I were aboard a train together some ten days ago and this matter came up in conversation from something in the news. I said: "Why was the truth never told about this whole business, so that it could be shut up?" Col. Roosevelt said: "Why can't you tell it now?" That is all there is to it.

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Roosevelt's Presidential Candidacy.

A primary petition duly signed under the Nebraska law was filed on the 21st with the Secretary of State of Nebraska, by John O. Yeiser, making Theodore Roosevelt a primary-election candidate in Nebraska for the Republican nomination for President of the United States. The petition was accompanied with notice of intention to file a supplementary petition naming sixteen Republicans as Roosevelt delegates from Nebraska to the national Republican convention, these names to be placed upon the official ballot at the approaching primary elections in Nebraska.

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Trial of the Meat Trust.

In the Federal court at Chicago before Judge Carpenter a jury was secured on the 20th in the criminal proceedings against the packing companies and their alleged confederates, and on the same day the trial began. District Attorney Wilkerson made the opening address to the jury, describing the nature of the alleged crime and the circumstances which the prosecution expected to prove. Upon the basis of his statement, one of the lawyers for the accused, Levy Mayer, made certain technical motions which the Court subse-

quently overruled; but in making them Mr. Mayer explained that they were subsidiary to a controlling motion, to be made in behalf of the accused at a later stage in the trial. "That motion," he said, "goes to the vitals of this case, and will be that the Court instruct the jury to find the defendants not guilty upon the ground that the statement made by the District Attorney makes no case under any of the five counts of the indictment, or under the anti-trust statute as it has been interpreted by the Supreme Court. The meaning of this is that upon the *obiter dicta* of the Chief Justice of the Supreme Court of the United States, to the effect that the act of Congress in forbidding combinations of trade did not mean to forbid such trade combinations as are "reasonable," this case cannot be prosecuted criminally. When Judge Carpenter had overruled the technical motions, Geo. T. Buckingham explained the defense to the jury. He began with admissions in detail of an attempt of the meat packers to form a pool in 1902, under legal advice, and in imitation of the Steel trust and the Harvester trust. Pursuant to that attempt the Swift, Armour and Morris corporations secretly bought other concerns to merge in the pool. But certain financiers who were their "co-adventurers" refused to provide the large sums they had promised in order to perfect the pool, and these secret purchasers were left with their acquisitions on their hands and burdened with debts for purchase. Therefore, and under legal advice, they formed a new corporation, the National Packing Company, which was financed by Kuhn, Loeb & Co., E. H. Harriman and others. In 1905, having paid their borrowings, they divided the stock of that company in the agreed proportions. Prior to 1902, therefore, Mr. Buckingham admitted, there had been pooling arrangements between different concerns, but he stated that since then the business has been that of a single corporation. This contention for the accused implies that such acts as may be forbidden by the law were done prior to 1902 and are therefore protected by the statute of limitations. In support of their conduct since the statute of limitations has ceased to protect them, the accused contend that the mere size of a business does not make it a criminal trust, that the packers make only 10 per cent, that it is impossible in the nature of the business for them to fix the price of meats, that representatives of the three great branches of the business (Swift, Armour and Morris) meet only as directors of the National Packing Company and to regulate its affairs, and not as criminal confederates restraining trade, and that the accused are open and active competitors in every branch of their business. The taking of evidence for the prosecution in the case began on the 26th. [See current volume, pages 1268, 1294.]