

## THE TARIFF BOARD

Last week Indiana Republicans adopted the following admirable plank :

We demand the immediate creation of a genuine, permanent, non-partisan tariff commission, with ample powers and definite duties fixed in the law itself.

This is the proper and logical sequence of the Tariff Board provision of the Payne Law passed last August. That law was, as The Outlook has said, an advanced, "step in the line of economic, political, and social reform," not only because President Taft persuaded Congress, in conference between the two houses, to make the tariff schedules of the Payne Bill more radical than either house of Congress had provided, but especially because it provides for four desirable reforms :

(1) Practical free trade with the Philippines.

(2) A corporation tax.

(3) A customs court.

(4) A tariff board.

While Congress declined to provide for the permanent, non-partisan tariff commission which President Taft recommended, for which Senator Beveridge introduced a bill, and which the Indiana Republicans now demand, it did grant seventy-five thousand dollars to the President, at his request, to employ "such persons as may be required" to help him in determining the application of the maximum and minimum tariff. This determination, of course, was a necessary service in connection with the maximum and minimum provision of the Payne Law. To countries whose tariffs do not unduly discriminate against our products the new law grants a minimum tariff, at a lower general level than were the Dingley rates which it replaces ; to countries which do unduly discriminate it imposes a maximum tariff of no less than twenty-five per cent *ad valorem* over the minimum.

The fear of the imposition of such a drastic maximum induced many countries to grant concessions. The work of the Tariff Board has been to advise the President regarding the facts and to assist the State Department in negotiating terms of concession, to make clear the character of the concessions granted by our minimum tariff and of those granted in return by

foreign countries. Through these concessions, our general tariff relations have been lowered so that now from fifty to sixty per cent of our products are admitted free to foreign countries, while, of our products paying a duty there, nine-tenths now pay no more than the minimum.

Many Congressmen say that this is the only work which the Tariff Board was asked to do.

But Mr. Taft's main reason for urging the creation of a Tariff Board was not to help him in determining the application of the maximum tariff ; it was to help him concerning the tariff in general, by finding facts—so that when enough accumulate to justify Executive recommendations as to any particular schedule or as to the tariff as a whole, he would be able to refer to this impartial and accurate evidence as having been officially collected, and not gathered, as Congress has hitherto gathered it, with reference to a particular issue or a particular rate. Concerning this the President said in his December Message to Congress : " I believe that the work of this Board will be of prime utility and importance whenever Congress shall deem it wise again to readjust the customs duties. If the facts secured by the Tariff Board are of such a character as to show generally that the rates of duty imposed by the present tariff law are excessive, I shall not hesitate to invite the attention of Congress to this fact."

Though the conservatives in Congress had no intention of granting the Board powers thus outlined, they had all unwittingly provided the President, and he has, we are glad to say, wittingly provided the country, with working machinery for another and more thorough tariff revision.

That duty and labor will comprise the second chapter in the Tariff Board's history. Fortunately, it has not been necessary to close the first chapter before beginning the second. More work has already been done in writing that second chapter than is generally surmised. But much remains to be done. It will require very many agents, working under the direction of the three members of the Board. As Professor Emery, the chairman, says in the letter addressed by the Board to the President, at the latter's request, and printed with his Message to

Congress, it is proposed to employ "special experts for special investigation;" moreover, these experts must be "of the very first order and of long experience in the practical study of particular industries" in order to "carry on the investigation of trade conditions and the cost of production in this country and abroad."

This work will cost at least a quarter of a million dollars. The President asks Congress for this amount. Will Congress refuse? Congress does not love the Tariff Board. Congress much prefers the statistics gathered by the majority members of its Senate Finance Committee and its House Ways and Means Committee, and not scientifically gathered, as are those of the present non-partisan Tariff Board. The first impulse of Congress, then, we surmise, will be to refuse to grant the appropriation.

The second impulse of Congress will also be to refuse to grant the appropriation because it does not want to disturb the normal and orderly course of business by a new tariff agitation.

But the agitation is already here! The Indiana Convention, the Massachusetts and Missouri by-elections, show it. The agitation is likely to be re-echoed in other conventions and elections. So far from being checked because we have passed a new tariff bill, the country justly regards that bill as but a bridge to a more liberal tariff. President Taft so regards it. His appeal to Congress to provide funds for the Tariff Board's work is therefore ultimately an appeal to Congress to provide the means for a further revision of the recently revised rates. Moreover, he demands, and the country demands, that the new tariff shall be scientifically and not politically constructed.

If Republican Representatives will not enact such a tariff, carrying out their pledge to lower the rates to a measure of the difference in the cost of production in America and abroad, the people, we believe, will replace those Republican Representatives next autumn by Democrats. Many observers think that the Democrats will have a majority in the House. If so, they will pass a radical tariff bill. For party reasons such a bill would almost certainly be defeated by a Republican Senate. Tariff reform, there-

fore, can only be enacted in legislation through the control of both houses of Congress by one political party. Hope for present tariff reform lies in a reformed Republican party. To vote against the President's recommendation of an appropriation to continue the Tariff Board's work is to vote for the continuance of a tariff composed by political bargaining between special interests. To vote for the appropriation is to vote for a tariff based on adequate, impartial, and scientific investigation and information.



## DISCREDITED WITNESSES

Sitting before an open fire in a private library not long ago, a man of distinction, whose artistic skill is matched by a conscience as sensitive and exacting, told the story of his escape from hard and narrow conditions, his education by a series of apparently casual contacts with trained artists, his final success and personal happiness coming like a sudden burst of sunlight through dense clouds; adding, half to himself, "What a fairy story!" It was more wonderful than any fairy tale, for it was a chapter out of the great adventure of life. From the earliest times men have been trying to dramatize this adventure in all manner of legends, myths, dramas, and stories. However hard their conditions, something within them has always borne witness to a great destiny; and in their worst estate of degradation and misery there has been a mystery about them, as of heirs of a kingdom become for the moment tenders of swine.

It is true, there have always been those who insisted that the herding of swine, the heartbreaking toil in the field, the wretchedness and hunger, are the whole of life, and that the dreams of happiness which make the night tolerable are mere fancies of visionary minds. "Away with such anodynes!" they have said; "let us be men and face the facts." And in every time there have been those who succumbed to the blight of this teaching and have eaten their hearts out in bitterness of despair, or wasted their fortunes in a vain attempt to make a sleeping potion of pleasure and drown their misery in unconsciousness.

But there have been those also who