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## FORDNEY TARIFF BILL PASSES THE HOUSE.

By a vote of 289 to 127, the Fordney Tariff Bill was passed by the House of Representatives on July 21. Seven Democrats voted for the bill, including Lea and Baker of California, Campbell of Pennsylvania and Dupre, Martin, Favrot and Lagaro of Louisiana. And seven Republicans voted against the bill. They were Sinclair of North Dakota, Galvin and Knight of Ohio, and Voigt, Beck, Lampert and Nelson of Wisconsin.

Before the vote on the final passage of the bill, several vital amendments were made. The amendment of Representative Frear to strike out the dye embargo provision as reported by the Committee on Ways and Means which was unsuccessful in the Committee of the Whole House, was finally carried by a vote of 209 to 193.

The House also struck from the bill the amendment which had been made to place a duty of 15 per cent on long staple cotton of 1 1-8 inches or longer, thus leaving all cotton on the free list. This action came after the Committee on the Whole House had rejected an amendment to levy compensatory duties on goods made

wholly or in chief part of long staple cotton.

The duty of 15 per cent on hides and skins suffered the same fate and these were restored to the free list by a vote of 239 to 174.

The attempt to restore fuel oil to the dutiable list was also defeated, no roll call being necessary. And asphalt was likewise left on the free list.

A motion also prevailed to adopt the Committee amendments en bloc. There were nearly two hundred of these, chiefly of a minor character, and very few of them affecting the rates.

Just before the roll call for the final passage of the bill a motion came from the minority side to recommit the bill with instructions to strike out the American valuation and bargaining features. This motion was lost by a vote of 127 to 289, the same vote by which the bill was finally passed.

The bill now goes to the Senate where it will be promptly referred to the Finance Committee. It is expected that the Committee will begin to hold open hearings early in August.

## THE DIFFICULTIES OF TARIFF MAKING.

*By Robert Ellis Thompson, LL. D.*

That the Republican victory of last November meant a victory for protection was not denied by any one who took part in the struggle. The Democratic declaration for a tariff for revenue was one of the worst ever launched against our national policy. It left no opening for any of those ingenious compromises by which that party has tried to cloak its opposition to that friendly treatment of our manufacturing industries, which even Jefferson in his latest period approved, and which Madison, Monroe, Jackson, Buchanan and Randall had frankly advocated. Although the platform was drafted by a Virginian with an imposing vocabulary and a fine rhetorical swing, its tariff plank was inspired by the free-trade theories, and its adoption was part of that subserviency to the policies of the last administration which proved so fatal to the Democratic party.

The Republican platform missed a great opportunity in failing to call attention to what protection had done to make America an efficient participant in the War. But it was entirely in accord with the historic position of the party. It was so interpreted and defended by Mr. Harding, and by his supporters in the press and on the platform. I cannot recall a single expression of dissent at this point from those who worked for a Republican victory. It is true that the tariff played a less

prominent part than in 1840 or 1888. But the general desire to be rid of the Democratic administration and all its work certainly made no exception of the Underwood tariff.

But the sweeping victory of the party, and the return of a large Republican majority to the House of Representatives has had the almost proverbial result of weakening the party's coherence. Personal and local preferences, as in times past, are given a surprising scope, in antagonism to what everybody in the Republican ranks was supposed to support. As in 1846 the Middle West shows a disposition to act as a political unit on the tariff and other questions, claiming to act for the great agricultural interests of the upper Mississippi Valley. And there are discontented individuals elsewhere, whose Republicanism is much less distinct than before the votes were counted.

Our free traders begin to take heart of grace from witnessing this shift of front, and to lay stress upon the present need of extensive commerce to furnish an outlet for our manufactures. That was the point which President Wilson made prominent in his first campaign. Under the tariff which his administration gave us we had a taste of what this would mean. In the fiscal year ending June 30, 1914, the first which we spent under that tariff, we exported less and imported more, to the great advantage of our commercial rivals. Our com-

merce with the United Kingdom reached the enormous total of £75,000,000 in that year, with the balance of trade in England's favor. Had not the war explosion in Europe diverted England's energies from peaceful to warlike industries, the succeeding years would have been a time of widespread disaster.

From another quarter protection is assailed as unfriendly to our neighbors in Canada, with whom we should cultivate the kindest and the most intimate relations. No doubt there are many reasons for that policy, and one of the strongest is our respect for the manliness with which the Canadians took up the burdens laid upon them by the outbreak of the War, and the distinguished courage with which they fought for the cause of liberty and nationality against a usurping military empire. But in economic matters it seems to me that we have greatly outrun them in courtesy and accommodation.

There stands upon our statute-book an important offer of reciprocity with Canada, to which the Dominion has never given serious consideration, much less assent. Americans who were in Ottawa during the election which drove Sir Wilfred Laurier from power, and returned a majority hostile or indifferent to reciprocity, tell me that the project of a treaty of reciprocity was hardly named, or if named, only as one of the deeds of that eminent Liberal statesman, and as such to be rejected. They say that the religious issue raised by Sir Wilfred's taking part in the Eucharistic procession in Montreal, was in

everybody's mouth, and that most voters seemed to know of no other issue. At any rate the Tory majority have ignored the offer of closer economic relations agreed to by the Taft administration on our side and the Laurier ministry on that of the Dominion. It would almost seem that the time has come to withdraw that offer.

The lesser and special problems of today concern the terms on which Canadian grain and lumber may come into America. There is no disposition to lay a heavier burden on the importation of wheat or lumber-logs. But there is just objection to giving to Canadian mills the work of converting wheat into flour, and logs into the forms directly fitted for human use. The American flour mill and the American saw mill are among the oldest and most respected of our industries. To no other has more of American ingenuity, from the days of Oliver Evans to our own, been devoted. The time has not yet come for us to dismiss them from our service in favor of foreign millers of either class.

It is true that a mismanagement of the tariff might result in harming our American forestry, by excluding the logs of other countries, and causing an excessive drain on our forests. Unless there is an awakened interest in the maintenance and extension of our area for the growth of trees, we are sure to injure our country. It is said that New Hampshire, for instance, has allowed her forests to suffer losses, which have seriously affected the water supply, and lowered

the attractions of her mountain summer resorts. She has used up her native supply of lumber for furniture and house-building, it is said, until she has to resort to the Alleghanies and the States beyond them for what she needs. Very few States have done their duty by their forests. Thanks to Prof. Rothrock of West Chester, Pennsylvania has turned from mere consumption to conservation of forests, has three great schools of forestry at work, and has restocked great areas with valuable timber. It is not by looking to Canada or Central America, but by care of the home supply, that the needs of our immense population, including wood-pulp and railroad ties, can be met permanently and amply.

In the adjustment of tariff duties it has been a constant difficulty to deal wisely both with imported raw materials, and with the manufactures for which they are needed. Alexander Hamilton and the late Prof. Bowen of Harvard contended that protective duties should be laid upon manufactures only, and that raw materials of every kind should be on the free list. This sounds well, but articles which are the manufacture of one industry, are often the raw materials of another. And when we, as did President Washington, look upon protection as a preparation for military defence, we find it impossible to regard such raw materials as wool as other than indispensable to our national completeness. It should never be forgotten that our government found it impossible to procure all-wool overcoats for our soldiers in the

first winter of the War, because the domestic supply of wool was inadequate.

Again it is often a wasteful policy to leave ourselves dependent upon the foreign producer for raw materials, which under protection would be both improved in quality and lowered in price. This was illustrated in a discussion of the tariff some forty years ago. It was shown that under protection American writing and printing paper had been both cheapened and vastly improved in quality. It was no longer possible to tell an American from an English book by touching the page to the tongue, and observing whether the moisture went through. But the chemical salts used in the making of paper had been left on the free list, and had not fallen in price at all.

Somewhat parallel to this is the case of dyes and dye-stuffs. Germany, by the application of her chemical knowledge to the problem, has secured a monopoly of this manufacture. When the War came England, France and America woke to the discovery that they had left themselves dependent on the common enemy for an article utterly needed, and the great chemical works of Germany, whose rise had been promoted by their neglect were now to be converted into establishments for the manufacture of explosives and poisonous gases. In America even the Democratic majorities in Congress agreed to foster by protective duties this neglected industry. France still excludes German dyes by a permanent

enactment, and England does the same for ten years.

The proposed dye legislation in the new Fordney Bill is such that critics declare it practically prohibitive, and that it throws the industry into the hands of a big monopoly. On the other hand it is argued that if the profits of dye-making be high enough, there will be a competition for those profits which will destroy monopoly, and that the application of American ingenuity in invention will pull down prices and improve the quality.

The method by which the Fordney tariff bill has been prepared seems to be in accordance with precedence. After the usual public hearings, the Committee of Ways and Means has

investigated the needs of each schedule, and compared the two last tariffs with recent suggestions. Nor have they neglected the report of the Tariff Commission, to which they acknowledge their obligation. Of course it is not a finality; and the adverse report of Mr. Frear, who calls himself a Republican and a protectionist, will furnish suggestions of the points which most need consideration, and possibly reconsideration. Furthermore to secure a proper understanding of the amount of protection which the bill affords necessitates a careful study of the changes in its administrative features, wherein American valuations are used as a basis for assessing duties instead of foreign valuation as in the past.

## PROBLEMS OF THE FORDNEY TARIFF BILL.

*By William E. Brigham.*

Congress never has faced a more genuinely perplexing task than that of revising the tariff laws this year. The Fordney bill, reported to the House July 6, presents a series of novelties which of themselves are enough to command national attention, like the American valuation plan and the proposed embargo on dyestuffs; and for the first time perhaps in history the Committee on Ways and Means has been compelled to put forth a bill without much actual knowledge as to how it will operate. The committee have been severely criticised for their "guesswork" in connection with this bill but, granting that the plan of assessing duties upon the American

wholesale selling price instead of the foreign is a wise one, it could not be otherwise than that the details of operation could be tested only by experience.

### BILL IS UNIQUE.

The bill is unique in many ways. For example, this is the first time in which the Tariff Commission has participated in the actual framing of a tariff bill—and upon this point some misunderstandings have arisen. It is not the function of the Tariff Commission to suggest policies or to attempt to embody its own opinions in tariff laws, and the present commission has not stepped one hair's breadth from the strict line of its