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## THE TARIFF ACT OF 1930

The Tariff act of 1930 is partly an outcome of the post-war agricultural depression. In form it is much like its predecessor. The general level of rates is appreciably higher than that of the law of 1922. The flexible provision which appeared in the Act of 1922 is retained, and on this provision President Hoover relies to reduce imperfections. The protest of the economists is fairly representative of the feeling of a large part of the public. In tariff legislation we are national minded, while our economic interests are becoming more and more international.

Tariff laws in the United States are subject to frequent revisions. From the Act of 1883 to that of 1930 the average life period of a tariff law (leaving out of account special legislation like that of the Emergency act of 1921) has been less than seven years. The Act of 1913 (modified in 1921 by the Emergency Tariff just mentioned) remained law for nearly nine years, and the Act of 1897 (Dingley Bill), for approximately twelve years. On the other hand, the acts of 1890, 1894 and 1909 remained on the statute books for periods of only three or four years each. A tariff law in a country with interests so diverse as those of the United States is not characterized by any high degree of stability; and this lack of permanence has been a source of much complaint among business men.

The passage of such laws is furthermore consuming a considerable amount of time. Shortly after the election of 1920 the Ways and Means Committee of the House of Representatives began laying their plans for tariff revision, and hearings were held as early as January, 1921. The Fordney-McCumber bill, however, did not assume its final form until September, 1922—about twenty months after serious work on it had begun. About a year and a half was given by Congress to the framing of the law of 1930. As in the case of the earlier act the outcome of the preceding presidential election was the signal for an overhauling of the tariff, although most of the formal hearings were held after the calling of the special session by President Hoover in the spring of 1929.

### *Conditions Favoring a New Tariff Act*

Unlike the legislation following the election of 1920 there had been no change in party or party policy so far as the tariff was concerned. The new law was not passed in response to any widespread demand for an alteration of tariff policy. The sponsors for revision were high tariff men, and for the most part belonged to the same political party that enacted the law in 1922. Indeed, during the campaign of 1928 the tariff was not an important *party* issue. The political platforms of both the leading parties endorsed the policy of protection. There was of course some difference in wording; but a tariff safeguard for Ameri-

can industries was given recognition as a necessity. In parts of the South the policy of protection was strongly emphasized by Democratic orators—a procedure somewhat new to this section of the country.

The years following the passage of the Act of 1922 had on the whole been years of business prosperity. This prosperity, however, had not been well distributed. Some of the industries which had been established as a result of the World War and whose products were highly protected under the law of 1922, practically ceased to grow, and a few even passed out of existence.

Agriculture, which had been prosperous under the high prices prevalent from 1917 to 1920, suffered like other industries from the depression which set in late in 1920 and continued through 1921. Unlike the latter, however, it experienced no marked revival during the middle and later years of the decade. As a large proportion of the productively employed people of the United States are still farmers, the agricultural interests were able to put considerable pressure upon their representatives in Congress to propose for consideration various remedial laws. The well-known McNary-Haugen bill was one of several such measures.

The agricultural depression which continued through most of the decade from 1920 to 1930 was related to several conditions more or less incident to the change from a war to a peace status—conditions which made readjustment slower than in other industries. Price indexes during many post-war years showed that farm products were selling at prices nearer those prevailing in pre-war times than in the case of products of most other industries. In 1926, for example, a prosperous and fairly typical post-war year, the index number for wholesale prices as determined by the Bureau of Labor Statistics (the year 1913 being taken as 100) was 151.0, while that for farm products alone was 142.2. The index numbers for foods, clothing materials, fuels, building materials, and house-furnishings ranged from 152.9 to 179.9. In other words, the purchasing power of farm products in general had experienced a marked decline in post-war years as compared with the years immediately preceding the war. Index numbers for 1927 and 1928 showed some improvement, but not sufficient to offset a long period of agricultural depression. Even during these years certain figures based upon those compiled from data gathered by the Departments of Agriculture and Labor show that the commodities bought by farmers were relatively higher in price than those sold by farmers.<sup>1</sup>

In addition to the agricultural depression just noted and the dissatisfaction of certain industrial interests over the results of protection, there was much criticism of the way in which certain administrative

<sup>1</sup> See *Statistical Abstract*, 1929, page 642.

features in the Act of 1922 had been carried out. The so-called flexible provision of that law, for example, had operated to raise rates on certain commodities which were already regarded as too high, and in at least one conspicuous instance (that of sugar) had not resulted in any reduction in rates, although such reduction had been recommended by a majority of the Tariff Commissioners. This criticism, it is true, was not made in the interest of such a revision as that made by the law of 1930, but it contributed something to the influences which favored the enactment of another tariff bill.

In the political campaign of 1928 Mr. Hoover stressed the importance of the protective tariff as an aid to agriculture. This emphasis was probably due to the fact that the farming interests were clamoring for legislation designed to counteract the effect of the relatively low price levels which obtained on agricultural products. Some of the measures which received consideration in Congress were virtually price-fixing policies in the interest of farmers; and to these the Republican nominee, like the then President, was strongly opposed. The tariff was seized upon as a partial remedy for the existing agricultural depression. There is no reason for believing that this stressing of the tariff played any appreciable rôle in the outcome of the election. As has been already indicated, the Democratic party had virtually abandoned its former attitude on the tariff and adopted the policy of protection, if not of high protection. Campaign declarations and pledges, however, had to be carried out in good faith. Hence the election of Mr. Hoover meant another attempt at tariff revision.

#### *General Form of Act*

Before discussing the rates and administrative provisions of the Act of 1930 something should be said of its general form. In outline it is very similar to the act it supplanted. Like the Tariff of 1922, the new law is divided into four general parts, called "titles." The first of these parts consists of the dutiable list; the second, of the free list; the third, of various special provisions; and the fourth, of numerous and detailed administrative regulations. Title III is subdivided into two parts. The first embraces several miscellaneous provisions with respect to our trade with the Philippine Islands, Porto Rico, Cuban reciprocity, immoral articles or literature, special kinds of imported product, and the like. The second is devoted to the organization and powers of the United States Tariff Commission. The so-called flexible provision is included in this part of the act. Title IV is similarly subdivided into six parts, all taken up with administrative details and procedure.

In Title I the dutiable list is divided into numbered schedules as is the

Act of 1922. Lettered schedules like those of earlier laws have apparently been abandoned. Each schedule is allotted a possible one hundred paragraphs, the initial paragraph in each schedule being numbered the first of its one-hundred group. Thus Schedule 3—Metals and Manufactures of—begins with paragraph 301, although Schedule 2 closes with paragraph 236. As was pointed out by the writer in an earlier article on “The Tariff Act of 1922,”<sup>2</sup> this system of numbering is a wide departure from earlier practice.

Under the new law the dutiable schedules number fifteen instead of fourteen, a separate schedule having been made for “Manufactures of Rayon or Other Synthetic Textiles.” This schedule is numbered 13 in place of Papers and Books, which becomes Schedule 14. Schedule 15 is the catch-all schedule called Sundries, and it is the last of the Dutiable List comprising Title I. Schedule 16 is the Free List. In the present act it has 214 paragraphs. As has already been mentioned, the Free List constitutes the second of the four parts (called titles) into which the act is divided.

It is unfortunate that the change in the numbering of paragraphs introduced by the Act of 1922 has not been followed by certain alterations in the grouping of commodities. Some paragraphs contain a very miscellaneous assortment of articles, often rather remotely related to one another so far as method of production is concerned. Processes of manufacture, long ago obsolete, are also named in connection with the designation of dutiable commodities. Some rearrangement, which would do away with these defects or at least reduce them, is a crying need. On the other hand there have been several improvements in terminology and minor classifications—largely at the suggestion of the Tariff Commission.

### *Rates*

The rates of the act of 1930 indicate that a high protective policy is being followed. On many commodities the high duties contained in the law of 1922 are continued; in a few instances there are reductions, but in many more, marked increases. The reductions appear in cases where some pressure was put upon Congress to place the product on the free list, or where the rates in the Fordney-McCumber act had proved to be absurdly high. Perhaps the most conspicuous instance of the former is that of automobiles where manufacturers had repeatedly asked to have their products admitted free. The contention of these manufacturers has been that high rates of duty on the products of industries not needing protection would lead only to reprisals abroad, and the automobile industry depended in part upon a foreign market. Even-

<sup>2</sup> AMERICAN ECONOMIC REVIEW, March, 1923, page 16.

tually Congress was induced to reduce the rate on automobiles from 25 to 10 per cent ad valorem. The duties on certain chemicals, aluminum, and some other products, which had been excessively high in the Act of 1922, were reduced slightly in the present bill.

The increases in rates are more noteworthy, both from the standpoint of the kind of products affected and from the standpoint of the advances made. A large proportion of these increases took place in the agricultural schedule (schedule 7) and in other schedules containing farm products forming the raw materials for various manufactured goods (schedules 5, 9, 10, 11, and 15). Some increases were made in the rates for products from mines and quarries. Several commodities heretofore on the free list were transferred to the dutiable list. As in the case of the tariff of 1922, the influence of the representatives from certain agricultural and mining regions of the country was potent enough to secure high rates on raw and crude products which of course had to be compensated for by corresponding, or at least compensating, advances on manufactured or finished goods.

In a large proportion of cases these advances amounted to 50 per cent or more over those which prevailed under the Act of 1922, and in some instances, to as much as 100 per cent. There were some cases in which the rate per unit of ingredient in a given commodity remained the same in the two laws, but the method of computing the entire duty was so changed as to amount to a very tangible increase. Thus manganese ore is dutiable under both the acts of 1922 and 1930 at one cent per pound of contained manganese. Under the earlier law, however, only the manganese in excess of 30 per cent is dutiable, but under the latter, all the manganese in excess of 10 per cent is subject to the rate indicated. At the prices prevailing in 1922 the lower or earlier rate was equivalent to more than 50 per cent ad valorem—an exceptionally high duty for a raw product. As high-grade manganese ore, such as that needed in the manufacture of most kinds of tonnage steel, has a metallic content of practically 50 per cent, this change in computing the duty virtually amounts to a doubling of the tariff rate.

The increases in the rates of manufactured products were less conspicuous and less significant than those on raw and crude materials. In some instances they were little more than compensatory for the duties imposed on raw and crude products, but in others they represent material additions in the degree of protection afforded. In the textile schedules (9 to 13) increases over those prevailing under the Act of 1922 are frequent.

From a general tariff bill of the kind framed in the United States it is difficult to select a small number of items which can be said to typify rate trends. However, the following table contains a list of products

## TARIFF RATES ON SELECTED ARTICLES IN THE ACTS OF 1913, 1922 AND 1930

Article	1913	1922	1930
Raw sugar <sup>1</sup>			
96° centrifugals			
Full duty	1.26¢ per pound	2.21¢ per lb.	2.50¢ per lb.
Cuban duty	1.005¢ per lb.	1.76¢ per lb.	2.00¢ per lb.
Cattle under 700 lbs.	Free	1.50¢ per lb.	2.50¢ per lb.
Cattle over 700 lbs.	Free	1.50¢ per lb. <sup>2</sup>	3.00¢ per lb.
Milk	Free	2.50¢ per gal.	6.5¢ per gal.
Cream	Free	20¢ per gal.	56.6¢ per gal.
Butter	2½¢ per lb.	8¢ per lb.	14¢ per lb.
Wheat	Free	(80¢ per bu. of 60 lbs. Later raised to 42¢ per bushel)	42¢ per bu.
Oats	(6¢ per bu. of 32 lbs.)	15¢ per bu.	16¢ per bu.
Lemons	(½¢ per lb. in bulk or in pkgs. exceeding 5 cu. ft.)	2.0¢ per lb.	2.5¢ per lb.
Fig-iron	Free	(75¢ per ton. Later raised to \$1.125 per ton)	\$1.125 per ton
Manganese ore	Free	(1¢ per lb. of contained manganese in excess of 30%)	1¢ per lb. of contained manganese in excess of 10%
Tungsten-bearing ores	Free	(45¢ per lb. of contained tungsten)	(50¢ per lb. of contained tungsten)
Fir, spruce, hemlock, pine and larch lumber	Free	Free	\$1.0 per M feet
Long staple cotton	Free	Free	7¢ per lb.
Clothing wool, <sup>2</sup> clean content	Free	31¢ per lb.	34¢ per lb.
Woolen blankets	25%	(18¢ per lb. and 30% to 37¢ per lb. and 40%)	(30¢ per lb. and 36% to 40¢ per lb. and 40%)
Woven silk fabrics	45%	55%	60%
(Silk clothing, not specially provided for)	50%	60%	65%
Brick	10%	Free	\$1.25 per M.
Cement, hydraulic	Free	Free	6¢ per cwt.
Flax, straw	Free	\$2 per ton	\$3 per ton
Hemp and hemp tow	Free	1¢ per lb.	2¢ per lb.
Hides	Free	Free	10%
Sole leather	Free	Free	12½%
Shoes and boots	Free	Free	20%
Matches, not over 100 to a box	3¢ per gross	8¢ per gross	20¢ per gross
Olive oil	(20 to 30¢ per gal.)	7½¢ per lb.	9½¢ per lb.

<sup>1</sup> What is called raw sugar arrives in the United States partially refined. The greater part of it has already been refined 96° by polariscope test. Hence the duty is usually stated on that basis. In recent tariff acts a specified rate is given for sugar testing 75°, and a fraction of a cent is added for each degree of refinement.

<sup>2</sup> In the acts of 1922 and 1930 the duty on raw wool for clothing is given for the clean content (washed). In earlier acts like those of 1897 and 1909 the rate is stated for unwashed wool. For purposes of comparison with these laws the rate of 31¢ per pound in the Act of 1922 would be equivalent to about 15¢ per pound.

<sup>3</sup>The rate on cattle weighing 1050 pounds or more each was 2¢ per pound.

whose proposed duties received some public attention during the period when the act was being framed. The rates as finally fixed are compared with the corresponding duties in the acts of 1913 and 1922.

The rates in the above table are fairly indicative of the continued progress toward greater protection, especially in the cases of agricultural and other raw or crude products. As has been indicated, there are some reductions in the act, but only where the maintenance of high duties had become an obvious absurdity. As in the Act of 1922 the rates on tonnage iron and steel have for the most part remained low or moderate. In the earlier act some increases took place over those of the law of 1913; but no serious attempt was made to restore the rates which had prevailed under the act of 1909. Barring the higher grades of manufacture, the iron and steel industry, which at one time had been a favored darling of ultra-protectionists, had so grown as to be independent of tariff barriers, and has been showing more interest in the development of an export trade than in safeguarding a home market against foreign competition.

Though some important commodities which had hitherto been admitted free are now made dutiable, the free list is still fairly extensive. In accordance with protectionist policy this list is made up largely of products which do not come into competition with those of American industry, like raw silk, rubber, coffee, tin and numerous minor commodities whose production is not suited to conditions prevailing in the United States.

Any attempt to estimate the average level of rates in the new law for purposes of comparison with earlier laws is futile. The articles enumerated in the act vary greatly in importance. To compute an average on the basis of volume of imports, as does the Bureau of Foreign and Domestic Commerce in making out averages for both dutiable imports and imports in general, leaves out of account rates which are practically prohibitive in their effect. Mr. Hoover in announcing his intention of signing the tariff bill made use of the Tariff Commission's figures to show that under it from 61 to 63 per cent of our imports would be admitted free and the average level of rates for all imports both free and dutiable would be about 16 per cent as against 13.3 per cent under the act of 1922 and 25.8 per cent under the Dingley act.<sup>3</sup> Using that method of computation, if all the rates for dutiable commodities were so high as to be absolutely prohibitive, it could be argued that the average level of rates under the new law had been reduced to zero!

A careful survey of the new law will show several duties which are practically prohibitive. There are others which will probably have little

<sup>3</sup> New York *Times*, June 14, 1930.



influence on the volume of imports but which will impose a considerable burden on consumers. A good example of such an effect is the rate on manganese ore already referred to. Manganese ore under both the acts of 1909 and 1913 was on the free list; but in the act of 1922 it was made subject to a rate of one cent per pound of contained manganese where the metallic content was in excess of 30 per cent. Most imported manganese ores range from 40 to 50 per cent metallic manganese. Notwithstanding this high duty, steel manufacturers, the principal consumers, continued to import the bulk of ores they needed, as the following figures show:

IMPORTATION AND DOMESTIC PRODUCTION OF HIGH GRADE MANGANESE ORES, 1922-1927<sup>1</sup>

<i>Year</i>	<i>Importation</i> <sup>2</sup> (30% Mn. and over in long tons)	<i>Production</i> (35% and over in long tons)
1922	425,000	13,404 <sup>3</sup>
1923	419,000	31,500
1924	505,000	56,515
1925	610,131	98,324
1926	738,000	46,258
1927	622,027	44,741

<sup>1</sup> Figures for production are those of the Bureau of Mines: "Mineral Resources of the United States." The figures for imports are derived from the publications of the Bureau of Foreign and Domestic Commerce. Comparison is made between imported products of 30% manganese content and domestic output of 35%. It may be stated here that this difference does not invalidate the comparison, as the great bulk of the imported product grades well above 35% and little of the domestic ores containing less than 35% metallic manganese is used in the manufacture of soft steel.

<sup>2</sup> Since September 22, 1922, the figures for imports for consumption have been given in government reports in terms of metallic content rather than in terms of ore tonnage. In order to make them comparable with the figures for production it has been necessary to compute the ore tonnage. In doing this the estimates made by the American Iron and Steel Institute in its annual reports have been accepted.

<sup>3</sup> This relatively low output is due to the severe depression of the preceding year when the steel output of the country was less than half the normal amount.

It will be seen that the heavy duty imposed under the Fordney-McCumber act had little influence in establishing a domestic industry to take the place of foreign industries. What the tariff did in this instance was to penalize the steel industry. The further increase in this duty under the Hawley-Smoot law will simply act as an added penalty, because the United States, so far as present geological surveys indicate, simply hasn't the needed resources.

### *The Tariff Commission and the Flexible Provision*

The increasing multiplicity of interests involved in the passage of a general tariff law and the need for expert information has contributed to make the Tariff Commission a permanent part of our government machinery. The provision for a flexible tariff in the Act of 1922

changed this body from a simple information-gathering group of experts into one endowed with certain administrative and quasi-judicial functions. The purpose of this provision was to make the tariff within certain limits adaptable to changing industrial conditions. The ascertainment of differences in costs of production here and abroad and the power to make recommendations to the President for changes in rates were duties imposed upon the commission with a view to making the law respond to the alterations of trade.

The exercise of this added power by the Commission after the passage of the act of 1922 became an object of much public criticism. However, there was comparatively little disposition on the part of Congress in framing the new law to abandon the principle of flexibility. In the Senate an attempt was made to deprive the President of the option of accepting or rejecting the recommendations of the Commission and lodging that power with Congress.<sup>4</sup> In the act as finally adopted by Congress and signed by the President, the flexible provision remains practically the same as in the earlier law. The Tariff Commission after making an investigation with respect to a proposed change in rates is empowered to make recommendations for alterations to the President, who may accept or reject the Commission's findings. Proposed changes must not exceed 50 per cent of the duties named in the law. No transfer from the dutiable to the free list, or vice versa, is allowed. Neither is a change in the form of duty authorized.<sup>5</sup> Changes in ad valorem rates to an American selling-price basis may in certain instances be made.

In the new act there is a provision for a reorganization of the Tariff Commission, the present members holding office until their successors are appointed but in no event longer than 90 days after the act becomes effective.<sup>6</sup> This reorganization, however, does not change the number of commissioners (six) or the rule that no more than three can be members of the same political party. The reorganization, therefore, will be one of personnel. The salary of a commissioner is raised from \$7,500 per annum to \$11,000.

The operation of the flexible provision has been a subject of considerable discussion among those who are familiar with the work of the Commission. Rate changes in a tariff law are generally proposed by business interests eager for more protection. Hearings with a view to altering duties are sometimes held at the initiative of importers or large consumers of certain raw products who are interested in lower rates.

<sup>4</sup> See H.R. 2667, In the Senate of the United States January 6 (calendar day March 24), 1930, Section 336.

<sup>5</sup> Tariff act of 1930, Section 336.

<sup>6</sup> *Ibid.*, Section 330.

But the pressure to make use of the flexible provision comes mainly from those who want increases in rates. As for the ultimate consumer—the man who buys with no business end in view—he is simply not represented.<sup>7</sup>

The influences which are most active in determining tariff changes are indicated by the relative number of changes made in rates upwards and downwards under the flexible provision of the act of 1922. From the time that law went into effect to June, 1929, the President proclaimed changes of duty at the recommendation of the Tariff Commission in 37 cases. In 32 instances rates were raised, and in only 5 were they reduced. The 5 articles whose duties were reduced were millfeeds, bran, etc.; bob-white quail; paint-brush handles; cresylic acid; and phenol.<sup>8</sup> The recommendation of the Commission that the rate on sugar be lowered was ignored by President Coolidge.<sup>9</sup> And in the new act the duty on this commodity was not only not reduced but very substantially increased.<sup>10</sup>

Such a showing is indicative of the influence which is brought to bear upon a body endowed with the power of recommending alterations in tariff rates. At the same time business conditions are changing; and if the country is to have a tariff at all, it should be one that can to some extent respond to new industrial demands. As has been pointed out, the drafting of a general tariff law is a highly complicated affair with numerous interests to be considered and harmonized. Such legislation in the very nature of the case cannot be undertaken every two or three years. Some degree of flexibility therefore is desirable. Yet the lack of any real representation on the part of the consuming public in deliberations before the Commission is a serious handicap to the impartial administration of the flexible provision. When a general tariff law is being framed by Congress the public is given considerable information as to what is taking place. When a proposed change in tariff rates is made under the flexible clause little publicity is given to the proposal until the President issues his proclamation declaring a new rate.

Mr. Hoover in signing the new tariff bill hailed the flexible clause as giving power to correct faults and end foreign protests. No tariff bill,

<sup>7</sup> Hon. D. J. Lewis, a former Tariff Commissioner, argued against the incorporation of such a provision in a tariff law mainly on this ground.

<sup>8</sup> Information furnished the writer by the Tariff Commission.

<sup>9</sup> It should be said in this instance that the Commission was divided in its recommendation, three members being in favor of reduced duties and two against such reduction. One member was disqualified from taking part in the findings because of the interest of certain relatives in sugar land property.

<sup>10</sup> In the House bill the rates on raw sugar were fixed at 3c per pound (general) and 2.4c per pound (Cuban). These duties are materially above those eventually adopted and the adopted rates higher than those in the law of 1922.

he states, is perfect.<sup>11</sup> Within the limits authorized by the flexible provision, the President and Tariff Commission could reduce many imperfections in the present law. But in the light of what has been said will they be able to function in the way desired? Dr. Klein, Assistant Secretary of Commerce, predicts success for the operation of the clause. He finds that it conforms to the spirit of the modern business age, that under the interpretation put upon it by the President it is given a generous and human aspect in our relations with other countries, and that in the determination of foreign costs and prices the procedure of the Commission is made more definite.<sup>12</sup> The crucial problem, however, of resisting an undue pressure of a host of private interests seeking protective safeguards in the absence of a practically unrepresented public, still remains.

### *The Protest of the Economists*

The tariff bill which was first drafted by the House Committee on Ways and Means went through many changes or modifications before it finally became law. As in the case of the Fordney bill eight years earlier, there was little debate on principles of international trade and general tariff policy. No clearly defined line of cleavage developed between those who favored a high tariff and those who favored a low one. The industrial or sectional interests represented were the principal influences deciding which way a Congressman or Senator would vote.

In the United States Senate, where discussion was longest, the tariff act in its final form was carried by a majority of only two. Eleven Republicans voted against it, and five Democrats, for it. The vote against the bill was in part a protest against the high rates imposed on several products; but not entirely. Some voted against it because the provision for export debentures, which had been a part of the original Senate bill and to which the President was opposed, had been eliminated, and others, for reasons unconnected with high duties.

The tariff act of 1922, which was characterized by high rates of duty, was in a measure a response to the spirit of nationalism which had become intense in this as in other countries during the closing years of the World War and the years immediately following. After its passage, this country entered into various arrangements with her former allies or associates in the world struggle for the payment of war debts, and took an active part in the settlement of the indemnity to be paid by Germany. American capital was also going abroad into various lines of foreign business. The significance of these new developments was ap-

<sup>11</sup> New York *Times*, June 16, 1930.

<sup>12</sup> New York *Times*, June 23, 1930. The Commission has at times been embarrassed, for example, in the matter of figuring into costs certain transportation charges. This matter is at least partially clarified in the new law.

parently lost to the framers of the new tariff act. Not only were the rates in this act high, but they were appreciably above those of the act of 1922.

While the law was still in process of formulation and its general character was being indicated, an appeal to Congress and to President Hoover to prevent the passage of any measure providing for an upward revision of rates was circulated among the economists of the country for signature. Over a thousand signatures were secured from teachers and professors in 179 colleges and universities. President Hoover was asked to veto the measure if Congress passed it. The grounds of the appeal, briefly stated, were the following: that further restrictive duties would raise prices and therefore the cost of living, encourage concerns with high costs to undertake production and thus subsidize waste, limit the export of both farm and manufactured products, affect injuriously American investments abroad, and operate to promote tariff wars. The wording of the appeal, though general, was sufficiently definite to indicate the operation of certain well recognized principles of international trade which are often ignored in the framing of American tariff bills.

The economists spoke only for themselves. But newspaper comment both upon the appeal and the tariff act itself showed that the economists were by no means alone in their protest. This act in providing for a general and material increase in rates over such a high tariff as that of 1922 has caused something of a shock to the public even in this classic land of protection.

The appeal of the economists was itself an object of considerable criticism. This criticism ranged all the way from the rather extravagant exclamation of Senator Shortridge of California who declared that he was "not overawed or at all disturbed by the proclamation of the college professors who never earned a dollar by the sweat of their brow by honest labor—theorists, dreamers," etc.,<sup>13</sup> to certain comments as to the effect of such an appeal on the public mind with regard to the impartiality and scientific spirit of economists.<sup>14</sup> With reference to these latter comments it is a question how far the American public has formed any impression of the impartiality and scientific spirit of economists. Assuming, however, that there is an appreciation of this spirit among the more intelligent, it is still debatable whether an attitude of aloofness with regard to economic and political questions is calculated to impress the thoughtful as being either impartial or scientific. Being impartial or scientific is not synonymous with being indifferent or adopting a negative attitude. The spirit shown by one's participation in

<sup>13</sup> *The People's Business*, June, 1930.

<sup>14</sup> The writer was present at two gatherings of persons interested in the political and social sciences where this question was raised.

public discussion or political activity is a better index of his disposition to be intellectually honest.

How a tariff law is framed and how it becomes a resultant of the pressure of numerous selfish and often conflicting interests is not a matter of guesswork on the part of persons who have had any opportunity for observing tariff procedure. How such legislation often conflicts with the best interests of the country as a whole is also a matter of common knowledge to those who have made any study of the principles governing international trade. Unless one is convinced that the present method of framing tariff laws is the best possible under the circumstances and that rates of duty must always be a resultant of the pressure of a host of selfish interests, he can hardly afford to remain a silent spectator. Nor should such silence be dignified with the characterization of "scientific."

Whatever may be said of the beneficence or harmfulness of high protection in the past, commercial relationships so far as the United States is concerned, have been undergoing a marked change during the last two or three decades. The World War simply accelerated this change. Industrial or commercial relationships with foreign countries have multiplied and have become increasingly involved. These relationships, represented by large exporting, importing and financial interests, will inevitably work for a change in tariff policy. American public opinion is still largely national-minded, while economic interests are becoming more and more international in scope. Our mental attitude therefore will sooner or later experience a change in accordance with economic influences. It is very hazardous to make predictions with reference to future tariff laws. But the transformation indicated seems to the writer a probable influence making for lower tariffs in the future. If this guess on the part of the writer—and it is little more—is correct, the tariff act of 1930 will mark the apex or culminating point of protection in this country.

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