

**TARIFF COMMISSION; HEARINGS,
BEFORE THE COMMITTEE ON WAYS AND
MEANS OF THE HOUSE OF
REPRESENTATIVES, 61ST CONGRESS, 3D
SESSION ON H. R. 26232 AND H. R.
28433, DECEMBER 13, 1910**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649327072

Tariff Commission; Hearings, before the committee on ways and means of the house of representatives, 61st congress, 3d session on H. R. 26232 and H. R. 28433, december 13, 1910 by Various

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TARIFF COMMISSION

HEARINGS

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BEFORE THE

U.S. Cong House

COMMITTEE ON WAYS AND MEANS OF
THE HOUSE OF REPRESENTATIVES

61ST CONGRESS, 3D SESSION

ON

H. R. 26232 and H. R. 28433

DECEMBER 13, 1910

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WASHINGTON
GOVERNMENT PRINTING OFFICE
1910

HF 756
A43
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COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,

SIXTY-FIRST CONGRESS, THIRD SESSION.

SERENO E. PAYNE, CHAIRMAN.

JOHN DALZELL,	JOHN W. DWIGHT,
SAMUEL W. MCCALL,	WILLIAM R. ELLIS,
EBENEZER J. HILL,	CHAMP CLARK,
HENRY S. BOUTELL,	OSCAR W. UNDERWOOD,
JAMES C. NEEDHAM,	EDWARD W. POY,
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NICHOLAS LONGWORTH,	WILLIAM G. BRANTLEY.

ARTHUR E. BLAUVELT, CLERK.

JAN 10 1911

U W MEM. Jan. 19, 1911

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TARIFF COMMISSION.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Tuesday, December 13, 1910.

The committee met at 10.30 o'clock a. m., Hon. Sereno E. Payne in the chair.

Present: The chairman, and Messrs. Dalzell, Hill, Boutell, Needham, Calderhead, Fordney, Gaines, Longworth, Ellis, Clark, Underwood, Pou, and Harrison.

(The committee thereupon proceeded to the consideration of the bill H. R. 26232, "to create a tariff commission"; and the bill H. R. 28433, "to create a tariff commission and defining its powers and duties.")

The CHAIRMAN. The hearing this morning, gentlemen, is at the request of Mr. Good, of Iowa, in reference to bills creating a tariff commission, etc. The hearing will not be restricted to any one bill, but any gentleman who desires to be heard on the general subject will be heard. I think Mr. Good desired to—Mr. Good, you may state your own desire.

STATEMENT OF HON. JAMES W. GOOD, A REPRESENTATIVE FROM IOWA.

Mr. GOOD. Mr. Chairman and gentlemen of the committee, I have attempted in the bill which I have introduced, H. R. 26232, to work out in detail a tariff commission. I have fashioned the bill somewhat after the interstate-commerce law, but I may say at the outset that I have no pride of opinion or authorship or of opinion with regard to the various details of the bill. It has occurred to me, and I believe it has occurred to a number of the members of your committee, that there ought to be such a commission. It ought to be permanent. It ought to have power to act. With a permanent commission, with power to act, there certainly would be no occasion for remarks from either the floor of the House or from the Senate such as were made by members of this committee on the floor of the House and by Senator Root on the floor of the Senate at the special session of the Sixty-second Congress. I have before me the speech that was delivered by Mr. Hill, of Connecticut, with regard to the manner in which the last tariff bill was made. He speaks with regard to the preliminary work of the committee, the compiling of the publication "Imports and duties," and then he says:

It did not and could not include the difference in the cost of production at home and abroad.

Then he speaks of that other most valuable publication that was compiled under the direction of your chairman entitled "Tariff notes;" and of it Mr. Hill says:

But in this work, as in the others, there was no basis upon which the difference of cost of production at home and abroad could be ascertained.

He further says that there was some effort made to ascertain, through the different departments, these facts, but says:

So far as my knowledge is concerned, this attempt to secure information from foreign sources was a complete and total failure.

This same testimony is found in the record of the proceedings in the Senate, wherein Senator Root said:

We have been here for over three months considering and discussing and voting upon the measure of protection that it is necessary to give in order to keep alive and prosperous the business of tens of thousands of corporations engaged in manufacture and trades affected by the protective tariff.

Upon one hand we have garbled statements; upon the other equally garbled and partial statements; and no means of distinguishing the truth. We are under the necessity of proceeding by guesswork, by conjecture, always with dissatisfaction, because we recognize the chance that we have guessed wrong about whose statements come nearest to the truth.

The bill that I have introduced is comparatively short, and as I said at the outset it provides for two principal things: First, a permanent tariff commission, and, secondly, a commission that has power to investigate the facts and report those facts to Congress.

It seems to me that some such plan is absolutely necessary. By reason of our complex commercial and industrial conditions our knowledge as to the cost of production must be very limited. We can not possibly know all the facts that it is necessary we should know in order to make a tariff bill that will do justice to both the laboring and industrial forces of our country. Past experience has shown us that it is almost impossible to revise the tariff without doing injury to some one, unless we have some commission, some permanent body, with power to investigate cost of production and the changes that are taking place every day regarding such costs and report those changes to this body as a basis for its action.

Mr. UNDERWOOD. Have you provided in your bill that they shall give full publicity to their investigations?

Mr. GOOD. I provide in the bill that they shall report to Congress, or either branch of Congress, whenever requested so to do; but that, as they are making their investigations, the subjects under investigation shall not be given to the public.

Mr. UNDERWOOD. Here is a question that I would like to ask. Does your bill propose for them to report findings of their conclusions to Congress, or findings of fact?

Mr. GOOD. Findings of fact, without any recommendation as to the proper course for Congress to pursue.

Mr. BOUTELL. You have not discovered, have you, any way of preventing these parties, that Mr. Root refers to, making the same garbled statements to the new tariff board?

Mr. GOOD. No; they could make those same statements, but that commission being a permanent tariff commission, with power to investigate, could go out into the different sections of the country, and could go to foreign countries, and investigate those garbled statements, and find out wherein they were garbled and who was telling

the truth and report the fact. That, it seems to me, is the essential part of the duty of a permanent tariff commission; and that is the reason why it should be a permanent commission instead of a commission with a fixed tenure.

Mr. UNDERWOOD. May I ask you another question?

Mr. GOOD. Certainly.

Mr. UNDERWOOD. Do you provide in your bill that they shall conduct their investigations under the direction of either the Ways and Means Committee of the House or the Finance Committee of the Senate or of the executive branch of the Government? Is the investigation provided to be directed from the legislative branch or the executive branch of the Government?

Mr. GOOD. The bill provides that their investigation shall be an independent investigation, but that when the Ways and Means Committee desires they shall sit with that committee and furnish the information. They shall sit with the Finance Committee of the Senate when it so desires, and furnish that committee with information; and they shall furnish the President such information as he may desire in the administration of the tariff laws.

Mr. UNDERWOOD. Here is what I want to find out. Suppose the Ways and Means Committee had concluded to investigate, say, the woolen schedule, and this Commission was investigating the cotton schedule. Is there anything in the bill that would authorize the Ways and Means Committee to call on them and direct them to investigate the subject that the Ways and Means Committee itself desired to take up?

Mr. GOOD. There is nothing in the bill that would give any committee, or the Chief Executive, power to authorize them to do any one thing. They work on their own initiative.

Mr. UNDERWOOD. Do you not think if the bill is passed along this line at all that the Ways and Means Committee, or the House—for the Ways and Means Committee is only an agent of the House—should have power to direct along what line they should make their investigations?

Mr. GOOD. I certainly should have no objection to that. I believe that this commission, when constituted, should have the power to investigate all of the facts, and it should be the servant to the securing of this information for the committee. I would see no objection to a detail of that kind.

Mr. HARRISON. Do you think the House ought to have the exclusive right to direct these investigations, or that the President ought to share in that right?

Mr. GOOD. I should say that the House should not have exclusive right, any more than the Senate—

Mr. HARRISON. I mean the legislative branch, of course. Do you think they ought to have the exclusive right, or that the Executive ought to share that right?

Mr. GOOD. That is a detail to which I have not given consideration. It is a mere detail, and I think it does not make much difference about that. The principal thing, it seems to me, after all, is the creation of a commission with power to act and report to Congress.

Mr. POW. There is one question I would like to hear you address yourself to. The object of the bill seems to be to ascertain the difference in the cost of production here and abroad. Suppose your