

TARIFF COMMISSION

TARIFF CHANGES BY EVOLUTION AND  
NOT BY REVOLUTION

SPEECH

OF

HON. CHARLES N. FOWLER

OF NEW JERSEY

IN THE

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 2, 1909



WASHINGTON

1909

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SPEECH  
OF  
HON. CHARLES N. FOWLER.

The House being in Committee of the Whole House on the state of the Union and having under consideration the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes—

Mr. FOWLER said:

Mr. CHAIRMAN: While the Dingley bill was still pending, in May, 1897, I introduced a measure for the establishment of a tariff commission, and sought to have it made a part of that measure. In the pursuance of its advocacy, I addressed a letter to the press of the country, urging its support; and, subsequently, on December 2, 1901, after fuller consideration, I introduced another measure to accomplish the same purpose, and wrote a second letter to the Members of Congress urging their favorable consideration. These two letters, in their order, read as follows:

MAY 22, 1897.

MY DEAR SIR: Everyone now realizes, I think, that the American people of all sections, of all parties, of every calling, and of all classes, are tired and heartily sick of tariff tinkering and the consequent disturbance, if not actual destruction of all lines of business. What they need and most earnestly desire is an opportunity to engage in business with assurance that there will be no such radical changes as will destroy or even cripple any department of trade or commerce.

Any tariff measure that will produce sufficient revenue to support the Government under present conditions will, with the natural increase of population and the greater consumption incident to prosperity, bring us in a few years a hundred millions more revenue than will be required to meet expenses. It should not be taken from the people. It would naturally lead to national extravagance.

How, then, shall we adjust our revenues to our actual needs? Shall it be by overhauling the whole subject again—every schedule down to the very last item? Certainly business prudence would require that our taxes be lowered gradually and removed from such articles as an intelligent and skilled commission would recommend. The changes should be so made as to result in an evolution, and not in a revolution.

The taxes should be abated from year to year and taken from one schedule at a time. Hence the President, who is responsible for the proper administration of the Government, with the recommendation of the tariff commission, ought to have the power to suspend any portion of the taxes and the country not be compelled to wait until the Executive, the House of Representatives, and the Senate were in political conjunction, which might not happen for several years. They were not in conjunction from 1875 until 1889.

That the President may suspend taxes, if that power were given him by Congress, was decided by the Supreme Court in *Field v. Clark* (143 U. S. Repts. 349), when the constitutionality of the reciprocity clause of the tariff act of 1890 was challenged.

The duty of the commission to investigate all federal taxation and domestic and foreign conditions, and annually recommend changes calling for legislation, will make it a most valuable adjunct to a wise administration of our national affairs.

Its establishment can not do any harm, while it may prove the greatest possible blessing to the American people in securing stability to our varied business interests and continued and equal prosperity to all sections of our common country.

Very truly, yours,

CHARLES N. FOWLER.

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HOUSE OF REPRESENTATIVES,  
Washington, November 24, 1902.

MY DEAR SIR: On May 22, 1897, before the Dingley bill was passed, I introduced a bill to establish a tariff commission, and at the same time addressed a letter, a copy of which is hereto appended, to the newspapers of the country.

On December 2, 1901, after a fuller consideration, I introduced the inclosed bill, incorporating several additional powers, which, I am confident, may be exercised by a tariff commission greatly to the advantage and advancement of the public welfare.

The union of commercial interests and the coordination of economical forces throughout the world have attracted much attention in recent years. The new order of things has given rise to apprehensions in many quarters lest the accumulation of power in corporate hands may result in danger, if not positive injury to the public interest. What should be the policy of the Government under all the circumstances?

First, I maintain that a broad intelligence is essential to wise action; therefore, before restrictive, and certainly before destructive, legislation is passed we should acquire the fullest information with regard to the evolutionary forces, not confined to our own country, by studying the phenomena produced and determining the advantages and disadvantages of the conservation of energy growing out of capital combinations.

Secondly, I maintain that a tariff commission, created as proposed in the inclosed bill, incidentally possesses all the power necessary to obtain the requisite information to intelligently and wisely negotiate a trade treaty with any foreign country; therefore such a commission could compel witnesses to appear and testify.

Thirdly, I maintain that since the preamble of the Constitution declares that that instrument was established "to promote the general welfare," and since Congress, among other powers, and duties, is to "provide for the general welfare," Congress may create a commission whose duties are to see that the people living in the various sections of the country shall not be imposed upon by the distribution of worthless stock, and to that end that such commission may rightfully insist upon the fullest information with regard to all corporations at such times and in such form as it may prescribe; further, that such commission can protect the people against extortion practiced by any corporation engaged in the manufacture of a protected article to the extent at least of giving to the public the fullest possible details with regard to the business of such corporation.

Fourthly, I maintain that it is unreasonable to expect that we can go into the markets of other countries and sell our excess of productions to a degree that is ruinous to their industries without incurring hostility, which must lead to inimical legislation, tariff reprisals, and unfriendly relations. Such a result should be obviated; and we can only secure universal friendship after we have become aggressive competitors in the markets of the world by a system of reciprocal trade treaties mutually advantageous to the parties in interest; therefore I am in favor of a permanent tariff commission whose high office and important duty shall be to negotiate reciprocal trade treaties and work out tariff adjustments from time to time, as the business interests of the country demand.

Very truly, yours,

CHARLES N. FOWLER.

Again, early in December, 1908, I introduced a like measure, which also provided for maximum and minimum rates and authorized the President to make trade agreements and enter into trade treaties between these limits as established by Congress.

Whatever may be the steps now taken in this direction, I am confident that our business relations with the rest of the world will in time demand the exercise of this power on the part of the Executive.

TARIFF BY EVOLUTION INSTEAD OF REVOLUTION.

Production throughout the world is coming to be more and more a matter of exact science in discovery and development and of economy through the use of enormous aggregations of capital.

International commerce is coming to be more and more a matter of reciprocal negotiation.

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In round numbers, the annual productions of the United States amount to \$25,000,000,000, of which nearly 10 per cent, or about \$2,000,000,000, are exported, while we buy from the rest of the world about \$1,250,000,000 annually. (See Appendix A for imports and exports from 1800 to 1903.)

The total imports of all the world, outside of the United States, are about \$13,000,000,000. Since we now sell to the rest of the world to the amount of \$2,000,000,000 and now buy from the rest of the world over \$1,000,000,000, it leaves a market of less than \$10,000,000,000, of which we desire to get more and more. (See Appendix B for imports and exports of all countries.)

It should be remembered in this connection that our home market, which lies within our own doors and is therefore exclusively our own, to be held without competition, to be given away for nothing, or to be traded off or exchanged to the advantage and profit of the American people, is just twice the amount of all the markets of the rest of the world for which every nation is a natural and legitimate competitor.

We shall succeed in our struggle for this foreign trade directly in proportion to the intelligence and enterprise we show.

First. In connection with the production, cost, and market conditions of other countries as well as our own.

Second. In establishing a merchant marine to give us direct mail and transportation facilities with our natural customers.

Third. In developing American banking connections throughout the world, by which we shall get control of the goods and route them over direct American shipping lines.

To-day, however, we are to confine ourselves to the first of these propositions: The intelligence and enterprise we show in connection with the productions, cost, and market conditions of the rest of the world as well as our own.

From the passage of the first act of the American Congress, drawn by Alexander Hamilton and signed by George Washington, which was a protective tariff measure, for nearly a century and a quarter we have had what Henry Clay was pleased to call "the American system," sometimes more pronounced, sometimes less, but always protective.

With the opening of the Suez Canal, steam navigation, the building of great railway systems, and as the result of many potential and far-reaching inventions and discoveries during the last fifty years, international commerce has grown to an extent and intimacy that makes it one of the most gigantic, intricate, and important problems of the day.

Within these last fifty years all the countries of the world have adopted the protective policy, except free-trade England, and such commercially backward countries as Turkey, Persia, and China.

After a brief interval of free trade which the German Empire inherited from the Zollverein in 1871, during which time German industries, more especially iron and textile, suffered greatly because hard pressed by English competition, the German Government, under the leadership of Prince Bismarck, passed a protective tariff law in 1879. In urging its passage the "Iron Chancellor" used this significant language:

"The success of the United States in material development is the most illustrious of modern times. The American Nation has not only successfully borne and suppressed the most gigantic

and expensive war of all history, but immediately after disbanded its army, found work for all its soldiers and marines, paid off most of its debt, gave labor and homes to all the unemployed of Europe as fast as they could arrive within the territory, and still by a system of taxation so indirect as not to be perceived, much less felt. Because it is my deliberate judgment that the prosperity of America is mainly due to the system of protective laws, I urge that Germany has now reached that point where it is necessary to imitate the tariff system of the United States."

From the passage of this protective law by Germany may be dated the evolution of that condition of trade relations which now obtains throughout Europe and is destined to be developed still further there and throughout the world. This William McKinley foresaw and forecast in his last and most memorable address. He said:

"The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

"If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?" (Speech at Buffalo September 5, 1901.)

By 1891 the countries of Continental Europe with which Germany carried on trade had generally adopted the protective principle, and Germany found herself greatly hampered, especially since her own protective tariff had accomplished its work, and her industries were on their feet and looking for outside markets. To secure these the Imperial Government entered into reciprocity treaties with Russia, Austria-Hungary, Italy, Switzerland, Belgium, Roumania, and Servia which were to continue for a period of twelve years, terminating in 1903.

Since the words of Mr. N. I. Stone, tariff expert of the Department of Commerce and Labor, in describing the changes which occurred in Germany from 1879 to 1903 so aptly describe our own conditions, or are so prophetic of what they are certain to be, I can not forbear to repeat them here. He said:

"In the meantime, however, great economic changes had taken place. The quarter of a century which lay between 1879, when the autonomous tariff was adopted, and 1904, when the conventional tariff was to terminate, witnessed the great decline of the agricultural and more than proportional development of the manufacturing industries in the scale of relative importance in the Empire. In 1879 the agrarian party was an ardent advocate of free trade, because Germany depended on foreign markets as an outlet for its excess of cereals and other farm products, while at the same time the agricultural population had to depend on British and French sources for its supply of cheap agricultural implements and other articles of personal use. By 1900 the situation had undergone a radical change. Not only had Germany ceased to be an exporter of cereals, but, owing to competition of the United States, Argentina, and Russia, were obliged to become importers of grain. The owners of large German estates found it impossible to compete with the cheap agricultural products, not only grain, but

cattle and meats, raised on virgin soil with but a slight expenditure of human labor. The cry of "protection" now came loudest from the agrarian camp, which also evinced great hostility to reciprocity treaties. In any event the demand was made for a revision of the tariff, for the purpose of not only greatly raising the duties on agricultural products, but also of making the increased protection safe from encroachment through the conclusion of new treaties.

"On the other hand, the manufacturers were for the most part satisfied with the existing duties, and were even willing to go to the extent of still further reductions if by so doing they could secure reductions in the tariffs of foreign countries. Both sides agreed as to the necessity of a thorough revision of the tariff before the expiration of the reciprocity treaties; the agrarians, because they wanted increased protection; the manufacturers and exporters, because they desired more scientific and up-to-date classification of commodities."

The thoroughness which always marks the work of German scholarship was appealed to in this matter of the highest importance to the agricultural, manufacturing, and commercial interests generally of the Empire. The Government proceeded to prepare a tariff bill, not "under whip and spur," while business hesitated, waited, and languished, but with a full knowledge and deliberation. It was not completed in four months, but its preparation consumed five years of labor on the part of a special commission of 32 representatives of the agrarian, manufacturing, and commercial interests acting in co-operation with tariff experts of the treasury and other government departments, in addition to 2,000 trade and technical experts who were consulted by the commission from time to time.

The tariff bill which resulted from these labors was introduced in the Reichstag by the Government early in 1902, and after ten months' deliberation—ten months, mind you—passed with some changes on December 25, 1902. It contained but one set of duties, with the exception of rye, wheat, barley, and oats, for which both general and minimum rates were provided to prevent further reductions through reciprocity treaties.

This German revision is in bold contrast with our "haphazard," "catch-as-catch-can," "go-as-you-please," "hurry-up-and-get-through-with-it" method.

In bold contrast with the hurry, haste, and slapdash which must mark the present revision of the tariff, owing to the unrest and urgent demands of business, I want to call your attention to the following fact:

About one year ago the press of the country demanded the removal of the duty on wood pulp. So persistent was the demand that a committee was appointed, consisting of six Members of the House, to investigate the subject of wood pulp. In pursuance of their duty, I am informed by one of the committee that they have actually spent at least four full months and taken about 4,000 pages of testimony, and yet they have not completed the investigation as it ought to be made, since they are compelled to report during the present session of Congress.

Conundrum: If it has taken four months to partially investigate one single item in one single schedule, how long would it take to thoroughly investigate all the items in all the schedules?

I want to call your attention to a few articles which were selected by Senator BEVERIDGE from the Dingley bill, showing what changes were made in the Senate. The gamut of variation runs all the way from a high duty down to the free list, on one side, and up to an increase of 333 per cent on the other. When you remember that the majority of both the House and Senate committees was Republican, and therefore for the protective principle, can anyone doubt that guessing, wild guessing, was done somewhere?

*Dingley bill in House and Senate.*

Article.	Duty fixed by House committee.	Duty fixed by Senate committee.	Difference.
			<i>Per cent.</i>
Borax.....	2 cents per pound....	5 cents per pound..	150
Borate of lime.....	do.....	4 cents per pound..	100
Boracic acid.....	3 cents per pound....	5 cents per pound..	66½
Fusel oil.....	½ cent per pound....	½ cent per pound..	100
Opium.....	\$6 per pound.....	\$8 per pound.....	33½
Nitrate of lead.....	2½ cents per pound..	1½ cents per pound..	66½
Phosphorus.....	20 cents per pound..	10 cents per pound..	100
Soda ash.....	½ cent per pound....	½ cent per pound..	50
Sea moss.....	Free list.....	10 per cent.....	100
Unmanufactured pumice stone.	20 per cent.....	do.....	100
Spectacles, eyeglasses, etc., of a certain value, but not over 75 cents a dozen.	25 cents per dozen and 20 per cent.	40 cents per dozen and 20 per cent.	a 60
Coral and spar.....	25 per cent.....	50 per cent.....	100
Railway fish plates or splice bars, iron or steel.	½ cent per pound....	0.4 cent per pound.	25
On certain knives.....	50 cents per dozen....	Duty omitted.....	
On other knives.....	75 cents per dozen....	do.....	
Razors and razor blades of a certain value.	\$1 per dozen and 15 per cent.	50 cents per dozen and 15 per cent.	a 100
On razors and razor blades of a different value.	do.....	\$1.75 per dozen and 20 per cent.	a 75
Scissors and shears of a certain value.	50 cents per dozen and 15 per cent.	15 cents per dozen and 15 per cent.	a b 333½
Files of a certain length.....	30 cents per dozen....	50 cents per dozen....	66½
Files of a different length.....	60 cents per dozen....	\$1 per dozen.....	66½
Planed or finished lumber.....	50 cents per M feet....	35 cents per M feet..	42½
On the same, if planed on one side and tongued and grooved	\$1 per M feet.....	70 cents per M feet..	42½
Toothpicks.....	2 cents per M and 15 per cent.	1 cent per M and 15 per cent.	a 100
Sugar cane, unmanufactured ..	20 per cent.....	10 per cent.....	100
Saccharine.....	\$2 per pound and 15 per cent.	\$1 per pound and 10 per cent.	a c 100
Chicory root.....	1 cent per pound....	Free list.....	
Cocoa butter.....	6 cents per pound....	3½ cents per pound..	71½
Substitutes for coffee.....	1½ cents per pound....	2 cents per pound..	33½
Still wines.....	60 cents per gallon....	30 cents per gallon..	100
Certain cotton cloth.....	8 cents per square yard.	6½ cents per square yard.	23½
Stockings, hose, etc., of a certain value.	50 cents per dozen pairs and 15 per cent.	60 cents per dozen pairs and 15 per cent.	a 20
Tow of flax, retted.....	\$22.40 per ton.....	\$11.20 per ton.....	100
Floor matting.....	8 cents per square yard.	4 cents per square yard.	100
Carpets of a certain value.....	6 cents per square yard and 35 per cent.	10 cents per square yard and 35 per cent.	a 66½

a In the specific part of the duty.

b And 33½ per cent in the specific part of the duty

c And 50 per cent in the ad valorem part of the duty.

With all respect to the men, as men and individuals, composing the Ways and Means and Finance committees, which formulate our tariff legislation, I want to call attention to these committees and the time they consume in the revision of our tariff by quoting what Senator BEVERIDGE said in describing them and their work:

"For example, the Committee on Ways and Means of the House that framed the Dingley bill reported that bill the 19th day of March, 1897, so they did all the above work in *less than four months*. The Committee on Finance of the Senate took this bill and reported it back the 4th of May, 1897, so the Finance Committee did all this work in *six weeks*.

"Again, the Committee on Ways and Means of the House that framed the McKinley bill reported that bill the 16th day of April, 1890, doing the work in *less than five months*. The Committee on Finance of the Senate took this bill and reported it back the 17th day of June, 1890, so the Finance Committee did all this work in *two months*.

"Again, the Committee on Ways and Means that framed the Wilson bill reported that bill the 19th of December, 1893, so they did all the work in *a little over four months*. The Committee on Finance took this bill and reported it back the 20th day of March, 1894, so the Finance Committee of the Senate did all this work in *three months*.

\* \* \* \* \*

"For instance, I have a list here of the members of the Ways and Means Committee of the House of Representatives who framed the Dingley bill.

"Mr. President, every member of that committee at that time, with two exceptions, was a lawyer; one was an editor and one was a wood manufacturer.

"Take the present Ways and Means Committee of the other House. A mere reading of their names and their occupations in the Congressional Directory will disclose to the Senate what admirable men they are as legislators; but it does not disclose that they are especially fitted by their life work for economic investigation, because all of them but two are lawyers, one is a lumberman, and one has no occupation at all."

Three members of the present Ways and Means Committee, consisting of 19 members, who assisted in preparing the tariff bill are not Members of the House now, while 4 of the members of the Finance Committee of the Senate, consisting of 12 members, were not Members before March 4, 1909.

The commission charged with revision of the tariff in Germany took two years to revise the schedules, or in the work of classification alone.

In most of the important countries of Europe the tariff has been recently revised, not only with a view to changes in rates, but in order to provide a scientific system of classification of commodities based on modern industrial conditions. Recently Greece, little Greece, has appointed a commission composed of government officials, members of Parliament, merchants, and manufacturers, who are to report in two years a tariff bill.

While by no means all of the time of our Board of General Appraisers is taken up with questions of classification, it is

one of its most important functions, and constitutes the bulk of customs litigation before the courts to which both the Government and the importers frequently appeal from the decision of that body. This litigation, which keeps an army of judges, lawyers, and government officials constantly busy, has cost millions of dollars to the Government, many more millions to the people directly interested therein, and in the end must come from the pockets of the people. With the exception of the members of the bar hardly a single class in this community has been benefited by this unproductive waste of time and money. During the last current year 55,798 classification protests were received and 35,785 were decided, while the suspension files now number 60,353.

Is there a single business in the United States, amounting to \$100,000,000 a year; yes, \$50,000,000 a year; yes, \$10,000,000 a year; yes, even a quarter of that amount, that has not a body of expert men, costing as much as an expert commission would cost this Government, doing nothing but reducing every factor of the business to a certainty, and refining every differential to a thirty-second or a sixty-fourth of 1 per cent?

Germany, with a foreign trade amounting to three billions, has applied this principle to her international commerce. All the countries of Europe, practically, except free-trade England, are doing the same thing. Our import and export trade has passed the three-billion mark. Is it not high time that we, too, should now imitate our imitators who have reduced foreign trade to an approximate science?

Mr. Root, whose services to his country has rendered the office of Secretary of State illustrious, said:

"In my judgment, the United States must come to a maximum and minimum tariff. A single, straight-out tariff was all very well in a world of single, straight-out tariffs, but we have passed on during the course of years into a world for the most part of maximum and minimum tariffs, and with our single-rate tariff we are left with very little opportunity to reciprocate good treatment from other countries, and with very little opportunity to defend ourselves against bad treatment."

The tariff commission which I advocate provides the effective machinery by which this proposal can be carried out without shock or the slightest interference with the trade of the country, and yet the matter of legislative control rests entirely with the House and the Senate. (See Appendix C.)

Under the McKinley Act of 1890 provision was made for the imposition or suspension of certain duties upon given conditions. Mr. Blaine negotiated certain treaties in accordance with that provision which worked most advantageously, but the effect of the Wilson bill destroyed them. The authority for the negotiation of the treaties was upheld by the Supreme Court of the United States in the case of *Field v. Clark* (143 U. S. Rept., 649).

Sections 3 and 4 of the Dingley bill grant in principle all that I contend for. If the President can suspend all of any duty imposed, certainly he could suspend any part of the duty so imposed. Again, if the President can impose any given duty, certainly he could impose any part of such duty. In accordance with section 3 of the Dingley law the President has

entered into a trade agreement with Germany, and the same is now in force and operation.

If Congress should declare to-day that the present tariff schedules should be the actual schedules, and at the same time fix maximum and minimum schedules as the boundaries within which an expert tariff commission, subject to the approval of the President, who is responsible for the revenue, could fix the actual duties to be paid, but that no such change should take place for a period of a year and a half after their promulgation by the President, this country would go forward by leaps and bounds.

Under such a system we would have tariff by evolution and not by revolution.

Should such a principle be adopted, no party could go before the country on a platform to abrogate it. Labor and the business interests would unite in its defense, for it would eliminate that unrest which must necessarily follow the success of a party clamoring for a revenue tariff instead of a protective tariff; for such a tariff system would soon be recognized as an advantageous trade tariff, and this would conserve the general welfare.

I do not speak as the representative of any party when I say that should the Democratic party succeed in 1910 upon the tariff issue it would unsettle business interests generally; and the one worrying and disturbing question confronting every industry working under a degree of protection would be whether the Senate would likely become Democratic, whether the next President would be a free-trade Democrat.

On the other hand, a permanent tariff commission of the very highest order and amply paid, with power subject to the approval of the President and within legislative limitations, would bring steadiness, stability, and a broader, wiser, and more lasting prosperity than a stereotyped tariff, even if its disturbance was not continually threatened by the success of the opposing party.

Again, the negotiation of trade treaties or conventional arrangements must necessarily become more and more the policy of international commerce. Germany now has such conventions with Russia, Austria-Hungary, Italy, Switzerland, Belgium, Roumania, Servia, Sweden, Bulgaria, Greece, and the United States, while she has negotiations pending with other countries.

Mr. N. I. Stone, the tariff expert, says:

"Nor can there be any doubt that Germany has fared far better with her conventional system than France, with her general and minimum tariffs. The experience of these two leaders among the nations of the European Continent, as well as that of their respective followers, has led to the gradual abandonment of the general and minimum tariff system practically all over Europe, with the exception of France and Spain, disregarding certain deviations from either by some minor countries like Norway and Greece."

When we were negotiating the present commercial agreement with Germany, its Government was represented by ten experts from the following departments: The commercial, political, and consular division of the foreign office; the department of commerce in the imperial ministry of the interior; the imperial treas-

ury department; the Prussian ministry of finance; the Prussian ministry of agriculture; and the Prussian ministry of commerce. These commissions are usually composed of picked men. The personnel and their preparation for the treaty negotiations are treated as matters of the greatest importance and planned years in advance.

The United States has a problem in this connection peculiar to herself. While all European countries grant to third parties the most favored rates granted to the contracting parties, the United States Government, from the time of Thomas Jefferson down to this hour, has never extended to third parties the benefits of the most favored nation stipulations, insisting always that it has no application to reciprocity arrangements.

In other words, our reciprocal trade agreements, if the established policy of the Government is to be pursued, must stand independently and alone. To work out a system of conventions with all the commercial nations of the world, however difficult and complex because of this fact, is nevertheless possible and highly important. Our problem is distinctly our own, but we have more, vastly more, to gain in the world's commerce than any other single nation.

Shall we take advantage of our opportunity or sit idly by, relying upon antiquated methods, while the more progressive countries sweep on to greater and greater conquests?

This is an age of understandings, agreements, unions, combinations, and consolidations in production, trade, and transportation—local, national, and international; and the legal barriers imposed through ignorance and prejudice may harass and hinder and delay temporarily, but will not prevent them, for upon them the progress and life of modern trade depend.

There has been no time in the history of Anglo-Saxon liberty when the interpretation, development, and adaptation of the common law to current conditions in the light of marvelous material changes has been so essential to human progress as now.

Therefore we should rely upon the conservatism and ripper wisdom of our judiciary for those evolutionary adjustments of law to curb and regulate wrongs rather than upon temporary madness and political prejudice, from which spring revolutionary changes and destructive repression.

Let it be remembered, however, that this progressive coordination and union of material forces involves a great fundamental principle, which is inherent in the sovereign right of the people. That principle is this: That every legalized monopoly derives its authority and power from the people, and is, therefore, subject to control and regulation by the people for the protection of the people against the abuses of monopoly.

The once accepted axiom under the old conditions that "competition is the life of trade," has given place to an accepted fact under the new conditions that trade wars are destructive of universal prosperity, inimical to labor especially, but inimical also to the investments of our savings banks and life insurance companies, and to commercial capital, upon the profitable employment of which the prosperity and happiness of our 25,000,000 workers depend.

This is not only true of national production, trade, and transportation, but it is just as certain to involve in its scope and influence the commercial relations of the entire globe. We

should have our trade treaty with Germany, Germany with Japan, and Japan with us; and all three of these nations should in turn be doing business upon specific terms with all other countries:

These trade treaties, which are essential to the highest degree of mutual advantage, will bring strength, steadiness, and stability to the world's commerce, and contribute immeasurably to the world's peace and general welfare.

Gentlemen, shall American business still remain the football of American politics?

Shall "the Payne bill" become the issue of the next congressional campaign?

Fifteen of our ablest men, peculiarly fitted by nature and education, standing in the public eye and esteem by the side of our Supreme Court, and drawing an aggregate of \$150,000, or \$10,000 each, looking out for our trade of three billions a year, ought to give us an amazing profit upon the investment, and would effect a "conservation of resources" unmatched by any other force in our national life and remove the tariff from the field of politics.

The question is: Shall we have such a commission to advise Congress as to what the maximum and minimum duties should be, and secure within those limitations established by Congress for our manufacturers and merchants such trade agreements as will insure the largest possible return upon any trade privileges granted by this country to any foreign nation?

Shall we remain in these marvelously progressive times twenty-five years behind the most progressive nation in international trade, or shall we seek to establish the most advantageous trade relations with every nation on the globe, secure in the friendship of all, and at peace with the whole world?

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