

Also, petition of H. L. Berger and 22 others, of Muncy, Pa., for removal of duty on hides—to the Committee on Ways and Means.

Also, petition of Local Union No. 929, United Mine Workers of America, of Oglesby, Ill., against decision of Judge Wright in relation to Samuel Gompers, Mitchell, and Morrison—to the Committee on the Judiciary.

Also, petition of Schwarzenbach Brewing Company, of Galeton, Pa., for removal of duty from Canadian barley—to the Committee on Ways and Means.

By Mr. WOOD of New Jersey: Petition of Mercer County Local Socialist party, of Trenton, N. J., for abrogation of treaty with Russia—to the Committee on Foreign Affairs.

Also, petition of Trenton (N. J.) Lodge, No. 105, Benevolent and Protective Order of Elks, for a reserve in Wyoming for the American elk—to the Committee on the Public Lands.

Also, petition of citizens of Clinton, N. J., against parcels-post and postal savings bank legislation—to the Committee on the Post-Office and Post-Roads.

## HOUSE OF REPRESENTATIVES.

TUESDAY, March 30, 1909.

The House met at 10 o'clock a. m., and was called to order by Mr. Browning, its Chief Clerk, who read the following letter:

I hereby designate Hon. JAMES B. PERKINS, of New York, as Speaker pro tempore.

J. G. CANNON, Speaker.

### SPEAKER'S ROOM.

Mr. PERKINS assumed the chair as Speaker pro tempore and called the House to order.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of yesterday was read and approved.

### THE TARIFF.

Mr. PAYNE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438, the tariff bill, Mr. OLMSTED in the chair.

The CHAIRMAN. The Chair will state that the gentleman from Georgia [Mr. BARTLETT] expected to be heard this morning, but is unable to be present. The Chair will, for the convenience of Members, state he will recognize first the gentleman from Ohio [Mr. Cox] for thirty minutes, then the gentleman from Georgia [Mr. HUGHES] for thirty minutes, then Mr. BATES, followed by Mr. VREELAND, of New York. The gentleman from Ohio [Mr. Cox] is recognized for thirty minutes.

Mr. COX of Ohio. Mr. Chairman, in going into a discussion of this subject I speak as the representative of a district which not only produces but exports more manufactured goods than any district in America. The third Ohio district within its history, in the persons of Gen. Robert Schenck and Lewis D. Campbell, has twice supplied the chairman of the Ways and Means Committee, a distinction enjoyed by no other district; so that beyond commercial considerations it has always taken a keen interest in the affairs of the tariff. I believe it is entirely worthy of remark that this industrial center has not been a part of the attempted misrepresentations in the tariff hearings before the Committee on Ways and Means. I am sure that I speak entirely within the truth when I assert that not one manufacturer from this very important industrial scene has asked for a schedule or a set of schedules in his own behalf at the expense of the great American consumer. Our vast industrial concerns not only feel secure against foreign invasion, but, gentlemen, they stand ready to beat any foreign competitor upon his own soil if this Government will give them half a chance. The reason for this primarily is that we have reached an uncommon development in the manufacturing art, and inasmuch as it is fair to assume that newer industrial centers will in time attain this same status, then it is entirely proper that certain of our conditions as affected by the tariff should be cited as a warning to every industrial community in this country. I desire, therefore, to ask the Clerk to read the following letter.

The Clerk read as follows:

THE DAVIS SEWING MACHINE COMPANY,  
Dayton, Ohio, U. S. A., March 25, 1909.

Hon. JAMES M. COX,  
House of Representatives, Washington, D. C.

DEAR SIR: In reply to your telegram, we beg leave to advise you that on account of Germany working under the most-favored-nation clause with other foreign countries, that country is in a better position to

manufacture and ship sewing machines and bicycles into Russia, France, and the other continental countries at about one-half the tariff that is imposed upon the American products in this line.

If your honorable body could see its way clear to reduce the tariff on sewing machines and bicycles to about 20 per cent, instead of 45 per cent, we would then be in a position where our foreign trade could go to their countries and ask for a reduction on American-made products in this line. Otherwise, we are going to be compelled to give up our foreign business entirely or establish factories in Germany and Russia, and possibly France. If we do this, it will decrease our working force in this country over one-third, and eventually probably one-half, as we are making strenuous efforts to build up a large foreign trade, and if our Government is not going to stand back of us and help us to take care of it, by putting us in as good a position as Germany is in, we are going to be forced to do one of the above-mentioned things. We have been urgently solicited for the past five years by our customers in France and Germany to establish a factory in those countries, and we have had under consideration the building of a factory in Germany, but have lived in hopes that our Government would do something to relieve the situation; consequently, we have been waiting to see what would be done by the present administration. By building a factory in Germany we can reach the other countries on the same basis that our competitors are reaching them, and that would relieve the situation just that much.

The Singer Sewing Machine Company have established factories in Canada, England, Germany, and Russia, much to the detriment of the workmen of this country, which would all have been obviated had we been doing business with the other countries as one of the most favored nations.

Thanking you for taking up this question with us, and hoping that you will be able to induce your co-Members to relieve this situation, we beg to remain,

Yours, very respectfully,

THE DAVIS SEWING MACHINE CO.,  
F. T. HUFFMAN, President.

Mr. COX of Ohio. Gentlemen, that concern employs 3,000 skilled workmen. It turns out 600 sewing machines and 200 bicycles every day, and it is the largest independent sewing-machine factory in the world, and likewise the largest independent bicycle concern in the world. This factory has asked the Committee on Ways and Means to reduce the tariff on its finished products—sewing machines and bicycles—but the request has not been heeded. And now I ask, not in defiance, but in most respectful inquiry of the framers and the advocates of this bill, that they point out a single provision within it which will reach this very situation described in that letter, namely, that under the present intolerable conditions of the prohibitory tariff they will be compelled to establish factories abroad, and thus divide and disintegrate this large industrial concern in Ohio. You have in the construction of this bill abrogated the right to make trade agreements. The State Department has the inherent right under the Constitution to make treaties; but if a reciprocity treaty disturbs a single tariff schedule, then it must come to Congress. You have insisted that your minimum and your maximum arrangement would so regulate the industrial affairs as between this country and foreign countries as would well conserve our industrial institutions. I now ask you to show me wherein your maximum and minimum arrangement will provide for the very situation which is so eloquently pointed out by this large industrial concern from the Miami Valley, in Ohio.

If it fails in this, then is it not entirely fair to assume that it is absolutely impractical? Gentlemen, you from the districts of vested interests, which know nothing of the wide commerce of the world, will understand within a very few years that your maximum and minimum arrangement is not worth the paper that it is written on. [Applause on the Democratic side.] If it fails in this, it will fail generally, because in the large affairs of commerce this is bound to be a very common occurrence. You are going to find that in matters of world-wide industry there must be brought to the situation the human agency of negotiation and compromise. An "automatic," mechanical legislative device will not reach. And in this connection I want to read from another large concern in our part of the country—the Computing Scale Company, of Dayton—the following:

Our product is not greatly affected by an import tariff. I refer now to the finished product. It is, however, somewhat affected by import duty on raw material of several kinds, and with two exceptions this import duty cuts little figure, either one way or the other, in our product.

The writer, who has personally conducted the extension of our trade into all foreign countries, has been forced to the conclusion that the high-tariff wall surrounding our own country has been considered a very important factor to be overcome by the officials whose duty it was to consider the acceptance of our goods in those countries. I think the same condition exists, in a great measure, with respect to many food products that are imported into foreign countries. This prejudice, however, we have not found to extend to the tradesmen generally; it might occasionally, but not to a sufficient amount to consider at all seriously.

That is to say, the fact that our country has the reputation in all countries abroad of being one of high protection, and in many instances a prohibitive tariff, creates, according to my observation, a prejudice against us, and where it is possible to do so prevents the introduction of American goods into those countries. It matters not so much the particular kind of goods, or the tariff having a bearing

on such particular kind of goods, but it is the general reputation of the high-tariff wall that appears to me to be in the minds of such officials in their effort to prevent the importation of American goods, as far as it is within their power to prevent it, into their country.

This concern, gentlemen, works close to 1,000 men, and by reason of their ingenuity and the concern having developed a high-class system of salesmanship, it has been introducing its wares in all parts of the world. These two plants are in the busiest industrial center on earth, covering acres of ground, and they represent vast sums in investment besides the welfare of thousands of human units in our industrial life.

And now I ask the gentlemen on that side of the Chamber what becomes of your protection to American capital and to American workmen? In working out the problem which has been disclosed by these two letters, we will find that the tariff question after all resolves itself into the simple plan described and advocated by Thomas Jefferson himself, that we should receive into our country upon the most advantageous terms possible the products which we need from abroad, and those foreign countries should give a like concession with respect to American products which have a market in those parts.

Now, approaching the tariff bill proper—and I can assure this House, which I presume is much wearied already by tariff debate, that I do not intend an academic discussion of this subject—let us briefly view the situation. In reading the tariff platforms of the Republican party from 1884 until 1904, twenty years, you do not find the word "revenue" forming a part of a party pledge, promise, or creed. The ringing note is protection. Now we find our Republican friends coming into this House and reporting a tariff scheme in which the dominant idea is revenue. We have only to read the speech of the gentleman from New York [Mr. PAYNE] himself to clearly see that the feature of revenue is dominant in his mind. In fact, gentlemen, after sitting here and listening to the speeches from the other side of the Chamber for many days, I have not yet heard one nursery yarn or rhyme about infant industries. [Applause on the Democratic side.] Here is what Chairman PAYNE has to say on revenue, and I believe it clearly indicates that we need the money badly:

The time has come to hunt for more revenue in a tariff bill.

Further along he says:

The question of revenue in this bill is a very serious matter.

Then, in discussing the glove schedule, the gentleman from New York said:

We need the revenue now.

Mr. JAMES. That is the reason they raised the tariff on gloves, I imagine?

Mr. COX of Ohio. Yes, sir. Is it any wonder, gentlemen, in the face of this declaration by the chairman of the Ways and Means Committee, that that wise old gentleman from the Northwest, "Jim" Hill, should say in the dispatches this morning in reply to a reportorial inquiry as to when we would have a recovery of industrial conditions—

One of the great things that hangs over the country is the enormous federal expenditure.

I inquire now, gentlemen, whether in this change of front from protection to revenue some unseemly happening has not intervened, some great emergency has not appeared? Explanation seems to be afforded by the circumstance of a deficiency of \$150,000,000 in the present fiscal affairs of the Government; a continuity of wild finance which has gone on now for several years, and which has compelled the word "revenue" to become the ruling phrase in the language of the Republican party. For the four years ending 1908 our Government has spent \$35,000,000 more than it cost to carry on the four years of civil war; and for the four years ending 1905, \$235,000,000 more than in the previous four years, during which the Spanish war was fought. Is it any wonder, gentlemen, that in the face of this situation our friends have been driven beyond the method of collecting money by customs duties and internal revenue to another and a new form of federal revenue known as the "inheritance tax?"

This device in 33 States will bring about a double system of taxation. Let us inquire whether the gentlemen on the other side of the Chamber have come to it as an ethical measure or one of necessity. I believe that the words of the gentleman from New York [Mr. PAYNE] himself are sufficient:

We believe this the best method of collecting this amount of money—\$20,000,000.

So when our Republican friends take the stump and insist that they have come to the inheritance-tax idea because it is ethical and right, the words of Chairman PAYNE himself will show that they adopt it under the stress of sheer necessity. Then we observe the chairman of the Ways and Means Com-

mittee making the monstrous statement that in making up an exhibit of the present financial affairs of the Government there is no necessity for counting the \$60,000,000 charged off for the sinking fund as part of our current expenses. I submit to the Members of this House and to the American people whether this radical departure from common business form and prudence does not clearly index the state of the fiscal affairs of this Government. There is not a private enterprise on the face of the earth which could issue and sell its bonds without a sinking fund. I do not believe the Standard Oil Company could sell its bonds to American investors if a sinking fund were not provided.

Then the gentleman, in discussing the Panama Canal, stated:

It has been built for the ages, and the generations to come should pay for it.

If that be true, gentlemen—and I have no disposition to question that theory—then I ask how the gentleman from New York [Mr. PAYNE] justifies our present delinquency in meeting the bonds of past generations? About the same time I read in a New York paper a statement from another member of the Ways and Means Committee [Mr. BOUTELL], in which he says:

There is no necessity in computing our present expenses to take into account this \$60,000,000. It is necessary to have a large interest-bearing debt to take care of the banking interests of the country.

I have no doubt that the bankers of our country will be both interested and surprised to know that they can only keep going forward by the Government going backward, and that their growth and development are contingent entirely upon the Government spending more than its income. Gentlemen, if the Government were a private enterprise and conducted its affairs with such radical disregard for the rules of common business sense, it would have been in the hands of a receiver long ago. [Laughter and applause.]

Before leaving the question of party platforms, I want to have just a word to say about the enunciation of 1884, because that is a circumstance of history that deserves to be written in letters of gold on the front of this Capitol; in that instance the Republican leaders in Congress kept a campaign pledge. It stated its purpose in these words:

We will revise the inequalities in the tariff and reduce the surplus.

Now, gentlemen, that solemn covenant was kept as between them and the American people; and they more than kept their promise; because no sooner were they in office than they not only reduced the surplus, but they wiped it out of existence.

[Laughter and applause on the Democratic side.] Then there is another anecdote of history to which the gentleman from New York himself adverted. In the brief time allotted to the distinguished gentleman from New York, naturally a good many things were omitted. [Laughter.] He told you that "When we framed the McKinley bill we had a surplus, and it was unnecessary to put a tax upon sugar." I know that it is an inadvertence entirely which accounts for the failure of the gentleman to say to this House that this surplus was given to the Republicans by the Democratic administration of Grover Cleveland. [Applause.] By the way, it was the largest surplus in history.

Now, there are other propositions besides the tariff for revenue, upon which the parties have agreed by the Republicans changing front. A good many years ago that magnificent old statesman, the old Roman, Allen G. Thurman, of Ohio, made the statement that "the tariff is a tax," and his political opponents insisted that he was crazy. It was their contention that "the foreigner pays the tax." I ask whether it is not significant that this old worn-out, threadbare phrase has not been stalking about these floors for the last ten or twelve days? [Laughter and applause.] But we are all gratified that both parties have agreed that "the tariff is a tax," because the people can clearly understand that under the stupendous expenses of the Government it is they, by direct, indirect, and insidious taxes, who are paying the bills, and the matter of responsibility can be very clearly and distinctly placed. [Applause on the Democratic side.]

Leaving the feature of revenue and coming to that of revision, we find that the Republican declaration in behalf of this latter principle is also due to a remarkable change in affairs. For years our Republican friends adhered, without qualification or reserve, to the idea of protection, and as years went on they did not even advance logic in support of that attitude, the American people simply being advised that they meant to stand pat. Now, if we go into the meaning of this very polite expression and endeavor to ascertain from those who know something about the game we are told that the man who stands pat has the means within his hands to do as he pleases.

A MEMBER. Not always.



Mr. COX of Ohio. If we further follow the thread of information, we are told that the man who continuously stands pat has something to do with the deal. [Laughter.] As the gentleman from Missouri [Mr. CLARK] said the other day, the Republican leaders and the Republican convention were so thoroughly alarmed by the state of public temper that they promised a revision, and that they clearly understand the exact feeling of the American people is evidenced by this excerpt from the report of the majority members of the Committee on Ways and Means:

In the formation of the bill the committee has had no easy task. There has been a popular demand, more or less widespread, for a general cutting of rates.

So, then, gentlemen, our Republican friends, on pretense, are for revision, and we will accept this bill as their conception of what tariff revision is; such a revision as conditions warrant and public opinion demands. If the bill fails in this requirement, then the Republicans may very properly be charged either with bad faith or incompetency, and the slogan can no longer be "The tariff must be revised by its friends," but it must be revised by the only party which, on promise and pretense, has always been for a revision downward. [Applause on the Democratic side.]

The Democracy under the present circumstances is the great political party of opposition; but in the present instance I sincerely hope that it will not be a party of obstruction, and there does not seem to be any indication of that spirit. I trust that by respectful and vigorous contention and debate, but not by filibuster, it will seek to procure the adoption of the following amendments:

First. Free coffee, without any countervailing duty.

Second. Free tea.

Third. Free boots and shoes, as well as free hides.

Fourth. Free lumber.

Fifth. The repeal of the preferential duty on refined sugar.

Sixth. The repeal of the countervailing duty on oil.

Seventh. A constitutional income tax.

Eighth. Free zinc.

Ninth. Such a reduction on woolen goods, blankets, and so forth, as will wipe out a prohibition of exports, thus supplying revenue and bringing the cost of clothing down to equitable prices.

If to these amendments could be joined schedules for the primary purpose of revenue, it could be so distributed as to accomplish three things:

First. Provide a sufficient differential in the labor cost at home and abroad.

Second. Wipe out prohibitory features.

Third. Apportion in an equitable way the burdens of taxation.

By so doing, gentlemen, we will have shown due, proper, and humane consideration for the great masses of the working people at home, who have neither the means nor the opportunity to come here and maintain a lobby, to give lavish banquets, or to maintain the expense of a systematic propaganda in their interest. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Missouri. I ask unanimous consent that the gentleman have fifteen minutes more.

The CHAIRMAN. The Chair will state that that is not necessary. Under the rule, a gentleman obtaining the floor is strictly entitled to an hour, but the Chair has been able to recognize gentlemen who stated that they desired a shorter time. The gentleman is recognized for fifteen minutes more.

Mr. COX of Ohio. If we fail, gentlemen, in our endeavors to accomplish these things, then I say that this scheme of finance and economics should be submitted to the American people at the earliest possible opportunity, and that it then be given a practical demonstration. The administration of President Taft will then have been regularly begun. There is a good measure of belief that his policies will be contrary to those of the Republican leaders. Public opinion in the future, based upon the results and operation of this bill, will either be confirmatory of that idea or it will be apparent that the administration, with Theodore Roosevelt far away in the fastnesses of Africa, has drifted back again to the old beaten paths of the Republican party. And the moment that becomes apparent the campaign preliminary to the Sixty-second Congress will have begun, and without formality. The gentlemen on the other side of the Chamber must not be surprised if it opens about the breakfast tables in millions of American homes, which will be the scene not only of discussion, but firm resolves as to the future.

In fact, you are apt to observe the strongest tempest that ever came from a teapot or a coffee pot. [Laughter.] I believe that the prevalent opinion in our part of the country is

that our Nation will not take rank commensurate with its opportunities until we adopt a more practical way of making tariff measures; and yet we must all admit that every member of the present Committee on Ways and Means has won the everlasting gratitude of the American people. It has adduced information that is an invaluable contribution to the economic literature of the time, and yet who will deny that it is full of misinformation?

The gentleman from Missouri [Mr. CLARK] has pointed out some very humorous items of misrepresentation. In going through the hearings I have found a couple of very entertaining contributions to the history of the times myself. We find one iron man who admitted that he was worth \$4,000,000. Mr. CLARK asked him how he made the money, and he said in the quiet pursuits of a farmer. [Laughter.] It would have been just as credible if he had stated that he had availed himself of the wonderful opportunities afforded by the free list of the Dingley bill, and that he had imported acorns, grown forests, and got rich in the lumber business. [Laughter and applause on the Democratic side.]

I want to call attention to another witness whose testimony has not been given on this floor. He appeared as the representative of the roller bearing companies. Notwithstanding the duty is now 50 per cent, this gentleman asked for 10 per cent more. On this subject he said:

The following list gives the prices at which the bearings are being sold in England and Germany and at which they are being sold in the United States, the article in each case being identically the same shape, size, weight, design, material used, and construction, and alike in every particular:

|                        | England. | Germany. | United States. |
|------------------------|----------|----------|----------------|
| Price of bearings..... | \$1.44   | \$1.50   | \$2.25         |
| Do.....                | 1.88     | 1.44     | 2.13           |
| Do.....                | 1.62     | 1.68     | 2.49           |
| Do.....                | 2.04     | 1.96     | 2.92           |
| Do.....                | 3.84     | 3.84     | 5.76           |

He then made two remarkable statements: That if tariff conditions caused the slightest reduction in prices, his concern would go out of business; and, second, that if the import duty was not satisfactory he would cut the wages of his men—the same old bluff. If to the table this witness submits you add the present duty of 50 per cent on the foreign articles, you have these figures of selling prices on English, German, and American goods:

|                        | England. | Germany. | United States. |
|------------------------|----------|----------|----------------|
| Price of bearings..... | \$2.16   | \$2.25   | \$2.25         |
| Do.....                | 2.07     | 2.16     | 2.13           |
| Do.....                | 2.43     | 2.52     | 2.49           |
| Do.....                | 3.06     | 2.94     | 2.92           |
| Do.....                | 5.70     | 5.76     | 5.76           |

Note how ingeniously it works out and how closely the American and foreign prices have been brought together. Now, for the truth. I have in my hand the prices at which a large automobile concern buys American and foreign ball bearings. Here are the figures on different sizes:

|                        | American. | Foreign. |
|------------------------|-----------|----------|
| Price of bearings..... | \$1.17    | \$1.90   |
| Do.....                | 1.33      | 2.10     |
| Do.....                | 2.20      | 3.60     |
| Do.....                | 1.78      | 2.76     |
| Do.....                | 3.70      | 5.80     |
| Do.....                | 3.37      | 5.50     |

In the table which the witness presents there is worked out an average difference in selling price on each bearing of 1½ cents. As a matter of fact, he is deriving from the authentic table made from the prices of the American manufacturer which I have quoted a differential in sale of almost \$1 per bearing, or, to be exact, the difference between \$3.11, the foreign average, and \$2.26, the American average.

In this morning's Washington Post a gentleman calls attention to the fact that manufacturers of hosiery before the hearing, even though they live in the same city, could not agree within 50 per cent as to what they pay for labor in this industry.

Now, gentlemen, I ask you how you can account for these radical departures from the truth except upon the theory that

the prohibitory tariff inspires such a lust for gain and gold that these men come here and swear their souls down to the very gates of hell in order to gain a government license to rob the American people. [Applause on the Democratic side.]

But, after all, this testimony has served its purpose, because it shows the travesty of the present method of making a tariff bill. The point is this: Should men like Mr. CLARK and the gentleman from New York [Mr. PAYNE], with their talents for and training in statesmanship, be compelled to make of themselves a sort of combination public prosecutor and detective and put these capitalists through the sweating process in order to get the truth? The gentleman from Missouri [Mr. CLARK] has stated that the Members worked like galley slaves and doubtless shortened their lives in so doing, and this calls attention to a statement made by a United States Senator that at least three Senators shortened their lives because of the arduous duties imposed upon the Senate Committee on Finance when the Wilson-Gorman bill was in hearing.

Here is a more humane plan for tariff building and more practical. Let the Bureau of Statistics be enlarged in size, scope, and operation. Let it arbitrarily be made nonpartisan. Let it collect data, bearing on costs, wages, and all economic information to be derived in every part of the commercial world. Bulletins can be published much the same as the Department of Agriculture now operates; but it must be definitely understood that these bulletins will relate to facts and not conclusions. Then, and not until then, will we have the truth with reference to those conditions upon which a tariff bill must be based. The objections in Congress to a tariff commission seem to be that, like some commissions, it would be agitative, because it might be prone to deal in conclusions, which are always more or less a part of human prejudice. The bureau plan would perform all the functions and purposes of a tariff commission and not raise the objections. That President Roosevelt had in mind just such a plan as this is clearly shown by his message to Congress of March 25, 1908, when he suggested that experts and statisticians be put to work at once in collecting and putting together such information as could be procured all over the world, and which would be of interest in the making of a tariff law. These agencies were in operation less than a year. The Committee on Ways and Means is unanimous in its opinion that its work was invaluable. That being true, how infinitely more useful it could be operating as a permanent thing. Let us take as a concrete case the Davis Sewing Machine Company situation, whose letter has been read by the Clerk, and show how this plan would work out. The Ohio manufacturer would lodge his complaint, if that figure of speech be permitted, with the Committee on Ways and Means. That committee could then call upon the Bureau of Statistics for all information bearing on the case and, in fact, ascertain by negotiation what would be necessary to gain the desired end.

The whole matter could then be referred back to the Committee on Ways and Means for action. As a matter of fact, by the humane instrumentalities of negotiation more work could be done in two months than will accrue from a whole year's application of the maximum and minimum arrangement carried by this bill. The higher development of commerce must depend upon our working out the subtleties of trade, the science of commerce, the creating of trade relations between this and other countries.

The theory that a tariff law once enacted must not be touched for ten or twelve years is a form of fetish that does not do credit to the intelligence of the Nation. Nor does it seem right that a committee as important in relation to the vital interests of the people should, approximately speaking, have nothing to do but once in a decade. Its doors should always be open. If our business organism can not stand slight changes in tariff policy occasionally, such as the evolutions of time suggest, then we must be on very weak ground.

That the tariff conditions of the past and the present have not been conducive to world-wide trade is clearly shown by another statement of Chairman PAYNE, when, in the eloquent close of his address, he said in these words:

I believe this tariff bill will open up the ports of other countries.

Manifestly the ports of the world have not been open under present tariff conditions, and I believe there is grave doubt about the Payne bill being expansive in its trade tendencies. That America is not to-day exporting more than 3 per cent of what she manufactures is not due to a lack of individual enterprise, but to the restrictive elements of a prohibitory tariff.

In closing, I insist that from the view point of the great industrial centers of the Middle West, where our concerns sell their products all over the world, it is plain that every element combines for our supremacy. By geographical construction we

extend from as far north as Moscow to the latitude south of Damascus and Sahara, with all the diversified climates common to that wide range of territory, attracting the strongest blood of the best nations of all the world, and working out that composite being, the ideal American. Joined to that we have the richest of necessary minerals and ample food products to feed the world; and lying midway between the Occident on the east and the Orient on the west, this commercial giant, this American Nation, needs only the fetters broken that it may conquer the markets of the world, and with that supremacy carry our great works of civilization. [Applause on the Democratic side.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. STERLING].

Mr. STERLING. Mr. Chairman, I have long thought that the duty on hides under the Dingley tariff was of great benefit to the American farmer. I entertained that opinion when this discussion began. I have listened with a great deal of diligence to all that has been said in support of that provision of the bill which puts hides on the free list to ascertain, if possible, whether or not there was any reason for this action of the committee. I listened to the gentleman from New York [Mr. PAYNE] on that question and to the gentleman from Indiana [Mr. CRUMPACKER] and to the gentleman from Massachusetts [Mr. GARDNER]. I have heard the suggestions of the gentleman from Wisconsin [Mr. WEISSE], who, as I understand it, is a tanner and who presumably knows a great deal about the hide business, and I submit that unto the present time I have not heard one single suggestion that justifies the action of the committee in taking hides off the dutiable list and admitting them into our markets free.

Mr. WEISSE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. STERLING. I will.

Mr. WEISSE. I will try to enlighten the gentleman on this matter if he will give me about five minutes' time, and take it out of our time.

Mr. STERLING. No; the gentleman can not take it out of my time.

Mr. WEISSE. I just wish to ask the gentleman a question. Does the gentleman believe in protecting American labor?

Mr. STERLING. I do believe in protecting American labor, and I will say to the gentleman this: That there is as great a per cent in the value of every cattle hide produced in the corn belt of this country as in almost any other manufactured article produced in the United States. [Applause.]

Mr. WEISSE. If the gentleman will allow me another question?

Mr. STERLING. Yes.

Mr. WEISSE. By taxing hides 15 per cent you keep the foreign hides out of the American market, out of the hands of the tanner and the shoe manufacturer, and you force those hides over to England, where they are tanned. This 15 per cent discriminates against the American tanner and the leather manufacturer. One dollar's worth of hide will produce \$5 worth of leather, \$1.50 of which goes to labor, \$3 for other raw material. All of this is lost by this prohibitory tax of 15 per cent.

Mr. STERLING. That may be true, but the trouble with this bill is that it does not remedy that situation. The gentleman's proposition is that instead of the tanner losing the \$5, he proposes to have the farmer lose it.

Mr. WEISSE. Oh, I beg the gentleman's pardon.

Mr. STERLING. That is what every Member that represents an agricultural district ought to stand against.

Mr. WEISSE. Mr. Chairman, I did not say that the tanner lost \$5. The gentleman misconstrues my statement. I said the 15 per cent keeps out \$5 worth of manufactured products which might be made in this country. Why not let the hides in free?

Mr. STERLING. Mr. Chairman, that is the purpose of the tariff on hides. It ought to keep out the foreign product to some extent. That is the purpose of every protective tariff. The gentleman's proposition is to open the flood gates and let in the cheaper hides from South America and other countries, and the American farmer is the man who must suffer. I realize that in taking this position I take the risk of being styled by the gentleman from New York [Mr. PAYNE] a "demagogue," according to his utterance when he made his address the other day; but I submit there was not a farmer, there was not a representative of the farmers before the Ways and Means Committee during all the time they had this bill under consideration. There was not anyone there to speak for the farmer; and if the Members on the floor of this House who represent agricultural districts do not speak for him and look after his interests—and there seem to be plenty here to look out for the interests of the tan-



ners and the packers and the shoemakers—then who will speak for the farmer?

Now, there has been some suggestion made here to the effect that the Dingley tariff bill has not worked successfully or satisfactorily in all instances. The gentleman from New York suggested that hides coming from South America did not come here in the raw form—they went to England, were tanned there, and came over here as manufactured leather, which went on the American market to the detriment of the American tanners. This bill does not cure that defect in the law. What have they done? They have not only taken the duty off hides, but they have practically taken the duty off leather, so that this bill will not remedy that situation. The hides will still go to Europe, although they may come into our ports free, and they will be tanned there just as they have been, and then they will come to the American market and come in free in the form of free leather, so that the situation will not be changed a particle. The way to remedy that situation, if it is a defect, is to raise the duty on leather so that the hides will come here in the first instance and will not be tanned in Europe, but will come here in the form of rawhides, and give to the American tanner an opportunity to do the work and the American laborers the benefit of tanning the hides which we use in our markets.

Hides, however, from South America do not go to Europe to be tanned on account of the Dingley tariff so much as for another reason. Hides from the Argentine intended for the American market go first to Europe because the ships go that way, and they simply stop in transit, are tanned in Europe because of the cheaper labor there, and then continue to the American markets, the importers of these hides preferring to pay the American duty on tanned leather rather than on the raw hides. If we had American ships between the ports of South America and the ports of the United States, the hides and other exports from that country intended for the American market would come direct here. We are offered these two remedies for relief under the Dingley law—either raise the duty on leather or establish a line of American ships between our ports and South America.

Another gentleman suggests, and I think it was the gentleman from Wisconsin, that under the present method foreign hides come in free and are tanned and then sent out again and draw from the Treasury of the United States the tariff that they had already paid. Well, by that method we get some benefit. We get the benefit of having American labor tan the hides, and if we are not satisfied with that, this bill will not remedy it. Let us refuse to return the duty which these hides paid on entering our market, and keep it in the Treasury of the United States, and then increase, if necessary, the duty on leather; that will give the American tanner an equal chance with the tanners of other countries.

Another fault has been found with the Dingley bill that this bill does not remedy. It is said that the hides of cattle which go abroad, that are exported to foreign countries, must pay a duty when they return to the United States. I think that this is a mooted question. I think it has not been decided as to whether they should pay a duty or not; but if so, it is easy enough to remedy the Dingley bill by providing in this bill that when cattle go abroad and the hides are returned to our market that they may come in free. That would be a benefit to the exporters of American cattle. These gentlemen have tried to give solace to the American farmer by saying that when the tariff has been taken off hides he can buy his shoes and his harness cheaper than he could before; that this is his compensation for giving up the protection which he now has on the hides which he produces. It is a fundamental principle of protection that the man who produces the raw material is benefited by a duty on the article manufactured from that raw material.

A duty on boots and shoes is of benefit to the man who produces hides; a duty on leather is of benefit to the man who produces hides, and you say here, to compensate the farmer, that you have reduced the duty on shoes 40 per cent; that you have reduced it from 25 to 15 per cent. I say when you have done that you have hit the American farmer. You have reduced the duty on leather from 20 to 5 per cent, and when you do that you hit the American farmer. Then, again, you take the tariff off of hides entirely, so that he can not protect himself against the foreign importer of raw hides nor against the men who tan the hides in this country nor against the manufacturer of boots and shoes. You take the duty off boots and shoes to reduce the value of the products of the manufacturer. He presses down the price which he pays to the tanner. You take the duty off leather, and the tanner presses down the price which he pays to the producer of raw hides, and all along the line of this ques-

tion of hides and leather and the manufacture of hides and leather the American farmer is receiving the worst of it. I submit that it is not a fair and equitable bill for him. Why, the gentleman from New York said the other day that the American farmer had prospered.

It is true that he has and he is prospering by reason of the protection to a large extent that he receives under the Dingley bill, but is he not entitled to a share of the prosperity which the country enjoys? Everybody has been prosperous. Almost every industry in the United States has done well in the last twelve years, and the farmer is not complaining, because he realizes the fact that he has enjoyed his due share of the prosperity. He is entitled to it; and I submit it is not right now that we, in undertaking to frame legislation that will help the industries of the country, single out the agricultural industry, the greatest of them all in all the land, and let it suffer and let the others prosper at its expense.

Mr. COX of Indiana. Will the gentleman yield for a question?

Mr. STERLING. Yes.

Mr. COX of Indiana. I quite agree with the gentleman as to the injustice apparently done to the farmer along this line, but let me put this inquiry: Under section 29, what is known as the "drawback section" of the statute, which enables the manufacturers of this country under the drawback provision to get free materials with which to manufacture goods, provided he exports those goods, does not the gentleman believe that that is a discrimination in the interest of the foreign farmer against the interest of the home farmer, when the same manufacturer is compelled to buy the material out of which he manufactures the farmer's products, in a high protected market in this country?

Mr. STERLING. Well, now, I do not know that I understand the gentleman's question. I do say this: It has been suggested here by some of these gentlemen who seem to be very much concerned about maintaining free hides in this bill that hides have gone up since this bill was reported into the House. One gentleman suggested—intimated, at least—that it was this proposition to assault the raw hides industry of the country that causes this increase in the value of hides. It may be true that hides have gone up, but the reason of that is simply this, that the importer of hides is waiting until the flood gates are opened by this bill. The importer of hides is stacking them up now just outside the line. When this bill is passed these American hides will not be higher on the market than they are now. They will go down and down and down when that flood of foreign hides comes in, and the American farmer must inevitably suffer from it.

Mr. COX of Indiana. Will the gentleman yield for one more question?

Mr. STERLING. If the gentleman will be brief about it.

Mr. COX of Indiana. Is it a fact that calfskins went up when they were placed on the free list, instead of down?

Mr. STERLING. There may be two reasons for that. Now, I am agreeing that the gentleman from Wisconsin [Mr. WEISSE] was correct when he said that calfskins went up faster than cattle skins, and calfskins are on the free list. Why? In the first place, the value of the full-grown steer, the value of the full-grown dairy cow, determines the value of the calf, and calves are higher, of course, when the grown animal is worth more on the market. And then there is another reason why calfskins went up along with cattle skins, and that is this: That when cattle skins are high, when leather made from cattle skins is high, calfskins can be used economically in many places, and that produces a greater demand for calfskins. The tariff on cattle hides helps the farmer all along the line. It helps to make a market for all animal hides which the farmer produces.

It is not sufficient to justify this attack on the hide industry of this country to say that the cattle grower gets no benefit from the tariff on hides. Why is not the influence of a duty on hides the same as it is on any other American product? Hides are the finished product of the cattle grower; and if the duty on them hinders the foreign product from entering our markets, he is benefited to that degree. The benefits which he derives from this protection can be measured in the same way as the benefits of protection to any other article. It will not be denied that under the Dingley tariff bill the prices of hides have generally been better, steadier, and firmer than they were under free trade.

Here is a transaction which occurred some weeks ago at the Union Stock Yards at Chicago, which I think is conclusive of the fact that when cattle are sold on the hoof the hides are figured by the purchaser as a very important factor in the transaction. Among a carload of fat steers which reached the market was one that had been injured on the head and as a

live animal could not pass inspection. The steer was slaughtered and a post-mortem examination made, and the state veterinarian pronounced the meat good, and the animal was sold in the butchered state on the market, in the same market, too, in which the rest of the carload was sold. The following is the statement of the account:

CHICAGO LIVE STOCK EXCHANGE,  
OFFICE OF THE SECRETARY,  
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on October 23, 1908.

Owner, Lee L. S. Com. Co.  
Sold to M. C. Dea.

Tag No. 8.

| CREDIT.  |         |
|--|---------|
| By four quarters of beef, 765 pounds, at \$6.50.....             | \$49.72 |
| By butter stock, 38 pounds, at \$8.55.....                       | 3.25    |
| Hide, 79 pounds, at \$11.38.....                                 | 8.99    |
| By head, tongue, etc.....  | .60     |
|  | 62.56   |
| DEBIT.   |         |
| To slaughtering, dressing, chilling, and delivering carcass..... | \$0.97  |
| To feed and petty incidental expenses.....                       | 1.18    |
|  | 2.15    |
| Net proceeds.....  | 60.41   |

RADCLIFFE BROTHERS, Dealer, Kans.

This shows that the hide brought \$8.99, nearly one-fifth as much as the four quarters brought and more than one-seventh of the entire value of the steer. How can it be said that the hide of this animal would not have figured as a very important element in his value if he had been sold on hoof? The farmer would have realized just as much for the hide of this animal if he had been sold alive as when butchered. He realized just as much from the hides of the other animals which he sold as he realized from this one.

The purpose of our forefathers in establishing protection to American industries was to create a market for the products of the American farm and garden by building up manufacturing industries. It was not thought necessary then to impose a tariff duty on agricultural products, and they were on the free list until 1861. A duty was imposed on them then as a war measure and, among other things produced on the farm, a duty was placed on hides. These duties on agricultural products at that time were considered purely for revenue purposes, and when the war was over this duty was taken off. The duty was taken off hides in 1871.

The protective policy accomplished its purpose. It built up great manufacturing industries throughout the United States, and the farmer received much benefit from this because of the fact that it furnished him a home market, although his products were on the free list. By and by the agriculturists of other countries discovered this splendid market and sought to steal it from the American farmer. The American farmer complained, and in 1890 the Republican party, in the McKinley tariff law, placed the duty on agricultural products.

The framers of the Dingley law acted on the same theory and attempted to protect the American farmer in his first right to the American market, by imposing a duty on nearly all agricultural products. The Dingley law placed a tariff duty on grains of all kind, and hay and fruit and the products of the dairy, and on poultry and on hides, and I wish to say that that is the reason the American farmer has prospered during the reign of the Dingley tariff, and you offer no excuse now for trying to strike down this prosperity by putting hides on the free list. There was never a time when the farmer needed protection more than he does now on this product. South America, with its cheap and fertile land, can produce cattle and hides cheaper than the American farmer can, and can produce them in immense quantities. The American farmer, with his high-priced land and high-priced labor, is bound to suffer from this unequal competition.

The gentleman from New York spoke very eloquently the other day in justification of the committee in reducing the duty on lumber from two to one dollar per thousand. He spoke so eloquently that I was convinced that the committee would be justified in placing lumber on the free list. He said it was in the interest of the millions who consumed lumber and against the few who owned it that the tariff be reduced on lumber. For the same reason he ought to favor the retention of the present duty on hides. I am for free lumber, because the millions use it and the very few own it. I am for protecting hides, because the millions produce them and the few tan them.

Mr. HUGHES of Georgia. Mr. Chairman, as a new Member from Georgia I feel it is my duty to express some views upon this great question of tariff. I am from the rank and file of

the producers of this country; producers of actual wealth from the soil, who in the year 1908 created \$8,000,000,000 of wealth, being \$8 per capita for a population of 100,000,000 people of this great Union. This wealth was created by the plow and the hoe. I sincerely hope that in the end, in this House of Representatives, we shall realize this fact and have only one ambition, and let that ambition be to labor not for the trust, the combinations, and the mighty magnates of wealth, but for the good of our common country, so that the burden of taxation will fall equally upon all. [Applause on the Democratic side.] As I lift my voice in behalf of the yeomanry of the State of my birth, I declare that it is the magnificent cotton crop of the South which keeps intact our gold reserve, and upon this crop largely depends the financial prosperity of this great country. [Applause on the Democratic side.]

Georgia, the empire State of the South, which in recent years has multiplied her manufactures of various products to an extent unprecedented perhaps in the history of any other Commonwealth, is largely agricultural. She is the second cotton State and the first in the output of peaches.

Tariff revision and tariff reform, Mr. Chairman, are terms which, in the minds of some people seem to be synonymous; yet the results accomplished by the one and those achieved by the other may lie as far asunder as the poles. It is greatly to be desired that the work now undertaken by Congress may prove to be a reform as well as a revision, but I trust I shall be pardoned for entertaining very serious doubts on that point. Certainly a study of the provisions of the bill now before this House does not lead me to look upon it as a reformatory measure. Revisionary it is, without a doubt, but is it so in the right direction and in the proper measure? That is the question. I shall not enter upon an exhaustive analysis of its schedules.

There is, however, one feature of the pending bill to which I feel I can address myself without running the risk of becoming involved in abstruse argument, and that is the relation which tariff legislation bears to the interests of the farmer. The tariff has borne more oppressively on the farmer than upon any other class of the population of the United States. All of them have been framed with the greatest care for the interests of the manufacturer, who is guarded on every side by protection. The farmer has not had much consideration; on the contrary, the protection given to the manufacturer has had the effect of making and keeping prices on every article of domestic consumption so high that a most grievous burden has been placed thereby on the farmer's back.

AGRICULTURE'S CONTRIBUTION TO NATIONAL WEALTH.

The people of the United States are justly proud of this country's eminence as one of the great manufacturing nations of the world, and on every possible occasion we extol our greatness in this respect by pointing to the magnificent total of exports of our manufactured products. But in this glorification of the American manufacturers the still greater glory of the American farmer is almost lost sight of. And yet, Mr. Chairman, it is the farmer that has given this country the balance of trade for the last ten years. Let us keep this fact well in mind, for I fear greatly, sir, that with our rapidly growing population and the consequently expanding home consumption our exports of breadstuffs will necessarily diminish within the near future. If, indeed, this decrease has not already begun, for I note in the Monthly Summary of Commerce and Finance for December, 1908, that our exports of these commodities were in 1907 \$214,639,465, and in 1908, \$196,262,583, a difference of \$18,376,882 on the wrong side of the ledger. This by way of parentheses. For the present the farmer is still the royal creator of national trade balances. The Agricultural Yearbook for 1907 gives the value of exports of farm products for that year as \$1,054,405,416 out of a total of exports of \$1,853,718,034.

The farm gave 56.9 per cent of all the exports; the factory but 41.1 per cent. In thinking of our exports, it is well to keep in mind what Secretary of Agriculture Wilson says in this Yearbook:

The farm sustains the great export movement. If to the products that are fully agricultural are added those that are considerably so in combination with materials of other origin, and then are added the forest products and the commodities composed of them, the remnant of the exports is but 28½ per cent of the total value of the record for 1907.

The same authority tells us that the total value of farm products in the United States for 1907 was \$7,412,000,000, and that in the nine years from 1899 to 1907 the estimated wealth produced by the farmers of the United States reached the fabulous sum of \$53,000,000,000.

It is worth our while to regale ourselves with the contemplation of the wealth annually contributed to the Nation by the farmer.



The principal crops in 1907 footed up thus:

|                |                 |
|----------------|-----------------|
| Corn.....      | \$1,336,901,000 |
| Wheat.....     | 554,437,000     |
| Oats.....      | 334,568,000     |
| Rye.....       | 23,068,000      |
| Barley.....    | 102,290,000     |
| Buckwheat..... | 9,975,000       |
| Cotton.....    | 675,000,000     |
| Hay.....       | 742,507,000     |
| Tobacco.....   | 76,234,000      |
| Potatoes.....  | 183,880,000     |
| Flaxseed.....  | 24,713,000      |
| Wool.....      | 78,263,165      |
| Total.....     | 4,142,436,165   |

The farm dairy products in 1907 reached nearly \$800,000,000; poultry and eggs more than \$600,000,000; animals sold from farms and slaughtered on them about \$1,270,000,000. The Year-book epitomizes the exhibit in the sentence:

Enough is apparent to make it plain that the farmer of the United States is in a business that counts for national welfare by providing the wherewithal on a scale of magnificence that defies the imagination to comprehend.

#### NOT FAIR TO THE FARMERS.

One would think, Mr. Chairman, that so vast a factor in our national prosperity would receive at the hands of our law-making power at least the same consideration and protecting care that is bestowed upon the manufacturer. But it is not so. This Government has given to the railroad companies of the country hundreds of millions of dollars in public lands and in other gratuities to aid in the construction of the railways. The farmer does not complain of this; on the contrary, he has always given his cheerful consent and approval to this policy. But it seems rather incongruous, to say the least, to see the constant disinclination of Congress to appropriate a sum sufficient to build good country roads that would save the farmers of the country many millions every year by lessening the wear and tear upon their teams and rolling stock. A bond issue of \$50,000,000—only one-seventh of what it is estimated the Panama Canal will cost—would suffice, added to the appropriation from States, counties, and other local authorities, to build a system of highways as fine as that which France now enjoys. If the farmer were not as modest as he is, he would demand it as his right, not plead for it as a favor. He has the votes to command it, and could, if he would, consign to dismal defeat any party that refused him what is justly his due. [Applause on the Democratic side.]

In the matter of tariffs, past, present, and proposed, the farmer fares no better. He must sell his surplus for export at prices fixed in free-trade markets, and he must pay for the things he buys for everyday use at prices fixed by the protected manufacturer or by the importer. I know it has been proclaimed with much ostentation that the present tariff bill gives him protection of 25 cents per bushel on wheat and corn, but that is a joke when it is seen that our imports of wheat last year amounted to \$41,718, and those of corn to \$153,734. There is proposed in the bill under consideration a reduction of 50 per cent in the duty on barley. Our imports of barley last year amounted to \$64,702; our exports to \$4,795,074. It does not require a violent excitation of gray matter to understand that this reduction will tend to increase materially the importation of barley and to depress the price of that product in the home market, to the great injury of the farmer. Who profits, Mr. Chairman? Why, the brewer, of course, who is the chief consumer of this cereal.

#### FREE HIDES NOT A BOON.

Hides have been put on the free list in the pending measure. Who pays the bill? Why, in a large measure, our friend the farmer, who under the present dispensation can get a little better price for his cattle and for the hides of the cattle slaughtered on the farm. Hides on the free list means for him less money for his cattle. But on all leather, manufactured or unmanufactured, a duty is imposed, and the farmer, while getting less money for his hides from which the leather is made, still has to pay a price increased by the duty for his shoes, his harness, his saddles, and all of the other leather articles he may require either for his work on the farm or for the use of himself and his wife and his children. Cotton is on the free list; but if all we hear about the cotton-cloth paragraphs is true, or only a portion of it, then, indeed, the farmer's wife will pay more for her calico apron and gingham gown than she is paying now. There has been manufactured of late a stuff called "mercerized silk." It is a cotton fabric with a silken sheen, and to the farmer's wife and daughters who can rarely afford a silk dress, it has been quite a boon in the way of "dress goods." Our tariff tinkers, however, are evidently afraid that even mercerized silk may awaken too strong a hankering after other finery in the minds of these good women, and so these wise

men, with "Draconian sternness," have slapped a duty of 1 per cent per square yard on this article. [Applause on the Democratic side.] And when the farmer's wife and daughters go to town to do a little shopping and look upon mercerized silk, they will exclaim: "Vanity of vanities! Let us go back to plain calico and gingham." Thus, also, the new tariff makes no reduction in the duty on blankets or clothing, and the farmer will continue to pay the high prices he has been paying for everything he wears. In fact, if report be true, he may have to pay even a little more.

#### THAT LOVELY FREE LIST.

But now, Mr. Chairman, let us take a look at that free list. There is a thing of beauty and it must make the farmer's heart dance. There, first of all, we are struck with the fact that appetite can come in free. It is not spelled just the way we spell it in everyday life, but that may be a mistake of the printer. Is it not a good thing for the farmer to know when his natural appetite is gone he can import some free of duty? [Applause on the Democratic side.] Lo, and behold. There is balm of Gilead. Be still, thou aching heart. If balm of Gilead flow from no heavenly source, you can import it by the barrel and it will not cost you a cent of duty. [Laughter.] Oh, let us be joyful. Balm of Gilead, like salvation, is free. By the same token the farmer can have, duty free, cadmium and serium and cocculus-indicus. He may not know what they are or what he would do with them, but there must be some comfort for him in knowing that he can get them, and free of duty at that. [Applause on the Democratic side.] Best of all, he can import free of duty diamonds and other precious stones. True, they must be rough or uncut, but what does that matter. Even though plenty of rough diamonds are found among the farmers themselves, he may want to add to the stock with a new variety. [Applause on the Democratic side.]

The generosity of the free list, sir, is unbounded, indeed. Ice is there. [Laughter.] The wisdom of our tariff tinkers has made provision for mild winters. If the ponds on the farm do not freeze up, all the farmer will have to do will be to give an order to a firm in Spitzbergen, Lapland, or Kamschatka and fill his ice house full to overflowing without having to pay a cent of duty. [Laughter.] That is glorious. No more shall his milk be served uncooled, and his wife can bring her ices on the table for dessert without stint. Kindling wood is on the free list. Just think of that. If he can not pick up enough on the farm, he can send to Canada, or Germany, or China, or any other old place and order his kindling wood by the shipload and not a cent of duty will he have to pay. [Applause on the Democratic side.]

When the Israelites wandered through the desert and the commissary department was completely out of a job, manna fell from the heavens. Lo! a miracle. Under the happy dispensation of the free list the farmer of the United States will not have to wait for a miracle, for manna is free and he can have all he wants without duty. [Laughter and applause.]

#### TRAGEDIES OF THE TARIFF.

The history of the tariff legislation is one continuous performance of tragedy, as far as the interests of agriculture are concerned. These have been given the cold shoulder right along. In the matter of agricultural implements the farmers are the sufferers. The duty on these, under the present tariff, is 20 per cent ad valorem. In the pending bill a reduction is made of 5 per cent, but I venture to predict that this will make but little difference in the prices the farmers will have to pay for their plows and their reapers, their harrows and their spades. They will continue to pay tribute to the manufacturer, who, by virtue of this excess of extortion over fair dealing, is enabled to sell his wares abroad at a price less than that which the American husbandman is compelled to pay. This is nothing short of an outrage, and the wonder is that American farmers have not risen in their wrath to drive from power a party which has not only ignored their interests, but seems to take special delight in adding to their already heavy burdens. [Applause on the Democratic side.] The enormous profits reaped by the manufacturer enable him to create a surplus capital for a period of dullness in trade, or for unforeseen disturbances. Not so with the farmer. He has to reckon constantly with the elements of nature. Beneficent as these may be for a while, there comes season after season when first one product of the field and then another is blighted; when disease falls upon his stock; when drought or flood, excessive heat or cold, play havoc with his harvest. Manfully he battles against all these adverse circumstances and complains but little.

The American farmer is the sturdiest of his kind. He shuns no toil nor trouble; he bears good fortune with composure and does not break down when ill luck falls to his share. He carries on the battle of life single handed, with native courage,

and rarely pleads for assistance. There is no class of our people that troubles Congress less with its affairs, and it would seem that all these facts, so well known that they call for no further declaration from me, would constitute a silent but none the less powerful plea for justice to his interests, which are so closely bound up with the welfare of all the people of the country. [Applause on the Democratic side.]

NO RELIEF FOR THE FARMER.

The minority report on this bill states correctly that the farmer gets practically no relief; on the contrary, heavier burdens are placed upon him. Oppressive taxes are laid upon tea and coffee, for though nominally the latter article is on the free list, yet the provisions coupled with its importation are such that there is a strong probability that we shall have to pay more for it hereafter than we are even paying now. Articles which every housewife uses in the kitchen the committee declares to be luxuries, and has taxed them as such in this bill. And think of it, my countrymen, while sugar, which the poorest man in the land uses every day, is taxed 61.39 per cent, automobiles, the toy of the wealthy, have to pay only 45 per cent. The cotton schedule, as I have already intimated, is a delusion and a snare; but one thing in it is perfectly understood, and that is that cotton socks and stockings and underwear are more heavily taxed than they are now. I care not, sir, whether the cotton mill is located north or south of Mason and Dixon's line, the protection given its product makes the consumer pay a price higher than otherwise would be the case. With the cotton mill close to the cotton field and with the reasonably cheap labor to be had in the South, the southern manufacturer of cotton goods could compete with all of the world on even terms at a very much lower tariff. [Applause on the Democratic side.]

The excessive protection is a burden on the farmer, North and South, who pays out of his pocket the extra profit to the manufacturer. If an import duty were put on cotton, it would not make a particle of difference to the southern cotton planter, for in this field he is supreme. A bulletin just issued by the Census Bureau on "Supply and distribution of cotton for the year ending August 31, 1908," tells us that the supply of cotton in the United States for that period was 13,350,707 running bales, while the imports were only 143,490, of which all but about 21,000 came from Egypt. The southern cotton planter needs no protection so far as the raw product is concerned, but he does need relief from the exactions caused by the high tariff duty on the manufactured articles, which enables the domestic manufacturer to keep up prices.

REAL TARIFF REFORM.

The cost of living in this country, Mr. Chairman, has increased beyond all reason in the last fifteen years, and upon no class of the population has this pressed with greater hardship than upon the farmer. It is directly traceable to the Dingley tariff, which we are now engaged in "revising;" and while giving due heed to all that has been proclaimed on the other side of the House to the effect that this is to be a revision downward and not upward, I am extremely skeptical on the subject, and I am still inclined to the belief that when this bill is finally put on the statute book the burden of the consumer will not have been lessened much, if at all. The expert of the Committee on Ways and Means, whose acuteness in the statistical field has been highly praised, has prepared a table which shows that the average ad valorem rate of the present bill is 1.56 per cent in excess of the average rate of the Dingley tariff. The protected interests—North and South, East and West—have made common cause and powerfully entrenched themselves against the effort of those who have to bear the brunt of this high cost of living; a cost out of all proportion to that higher standard of living which the natural resources of our magnificent country would make possible.

The tariff to-day, sir, is no longer representative of principle and policy for the benefit of the whole people, but is an unscientific conglomeration of rates that are the outcome of log-rolling and of the combination of interests that are brought together in a common effort to squeeze everything possible out of the consumer. Tariff reform under such conditions, sir, is an utter impossibility. You may as well expect his Satanic Majesty to become the teacher of a Sunday school as to look for a genuine tariff reform from such influences. [Applause on the Democratic side.] The so-called "revision" now being undertaken by Congress is nothing more than a concession to the indignant cry of the people for relief. They may not get it now, but it does not require much of a prophet to foresee that genuine tariff reform must come, and that it will come when the people, irrespective of party affiliations anywhere, make common cause and drive the money changers from the temple of American prosperity. [Applause on the Democratic side.]

When that time comes the American farmer will be in the forefront of the battle, and, whether he be in Georgia or in Massachusetts, in New Jersey or in Minnesota, whether he be a Democrat or a Republican, or by whatever name the party with which he has been accustomed to affiliate may be known, he will rally under the standard of fair dealing to all classes of the people, and he will have his share in the victory. And then there will be a real tariff reform. [Applause on the Democratic side.]

We should lift ourselves above all personal, sectional, or other ignoble consideration and look only to the good of our whole country.

In the words of Benjamin Harvey Hill, Georgia's great statesman—

Who saves his country saves himself, saves all things, and all things do bless him. Who lets his country die, lets all things die, dies himself ignobly, and all things dying curse him.

[Loud applause.]

Mr. BATES. Mr. Chairman, the gentleman from Ohio [Mr. Cox], on the other side of the Chamber, in his remarks to-day stated that there would never be an honest revision of the tariff until that duty was intrusted to the Democratic party. I hope he will not ask us to wait so long. This issue was pretty clearly defined before the people of this country at the election last fall, and the question on what lines the tariff shall be revised was settled then also. The Democratic party went before the country with, in many respects, an attractive platform. They promised many things. They said they were in favor of economy in administration. They charged as usual the misuse of patronage. They promised to wipe out all the trusts and bad corporations. They favored railroad regulation. They favored national guaranty of bank deposits. They were for an income tax. They were strong in their declaration on the subject of labor. They would even build up a merchant marine. They favored a large navy.

They favored the popular election of Senators. They favored a great scheme of waterways and improvement of our harbors, involving a bond issue of many millions of dollars. They favored the building of post-roads and the construction of good roads at the expense of the Federal Government. They favored the conservation of national resources. They, in fact, agreed with us on many important subjects, and on many others they inserted fairly good planks in their national platform.

THE REAL DIFFERENCE BETWEEN THE TWO PARTIES.

But on the subject of the tariff they differed radically from us. They declared that a reduction should be made in the schedules as might be necessary to restore the tariff to a revenue basis, and on that issue went before the country. The Republican party on that subject declared that—

In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad.

On that issue the Republican party was indorsed at the polls by over a million and a half majority, the greatest popular majority save one ever given a national candidate in a contested presidential election.

THE PEOPLE DECIDED FOR PROTECTION.

The people, then, have passed on the question and have indorsed the principles of the proposed tariff bill, and we are here to register their decree. This view of the tariff question was also strongly and emphatically indorsed by President Roosevelt in that campaign, and also by our present President, Mr. Taft, who stood upon that plank of our platform and again and again insisted that the Republican doctrine of protection must be maintained. The object of this bill is to raise revenue, to encourage industries, and to equalize duties. It is intended to lighten burdens so far as possible of the people of our land—laboring man, farmer, and toilers of every class.

When Abraham Lincoln came to Washington to take the oath of office in March, 1861, he said, in Pittsburg:

The tariff is a question of national housekeeping; it is to the Government what replenishing the meal tub is to the family.

That saying is as true to-day as when it fell from his lips. This tariff bill, Mr. Chairman, is not perfect. No tariff bill ever was nor ever will be. It is not entirely congruous; it is composite. It reminds me, or we in meeting here can be likened to those representatives of the States who met to frame the Federal Constitution. Every State had its own ideas. Every State had its own theories of national government; and for a time it looked as if they could never agree; but by yielding this and that they finally, under the wise advice of Benjamin Franklin, came to one mind and framed a document, by compromise and by yielding, which has been declared to be one of the greatest documents ever struck off by the hand of man. This tariff bill, when passed, will be the result of compromise and



will be the consensus of opinion of 46 States and 4 Territories. It affects them all. It relates to every interest, it touches every citizen. It is easy to criticise it; it is easy to carp and find fault; easy from a narrow view point to say that it does not meet the requirements of this or that person, locality, or interest.

But, Mr. Chairman, every day students of architecture visit the Cathedral of St. Paul and point out its seeming defects. They criticise its architecture; they point out how this or that in nave or transept or in its magnificent elevation might have been made differently; but in spite of their criticisms St. Paul's Cathedral at London stands to-day the noblest specimen of architecture in the world and a tribute to the genius of Sir Christopher Wren. And when it is borne in mind that the interests of all the States and Territories must be conserved in one document, I believe that there will be, on this side of the Chamber, a ready acquiescence, a ready yielding, to the greatest good for the greatest number in the framing and in the passage of this bill.

It is a revision downward, in response to popular will, and in accordance with the pledges in the Republican platform. Some of our friends on the other side declare that it is a revision upward. I think they overlook the statement made in the recapitulation, that the ad valorem percentages are based on dutiable values only. Why, if the free lists were included, which some do not take into consideration, the recapitulation would show a downward revision.

#### DUTIES ARE LARGELY LOWERED BY THIS BILL.

What does this bill do? It transfers many articles from the dutiable list to the free list. It puts coal on the free list; it puts iron ore, cotton-seed oil, and hides on the free list. It puts wood pulp on the free list. It leaves coffee on the free list and reduces the revenues on a large portion of the articles in the schedules. Of the 460 paragraphs of the Dingley law on which duties are assessed, only 30 have been raised, and more than 130 have been lowered.

Mr. SULZER. Mr. Chairman, will the gentleman be kind enough to explain to the House how coffee under the provisions of this bill is on the free list?

Mr. BATES. Well, I will say to the gentleman from New York it is on the free list in this bill as reported from the Ways and Means Committee by simply providing that it shall be. Of course there is a provision that any country imposing an export tax shall pay a similar tax to enter our ports. That provision is put in not to increase the revenue on coffee, but to reduce the price of coffee to the consumer in the belief that whatever the export tax, whether it is fifty-seven one-hundredths of a cent or seventy-three one-hundredths of a cent, or whether when added together the ad valorem of 20 per cent and other percentages given to the States or to the Republic of Brazil shall amount to even the 2.9 cents per pound, that they will allow it to be stricken off rather than lose the valuable markets of the United States.

Mr. SULZER. Mr. Chairman, coffee importers have testified that if the Payne bill should become a law in its present form it will put a tax of about 4 cents a pound on coffee coming from Brazil; and about 85 per cent of all the coffee imported into the United States comes from Brazil.

Mr. BATES. What is the gentleman's authority?

Mr. SULZER. Impartial coffee importers in New York City.

Mr. BATES. I think they have used their pencils too liberally. The distinguished gentleman from Georgia [Mr. BARTLETT] made a computation yesterday after examining the official figures, and informed me that the highest that could be charged would be 2.9 cents per pound. I think that is the highest figure that I have heard could be charged, even if three duties were all added together, the ad valorem and the two specific duties.

Mr. SULZER. So that after all if this bill should become a law in its present form there will be a tax on coffee.

Mr. BATES. There would until the Republic of Brazil arranged its export duty so as to be sure of a market here in this country, and it is believed by those who know most about the business that they would take it off rather than sacrifice their market to their neighbors in South America.

Mr. SULZER. But how can the Republic of Brazil take the export tax off coffee when that tax is pledged to pay the interest on the bonded indebtedness of Brazil?

Mr. BATES. They could find another source of revenue, the same as any country has to do occasionally.

Mr. SULZER. But the bondholders would not agree to that, and a bond is a contract.

Mr. BATES. That is their matter, not ours. Our country gives them their best market, and if other coffee-producing countries offer us coffee free of duty, the Republic of Brazil

will find a way to retain our most valuable trade. We are showing our good faith in putting it on the free list and endeavoring to compel Brazil to strike off their export tax which they now collect, but which we really pay. If we can not compel them to do this, I favor leaving out that provision in the bill, as I do not favor a duty on coffee.

Mr. COX of Indiana. Do I understand the gentleman to say that all coal has been transferred to the free list?

Mr. BATES. There never was any duty on anthracite coal, and bituminous coal is placed on the free list, provided that the countries with whom we deal put no duty on our coal.

Mr. COX of Indiana. I call the gentleman's attention to section 424 of the bill, which puts a duty of 67 cents a ton upon bituminous coal as against countries that maintain an export duty upon it. That is true, is it not?

Mr. BATES. Quite right.

Mr. COX of Indiana. Can the gentleman inform us what countries shipping coal into the United States maintain an export duty on their coal?

Mr. BATES. I have no geographical list at hand. I think our main dealings will be with Canada and the British possessions north of us.

Mr. COX of Indiana. I will ask the gentleman whether or not the larger part of the coal shipped into this country does not come from the Dominion of Canada?

Mr. BATES. It certainly does. There is not very much shipped into this country. There is some shipped into New England from the Dominion of Canada.

Mr. COX of Indiana. If Canada maintains an export duty on coal, then under section 424 there would still be a duty of 67 cents a ton as against that coal, would there not?

Mr. BATES. Yes; that is true; but if they desire our coal, they can easily remit that duty on their exports.

#### WHAT GOVERNMENT COSTS.

Now, Mr. Chairman, I desire to say a word upon the revenues of the country. It costs something to administer government. It costs something to administer the government of a home, of a village, of a township, of a county, of a State, and of a nation. It costs at our present rate between seven hundred and eight hundred million dollars a year to administer the Government of the United States. We are justly proud of our army, our navy, of our postal service, of our rural free delivery. These all cost money. We take pride in our diplomatic and consular service; in the pensions that we pay to the survivors and their widows of the civil, Mexican, and Spanish wars; in the improvement of our waterways and harbors; in the building of public buildings; and in all the budgets of expense for which we vote upon this floor practically unanimously when the appropriation bills are brought in. Now we are asked to provide the means of paying the bills. Once in a decade the American Congress is required to provide the means of meeting the annual budgets for which we vote with such alacrity, and which we are all so anxious to swell from time to time during their passage in the House.

This money must come from somewhere. It does not grow on trees; it does not fall as heavenly manna. We expended the greenback fallacy years ago, and it must be good money. We collect from miscellaneous sources—the sales of land, a trifle, a few millions; internal revenue, \$139,000,000, not on necessities, but on luxuries such as liquor and tobacco—but the great bulk is collected at the custom-houses of this country.

For the past forty-five years we have maintained, and at almost every recurring presidential election the American people have indorsed, the theory of a protective tariff for the purpose of raising revenues and protecting the labor and industries of the United States.

Tariff upon productions from abroad checks foreign importations and insures good wages to the American markets, not only for manufactures and agricultural products, but for all that is raised in this land. The Democratic party has been concerned for years for what it terms the "consumer."

#### EVERY MAN A PRODUCER BEFORE HE CAN BE A CONSUMER.

The radical difference on this subject between the two parties is, and has been almost from the foundation of the Republic, that the Democratic party is concerned for the welfare of the "consumer" and the Republican party is concerned for the welfare of the producer, bearing in mind that every man is first a producer before he can be a consumer, and bearing in mind, also, that every man is a producer. Every worthy citizen is a producer and sells his labor or the product of labor before he can be a consumer. On these two theories the parties for a hundred years have contested almost every election as to which should gain the ascendancy on the two sides of that proposition. The Republican party believes in looking to the

welfare of the purchasing power of our people, to their ability to produce and purchase.

I will read four or five lines from an editorial in the Washington Post the other morning as to this question:

But how about the American workman who may suffer a cut in wages in order to enable Europeans to enter this market? The protective principle should stand unimpaired, and it should not be based upon the nonsense that only "infant industries" should be protected. American industry, whether an infant or a giant, should receive the first consideration of Congress. Let the foreign industries and workmen wait until our own people are cared for. No foreign government sacrifices its own interests to those of the United States, but, on the contrary, many of them discriminate against this country. They have a right to do so, and it is the right of the United States to take a position where it can retaliate if necessary.

Mr. JOHNSON of South Carolina. Will the gentleman yield for a question?

Mr. BATES. Certainly.

Mr. JOHNSON of South Carolina. Does the gentleman indorse the proposition that the talk of protecting infant industries is nonsense?

Mr. BATES. Oh, no.

Mr. JOHNSON of South Carolina. The gentleman read something of that kind. I just wanted to ask who was responsible for that doctrine, and who first put it forward.

Mr. BATES. I do not think the gentleman from South Carolina understood me. I read:

The protection principle should stand unimpaired, and it should not be based upon the nonsense that only infant industries should be protected. American industry, whether infant or giant, should receive the consideration of Congress.

Mr. JOHNSON of South Carolina. I just asked the gentleman if he indorsed the doctrine that it was "nonsense" to talk about protecting infant industry.

Mr. BATES. I will tell the gentleman what I believe. I believe it is the part of wisdom to protect the interests of the American laboring man in every industry, whether that industry is large or small. I believe the farmer and wage-earner are entitled to our first consideration.

Mr. JOHNSON of South Carolina. The original doctrine of the advocates of protection was to protect infant industry.

Mr. BATES. And is to-day.

Mr. JOHNSON of South Carolina. And the promise was that when they got strong protection should be withdrawn and the people would get the benefit of the reduction.

Mr. BATES. Yes; and so they do. But you can not hurt one industry of a certain class without hurting all. The strength of a chain is its weakest link. The small industries would fail first and leave the large ones stronger than before, because home competition would be lessened.

Mr. JOHNSON of South Carolina. But they have changed their plea.

#### TARIFF MADE TIN PLATE AN AMERICAN INDUSTRY.

Mr. BATES. Not at all. If the gentleman will permit, I will give an illustration: In the old days, up to 1897, we bought all of our tin plate, practically, from abroad and paid a tariff duty of 1 cent per pound. This duty was not enough to induce capital or labor to go into the business in this country; not at the rates we pay labor here. Major McKinley said, "We will build an industry in this country." They said, "You can not do it." He said, "No; I can not do it with a tariff of 1 cent a pound, but if you will give me adequate protection it can be done." What resulted? They gave him in the McKinley bill a protection of 2.2 cents per pound, and the tin mills started.

A campaign of abuse, of misrepresentation, and vituperation ensued, and Major McKinley was defeated at the polls for Congress in Ohio because those who opposed him hired peddlers to go through his district charging more for dippers and pails and to say that they charged the extra price because of the protective tariff of the McKinley bill. Now, did they pay more on account of that? Why, at first, when the deception was on, they did, but afterwards the price of tin came down lower than before. It became an industry in this country that employs 17,000 people and pays out in wages \$10,000,000 in cash annually, and has saved to the American people in the last ten years in the decreased price of the article \$35,000,000. The tariff was reduced by the Dingley bill from 2.2 cents to 1.5 cents, and it is proposed in this bill to reduce it still more to 1.2 cents. There is a concrete example of building an industry in this country until it should become strong and have a market here, and now the tariff has been reduced and the cost of the article has been reduced and we are buying tinware cheaper than we have ever bought it in this country before we transferred the industry from that side of the Atlantic to this. It is all, however, a question of wages for labor. If the tariff had been taken off, we would either reduce the wage scale or close the mills.

Mr. KITCHIN. Will the gentleman permit a question?

Mr. BATES. Yes.

Mr. KITCHIN. Is not the price of tin plate reduced in other countries?

Mr. BATES. I think not. They still buy of England.

Mr. KITCHIN. Well, is it higher here than in other countries? Are we cheaper here than in other countries?

Mr. BATES. In 1890 we paid \$5.15 a box for 108 pounds of tin plate. In 1897 it had gone down to \$3.26 a box.

Mr. KITCHIN. The question is, Is it cheaper here than in other countries?

Mr. BATES. It most certainly is cheaper.

Mr. KITCHIN. Then why do you need any protection on it, if it is cheaper here than in any other country?

Mr. BATES. It is cheaper than we could have purchased it before we started the industry in this country. If we closed the tin mills in this country, we would be at the mercy of the foreign manufacturers and be compelled to pay the high price again.

Mr. KITCHIN. I know; but it is cheaper in other countries than it was then, too, is it not?

Mr. BATES. No, I think not; but what does it avail us to have something cheap over there if we can not get it cheap here?

Mr. KITCHIN. I just wanted to know if it was cheaper here than anywhere in the world. I do not see why you want protective tariff on it if that is so, and I do not see why the revenue-tariff men would want a tariff on it either.

#### EMPLOYS PEOPLE AND MAKES HOME MARKET.

Mr. BATES. We want a tariff just for the reason that I have given, because the McKinley law actually and literally created an industry in this country, and gave employment to nearly 17,000 people, an annual pay roll of \$10,000,000, and a saving to the American people by reason of the reduction in price of the article of from thirty-five to forty million dollars in the last ten years.

Mr. KITCHIN. And the gentleman's idea is that a tariff by creating an industry and competition among different industries makes the prices cheaper and at the same time makes the labor wage high. Is that it?

Mr. BATES. Now, you have it right. That is the way it has operated in this country, and will operate for the benefit of all our people.

Mr. COX of Indiana. Will the gentleman yield for a question?

Mr. BATES. Yes.

Mr. COX of Indiana. Whether or not the decrease in the price of tin plate in this country has been due to a decrease of the duty on tin plate?

Mr. BATES. No; I think not. The price reduced when the tariff was the highest.

Mr. COX of Indiana. What has it been due to, in the gentleman's opinion?

Mr. BATES. Competition among American manufacturers.

Mr. COX of Indiana. That has driven the price of it down? Mr. BATES. It certainly has, and the improved methods of producing, which always come into play in America when the genius of Americans is employed in any particular industry.

Mr. COX of Indiana. Then the high duty has had nothing to do with maintaining the price of it?

Mr. BATES. Yes; it has. It had everything to do with building the industry, because the ruinous competition from abroad, with their cheap labor, prevented that industry from starting in this country.

Mr. COX of Indiana. Then, under a low duty on tin plate, as I understand the gentleman, it was impossible to build up an industry in this country to a certain point.

Mr. BATES. That is it exactly, unless we paid the low wages paid in England and Wales. We can, of course, compete with the whole world on equal terms if we cut down our wages to the starvation rate.

Mr. COX of Indiana. And when it reached a certain point, home competition has driven the prices down, and therefore the duty on tin plate to-day has nothing to do with keeping up the price of it in this country.

Mr. BATES. The price has not been kept up. I stated to the gentleman that the price fell.

Mr. COX of Indiana. And has nothing to do with driving the price of it down, so far as the consumers are concerned.

Mr. BATES. It has something to do with it still. The rate of duty proposed in this bill is not down to the old rate, although it is a very generous cut in the duty. Supposing we reduce the tariff to the old rate, or down to half a cent a pound, so that the cost of production here would not equal the difference in the cost of production abroad, what would result? They would commence shipping in tin plate from England and Wales again, and one of two things would ensue; we would either reduce



the price of wages of the workmen in our American mills or close the mills, one or the other. As soon as we had done that, then they having control of the market, up would go prices again to about \$5.15 a box, which was the price for 108 pounds prior to the establishment of the industry in this country.

Mr. COX of Indiana. So, as I gather the force of the gentleman's argument, the necessity for the duty still upon tin plate serves a double purpose; first, to keep the industry up to a given or proper standard, and, second, tending to lower the price of tin plate to the consumers of that article in this country.

Mr. BATES. That is the way it operates.

Mr. COX of Indiana. That is the theory of the gentleman as I understand it.

Mr. BATES. It is not only the theory, but the way it works out in practice. That is the theory and the result in many industries in this country which by reason of a good high-protective tariff has transferred the industry from that side to this side of the Atlantic Ocean. The same is true of the silk industry and many others.

Mr. COX of Indiana. Has that rule prevailed in regard to the steel industry of this country?

Mr. BATES. It has.

Mr. COX of Indiana. Absolutely?

Mr. BATES. Steel rails sell to-day less than the original tariff duty. The duty certainly played an important part.

Mr. COX of Indiana. How does the gentleman account for the fact that steel-rail manufacturers can and do manufacture rails in this country and sell them to the foreigner cheaper than to Americans?

Mr. BATES. There is nothing strange about that, for the very reason a newspaper in the town, possibly, of the gentleman from Ohio will sell for \$3 in the city and for \$1 a year out on the rural routes; for the same reason that Woodward & Lothrop, here in Washington, will sell the year around at a profit and one week in the year have a bargain day, when they will sell for less than cost.

Mr. COX of Indiana. Does the gentleman mean to say that we should have bargain days and give the foreigner the benefit of those bargain days; does the gentleman mean that?

Mr. BATES. For the same reason that every country on the globe practices the same thing. England has an export price less than its home price.

Mr. COX of Indiana. That may be true, but two wrongs do not make a right.

#### ALL NATIONS SELL CHEAPER ABROAD.

Mr. BATES. It is the common practice in all nations. England, under a revenue tariff, does the same thing, so it clearly can not be charged to a protective tariff; and so does every other country; so does every industry. A commission examined into this matter most carefully only a few years ago. Take, for instance, the example of a mower and reaper company in Ohio. At the end of the season they may have 10,000 machines on hand of that year's pattern. One of two things must happen. They must either save those over for the next spring opening and close the mills, or else they must dispose of those machines somewhere on the market and the mill go on and manufacture the new pattern for the next spring. The cost of distribution in this country is very much higher than abroad—salaries of general agencies, salaries of selling agents; then there is a certain loss on notes and collections; also salaries of middlemen. Suppose they sell the whole lot abroad in one consignment and save the cost of distribution? Why, it would be acting the part of wisdom to sell them at cost, or 90 per cent of cost, and clean them out to get the money back and turn it into next spring's manufacture of the new pattern. [Applause on the Republican side.]

Mr. COX of Indiana. Does the gentleman think that that is still the only reason as to how the manufacturer can export and sell his manufactured commodities to foreign consumers cheaper than he can sell them here?

Mr. BATES. Oh, no; there is also the exploiting of new markets. That is always considered desirable.

Mr. COX of Indiana. Is it not also the gentleman's opinion, at least one element that enters into and makes them able to do that, is because for the export material the manufacturers of this country are substantially able to get free raw material under what is known as the "drawback provision," and that the manufacturers for home consumers are not able to get the free raw material?

Mr. BATES. That should enter in the computation, but selling abroad cheaper than at home is a practice common to all countries, so that it can not be brought in to inveigh against the principle of protection.

Mr. JOHNSON of South Carolina. The gentleman is a long ways from the tin-plate proposition.

Mr. BATES. We did, in answer to our friend from Ohio, get a little away from the tin plate. I will be glad to answer, if possible, the gentleman from South Carolina.

Mr. JOHNSON of South Carolina. I understood the gentleman to say that before we had tin-plate mills in this country we paid \$5.85 a bundle.

Mr. BATES. A box of 108 pounds of plate.

Mr. JOHNSON of South Carolina. The gentleman is apprehensive that if the tin-plate mills of this country should be unfortunately closed down we would go back to the old price of \$5.85, as I understand it.

Mr. BATES. I would not want to risk it.

Mr. JOHNSON of South Carolina. Then, I want to ask the gentleman this question: Are there any countries in the world that have no tin-plate mills?

Mr. BATES. A good many of them have not.

Mr. JOHNSON of South Carolina. Do they pay \$5.85, or do they pay the English price plus the cost of transportation?

Mr. BATES. They are largely at the mercy of the English-Welsh manufacturers, just as we were before we started the industry here, although we are in the market now with the American product.

Mr. JOHNSON of South Carolina. I am asking you what they pay. Do they pay these enormous prices, or do they get the English price?

Mr. BATES. The whole world is our debtor, because we have established a competition with the English mills, which has brought down the price all around.

Mr. JOHNSON of South Carolina. We can sell it abroad?

Mr. BATES. We most certainly do. Why not sell it abroad? Our export trade, including tin, increases each year.

Mr. JOHNSON of South Carolina. Do we export any tin?

Mr. BATES. We both export and import tin, in spite of our duty of 1½ cents per pound. We bought, I think, over \$3,000,000 worth last year from abroad.

Mr. JOHNSON of South Carolina. How much do we export?

Mr. BATES. Just a moment, please. We derive a revenue from tin plate. The duty is not even a prohibitive tariff. Under the present law we derive a revenue of \$1,800,000 on tin imported into this country. In the proposed bill, we would derive a revenue of about \$1,500,000, although there is a cut from 1½ to 1¼ cents a pound.

Mr. JOHNSON of South Carolina. The gentleman did not answer my question. I want to know if we export any tin plate? Are we selling tin plate to the countries that have no tin-plate mills?

Mr. BATES. We do. We exported in 1907 nearly a million dollars' worth, and last year nearly a million and a half. There is no prohibitive wall, either for export or import of tin.

Mr. JOHNSON of South Carolina. I would suggest to the gentleman that that tin plate that is imported is by the Standard Oil Company, and they get the duty back when they send it out.

Mr. BATES. Only on the drawback clause of the law. There is still much imported for general use.

#### AMERICAN LABOR BEST PAID.

Now, Mr. Chairman, I desire to say a word on the subject of wages. The distinguished gentleman from Missouri [Mr. CLARK] on the other side of this Chamber said to me a week or two ago, "Why are you people always harping about wages being higher in America than in foreign countries?" Why, Mr. Chairman, because it is true. We have known nothing of hard times in this country in the last eighteen months compared with the experiences of Europe, and especially England and Ireland. There is practiced tariff for revenue only, which is still invoked by the Democratic party. In Belfast, which is the center of the textile-fabric industry, they employ about 120,000 hands. The wages of men in those factories range from six to seven dollars per week; the wages of women from \$3 to \$4 per week. The wages of men and women performing the same labor in this country are from two to four times as much. In this industry in Belfast an average week's work is fifty-five hours. It is only by the closest economy, far lower than ever practiced in this country, that they even exist. I have looked up somewhat the wages of railway employees at home and abroad. The average wage paid railroad employees in France is \$256 a year; in Great Britain, \$302 a year; in Germany, \$338; in the United States, \$642. The average wage paid firemen in Great Britain is \$300; in the United States the average is \$765.

It is an error to assert that the cost of living is so much greater here than over there, if they live as well as we do. More than half the supplies of the United Kingdom are bought abroad, and mostly from the United States. In the city of Glas-

gow are 80,000 families living, each family in a single room. It is no wonder that advanced English thought of a Balfour or a Chamberlain says:

It is not well with our English trade. The most advanced of our commercial rivals are not only protectionists, but are going to remain so.

Joseph Chamberlain, in a signed statement in the London Telegraph, said:

After a long period of success, the policy of unrestricted imports has now shown sign of failure. Our supremacy has been wrested from us. One by one, markets once profitable and expanding are closed to us by hostile tariffs. We have lost the power of bargaining for the removal of these barriers to our trade.

A gentleman on the other side was concerned the other day about the wool question and keeping the poor people warm and trying to keep off the dread tuberculosis. I received a circular pointing out the necessity of a reduction of the duty on manufactures of woollens and especially on carpets. Great heavens! Mr. Chairman, in what other country on the face of the globe does the laboring man have any carpets, or any parlor floor on which to put them, if he had carpets? Or in what other land on the face of the globe does the workingman have a Sunday coat, as pleaded for by the distinguished gentleman from Missouri, as well as a day coat, or any of the luxuries of life that are enjoyed by the great warp and woof of the people of the United States?

Mr. COX of Indiana. Right in that connection, will the gentleman yield for just one question?

Mr. BATES. Certainly.

Mr. COX of Indiana. As I gather the force of the gentleman's argument, he attributes one cause of the high wages in this country to the high protective tariff. Is that correct?

Mr. BATES. Yes; because it is absolutely true.

Mr. COX of Indiana. I listened very attentively while the gentleman read his comparative figures as to the cost of labor between the countries of France and England, and I heard him quote the difference to the effect that wages were higher in England than in France. Does the gentleman know the fact that France is a protection country?

Mr. BATES. Well, to a certain extent.

Mr. COX of Indiana. And England is also characterized as a free-trade country?

Mr. BATES. Yes. It practices the theory of a tariff for revenue only.

Mr. COX of Indiana. How does the gentleman account for the fact that wages are higher in a free-trade country than they are in a tariff-protected country, like France or Germany?

Mr. BATES. It is because in France they have not suffered from sharp competition abroad as they have in England. In this country it is due to the enterprise and thrift of the people, and the inventive power of the people, which I apprehend can never be met by any other people of any other nation or clime, no matter what conditions of trade are fixed by law.

Mr. COX of Indiana. Is not the gentleman inclined to the opinion that the high price of wages in this country is largely due to the ambition and initiative of the employee here having the ability to turn out a larger given quantity of product for his employer than his competitor working in European countries?

Mr. BATES. There seems to be no limit to the initiative and skill of the American people.

Mr. COX of Indiana. Will not the gentleman agree that the high price of wages in this country is largely due to that, independent of the protective tariff?

Mr. BATES. Not at all. We have always had initiative and industry, but when in the past we have lowered our tariffs the price of labor has gone down and many people were thrown out of employment.

Mr. COX of Indiana. Is not that what was contended by such stalwart men as James G. Blaine, John Sherman, and Horace Greeley?

Mr. BATES. I think not, for they were all protectionists from principle, and taught that doctrine as long as they lived. The inventive power and genius of the American people are unequalled and splendid, but they would be impaired and destroyed by an English revenue-tariff system and encouraged and incited by the protection of American industries and American labor. [Applause on the Republican side.]

#### THE FALLACY OF "CHEAP GOODS."

And now I desire to say a word on the fallacy of cheap goods: The idea that we might sell everything for a good price and buy everything cheap is most fascinating. What does it mean to buy in the cheapest market? It simply means that the American people are to buy their glass, earthen, and china ware, cottons, woollens, silks, linens, tools, machinery, hardware, cutlery, iron, steel, and, in fact, every manufactured article in

Europe; that they shall cease entirely buying of home producers unless our manufacturers will sell these articles cheaper than they can be purchased from any other people of the earth.

It means that we will buy our food and farm products in Canada, the Argentine Republic, or wherever they can be bought at the lowest prices. It means that the purchasers of other countries shall buy where they can get goods the cheapest; hence the purchasers of the world would not come to the United States to buy their manufactured goods or farm products unless they can buy them cheaper here than in any other country. Instead, then, of selling there, we would be reduced to the necessity of selling cheap or not at all, excepting of course as we might produce a superior article or something that can not be obtained elsewhere. We could only become sellers by selling for a lower price than anyone else.

It means that the cost of production below the rest of the world must necessarily follow. It means the invoking of the law of the "survival of the fittest." It means that those industries that could not stand the struggle should perish. It means that capital, if there is any left from the ruin that would be wrought, must seek other investment or go into hiding and be unprofitable. It means that laborers thrown out of work must find employment in some other industries, but it means also that the other industries must always be those in which the commodities can be produced cheaper than elsewhere. It means that to enable us to sell in the best markets we must undersell all competitors. There would thus ensue an entire revolution in the methods and conduct of business here, and leveling down through every channel to the very lowest line of our competitors. Our habits of life would have to change; our wages cut down 50 per cent or more; our homes exchanged for hovels. This is what would necessarily flow in the wake of free or freer trade. All goods would be cheap, but how costly when measured by the degradation that would ensue.

It is a principle as old as the hills and everlasting as the unchanging law that when goods are cheapest men are poorest; and the most distressing experiences in this country or in all human history have been when everything was lowest and cheapest when measured in money, but highest and dearest when measured by labor. The best unit of value is what a day's labor will produce. It seems to me we have had full experience of cheap times in this country. Goods were cheap in this country from 1855 to 1860; yet the farmer could hardly raise enough money to pay his taxes. The wail of President Buchanan, in his message to Congress in 1857, states the case. He said:

With unsurpassed plenty in all the production and all the elements of natural wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is in a deplorable condition.

Such a condition of affairs continued until the Morrill protection law of 1861 was enacted. When again the Democracy was intrusted with power, in 1892, 1893, 1894, and 1895, and struck down protective tariff laws, we had cheap goods again in this country. We had 3,000,000 laboring people out of employment, and had hunger and desolation everywhere all over this land. How like the words of his Democratic predecessor were the words of President Cleveland in his annual message to Congress in 1893, after a free-trade administration had been voted in. He said:

With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance of business enterprise, suddenly financial fear and distrust have sprung upon every side, numerous moneyed institutions have suspended, surviving corporations and individuals are content to keep in hand all money they are usually anxious to loan. Loss and failure have involved every branch of business.

This was a little over a year after the people had elected an entire administration pledged to what the world knows as "free trade."

#### OUR HIGHER ORDER OF CIVILIZATION.

We have in this country a higher order of civilization than elsewhere. If, then, the consumers of the United States pay more for the necessities and comforts of life than they would under a low-wage scale, they are simply contributing to the maintenance of that civilization, intelligence, comfort, happiness which makes the people of this country conspicuous among the nations of the world. Whether we pay more for the necessities of life than those in other countries or work for a lower wage is wholly immaterial. That is not the question. The real question is, Does it pay them to do it?

Tariff laws encourage men with money to open mines, build factories, establish industries, which could not exist were it not for the tariff laws which shield them from foreign com-



petition. This creates a demand for labor. A protective tariff, then, becomes a protection to opportunity. If the people are given opportunity for employment, they will fix their own wage rate. If these opportunities are destroyed, it is impossible to satisfy them. The wants of men are satisfied through the efforts of labor. The main arguments on the other side of this House seem to be based upon the narrow demands of man as an individual, with no reference whatever to his relation to society. It is the doctrine of individualism—the cold, cruel doctrine of the survival of the fittest. It is the doctrine of Richard Cobden, of John Stuart Mill, of David Ricardo, and the gentleman from Missouri [Mr. CLARK].

John Bright conceded a vital point in the controversy in 1886 when he admitted that the one way by which free competition can be met and home factories preserved is by a reduction of wages. This, then, is the only alternative. Reduce the tariff on competing products, admit freer importations, and then only by reducing wages and degrading labor are our industries to be defended and carried on. The American market is worth more than twice as much to us as all the foreign markets combined, even if we could possess those foreign markets exclusively. What would it profit us to tear down our home market and gain the whole world of markets?

The tariff bill that would enable foreign goods to compete freely with our own products ought to be labeled "A bill to promote the welfare of the people of Leeds, Bristol, and other cities of England and the Continent at the expense of the laboring people of the United States."

When did we ever lower the duties in this country that hard times and a depleted Treasury and gold flowing out of the country did not ensue? When were the higher duties ever restored that general prosperity did not follow? When did the Democratic party ever assume power that they did not at once make an assault upon the protective features of the tariff laws?

I quote as high Democratic authority as the late Senator Gorman when I state that "the last and only complete Democratic victory gained in recent years was won because the candidate stated, 'We will not destroy any industry.'" And on that declaration the campaign of 1892 was waged in the East and Middle West rather than upon the dangerously worded Chicago platform in which protective tariff was assailed as unconstitutional, and which platform was soon evoked, and, as far as possible, formulated into organic law. Were industries destroyed? Ninety-two articles were transferred from the dutiable to the free list by the Wilson bill as it came from the Democratic Ways and Means Committee, or as it passed the House, among them wool, sugar, coal, iron, and lumber. The farmers were stripped of the protection afforded in the McKinley law; railroads went into the hands of receivers; banks closed their doors; the smoke of industry ceased to cloud the sky; 3,000,000 laboring people were thrown out of employment; gold left our shores with every ship; the looms and reels and spindles of Bradford and other cities of England and the Continent worked double forces night and day to supply our people with textile fabrics, while the workmen of America languished, were being fed at soup houses, and begging for bread.

#### AMERICAN MARKET THE BEST MARKET.

We hear a great deal about the necessity for foreign trade, the desirability of conquering foreign markets, and I would not belittle that necessity nor deny that desirability; but let us never forget that the greatest market in the world, the most desirable, that most essential to our well-being and advance and to our independence, is the great, unequalled American home market. [Applause on the Republican side.] And let us not forget either that the policy which has furnished to us and preserved that market is the policy that plants the factory beside the farm; the policy that protects every home industry. [Applause on the Republican side.]

Our steadily increasing foreign trade for the past twelve years has been remarkable. It is desirable that it be extended further to dispose of our increase in surplus products. It can be extended by sensible trade arrangements with other countries by keeping our manufacturers accurately informed of trade conditions of the world, the state of foreign markets, by fostering and upbuilding an American merchant marine, by finishing the Isthmian Canal; but we must not endeavor to build up our foreign trade by sacrificing our home markets, because in seeking markets we want the best markets. The best markets are where the people can sell the most products at good prices and have the money paid for them after they have sold them, and that place is here in America, after practically forty years of protective-tariff ascendancy. [Loud applause on the Republican side.]

Mr. VREELAND. Mr. Chairman, I do not take the floor this morning for the purpose of making general remarks upon the tariff. I propose to occupy the time which I shall take in discussing but one schedule only in the tariff bill. It is the schedule which relates to the countervailing duty upon crude and refined petroleum.

Mr. Chairman, I believe that there are many Members of the House who desire information and facts concerning this subject. There are perhaps Members of this body who from partisan considerations do not desire facts. They wish to appeal to public prejudice which exists throughout the country against perhaps the greatest of our corporations, the Standard Oil Company. For partisan reasons they may wish the country to understand that any provision in the tariff schedule which relates to petroleum must necessarily be made for the benefit of that great corporation.

But there are many other Members in this body, Mr. Chairman, that I believe desire to act intelligently and conscientiously in the making up of these tariff schedules. It is to those gentlemen that I wish to address my remarks. To many people in this country oil and the Standard Oil Company seem to be synonymous terms. There are many people who do not seem to understand that there are 500,000 American citizens bringing to the surface of the ground every day that the sun shines nearly one half a million dollars' worth of crude petroleum who have no more connection with the Standard Oil Company than the farmer has who raises wheat and sells a portion of it to the millers of the United States.

Now, Mr. Chairman, I wish first to have it clearly understood, except by those who do not want to understand, as to the interests that are asking to have this countervailing duty or some similar measure of protection retained in this bill. The first that I heard of retaining this clause in the bill was something like six or seven weeks ago, when I received a letter from the editor of a weekly paper in my congressional district, in the center of the oil region there, asking if there was any change likely to be made in the tariff schedules in the countervailing-duty clause.

I made inquiries, and found, in talking with some of the members of the Ways and Means Committee, that it was likely to be taken out. I informed the editor to that effect, and he published the answer in his paper.

Immediately there commenced to come in petitions from the oil people in my district; and I may say that I represent the only oil-producing district in the State of New York, although there are thousands of men throughout that State who are engaged in the oil business in the various productive fields. Four thousand oil wells are located in my district. I have received petitions from 11 towns, signed by nearly 500 men engaged directly in the production of oil, asking to have this countervailing duty preserved in the bill. I have received a resolution from the Board of Trade of Wellsville, the largest town in that oil-producing vicinity, and where there is an independent oil refinery located, also asking that this clause be retained in this bill. But those are local interests.

I say that is the first I heard the subject mentioned among oil men. The articles published in that little weekly paper in New York State—the Balwar Breeze—were taken up by other sections interested in the oil business. The Oil City papers, the Titusville papers, and finally the Pittsburg papers took it up, and one of the great Pittsburg dailies—the Dispatch—sent out its staff correspondents, interviewing the oil men and collecting information on the subject. The result of it all was that all of the oil producers of the United States are to-day coming before the Congress of the United States and are asking that their interests have some measure of protection put in this tariff bill, for reasons which I hope to make plain before I conclude my remarks.

Their action has been open and aboveboard. Out in the Oklahoma field, to-day the greatest single oil-producing field in the country, where 40,000 men in Kansas and Oklahoma alone are engaged as producers and refiners of oil, independent and outside of the Standard Oil Company, in that one field they have a great association of producers called the "Mid-Continent Producers' Association." The president of that association, Mr. N. V. V. Franchot, is a man who has been in the producing business all his life. His home is in my congressional district. He has large interests in the Oklahoma field. He came here and spent a week in this city, giving information to the members of the Ways and Means Committee, talking with any Member of Congress who would stop and talk with him upon the subject. He filed with the Ways and Means Committee the resolutions adopted by the Mid-Continent Producers' Association, which I shall insert in the RECORD as a part of my remarks.

Mr. Franchot, the president of that association, is a man of the highest business integrity and ability. There are something like 35 Members of this House who represent oil-producing districts. I think all the men from those districts will testify that they have received from the producers and the independent refiners, if they have any in their districts, similar requests to those that are put in by this great Mid-Continent Association.

Mr. Chairman, I desire to read another letter which I have received, representing the independent refiners of this country, the men who through all these years have been fighting with the Standard Oil Company for a foothold in the American markets, the men who have increased their output and their production during the last ten years more than 100 per cent.

John D. Archbold testified that in 1888 the Standard refined 95 per cent of the refined oil made in the United States. To-day there are more than 70 independent refineries, producing from 15 to 20 per cent of the refined petroleum in the United States. The letter which I received is from a man whose name is familiar to many of you. It is familiar to every man who has been connected with or interested in the oil business for the past forty years. It is from the Hon. Lewis Emery, jr., an independent refiner, whose home is in Bradford, Pa.

Mr. Emery was formerly a member of the Pennsylvania state senate. In the last gubernatorial campaign he was a candidate of the Democratic party and the independent Republicans in the State of Pennsylvania for governor of that great Commonwealth.

Senator Emery has been the most persistent and consistent enemy, the most bitter foe, of the Standard Oil Company that has existed in this United States for the last thirty years. Mr. Emery is the greatest individual refiner of oil outside of the Standard Oil Company in the United States. Senator Emery was one of the organizers of the Pure Oil Company, the greatest refining association outside of the Standard Oil Company of the United States, the only independent company that covers the great producing fields of the North—West Virginia, Ohio, and New York—with independent pipe lines, the only company that has an independent pipe line running to the seaboard, and, I may say, that company is extending its crude-oil lines into the fields of Illinois.

Mr. DIES. Will the gentleman yield for a question?

Mr. VREELAND. Yes.

Mr. DIES. I understood the gentleman to make some statement in reference to the production of the Standard Oil Company of refined oil.

Mr. VREELAND. I did.

Mr. DIES. What is the percentage of refined oil produced in this country by the Standard Oil Company?

Mr. VREELAND. I stated that in 1888, according to the testimony of Mr. Archbold, the Standard Oil Company refined 95 per cent. I stated that in the last ten years the production of the independent companies had been more than doubled, and to-day they refine 15 to 20 per cent.

Mr. DIES. I ask the gentleman if it is not a fact that the Standard Oil Company now produces more than 85 per cent of all the refined oil?

Mr. VREELAND. I do not know the exact figures, but the production of the independent oil companies has increased rapidly. Four or five years ago the Standard was refining about 85 per cent, so that I think it is entirely correct to say to-day, or approximately correct to say, that the independent oil companies are refining 20 per cent of the crude oil produced in the United States.

Mr. DIES. I think the gentleman's figures are in error. I think the Standard Oil Company refines more than 85 per cent.

Mr. VREELAND. What the gentleman thinks and what I think is not of much importance, but where does the gentleman get his information?

Mr. DIES. From the reports of the industry.

Mr. VREELAND. Reports from where?

Mr. DIES. Reports made from one of the departments.

Mr. VREELAND. That report is the one I have just referred to. I have the book before me. It was printed in 1903, and the investigations were made in 1904 and 1905. I just stated that the reports at that time showed that the Standard refined about 85 per cent. During the five years intervening since that time the number of independent refineries has largely increased, and so I still contend that my figures are correct, and that to-day the independents are refining 20 per cent of the crude oil of the United States.

Now, Mr. Chairman, I desire to have read by the Clerk a letter which I received from Senator Emery, as a representative of the independent refining companies.

Mr. MARTIN of South Dakota. Will the gentleman yield right there for a question?

Mr. VREELAND. I will yield to the gentleman.

Mr. MARTIN of South Dakota. In this connection, can the gentleman inform us, approximately, what proportion of the crude petroleum is produced by the independent concerns?

Mr. VREELAND. I will reach that subject later, if the gentleman will permit me. I will say, however, that the Standard Company to-day produces about 11 per cent and the other producers of the United States about 89 per cent.

Mr. GAINES. Is not the gentleman incorrect in that statement? Does not the Standard Company produce 18 or 20 per cent and the independent companies about 80 per cent?

Mr. VREELAND. No; and I can explain why. As a man coming from an oil State, the gentleman from West Virginia knows that the production in a new territory is very large at first, but rapidly falls off; for instance, there are 14,000 wells in the State of West Virginia. Most of them are old, and the average production per well in the gentleman's State to-day is about 1½ barrels to the well. Then, as a man somewhat familiar with the oil business, the gentleman knows that unless a producer keeps up with the new fields and new production, his percentage of output rapidly drops off. There was a time, I will say to my friend, when the Standard Oil Company was producing nearly 80 per cent of the production of the United States.

But the Standard Oil Company has not gone into the great fields of Oklahoma and Kansas as a producer, nor has it gone as a producer into the Texas or Illinois fields to any extent, hence the Standard percentage of total output has rapidly dropped down until to-day the best figures obtainable are that they are not producing more than about one-tenth of the crude petroleum. I will now ask the Clerk to read the letter from Senator Emery.

The Clerk read as follows:

WASHINGTON, D. C., March 29, 1909.

HON. EDWARD B. VREELAND,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I desire to call your attention to the necessity for a careful consideration by Congress of the proposed removal of the countervailing duty on petroleum and its products.

You, being a neighbor of mine and conversant with the oil business for the past thirty years, are aware of my position on the oil question in both a public and a business way. You know that I am a producer of oil in all of the fields of the United States and Mexico. You are also aware that I have for many years past owned and operated a large independent refinery at Bradford, Pa., near your home, and at other points, and that I planned and constructed for the independents the United States pipe line from West Virginia to the Atlantic coast, a distance of over 500 miles, and which is a successful competitor of the Standard Oil Company lines.

As a practical, independent oil man you are undoubtedly aware that the removal of the countervailing duty will not in any way affect the Standard Oil Company, but it will most seriously affect both the large and small producers of oil and the independent refiners of our country.

I have previously informed you of the refineries now in existence in Mexico and to whom they belong; also the general situation of the Mexican and Canadian oil fields. I will be glad to furnish you further substantial facts and reasons why a straight ad valorem duty on oil and its products should be placed in the new tariff schedule.

Very truly yours,

LEWIS EMERY, JR.

Mr. SIMS. Mr. Chairman, before the gentleman proceeds, I would suggest that the gentleman whose letter has just been read comes out and asks for a straight ad valorem duty rather than a countervailing duty.

Mr. VREELAND. Yes.

Mr. SIMS. I would like the gentleman to discuss that in connection with the present countervailing duty. I understand this bill is to be a protective bill, and is made up from a Republican protection standpoint, but as between the countervailing duty, on which the Government gets nothing, and a straight revenue duty or a protective duty, be it specific or ad valorem, it strikes me that the letter read suggests a proper solution of the trouble.

Mr. VREELAND. Mr. Chairman, the gentleman from Tennessee [Mr. SIMS] is entirely correct. I shall endeavor to show before I conclude my remarks the specific danger which the producers of oil fear in connection with the future business of that industry.

I shall endeavor to show that the present countervailing duty very likely within the next year or two would be entirely valueless as a protection to the oil producers of the United States, and I shall take that up at the proper time, in connection with the production of oil in Mexico. Now, let me inquire for a moment what this countervailing duty is. A few days ago I listened to a speech on the floor of this House, and I heard one or two gentlemen get up and state that in previous campaigns they had made the statement in their speeches that there was no duty levied on petroleum by the United States, and they were fearing they had not been stating the truth to their audiences



on that subject. The present countervailing duty that is in force under the Dingley law provides that crude oil and its products, one of which is refined oil, shall come into the United States absolutely free, unless some other country shall put a tariff against American oil exported into that country, and then the same amount of duty which that country levied shall be automatically set in force as against the productions of oil from the country levying the duty against the American product.

Then I say the gentlemen were right in stating that there has been no duty on oil by the action of the law of the United States. Every oil-producing country on the globe to-day under the law as it stands can have absolute free entry of duty of their products into the United States of America, provided they give us free entry of our products into their markets. We are extending that principle largely in this tariff bill. We are providing the maximum and minimum tariff, so that we shall compel other countries to give to our products as favorable consideration as we give to the products of other countries. Why, to-day Russia can absolutely take down the barriers that exist against bringing her oil into our country if she sees fit to do so. All she has to do is for her administrative council to give ten days' notice that the duty against American oil going into Russia has been taken off, and immediately our markets become absolutely free to the producers of oil in Russia.

Mr. FLOYD of Arkansas. Mr. Chairman, I would like to ask the gentleman if any foreign country has ever taken off its duty on oil on account of this countervailing duty?

Mr. VREELAND. Mr. Chairman, I can say to the gentleman that a number of foreign countries have modified their duties against petroleum as the result of this countervailing duty that was put into the Dingley bill.

Some of the gentlemen in their speeches have called this clause a "joker." It seems to me that that is an unjust term to use in connection with it. That is a term well understood in legislative matters. It is understood to be some secret clause—that is, a clause having some secret meaning—which is put into legislation to produce effects not generally understood, and just opposite, perhaps, from that which appears on the face of it. Certainly, Mr. Chairman, in all the laws of the last twenty years this clause has been plain and open to any man who could read English. Its effect has been apparent on its face, and the policy of that countervailing duty we are to-day following up in the tariff bill we are to pass.

Mr. CARTER. Mr. Chairman, the gentleman states that this countervailing duty is a duty which is placed on imports commensurate with the duty placed by that country on similar goods imported from this country. Is that correct?

Mr. VREELAND. Let us take a specific case. We will take the case of Russia. Our law at present provides that Russian oil may come into the United States absolutely free unless Russia herself puts a tariff against American oil, and then in that event the same tariff which Russia puts against American oil shall be applied and collected at American ports as against Russian oil.

Mr. CARTER. Then this duty becomes a specific duty as to each separate country, and our duty on oil is commensurate with the duty which the other country exacts from our oil?

Mr. VREELAND. Yes. Let me take another concrete case. Canada admits crude petroleum free of duty; therefore crude petroleum from Canada would come in here free of duty.

Canada imposes a duty of 2 cents a gallon on refined oil; therefore we levy 2 cents a gallon on Canadian refined oil.

Mr. CARTER. Can the gentleman give us figures indicating the tariff on imported oil with the various countries under the present countervailing proposition in the Dingley law?

Mr. VREELAND. Yes; and I will insert them in the Record. I will give a brief history of the countervailing duty. Under the McKinley act, passed in 1890, there was no specific reference to crude or refined petroleum, but there was a duty of 20 per cent ad valorem levied under that bill under the clause which covered all other manufactured and unmanufactured articles not otherwise specified in the bill. Then we come to the Wilson bill, passed in 1894, by a Democratic Congress. The chairman of the Ways and Means Committee was that great Democrat, William L. Wilson. The other best-known name upon the Committee on Ways and Means of that Congress was William J. Bryan, of Nebraska. The Committee on Ways and Means which framed the Wilson bill brought in the following provision in relation to oil:

*Provided*, That if any petroleum is imported the product of any country which imposes a duty on petroleum exported to the United States there shall be levied and collected upon such imported petroleum the rate of duty existing prior to the passage of this act.

That was it as it came from the Ways and Means Committee which framed the Wilson bill. In the House the amendment

was stricken out without debate. It went to the Senate. In the Senate, when this clause was reached, Senator Jones, of Arkansas, twice, I believe, chairman of the Democratic national committee when Mr. Bryan was candidate for President of the United States, rose and offered the countervailing clause which became a law in the Wilson bill, which provided that where countries levy duties against the United States on crude or refined petroleum there should be a retaliatory duty levied in the United States of a flat 40 per cent against such country.

When the Dingley bill was enacted in 1897 that clause was re-enacted, except that the flat rate of 40 per cent was changed to read as the present law reads, namely, that oil from other countries shall be free to enter the United States unless they levy a duty on our oil; then it shall be the rate of duty levied against us by that country. Now, I do not refer to this as criticising—

Mr. CAMPBELL. Right there, will the gentleman permit?

Mr. VREELAND. Certainly.

Mr. CAMPBELL. I have made an estimate of the rate paid under the Dingley law as compared with the 40 per cent imposed by the Wilson law, and I find that on the importation of oil into the United States, both crude and refined, they paid an average rate of 31.94 per cent as against 40 per cent under the Wilson law.

Mr. VREELAND. I thank the gentleman for the information. Now, I say I am not referring to the framers of the Wilson tariff bill in terms of criticism. On the contrary, I think it was a very wise and statesmanlike action. It has been of great value to American exporting interests. As a result of that clause put in the Wilson bill and in the Dingley bill we have secured modifications of the tariff against American products in a good many of the nations abroad.

Now, Mr. Chairman, I wish for a moment to refer to the oil business of the United States and the products of the oil business, and the men who dig down into the bowels of the earth and bring up the crude riches to the surface. There are nearly 600,000 barrels of crude petroleum produced in these United States every day in the year. We are the greatest petroleum-producing country in the world. Fifteen States of this Union produce crude petroleum.

The value of the crude oil brought to the surface is more than \$150,000,000 per annum. The value of the refined is much more. Our exports of oil exceed \$100,000,000 per annum. Two billions of dollars in gold have been brought to the United States from oil exports. Five hundred thousand men are engaged in the production of oil. This includes the men who drill and pump the wells and care for the oil, and who receive high wages. Tens of thousands of farmers have received bonuses for oil leases and are to-day receiving royalties dependent upon the sale and price of the oil. Great amounts are paid for timber and lumber. Many millions of dollars are paid for boilers and engines, pipes, casing, and tools. Millions of dollars are paid to railroads for freight. We produce much more oil than all the rest of the world, and of better quality.

Mr. DAVIS. For information, will the gentleman inform the House what is the present duty imposed by Russia against our American oils?

Mr. VREELAND. Russia at present imposes a duty against refined American oil at something like 16 or 18 cents. I will tell the gentleman exactly in a moment. Russia imposes a tax of 2.81 cents per gallon on crude and 16.89 cents against refined petroleum.

Mr. DAVIS. And under the present law that is the duty we impose against Russia?

Mr. VREELAND. That, under the present law, is what we impose against Russia.

Mr. DAVIS. Is not Russia our greatest competitor?

Mr. VREELAND. Russia is the greatest oil-producing country except the United States; but I shall take up the question of competition, and I expect to show that Russia is not and could not be a competitor in the markets of the United States.

The very fact that Russia has put on an absolutely prohibitory duty against the importation of refined petroleum from America shows that the Russian people know not only that they could not exploit our market, but that a prohibitory duty is necessary to prevent other nations from entering their market.

Mr. NORRIS. Will the gentleman yield right at that point?

Mr. VREELAND. Yes.

Mr. NORRIS. I wish the gentleman, either now or some time in his remarks, would give us a list of the countries producing petroleum, and the amount of it, if he can, that they produce, together with the tariff that each of the countries levies against our oil.

Mr. VREELAND. I might as well give the gentleman now the list of the duties which those countries that levy duties levy against us now.

Austria-Hungary, of which the State of Galicia is the oil-producing territory, levies a duty against outside oils of 4.96 cents per gallon on crude and 14.36 cents per gallon on refined petroleum. Roumania, another large oil-producing territory, levies a duty of 1.14 cents per gallon against crude and 2.84 cents per gallon against refined. The Dutch East Indies, Java, Sumatra, and Borneo levy a duty of 5.19 per cent ad valorem, a very small rate of duty on crude, and thirty-seven one-hundredths of 1 per cent against refined, a very light rate of duty from that country; therefore, a very light rate of duty prevails against that country, and for that reason, if the gentleman will study the table of importations of oil, he will find that the greater portion of the small amount imported into the United States has come from that country.

Mexico levies a duty of 4.86 per cent on crude and 13.27 on refined. Japan levies a duty of 20 per cent ad valorem on crude and 4.78 cents per gallon against refined.

I was speaking of the oil industry of the United States and the production of crude petroleum by the half million of our people who are engaged in that industry. I stated that there were 15 States interested in the production of crude oil. I will read the names of some of the States and the amount of their production.

To-day California has 14,000 wells. This oil sells on an average at about 75 cents; that is, crude oil, per barrel. Its production is about 120,000 barrels daily. The value of the oil produced in California amounts to \$90,000 a day. The value of the oil produced in California per annum, and you must remember this is crude oil, oil just as it reaches the surface of the ground and before it has been refined, amounts to nearly \$33,000,000 a year. Texas has 8,000 oil wells and is producing about 40,000 barrels of oil daily. A good deal of it is a low grade of oil that is sold for fuel. The average price is hard to determine, but it is at least 30 cents a barrel. That means that \$12,000 a day comes into the State of Texas from crude petroleum. And I may say that it is the belief of oil men that there are still immense deposits of crude petroleum in Texas which will be developed when market conditions permit of their development.

Oklahoma and Kansas form the greatest productive field upon this continent to-day. They have 13,000 wells. The average price of the oil there is 0.42 cent. They produce 180,000 barrels of oil per day. The daily value is \$75,600. Twenty-seven million five hundred thousand dollars every year is paid into the States of Oklahoma and Kansas for the crude petroleum produced in those States. Pennsylvania has 45,000 wells, but they only produce 25,000 barrels of oil, but it is of such high quality, and on account of the competition of independent refineries, that it sells at \$1.78 per barrel for crude oil. The daily value of their oil is \$45,000, amounting to more than \$16,000,000 per annum. Ohio has 45,000 oil wells. They average 1 barrel a day. It has a daily production of 45,000 barrels. The daily value is \$56,000. That is, more than \$20,000,000 are paid out to the producers of crude oil in Ohio during the year. Indiana has 10,000 wells, with \$8,000 daily income—nearly \$3,000,000 per annum. West Virginia has 14,000 wells, \$44,500 daily income from crude petroleum, and more than \$16,000,000 paid into that State during the year for this single product. Illinois has come to be one of the greatest fields to-day in the Union. If the market conditions to-day would permit, the amount of crude petroleum developed in the fields of Illinois could be increased 50 per cent within twelve months, so men conversant with crude oil conditions there inform me. Illinois already has 18,000 wells. Their product sells at an average of 68 cents a barrel at the wells. It is producing 110,000 barrels a day, and the daily value of which is \$75,000, or more than \$27,000,000 in the pockets of the people of Illinois from that single production.

Mr. CANNON. Will the gentleman allow me to interrupt him, touching Illinois? This oil field is new, and has been four or five years in developing. My information is that all we know of is developed about one-third, about one-half of which is in the lower part of the district I have the honor to represent, and part of it in the district that my colleague [Mr. FOSTER] represents. My information from crude-petroleum men in the two fields is that there are, in round numbers, 3,200 farmers, owners of small tracts, and small shopkeepers, and others who are receiving royalties from these oil wells. I just wanted to add that to what the gentleman from New York has said.

Mr. VREELAND. I thank the gentleman for the information, and I will touch later upon who are interested in this great production of oil. Kentucky, Wyoming, Louisiana, Colorado, and Utah are also producers of oil. The total value of crude

oil in the United States amounts to more than \$150,000,000, and that is the value when it comes to the surface of the ground.

It is well known, Mr. Chairman, among men who are in touch with the oil business that if we had the market wherewith to dispose of petroleum that could be produced in the United States the whole output of petroleum in two years could be put up 50 per cent. Why, gentlemen who know tell me that in the great State of California alone if they had a market for their oil by the end of a year they could produce 250,000 barrels daily.

Now, gentlemen, I have already stated the interest which the Standard Oil Company has in the producing business in the United States. On the whole, it has the same interest that the millers have in the man who raises wheat, that the brewers have in the man who raises barley. They simply buy a portion of the product that this man produces. The Standard Oil Company is interested in buying oil as cheap as it can. I want to say here that the independent refineries in the United States, which have developed remarkably in the last ten years wherever they have entered the oil fields have increased the price the oil man received for his crude petroleum by from 6 to 20 cents a barrel.

Mr. HARDY. Will the gentleman allow me to ask him a question?

Mr. VREELAND. Yes.

Mr. HARDY. I just wanted to ask the gentleman if he knows of any law whereby Russia, Mexico, Canada, or any other country can prevent the Standard Oil from acquiring an interest and use their capital in an exploitation of refining oil in these foreign countries?

Mr. VREELAND. I know of no law, and that is precisely the course the Standard Oil is following. They are already to-day in possession of most of the oil production of Roumania. They had possession of most of the oil production of Japan, until last year they were virtually compelled by the Japanese Government to sell their interest to the Government that is now held by Japan as a monopoly.

Mr. HARDY. Do I understand you to take the position that the Standard Oil will in the end control the products of Mexico and other foreign countries?

Mr. VREELAND. Most certainly; that is my position.

Mr. KÜSTERMANN. On the matter of crude oil, let me read a few lines from the report of the Commissioner of Corporations.

Mr. VREELAND. I will state to the gentleman that I have the report of the commissioner.

Mr. KÜSTERMANN. It shows just exactly what the commissioner thinks of the situation, if you will allow me to read it.

Mr. VREELAND. I can not submit to interruption now for the purpose of reading an article, I will state to the gentleman, because I am taking too much time. If he will make a statement as to what it is, I will yield to him; but I am perfectly familiar with the publication. It is five years old, and I am talking about the present.

Mr. KÜSTERMANN. It is only two years old—1907 was the period of the great investigation.

Mr. VREELAND. That is when it was published; the report I have is 1906.

Mr. KÜSTERMANN. There were four volumes, and this one covers all the ground, if the gentleman will permit me to read it.

Mr. VREELAND. I hope the gentleman will read all the volumes diligently, and he will gather considerable information on the matter of crude petroleum.

Mr. COOPER of Wisconsin. Will the gentleman allow me to ask him a question?

Mr. VREELAND. Yes.

Mr. COOPER of Wisconsin. I understood the gentleman to speak a moment ago about the increase in the independent refiners?

Mr. VREELAND. Yes, sir.

Mr. COOPER of Wisconsin. Is the Prairie Island Gas Company an independent company?

Mr. VREELAND. No, sir.

Mr. COOPER of Wisconsin. It claims to be a competitor of the Standard Oil Company?

Mr. VREELAND. Oh, no.

Mr. COOPER of Wisconsin. It was always so understood. Why did it have that name?

Mr. VREELAND. It might have been the understanding of the gentleman from Wisconsin, but nobody in touch with the subject thought it was independent of the Standard Oil Company. It has been the policy of the Standard Oil Company frequently to appear under different names, and this is one of the cases. f



All oil men have always understood that it belonged to the Standard Oil Company. I now yield to the gentleman from Oklahoma.

Mr. CARTER. I simply desire to ask if it is not a fact that several years ago a controversy arose over the desire of the Prairie Oil and Gas Company to lay a certain pipe line; that it developed in that controversy, and was not denied by the Prairie Oil and Gas Company, that this company was a subsidiary organization of the Standard Oil Company, and that was when Mr. Hitchcock was Secretary of the Interior, now four years ago? Is that not true?

Mr. VREELAND. Most assuredly. What I am saying to the gentleman from Wisconsin is that people who are connected with the business and who have been familiar with it have always known from the time that the Prairie Oil and Gas Company started to build its lines that it was a Standard interest. I never heard any other opinion expressed. But there is no question about the number of independent refineries. The gentleman will find in the same government report alluded to by the gentleman from Wisconsin [Mr. KÜSTERMANN] a statement of the names of the independent refineries existing at the time that this report was published, and since that time something like eight or ten additional independent refineries have been built.

Mr. ANTHONY. Did I understand the gentleman to say that the Standard Oil Company had increased the prices it paid for crude oil as the fields have developed?

Mr. VREELAND. The statement I made was that wherever the independents have gone in and covered a territory and bought oil they have invariably compelled the Standard Oil Company to increase its price from 6 to 20 cents per barrel.

Mr. ANTHONY. I want to say for the information of the gentleman from New York that the price of crude oil in Kansas has steadily declined since the inception of that field from \$1.25 per barrel to 48 cents, and the policy of the Standard Oil Company has been to depress the price of crude oil until it is unprofitable for many wells to be operated.

Mr. VREELAND. That is only too true. I am personally aware—

Mr. ANTHONY. I do not understand the logic of the gentleman in trying to protect an industry which attempts to create a monopoly.

Mr. VREELAND. Oh, I am not desiring to protect it. I am taking the ground on this floor that the Standard Oil Company needs no protection from any law. Its interests are so vast, its hold upon the business is so great, that it does not need to come here and ask for protection. I am standing here to ask protection against the Standard Oil Company and against the very practices which the gentleman says they have pursued in Kansas and in Oklahoma. To-day the Standard Oil Company practically has no competition in that field. What is the result? The crude oil of that field is selling at 41 or 42 cents a barrel. Refiners who know the quality of the oil tell me that upon its merits it ought to sell and is fully entitled to sell for 60 or 70 cents a barrel. Why is it that the oil of Pennsylvania to-day is selling for \$1.78 per barrel? It is not only on account of the quality of the oil, but it is because the independent refiners are covering that territory with their pipe lines and purchasing that oil in competition with the Standard. For that reason the price of their crude oil goes up to a reasonable figure.

Mr. JAMES. I should like to know from the gentleman which he thinks the independent producers of the country are in greater need of, protection from foreign competition or from the lawless methods of the Standard Oil Company?

Mr. VREELAND. Until the Mexican field develops, the American producer needs no protection from any spot on earth. There is no field across the ocean that can do the slightest damage to the American producers of oil.

Mr. JAMES. Is it not true that the Standard Oil Company sells oil across the sea, after paying the freight on it at 3 cents a gallon, cheaper than it sells it to American consumers?

Mr. VREELAND. If the gentleman will permit me, I will take up that question by itself, because it is a very important question, and I shall want to dwell upon it.

Mr. JAMES. I shall be glad to hear from the gentleman on that.

Mr. CLARK of Missouri. If it will not interrupt the gentleman, I should like to ask him one question.

Mr. VREELAND. Yes.

Mr. CLARK of Missouri. If this countervailing duty stays in this bill, then the high tariff of any other country not only goes onto our statute books as to the crude oil and refined oil, but also as to all products of petroleum, paraffin, and so forth, does it not?

Mr. VREELAND. I suppose it does, under the law.

Mr. CLARK of Missouri. That is what I wanted to know.

Mr. VREELAND. Petroleum itself is a product of crude oil. I have already alluded to the interests of the independent refineries. I want to say that Mr. Emery, the greatest independent refiner in the United States, is now in the city and would be glad to give such information as he possesses to any gentleman of this House who desires to seek him out.

I want to say another thing; Mr. Emery is entitled to additional credit for the position he takes in this matter, because he is a part owner of the greatest property in the State of Mexico. Mr. Emery owns a one-third interest in the fields where the monster oil well which came in last fall was produced, the well which took fire; a well which had an output estimated to be 150,000 barrels a day, unquestionably the greatest oil well discovered on the globe, not excepting the great oil wells of Russia.

Mr. HUBBARD of West Virginia. Will the gentleman yield?  
Mr. VREELAND. Certainly.

Mr. HUBBARD of West Virginia. Will the gentleman state what has been the relations of Mr. Emery to the Standard Oil Company throughout its history?

Mr. VREELAND. That is well known. I have already stated that Mr. Emery has been a bitter enemy of the Standard Oil Company and fought that company all his life. I think as much as any man outside he has been instrumental in creating public sentiment and bringing about a law to prevent preferential rates on railroads by which the Standard Oil Company has had an advantage. Mr. Emery was in this city appealing to Congress on the subject of equality of rates to American shippers long before the Reagan bill was introduced in this body.

I want to say the interests of the independent refiners in this country have more than doubled within the last ten years; their pipe-line capacity has been more than doubled, and the men who refine the oil have produced more than double the amount of refined oil since the provision of the law passed by this body which requires that every shipper of goods of any description shipped over a railroad shall have the same terms as any other shipper under like circumstances. Since that law has been passed and has been enforced during the last administration, it is the opinion of the independent refiners that they will be able in the near future to still more expand the amount of oil which they will be able to refine.

Now, the oil business of the United States to-day, so far as it relates to the producers, is not in a favorable condition. We lack a market for the oil we produce; we need to seek markets wherever they can be found on the globe. At this moment nearly 100,000,000 barrels of crude oil are upon the surface of the earth, stored in tanks and pipe lines, waiting a demand for it from the markets of the United States and the world.

As I have stated, the daily production of the oil could be increased 50 per cent if the producers had markets in which to sell it. To-day in Oklahoma the Mid-Continent Association is seriously considering the question of a six-months shut down because they are flooding the market with more oil than can be disposed of. Forty-seven million gallons of Oklahoma oil is held in storage. It was expected some relief would be obtained in that territory by the so-called "independent pipe lines," two of which have been built from that field to the Gulf of Mexico.

But I may say that we find in practice these two independent pipe lines have outstandardized the Standard Company; that they have bought up enough production to fill their own lines and supply their own refineries, and have not given a particle of relief to oil producers.

Mr. PERKINS. Will the gentleman yield for a question?

Mr. VREELAND. Certainly.

Mr. PERKINS. Has not the excess of production of which the gentleman speaks been confined entirely to the low-grade oil? Is there any excess in the production of the high-grade oil?

Mr. VREELAND. Not in the highest grade of oil; that is, the Pennsylvania oil. Of course the Oklahoma oil is good oil, and while it does not produce as good a kind of refined petroleum as the Pennsylvania oil, still it produces an excellent quality of petroleum, but not so large a percentage to the barrel.

Mr. DAVIDSON. Will the gentleman yield to me for a question?

Mr. VREELAND. I will yield to the gentleman from Wisconsin.

Mr. DAVIDSON. I would like to have the gentleman express his opinion as to why the price of petroleum products has increased so much during the last few years, if there is this great overproduction of oil—for instance, gasoline and products of that kind?

Mr. VREELAND. The price of crude oil at wholesale has not increased greatly during the last few years. During the boom time, before the financial depression of 1907, refined petroleum, like everything else, advanced to some extent, but nothing to the extent that other products advanced. To-day, as I shall endeavor to show later, the refined oil is sold in the markets of the United States as cheap, quality for quality, as it is sold in any country on the globe.

I may add that on account of railroad discrimination the independent refiners were unable to ship their oils into Wisconsin until during the last year.

Mr. DAVIDSON. That applies to the refined oil, but how about the products like gasoline, for instance?

Mr. VREELAND. Gasoline has gone down.

Mr. DAVIDSON. Which has gone up to 27 or 28 cents?

Mr. VREELAND. Gasoline is cheaper; and if the gentleman has occasion to buy any for his automobile this summer, he will find that he can buy it for a low price.

Mr. DAVIDSON. But I will state that I am not in the habit of buying gasoline for automobiles, but I buy it for other purposes.

Mr. COOPER of Pennsylvania. I would like to ask the gentleman whether there is the same reason for having a duty on refined oil as there is on crude oil.

Mr. VREELAND. I will touch on that later. I want to say that if this tariff bill came up a year ago no oil producer in the United States would have cared a rap whether there was anything affecting oil in it or not. I want to say that for the past ten years no producer of crude oil has known or cared whether there was any tariff upon crude or refined petroleum.

Mr. McGUIRE of Oklahoma. Will the gentleman yield?

Mr. VREELAND. Yes.

Mr. McGUIRE of Oklahoma. Is the gentleman prepared to state from what countries we received the crude oil and how much, and from what countries we received the refined and finished product, and how much for a few years back?

Mr. VREELAND. I want to say that practically no oil has come in of any description to our markets. I do not think one-hundredth of 1 per cent of the oil has come in. It is a negligible quantity. A little oil has come in from the Dutch East Indies, where only thirty-seven one-hundredths of 1 per cent is levied as against us.

I may say in that connection that a considerable portion of the oil that has come in has been brought over in the empty tank steamers of the Standard Oil Company for some experimental purpose and mixed with our oil. They brought in something like eight or nine millions of barrels in the last two years from the Dutch East Indies, and for what purpose I do not know.

Mr. McGUIRE of Oklahoma. Was that crude or refined?

Mr. VREELAND. That was refined oil. Mr. Chairman, I have stated that during the past ten years, and until this present Mexican development, the producers of crude oil have not cared whether it was touched on in the tariff or not. My friend from Wisconsin [Mr. KÜSTERMANN] made a speech—the only one I have heard here this session which pretended to take up this subject seriously—in which he attempted to do more than to slur the subject, as was done in the report of the minority upon this bill.

The gentleman from Wisconsin [Mr. KÜSTERMANN] undertook to present some information. From what source he obtains it I do not know. He claims that it has been a great benefit to the American refiners of oil, and especially to the Standard Oil Company as being the largest refiner of oil, that this countervailing duty has prevailed against other countries during the last ten years. The gentleman from Wisconsin bases his whole case upon the importation of oil from Russia. He says that if it were not for this high tariff which the countervailing duty puts against Russian oil that Russian oil would be a large competitor in our fields. The gentleman makes it specific. He says if it were not for that countervailing duty against Russia the American consumer would have been able to buy refined oil for 3 or 4 cents per gallon cheaper than he has been able to do it.

Mr. KÜSTERMANN. Will the gentleman yield?

Mr. VREELAND. Yes.

Mr. KÜSTERMANN. I just wish to say that that information I got from the Commissioner of Corporations, who has gone very thoroughly for one whole year into the subject, and has arrived at the conclusion that on account of the countervailing duty the Standard Oil Company exacts 3 to 4 cents a gallon more out of our people than they ask for the same oil in European countries.

Mr. VREELAND. Where does the gentleman find that information? Is it printed?

Mr. KÜSTERMANN. Yes; it is printed.

Mr. VREELAND. I wish the gentleman would refer me to the page in the report where that statement is made.

Mr. KÜSTERMANN. I will be able to do that if the gentleman will give me some time.

Mr. VREELAND. Yes; I have a copy of the book here, and perhaps he could find it now.

Mr. GARRETT. I would suggest that the gentleman turn to page 427.

Mr. VREELAND. At any rate, I want to say that whether the statement is made by the gentleman from Wisconsin or by the Commissioner of Corporations, or by whoever it is made, it is a ridiculous statement, which I think I shall have no trouble in refuting. I want to here make the broad statement that the countervailing duty upon either crude or refined petroleum has not cost the American people one solitary mill during the last ten years. I want to make here the broad statement that if the countervailing duty as against Russia should be repealed to-day by Russia—not by us, because we levy no duty against Russia—that not a barrel of Russian refined oil could come into this country unless it was brought in in the tank steamers of the Standard Oil Company to mix with our oils.

Why, gentlemen, the very fact that Russia puts a prohibitive duty against our oil is in itself proof that they are afraid that our oil will enter their markets and sell in their markets. For what purpose is a tariff levied? A tariff is levied either for revenue purposes, in which case it must be a low tariff on oil, or else it is levied to keep other competitors out of the market of the country levying it. Why, we are all familiar with that. Then what is the meaning of the tariff that is levied against us by Russia? They put on an absolutely prohibitive tariff, a tariff amounting to 200 to 250 per cent. What does that show? It does not show the ability of Russian producers and refiners of oil to come into our markets here, but shows distinctly on the face of it that it is intended to keep us out of their markets.

Mr. RANDELL of Texas. The gentleman states the duty Russia placed upon this article is prohibitive. Then is not this countervailing duty a prohibitive duty when it applies to this market when it prohibits Russian oil coming in?

Mr. VREELAND. Most certainly.

Mr. RANDELL of Texas. Then does the gentleman think that is the proper thing, because Russia sees proper to prohibit the importation of oil, that the consumer in this country should have levied against his interest a prohibitive duty on oil against Russia or anyone else?

Mr. VREELAND. I am endeavoring to explain to the gentleman reasons which have actuated Russia in putting on a prohibitive duty. Can the gentleman imagine any other reason than that they are afraid other competitors of oil will come in and take their market? Is there any other?

Mr. RANDELL of Texas. They might have a reason that Americans suspect in this country, that it is an effort to turn over the people and local trade to the special interest so favored.

Mr. VREELAND. Oh, well, the gentleman is not throwing any light on the subject. He is merely fortifying himself for some future political campaign. Now, I want to say, Mr. Chairman, beyond the duty which Russia levies against us and which in itself shows that the Russian can not come into our market and compete with us—I want to say to the gentleman from Wisconsin that if to-morrow a shipload of Russian refined oil were landed at the port of New York and offered to the American people it could not be sold in our markets for two reasons: In the first place, the quality of it would not come up to the standards which our States call for; in the second place, our people would not accept and buy and use the quality of crude and refined oil which Russia produces.

Mr. KÜSTERMANN. But does not the gentleman believe that if Russia could have a market here she would improve upon the quality of her oil and adopt different methods of refining. At present they do not need it in their own country; they do not need it, but if they can get a market for it here they will refine their oil just the same as we are doing, if we will just give them a chance.

Mr. VREELAND. The Russian can not by any process change the quality of the oil which is pumped out of the ground in Russia.

Mr. NEEDHAM. I would suggest to the gentleman from New York that if Russia takes off her tariff she can have our market.

Mr. VREELAND. I am endeavoring to explain that so the gentleman will understand it.



The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, could I move that the gentleman have an extension of time? I move that the gentleman have sufficient time to conclude his remarks.

The CHAIRMAN. The gentleman from Pennsylvania moves that the gentleman from New York may have sufficient time to conclude his remarks. Is there objection?

Mr. HARDY. Mr. Chairman, I have no objection to extending the time of the gentleman, but I desire to have this interesting argument somewhat elucidated on the other side, and I would like to have it understood that when the reply comes, we will be given the same kind of consideration. With that suggestion, I have no objection to the extension of the gentleman's time.

The CHAIRMAN. Of course the Chair can not make any promises.

Mr. HARDY. I just wish to make that statement now, because I hope to be able to reply somewhat to the argument of the gentleman.

The CHAIRMAN. The Chair hears no objection.

Mr. VREELAND. I do not expect to convince the gentleman from Wisconsin or to turn him away from his idols in this respect, nor am I able to convince myself that the gentleman from Wisconsin is seeking information on this subject.

I think it is proper for me to make this statement for this reason: Before the gentleman from Wisconsin delivered his speech upon this floor on this subject, he was informed that Mr. Emery, the greatest independent refiner in the United States, the man who knows from personal observation and experience of forty years about all these countries and about all of these subjects, a man who has been through the Russian oil fields personally, a man who to-day owns producing interests in Roumania, a man who owns a third of the great production in the great territory in Mexico, wanted to see the gentleman from Wisconsin [Mr. KÜSTERMANN] and talk with him upon this subject and endeavor to give him some information before he made his speech, and the gentleman from Wisconsin, as I am informed, declined to see him.

Mr. KÜSTERMANN. The gentleman has been wrongly informed. I would have been glad to see the gentleman, but at that time, when I was approached, I did not have the time to spend with him.

Mr. VREELAND. I was saying, Mr. Chairman, that Russian refined oil could find no place in American markets. The gentleman from Wisconsin (Mr. KÜSTERMANN) says that if they had our market, then they would produce a better quality of oil, but the gentleman does not seem to know that the quality of oil is determined, not by law, not by the producer, but by nature, which has been refining that oil down in the bowels of the earth through centuries of time.

They have in Russia one oil field, as the gentleman has truly stated, located on the Caspian Sea. It is a small territory at present, about 6 miles square. The crude oil produced is a little better in quality than that produced in Texas, but not very much better. It has almost an asphalt base. Now, they are not situated the way we are, with different grades, so that they can be blended and refined together and an average high quality produced. The only quality of oil produced in Russia is this low grade, a nearly asphalt base quality of oil.

And the gentleman would know, if he knew anything about the oil business, that no refiner, wherever he is located, could possibly take that oil and produce a high-grade oil from it. In the State of Pennsylvania we get 85 per cent of the highest grade of refined oil out of a barrel of crude. In Russia it takes five barrels of that heavy oil of theirs to make a poor quality of refined oil.

Let me examine again for a moment the question of the introducing of refined oil from Russia into the United States. This oil field of Russia, Baku, is on the Caspian Sea. The Caspian Sea is a closed sea, as we all know. Hence the refined oil of Russia has to be shipped thousands of miles before it finds a seaport, subject to all the waste, subject to the charges of a railroad company, over all those thousands of miles. Then it would have to be put into tank steamers and transported across the Atlantic. That would be much cheaper than rail transportation, but when they landed their oil upon our shores, as I have stated before, they could not sell a barrel of it to the American producer.

Mr. GARRETT. Will the gentleman permit a question?

Mr. VREELAND. Yes.

Mr. GARRETT. If that is the case, what good is this countervailing duty either for protection or revenue?

Mr. VREELAND. It is no good against Russia, as I am trying to tell the gentleman. We care nothing about the countervailing duty against Russia, and never have cared about it. I am dwelling upon this point of bringing in oil from Russia because the gentleman from Wisconsin [Mr. KÜSTERMANN], who has made the only speech upon the subject, bases his whole case upon the statement that had it not been for this countervailing duty the American consumer would have been able to buy his oil 3 or 4 cents a gallon cheaper by reason of importation of Russian oil.

Mr. GARRETT. What countries, then, compete with us?

Mr. VREELAND. No countries compete with us. If the gentleman will be patient, I will endeavor to show him the competition we are afraid of in the future. There has been no outside competition in the past with the American producer of oil in our markets.

Now, I want to repeat the statement I made a few moments ago. When you consider the quality of the oil produced oil is sold in America at wholesale rates as cheap as it is sold in any country on the globe. Why, the gentleman from Wisconsin makes a table of oil sold in the United States at wholesale rates and oil sold for export to foreign countries, and he finds in that table, which is true, that the oil sold for export is sold at a cheaper rate than the oil sold at wholesale in the United States. But what the gentleman does not seem to have comprehended yet is that "export oil" is a technical term used in the business, a term well understood among refiners. "Export oil" means a lower quality of oil. It means an oil that is made to meet the market conditions and the laws of other countries. It means that it is much inferior in quality to the oil sold in the United States.

Why, Mr. Emery, to whom I have so often referred, is a large exporter of oil, and has been for years, to the continent of Europe. He sends 60 or 70 per cent of his refined oils to Germany and to other foreign countries. He maintains his own tank steamers; he has his own distributing point in Germany. Mr. Emery can tell you that the water-white oil which the American consumer demands, and they will have nothing else, is sold at wholesale cheaper in the United States than it is sold in Germany. He sells it himself to anybody who wants it from a quarter to a half a cent a gallon cheaper in this country than he sells it abroad. Why, gentlemen, do you know that refined oil is sold in this country cheaper than water? Here in the lobby of this House there is spring water furnished to us by the 5-gallon can for 50 cents, or 10 cents a gallon. It does not have to be drilled for.

Nature sends it up to the surface. No money is lost in endeavoring to find it. All you have to do is to gather it up in a tank, ship it to Washington or to every American city, put it into bottles, and sell it. We pay 10 cents a gallon for that water, delivered here in the Capitol and delivered at every other place in the city of Washington, Philadelphia, New York, Chicago, or wherever it is sold. To-day, in the same city of Washington, the best quality of water-white oil can be bought in smaller quantities, less than 5 gallons, at 10 cents a gallon, and they will furnish it delivered to the housekeeper and allow him to keep the can until the oil is used.

I want to say to those gentlemen who speak of bringing Russian oil into this country that a better quality of oil by many degrees than that produced in Russia is sold in the markets of the United States at 4 cents a gallon.

Within the last three months carloads of oil shipped by the Oklahoma-Kansas Independent Refinery to the city of Detroit, Mich., were sold there at 4 cents per gallon, carload lots; a better quality of oil than any refiner can produce from the crude oil turned out in the Russian Empire. Yet gentlemen say that we are paying 3 or 4 cents a gallon on account of the countervailing duty.

Mr. PERKINS. Can the gentleman state what the refined oil, such as he speaks of, is sold for in Russia by the Russian company?

Mr. VREELAND. The same quality, I can not say. But I will state to the gentleman that out of a tank of oil the American refiners get 72 different grades of oil.

I want to say to the gentleman that any American refiner will say to him that if he produced a quality of refined oil such as is produced in Russia he would be glad to make it and sell it in the market at 3½ cents a gallon.

Mr. PERKINS. What does he sell it for in Russia?

Mr. VREELAND. I am not aware what it sells for in Russia. There may be gentlemen in the House who have traveled through Russia and Persia who may know; and if so, they will testify as to the kind of oil that is used there. It is smoky. It

smokes up the chimneys, has a red blaze, and the ceilings are smoked up by the oil. American consumers would not allow it to be used in their houses. It is only sold in Germany at a preferential duty as against the United States. It is only sold in their markets to mix with better oils coming from this country. I maintain, therefore, that the American oils used in Germany are sold in that country at no greater price than sold in the United States. Water-white oil, which can be bought in this country at 6 and 6½, is sold in Germany at 6½.

Refined oil can be sent by the independent producers of the United States, and by the Standard Oil as well, into Germany at much cheaper rates of cost of transportation than it can be sent into the interior of the United States. The Pure Oil Company has a pipe line, the only pipe line in the United States for shipping refined oil. It runs from Oil City and Bradford, Pa., to their refinery in Philadelphia. They can ship refined oil from these refineries at less than half a cent a gallon to the port of Philadelphia.

From there in tank steamers they send it across the Atlantic for less than a cent. Thus it can be landed in any seaport of Germany for 1½ cents a gallon.

Now, let us take shipments, for instance, into the State of Iowa from the same oil region. The railroad rates would be 40 cents per 100 pounds, or 16 gallons, which means a cost of 2½ cents a gallon, or 1 cent more than to Germany, in carload lots for oil sent into the State of Iowa. Still, as I say, quality for quality oil is sold cheaper here than it is anywhere else on the globe.

Mr. HARDY. I should like to get one proposition clear.

Mr. VREELAND. Yes.

Mr. HARDY. I wish to know whether the gentleman denies the fact that the same character of American oil is ever sold cheaper abroad than at home?

Mr. VREELAND. Oh, ever! The gentleman evidently wants to frame up his question to catch any isolated case, perhaps one in a million.

Mr. HARDY. I mean in large quantities.

Mr. VREELAND. I have already made the statement in terms so plain that the gentleman must have understood it that quality for quality oil is sold as cheaply in the United States at wholesale rates as anywhere in the world.

Mr. HARDY. Quality for quality, is not American oil sold cheaper abroad than it is here?

Mr. VREELAND. I can not do any better for the gentleman's information than to repeat what I have just said, that quality for quality oil is sold as cheaply at wholesale rates in the United States as it is anywhere in the world.

Now, the gentleman understands that the qualities of oil required abroad are very different from those in the United States. The consumers of oil in this country demand the very best refined oil. They want a fire test of at least 150 degrees. A man in this country does not want to take any chances in burning oil in lamps in his house. Now, the gentleman understands that abroad much lower tests are required. For instance, in Germany they have what is called the Abel fire test of refined oil, under which the oil sold in Germany has to stand a fire test of 110 degrees, as against 150 degrees that the American consumer requires for his oil. In France, where they do not produce oil, but where they have built up a large refining business by putting a tariff against refined oil and letting the crude oil come in free, the law requires a fire test of about 130 degrees; in Norway and Sweden, 120 degrees; and so on.

In all the countries of Europe the test required upon their oils is very much less than it is in the United States, and the consumers of oil there are satisfied with very much poorer qualities of oil than our market will take.

Now, I have come to the point of stating to this House why the producers of oil in this country desire to have some protection in this bill, a protection which they have not desired during the last ten years. I want to say, in brief, that it is because they not only believe, but they know, that within the next few years, if a market can be provided for it, a great oil field will be exploited in the adjoining country of Mexico. Now, this is not information and belief; these are direct facts. Men who keep in touch with the business, who know what is going on, who are obliged to know as a part of their business what takes place in other fields, all of them know that the Standard Oil Company can go into Mexico to-morrow with their great resources, their unrivaled organization, their unlimited capital, that they can put in a hundred strings of tools, and, in the opinion of all men who know, at the end of a year they can have a production in Mexico of 150,000 to 200,000 barrels a day.

All of you, I suppose, as a matter of general information, read of the tremendous oil well that came in in Mexico last fall, the oil well that took fire. I want to have the Clerk read a little item taken from the Technical World, which describes it.

The Clerk read as follows:

BLAZE 1,800 FEET HIGH—AND ABOVE IT A COLUMN OF SMOKE ROSE TO 9,000 FEET.

The greatest oil fire in history is supposed to have been the fire which by a conservative estimate destroyed more than 5,000,000 barrels of oil last year in the San Geronimo field, near Tampico, Mexico.

The oil stratum was struck at a depth of 1,840 feet in a 6-inch cased well. The torrent of oil burst forth and was quickly followed by a blowout of gas, which opened a big orifice in the earth's surface, swallowing up the derrick and whole drilling outfit, including the engine and boiler. The gas and oil were ignited from the fire under the boiler and the great fire was in this manner started.

It burned for sixty-two days. The vortex or crater through which the oil poured was gradually enlarged until it was more than 500 feet wide. A rim of rocks and earth was formed around its outer edge resembling a volcano's crater. According to the Technical World, the blaze extended to a height of from 1,400 to 1,800 feet, and the column of black smoke rose above it to a height of about 9,000 feet. On top of the smoke rested a great white cloud of vapor, which was estimated to extend skyward to an additional height of 7,000 feet. The blaze could be seen 200 miles.

The great oil fire was extinguished by means of 6 centrifugal pumps, which were kept constantly busy for two weeks throwing mud and water into the crater. Heavy discharges of dynamite around the rim of the orifice also aided in the extinguishing work.

Shortly after the flames were put out, the oil burst forth again in greater volume than ever, and its output was estimated at 150,000 barrels a day. It has been a difficult problem to care for the oil. The Mexican Government sent several hundred soldiers to the scene to assist the owners of the well in building earthen reservoirs for temporary storage of the product. The oil overflowed these reservoirs, and large quantities escaped into the San Geronimo River and Lake Tamiahua.

Mr. VREELAND. These wells are not found singly. That is unquestionably the greatest oil well that has ever been discovered since the oil business was known, greater than the great oil wells of the Empire of Russia.

As I stated, Mr. Emery owns a third interest in this great field. To that extent his interests are not in favor of continuing any sort of duties on oil. But his interests in this country are greater; he is a great producer of oil and a great refiner of oil, and beyond that he is an American, and prefers to give his own country any benefit to which it is entitled.

I want to say that only the day before yesterday a report from this same field came to Mr. Emery from the men in charge there, with whom I am personally acquainted, stating that they had brought in another oil well, more than a mile and a half from his great monster, whose daily production is upward of 10,000 barrels a day.

I might say that he gave me the information that they have other wells drilled there, but shut in because they have no market for it, that they figure will produce upward of 20,000 barrels a day.

Now, then, oil is produced directly upon the seacoast of the Gulf of Mexico; it does not have to be piped; it is right there on the salt water, where it can be loaded, as crude or refined, into tank steamers or tank barges.

Why, the Standard Oil Company has to-day built and has in operation three refineries in the oil fields of Mexico. They have one at Veracruz, one at Mexico City, and one at Tampico. An English company has also finished a refinery there, with a capacity of more than 10,000 barrels a day. The refinery cost more than \$1,000,000. Therefore there are known districts in Mexico to-day where oil is produced in large quantities.

There is another field 400 miles distant from the one to which I refer where this great oil well was struck, where they produced oil the last two years, wells 2 years old, producing to-day eight to ten hundred barrels a day. Any man who knows anything about the oil business knows what that means; oil wells in our country 2 years old, starting in with 100 barrels a day, to-day produce from 2 to 5 barrels a day.

Now, this is not a question of belief or information; it is a question of known facts, and anybody connected with the subject of oil knows that we are facing a great development of oil in the adjoining State of Mexico, right up close to the salt water. I have already stated that it has been the policy of the Standard Oil Company to enter and exploit every field, not only in this country, but all other countries. I state to-day that they are refining and producing oil in Roumania and in Mexico.

They occupied fields in Japan as producers and refiners until, something more than a year ago, the Japanese Government compelled them to sell out their interests, and the Japanese are to-day holding them as a government monopoly. They have gone into every field, and I say I have no hesitation in stating on this floor what the producers fear. The producers



and independent refineries to-day fear that the Standard Oil Company will go into Mexico, where it has three refineries, with their great organization of capital and equipment, and will build up a great oil producing and refining business; and that means that the producer in Oklahoma and Illinois, thousands of miles from the seacoast, will sell a barrel of oil less for every barrel produced and sold in the State of Mexico.

Mr. BURKE of Pennsylvania. Will the gentleman yield for a question?

Mr. VREELAND. I will yield to the gentleman from Pennsylvania.

Mr. BURKE of Pennsylvania. When the Democratic party last had control of the tariff legislation, and after they made a report to the House of Representatives in which they used this language—

The American people, after the fullest and most thorough debate ever given to any people as to their fiscal policy—

reported to this House and enacted into law a provision taxing the imported petroleum at the rate of 40 per cent ad valorem; and is it not a fact that on that committee making that report were such men as William L. Wilson, of West Virginia; Benton McMillin, of Tennessee; Henry G. Turner, of Georgia; Alexander Montgomery, of Kentucky; William Bourke Cockran, of New York; Moses T. Stevens, of Massachusetts; William J. Bryan, of Nebraska; and William D. Bynum, of Indiana?

Mr. VREELAND. That is true.

Mr. GARRETT. I would like to ask the gentleman if it is not a fact that that provision was put on in the Senate and not in the House at all?

Mr. VREELAND. It was brought into the House by the Ways and Means Committee, of which Mr. Wilson was the chairman, but I do not care to go into that question. I am not claiming that they are entitled to criticism, but to be congratulated for affording protection to American interests.

Mr. HARDY. I would like to ask if I did not understand the gentleman a moment ago to say that there would have been none of this Russian oil and could have been none of these other oils, until you got the Mexican field into this, even without that tax?

Mr. VREELAND. Absolutely true; and I further stated that that clause had been of benefit to the American producers and refiners by securing us cheaper rates or no rates of duty in some markets abroad, although it had no effect with Russia.

Mr. HARDY. I understood the gentleman to say there would have been none imported here now?

Mr. VREELAND. No more than there has been.

Mr. HARDY. Then that law was useless and ineffective.

Mr. VREELAND. Not at all. Although they could not import here, I stated to the gentleman that it secured to American exporters of oil cheaper rates, lower rates, and in some countries no rates of duty by reason of the fact that it was in effect.

Mr. CLARK of Missouri. Mr. Chairman, if it will not interrupt the gentleman, I would like to ask him a question or two. There is no oil imported here, the gentleman says, except from Mexico.

Mr. VREELAND. There is no oil imported here from anywhere to amount to anything at present.

Mr. CLARK of Missouri. Does not the gentleman think it would be a straighter and squarer and fairer proposition, if you want protection on oil, to simply put an ad valorem duty on, so that everybody could understand it—

Mr. VREELAND. Unquestionably.

Mr. CLARK of Missouri (continuing). Than to do it by this indirect twist of the wrist, if the gentleman will excuse that expression?

Mr. VREELAND. Unquestionably. I want to say to the gentleman from Missouri that he is entirely right about it, and in concluding my remarks I intended to touch on that subject.

Then, I say, Mr. Chairman, that for the first time the American producer of oil fears an outside competitor, and that is the oil produced in Mexico just across our border. I need not spend any more time in telling of the advantages they would have if they opened up a great field of cheap oil in Mexico. This question arises: Suppose the Standard Oil Company and other great organizations do open up a great field in Mexico. Is it

not undoubtedly true that their influence with the Mexican Government would be enough to secure a repeal of their countervailing duties as against American oil, so that we would be left, in that event, without any protection at the point, and the only point, where we fear competition? That is undoubtedly true; and I want to say to the gentleman from Missouri [Mr. CLARK] that we would infinitely prefer that in this bill should be put an ad valorem or a specific duty, an ad valorem duty, say, of 33½ per cent, which is almost 10 per cent less than that provided in the Wilson bill.

In my judgment, a countervailing duty within the next two years would be of no value whatever to the American producer of oil, because, in my judgment, the countervailing duty in Mexico will be taken off at the instigation of the Standard and these other great corporations that will exploit that field. I want to say that we would welcome such a change of this countervailing duty into a specific duty which would be of sufficient amount to afford reasonable protection as against those interests.

Now, Mr. Chairman, I have already occupied more time than I ought. The first and worst effects of the cheap oil that is bound to come in from the fields of Mexico would be felt by the producers of fuel oil in California, Louisiana, and Texas. Unquestionably, their market with railroads and with other great producing plants that use oil for fuel would be seriously curtailed. All that the oil producers and the independent refiners of the United States want of this Congress is to be considered fairly and upon their merits.

We do not want the Standard Oil Company and the American oil producers of the country to be treated as synonymous terms. We are just as distinct from the Standard Oil Company as the man who raises the wheat is from the miller who sells the flour, as is the man who raises the barley from the brewer who buys it for brewing. If any of you gentlemen want to swat the Standard Oil Company, do it. We will not stay your hand, but we want you to use some intelligence as well as some zeal in doing it. We want you to be sure that you do not swat the wrong party, and that is all we ask. You might as well say that you are going to hit a blow at the sugar trust by giving it the privilege of bringing in free raw sugar from Cuba, you might as well say that you are going to hit the maltsters and the brewers by allowing them to bring in free barley from Canada, as to say that you are going to hit the Standard Oil Company by allowing them to bring in crude oil from countries where it is cheaper than it is here.

Will the consumer get it any cheaper if it is produced down there in that Mexican field, where it is now coming out in such great volume? Not unless the Standard lowers it on account of competition with itself. Mr. Chairman, the 500,000 men who are engaged in producing oil in this country are enterprising and energetic American citizens. They have done their full share toward building up and enriching the American people. They have gone out and spent hundreds of millions of dollars in sinking shafts thousands of feet into the earth, sometimes in a fruitless search for oil. They have gone into the barren stretches of the Appalachian Range, where a crow could hardly live in flying over it, and they have brought out of the ground a golden stream of riches to add to the wealth of the American people. They have homes to maintain and children to educate. All they want in this bill is a fair consideration upon its merits. They want to be judged upon the facts of the case and not by the prejudice which may exist in people's minds. With this treatment, Mr. Chairman, the men who are engaged in this great industry will be content, and I want to say they will be content with nothing else. [Loud applause.]

Import duties levied on petroleum by countries producing petroleum.

[Reduced to American currency and American gallons.]

| Country.                 | Crude,            | Refined,      |
|--------------------------|-------------------|---------------|
|                          | per gallon.       | per gallon.   |
|                          | <i>Cents.</i>     | <i>Cents.</i> |
| Gallia (Austria).....    | 4.967             | 14.36         |
| Roumania.....            | 1.14              | 2.81          |
| Burma (India).....       | 1.66              | 1.66          |
| Russia.....              | 2.816             | 16.895        |
| Mexico.....              | 4.86              | 13.27         |
| Canada.....              | Free.             | 2.063         |
| Java (Dutch Indies)..... | <sup>a</sup> 5.19 | .37           |
| Japan.....               | <sup>b</sup> 20   | 4.785         |

<sup>a</sup> Per cent ad valorem.

<sup>b</sup> Per cent ad valorem plus 20 per cent for sundries.

Production by States.

OIL.

| State.              | Number of wells. | Average per well. | Price per barrel. | Average per day. | Value.   |              |
|---------------------|------------------|-------------------|-------------------|------------------|----------|--------------|
|                     |                  |                   |                   |                  | Daily.   | Yearly.      |
| California          | 14,000           | 8 1/2             | \$0.75            | 120,000          | \$90,000 | \$32,850,000 |
| Texas               | 8,000            | 5                 | .30               | 40,000           | 12,000   | 4,380,000    |
| Oklahoma and Kansas | 13,000           | 14                | .42               | 180,000          | 75,000   | 27,594,000   |
| Pennsylvania        | 45,000           | 1                 | 1.78              | 25,000           | 44,500   | 16,242,500   |
| Ohio                | 45,000           | 1                 | 1.25              | 45,000           | 56,250   | 20,531,250   |
| Indiana             | 10,000           | 1                 | 1.02              | 8,000            | 9,160    | 2,978,400    |
| West Virginia       | 14,000           | 1 1/2             | 1.78              | 25,000           | 44,500   | 16,242,500   |
| New York            | 4,000            | 1                 | 1.78              | 1,500            | 2,678    | 977,470      |
| Illinois            | 18,000           | 6                 | .68               | 110,000          | 74,500   | 27,302,000   |
| Kentucky            | 2,000            | 3                 | 1.78              | 1,500            | 2,670    | 974,550      |
| Wyoming             | 80               | —                 | .40               | 900              | 890      | 131,400      |
| Louisiana           | 800              | —                 | .30               | 12,000           | 3,600    | 1,314,000    |
| Colorado            | 300              | —                 | 1.00              | 1,500            | 1,500    | 547,500      |
| Utah                | 50               | —                 | 1.00              | 600              | 600      | 219,000      |
| Total               |                  |                   |                   | 571,000          | 447,218  | 152,284,020  |

Production by countries.

|  | Barrels.    |
|--|-------------|
| Production of Russia, per annum                | 54,000,000  |
| Production of United States, per annum         | 208,000,000 |
| Galicja (Austria-Hungary), per annum           | 5,765,000   |
| Roumania, per annum                            | 4,421,000   |
| Dutch East Indies (Sumatra, Borneo), per annum | 7,768,000   |
| British India                                  | 4,137,000   |
| Japan and all other countries                  | 2,629,000   |

Mr. BURKE of Pennsylvania. For the information of the Members of the House, I wish to insert in the RECORD what I regard as a most valuable and illuminating document, entitled: THE DANGER TO OIL PRODUCERS IN EVERY PETROLEUM FIELD IN THE UNITED STATES.

MEXICAN OIL FLOOD THREATENS—IF TARIFF REVISIONISTS TAKE OFF COUNTERVAILING DUTY PRODUCERS WILL SUFFER—J. A. GARTLAN'S WARNING—WILL NOT HIT STANDARD OIL, BUT WILL, HE SAYS, STRIKE TRI-STATE TERRITORY.

[From the Pittsburg (Pa) Dispatch, February 14, 1909. By A. R. Crum, staff correspondent.]

CHARLESTON, W. VA., February 13.

"If the tariff revisionists take off the countervailing duty on petroleum and its products the oil producers of Pennsylvania are going to suffer. Those of West Virginia, Ohio, New York, Indiana, Illinois, Kansas, Oklahoma, Texas, Louisiana, and California are in the same boat."

The above declaration was made by J. A. Gartlan, of Pittsburg, familiarly known as "Andy" to every old-timer in the oil country. Mr. Gartlan is one of the most widely known oil producers in the country and a brother of Senator Gartlan, of the West Virginia assembly. Then Mr. Gartlan continued:

"There is a flood of oil in Mexico, enough to fill the Rio Grande, ready to be poured into this country when that duty is repealed. It is dirty oil, but it is dangerous. Some people have been afraid of Russia, but it is a long way off and the freight is high. Mexico and Canada are different. Besides, Canada pays a bonus on every barrel of oil produced in the Dominion."

"STANDARD NOT ALARMED."

"If the men who are proposing the repeal of this countervailing duty imagine they are striking at the Standard Oil Company they are fooling themselves. The producer is the one who will suffer. Standard Oil can take care of itself, even to getting into Mexico, if necessary, and to giving the American producer less for his crude. That is where it will hurt the producer. He is the goat and will have to carry the burden."

"Pennsylvania and West Virginia producers will suffer less than those of Oklahoma, Texas, Louisiana, and California, but they will suffer enough. They have been pretty comfortable, if not on 'Easy street,' since the Standard Oil killed the speculative market and tried to get all the good-quality stuff, but if this repeal goes through their troubles are going to begin again. The price of oil will be less and the Pennsylvania producer, with his small wells, can't stand much reduction."

"Out in Oklahoma, where the producer has been living in hope of better conditions and better prices, he may as well quit. Mexico can drown him as effectively as he drowned his brother in Kansas. The Greasers have got the goods. They have a tariff of nearly \$2 a barrel to protect them. We have the same protection against them as long as the countervailing duty is retained. But if that is repealed, they can flood us and at the same time defy us to retaliate."

GARTLAN CONSERVATIVE.

After careful investigation I find that Mr. Gartlan is conservative in his statements. The Mexican fields are of great extent and productivity. The quality of oil is similar to that of the Gulf region in Texas, with the ever-present possibility of getting something better.

The area of known productive character is far greater than that of the Appalachian oil fields, including Pennsylvania and West Virginia. The wells are large; some of them are sensational, the famous burning well, for example, known in Mexico as the "Bos Bovas." They have others as large as 5,000 to 10,000 barrels a day.

The Mexican tariff on crude oil is 4.36 cents per gallon and on refined oil it is 13.27 cents per gallon. This is equal to \$1.83 on the barrel of crude oil of 42 gallons and of \$6.63 a barrel on refined. The tariff on refined has been so high that for years the Waters-Pierce Oil Company has refined all the oil for the Mexican market in that country. As that company is the representative of the Standard Oil

Company in that field, it is not hard to see how that interest would escape the penalties of free trade in oil with Mexico. It might be expected soon to be in the business of exporting oil from Mexico to the United States.

NO DIRECT DUTY ON OIL.

There is no direct duty on oil imported into this country. The only protection the American producer has is the following clause in the Dingley law, copied out of its predecessor, the Wilson tariff law, except the change from 40 per cent ad valorem to parity:

"Petroleum and its products, free: *Provided, however,* That if there be imported into the United States crude petroleum or the products of crude petroleum produced in any country which imposes a duty on petroleum or its products exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said crude petroleum or its products so imported equal to the duty imposed by said country." (Title 33, par. 626, Dingley Act.)

The only change from the Wilson law was to make the countervailing duty equal to that imposed by the foreign country instead of the specific 40 per cent of the Wilson Act. Under this clause the American tariff on Mexican oil is \$1.83 a barrel, though the option of free trade in oil is vested in the Mexican Government, not in our own. The same is true of the other petroleum-producing countries. Those and their duties are as follows:

| Country.            | Crude oil. | Refined oil. |
|---------------------|------------|--------------|
| Austria (Galicja)   | 4.967      | 14.36        |
| Roumania            | 1.14       | 2.84         |
| India (Burma)       | 1.66       | 1.66         |
| Russia              | 2.81       | 16.885       |
| Mexico              | 4.36       | 13.27        |
| Canada              | Free.      | 2.063        |
| Java (Dutch Indies) | 5.19       | .37          |
| Japan               | (*)        | 4.785        |

\*Twenty per cent ad valorem plus 20 per cent for sundries. These figures are in gallons and the equivalent American currency.

THE THREAT OF MEXICO.

For the matter of the threat of Mexican competition, I have been able to get some authoritative information. Developments have proved the existence of petroleum over an area extending from the Rio Grande to the Isthmus of Tehuantepec. The geological range of favorable formation lies along the Gulf coast mainly, but passes to the Pacific coast through the States of Tabasco and Chiapas. It is from the State of Tabasco that the pepper comes that gives the tang to the famous sauce, and it is within the bounds of probability that this province may become a hot proposition as an oil field.

At present the principal developments are in the province of Tamaulipas and Veracruz. The principal fields are at Ebano, where eight wells, some of them 2 years old, produce an average of more than 1,000 barrels daily; near Tuxpan, where the burning monster has attracted attention; the Furbero field south of Tampico, with a pipe line to Tuxpan, 60 miles away; and the San Cristobal, the first love of the English company, Pearson & Son (Limited), which is seeking a supply of liquid fuel for the British navy, and has found it. In some way there is a connection between the Pearson concern and the Nigeria Asphalt Company, a subsidized British concessionary, operating in Africa.

GREAT ENGLISH CONCERN.

The Pearson company has obtained control of the Furbero field and the territory about Tuxpan, where the largest wells have been found, and is now neglecting its San Cristobal holdings, which aggregate about 1,000,000 acres. This concern has already invested \$5,000,000 or more and has pipe lines and refineries. The production it has will yield about 15 per cent of distillate—that is, lamp oil—from the process of preparing the residue for fuel and asphalt. As the first purpose of the company is to make fuel for the British navy, the refined oil will be a mere by-product and all the more threatening to the American market. The concern seems to have unlimited capital, which is in accord with the supposition that it is backed by the British Government.

The Furbero field was developed by the Oil Fields of Mexico Company, Percy Furber, president. There is good reason to believe this territory has been taken over by Pearson & Son (Limited), or at least that this concern has secured the right to take all production. The Pearson concern has built the pipe line from that field to Tuxpan.

FACTS ON MEXICAN FIELD.

The field in Tamaulipas is controlled by the Mexican Petroleum Company. This appears to be an American organization, possibly connected with the Standard Oil. It has been operating there for more than three years and has demonstrated the fact that Mexican wells have good staying qualities. It has wells that at two years after completion are making nearly 2,000 barrels a day. This company has a large acreage and is developing it in a leisurely manner. The oil it gets ranges from 16 to 19° Baumé, a gravity very similar to that of the Texas gushers.

In Mexico the geological formation is much the same as in Texas. The oil is found in two horizons, one in the Eocene, the other in the Miocene, geologically speaking. The wells about Tuxpan are mainly in the older formation and the oil is of higher gravity than that from the Eocene. This accords with observed conditions in other parts of the world. It is the approximate rule that the lighter oils are found in the older rocks, though, of course, the gravity varies in the same horizon in different localities, Mexico being no exception to this rule. The present fact is that the Republic to the south of us promises to exceed Russia in the importance of its oil production. And it is so near us that freight will afford no protection whatever.

In Coahuila, a province bordering on the Rio Grande, there are some very shallow wells producing oil on a paraffin base, according to the government geologist of Mexico. The wells are too small, however, to be considered in themselves. They are important only in indicating a possibility that somewhere near there may be deeper and larger wells to produce the same quality of oil. The big wells about Tampico and Tuxpan produce oil on an asphalt base, as do the wells of California and Texas. Those of the San Cristobal district have in addition about 4 per cent of sulphur that gives the refiners much trouble.



CANADA ALARMING OIL RIVAL—PRODUCERS FEARFUL OF DOMINION'S POSSIBILITIES IF DUTY IS REMOVED—HAS TWO ADVANTAGES—OIL AND GAS MEN, AND EVEN CONSUMERS, EQUALLY INTERESTED IN TARIFF ISSUE. [From the Pittsburg (Pa.) Dispatch, February 15, 1909. By A. R. Crum, staff correspondent.]

PARKERSBURG, W. VA., February 14.

Some oil producers here who have been investigating Canada are more alarmed by its possibilities than by the Mexican developments. They inform me that the oil found in Alberta is of far higher grade than that of Mexico, and that the geological formation and signs are favorable through Assiniboia and Saskatchewan as far north as the province of Athabasca, if not farther.

Only a few wells have been drilled at Oil City, Alberta, but the extension of railroad facilities into the north country will encourage operations. It is within easy probability that a large production may be developed in that quarter within the next ten years, or in a much shorter period of time than the Dingley tariff has been in force. There is in that region a very large area of possible producing territory. In other words, the frequently predicted oil famine is not yet in sight. Many with whom I have had controversy on this point have passed to the "other side," and yet the oil fields are not all discovered.

#### CANADA'S ADVANTAGES.

Canada is particularly dangerous as a competitor because, first, it admits crude oil free; second, because the dominion government pays the producer 54 cents a barrel bonus on all oil produced in its territory. Its tariff of a little more than 2 cents a gallon on refined oil is the only protection America has under the countervailing duty. It is less than twice the amount of bonus paid by the Canadian government on crude oil.

Producers here have only taken a mild interest in the Mexican developments. They are a good way off and the information from them fragmentary at best. The description in yesterday's Dispatch was about the first authentic information the majority had of the new fields. It is one of the ways of oil producers, many of them, to deny all that does not suit them until they have been injured by it. In the days gone by it was the common thing for producers in one field to disparage the next development until the shrinkage in value of their own property woke them up. So there are some to-day who do not believe in Mexico or Canada.

#### DUTCH INDIES RIVAL.

Russia no longer has many terrors for the Eastern producer. The war with Japan settled that. Besides there is a strong impression that Standard Oil has some kind of agreement with the Russians about dividing the market. The principal competition from abroad, up to the present time, has been from the Dutch Indies, where a very low tariff on refined oil—thirty-seven hundredths of a cent a gallon—gives their products practically free entry into our ports. The public will readily recall the sensation over the importation of three cargoes of gasoline from the East Indies in the early part of 1905. That was followed by a reduction of price in this country that has prevailed ever since. That reduction was made possible by the flood of cheap oil that was then rising in the midcontinent field.

There can be little doubt that importation of gasoline in 1905 has been one of the causes of the continued low price of oil in Oklahoma. The oil of that region is rich in the naphthas, including gasoline. The same is true of the Texas product. The Mexican oil is not far behind either in this yield, so it will be a direct competitor, and a more dangerous one than the East Indies, Sumatra, and Java. At least this is the opinion of usually well-posed producers who are discussing the matter.

#### DOMINION'S COMPETITION.

From Canada the prospective competition is of somewhat different character. The oil of the Dominion will come into more direct competition with that of the eastern America fields, because it is of higher grade than that from the Gulf littoral. It is from older rocks, geologically speaking, where nature's refiner has been working for ages. The Mexican product, on the contrary, seems not far removed from volcanic influence, if we may judge from the most recent report from Dos Bocas, sent out by the Associated Press a few days ago. This well has certainly shown wonderful eruptive forces. But, on the other hand, Canada is not expected to ever have wells that will vomit oil, water, and sand to the amount of 150,000 barrels a day, as this Mexican monster is supposed to have done before the fire was got under control.

This matter of oil tariffs and new fields is the more important because there are now fully 85,000,000 barrels of oil stored above ground in this country, and the daily output of all fields reaches the enormous total of 500,000 barrels a day. The older producers, who remember the depression that existed when Bradford, Allegheny, and Cherrygrove had piled up a surplus of 40,000,000 barrels and made a temporary production of 80,000 barrels a day, will not cease to marvel that present conditions are as favorable as they are. But the oil industry has grown marvelously since Colonel Drake drilled his well on Oil Creek, nearly fifty years ago. There are now not less than 2,500,000 persons in this country alone who are entirely dependent upon the petroleum industry in its various branches for their livelihood.

#### UP TO PRODUCERS.

Oil is now produced in commercial quantities in 16 States of the Union—Pennsylvania, New York, West Virginia, Ohio, Indiana, Kentucky, Illinois, Kansas, Oklahoma, Louisiana, Texas, California, Utah, Colorado, and Wyoming. There are other fields yet to be developed in the United States before the end of the chapter. Moreover, there is such an intimate connection between the oil and natural-gas business that what injures one affects the other. The gas men are hardly less interested in this tariff question than the oil producers themselves. And the interest, in milder degree, extends to the gas consumers, though they may never have thought of it. There is even an aspect in which the coal men have an interest. Oil fuel is much used in the Gulf region and on the Pacific coast.

But it is the oil producers who are awakening to the danger they think threatens them. They argue that they should have a direct protection, but since this has been denied them, they assert it would be most unfair to remove the countervailing duty that merely demands from others what they demand of us. Such is the view of the leading men in the oil-producing business. They are not at all concerned about the Standard Oil Company, which is a comparatively small producer of oil, and which is amply able to take care of itself, they say, even to moving its base outside the United States, if that should seem to be desirable. Their concern is about themselves. Standard Oil has never been in the habit of doing business at a loss, and if the consumers' market can stand no extension, then the producers must stand for a reduction in the price of their commodity.

#### PETROLEUM AND THE TARIFF.

[Editorial from the Pittsburg (Pa.) Dispatch, February 15, 1909.]

Our correspondence of yesterday and to-day touching petroleum and the tariff is enlightening in several aspects. It embraces the first intelligent estimate to be published of the Mexican oil fields; it contains information about oil in Canada not previously generally known. The correspondent is well qualified to judge the sources of his information and the import of the news.

The arguments made by the oil producers for retention of the countervailing duties are logical. There is not much chance of repressing Standard Oil monopoly by free trade, for it can always resort to the expedient of depressing the price of crude oil to maintain its market without the loss of revenue. The producer, however, can not stand the reduction. In the Appalachian fields most of the wells are small; in those of the West the price is already very low.

It would seem that two of the chief competitors of Standard Oil—the Gulf Pipe Line and Refining Company and the Texas Company—are practically in the zone of danger from Mexican importations. They, too, will meet the brunt of competition with the Mexican concern in exports to Europe, since the bases on the Gulf coast are approximately the same. Moreover, these companies produce a large proportion of the oil they handle, and so have no "goat" on which to saddle the burden.

In any event the matter is of sufficient interest to attract the attention of the public and of Congress.

OIL TARIFF SUITS MEN HEREABOUT—PRODUCERS PROTEST AGAINST TINKERING WITH COUNTERVAILING PROVISIO OF LAW—ITS REMOVAL UNFAIR—MEXICO AND CANADA WOULD INSTANTLY SEIZE CHANCE TO ENTER AMERICAN MARKET.

[From the Pittsburg (Pa.) Dispatch, February 16, 1909.]

Fearing a veritable deluge of Mexican and Canadian oil in event of the removal of the countervailing duties now in vogue, several of Pittsburg's big producers yesterday came out strongly in opposition to any tinkering with the present tariff on petroleum. One producer, however, took an opposite stand, declaring that we had nothing to fear so long as this country continues to produce the best oil in the world.

"A club over the independent producers" and a "bad move" were some of the expressions used to characterize any letting down of the barriers for free oil.

#### FAVOR THE TARIFF.

Wesley S. Guffey, of Guffey & Green, is a strong advocate of protection for oil. He said:

"I am in favor of a tariff on Mexican oil and on all other foreign oils, so long as it is reasonable. To allow Mexican and Canadian oil to run in here free would be a club over the independent producer. The white-sand pool oil produced here is the best in the world; the people are satisfied with it and with prices."

"The removal of the countervailing duties would be a bad move," declared W. L. Mellon, president of Gulf Refining Company.

"Canada is just now producing an excellent grade of oil, some of it just as good as that of Pennsylvania. There is also some good petroleum in Mexico. In Texas thousands upon thousands of barrels of oil are used annually for fuel purposes. Should the duties be removed, the Mexican petroleum would be immediately entered in competition.

#### "WOULD BE SERIOUS MISTAKE."

"In view of this I predict that within a very few years Mexico will abolish the existing tariff for the sole purpose of getting into the American market. There is no question about it; tinkering with the present duties would be a serious mistake."

J. G. Jennings, of the Jennings Oil Company, refuses to consider the matter as of any serious consequence.

"Neither the Mexican nor Canadian oil is any good. Just so long as we continue to produce the finest goods in the world what have we to fear from the importation of any inferior stuff? Furthermore, I don't believe there is much danger of the existing tariff being removed."

Canada now admits crude oil free and places a tariff of slightly more than 2 cents on the refined goods. Producers are paid 58 cents a barrel bonus on all oil produced within Canadian territory.

#### THE TARIFF ON OIL.

[Editorial from the Pittsburg (Pa.) Dispatch, February 16, 1909.]

Several Pittsburg oil producers, who were interviewed yesterday, declared themselves against repeal of the countervailing duty on petroleum, unless, inferentially, there shall be imposed a direct duty in lieu thereof. Mr. W. L. Mellon, whose large oil interests in the Gulf and mid-continent regions especially qualifies him to speak by the card, says that Mexican oil is a present menace to the American producer. He adds that he expects the Mexican Government will soon repeal its duty in order to obtain entrance to our markets for its own producers.

Mr. Mellon has also given attention to the Canadian developments and regards them quite as important as indicated by the Dispatch correspondent. Some of the Canadian oil, he says, is hardly inferior to that of Pennsylvania. Apparently he would feel more at ease if there were a direct or specific duty on oil. The countervailing duty, at best, leaves the option of free trade in the hands of the foreigner, and there are signs that he will not be slow to use it to his own advantage.

While Mr. Wesley S. Guffey does not go as far as Mr. Mellon, he cordially indorses the view that a tariff is essential to the Pennsylvania producer and his brothers in other States. He, too, is in a position to have private knowledge of what is going on in other countries than our own. Naturally oil producers keep to themselves such information as long as they may, but now that the "cat is out of the bag," there is no use denying that there is oil, and plenty of it, both to the north and to the south of us.

TARIFF ON OIL—OKLAHOMA PRODUCERS AROUSED TO NECESSITY OF DEFENDING COUNTERVAILING DUTY.

[From the Pittsburg (Pa.) Dispatch, February 24, 1909. By A. F. Robertson.]

TULSA, OKLA., February 23, 1909.

Oklahoma oil men have waked up to the danger attending the passage of the bill repealing the countervailing duty on petroleum and are sending letters to the Oklahoma delegation in Congress protesting against the passage of the bill, and urging the Members to vote against it.

There had been some talk about the bill, but sentiment was aroused and crystallized some days ago when Sir Wheatman Pearson, of the firm of S. Pearson & Son (Limited), of London, dropped into Tulsa and talked about the Mexican oil fields and the promise of a great increase in production down there. He said that the present production of oil in Mexico was far in excess of the demand, in fact there is scarcely any demand at all for refined oil, and that he expected to ship the products of the refinery, which his firm is building, to England and other foreign countries. Then he added that if the duty on oil should be repealed America would be a fine market and give them a chance to compete in this country with the Standard Oil Company or anybody else.

The few remarks dropped by Sir Wheatman Pearson set the Oklahoma producers to thinking, and they have discovered that if the duty is repealed they will have to suffer great loss. Pearson said that oil could be produced in Mexico cheaper than in this country by reason of the fact that the rate of wage in Mexico is much less than in this country. Then he said that Mexican oil could be shipped to Galveston or New Orleans all the way by water, and thus the freight rate would be less than the cost of piping oil from Oklahoma to the Atlantic seaboard, which is now being done.

Oklahoma is the greatest oil-producing State in the Union. The total production for 1898 was in excess of 47,000,000 barrels. This in spite of inadequate pipe-line facilities and harassing regulations of the Interior Department, which still exercises jurisdiction over more than 10,000,000 acres of Indian lands and refuses to grant permits for pipe-line building unless the pipe lines will agree to conditions which are considered impossible. According to the best obtainable estimates the oil-bearing territory of Oklahoma has been barely touched. There are many pools with thousands of acres of proven land where not a drill has gone down during the year, because of the lack of pipe-line facilities. It is believed confidently that with the pipe lines necessary to handle the oil this State would produce in excess of 55,000,000 barrels of oil annually from lands already under lease and on which the lessees are paying annual rentals and advance royalties to the Indians.

Thus the danger to the Oklahoma oil producer from the introduction of a flood of cheap Mexican oil can be readily appreciated. Producers assert that it will not only result in the stoppage of all work in the field, but will cause them loss in a reduction of the price of their product, as oil can be produced more cheaply in Mexico than in this country, and the freight rate will not equalize the difference in cost. In other words, Pearson can produce oil in Mexico and ship it to this country and deliver it for less than the American producer can possibly do the same thing.

It is said by some of those who at first were inclined to look with favor on the passage of the bill that the present production of Mexico, outside of that taken by the railroads as fuel, would be insufficient to cause a disturbance of conditions in this country or to become much of a factor in the American markets. On this line Sir Wheatman Pearson said that the present production was but a drop in the bucket to what Mexico could produce if there was a market for the oil. He said that the firm of which he is a member had under lease several hundred thousand acres of land south and east of Mexico City with several wells on it, but that drilling operations had been suspended, because some of the land—most of it—is away from the railroad. But he said that the railroad could be very easily extended if there should be a market for it.

As it is, the production of oil in Mexico is increasing at an enormous rate every year. This, to the Oklahoma producer, is a real and positive menace.

And it is not only from Mexico that the Oklahoma oil producer looks for trouble in case the duty is repealed. The production of oil in Borneo increased more than 17,000,000 barrels last year, and is still increasing. Then there are the great fields in Russia and India, where labor can be had for almost nothing and the cost of production is much less than in this country. From all of these countries the oil could be brought to this country by water and sold in competition with American oil, which is handled by pipe lines in crude and rail shipments on refined oil. It is asserted that this foreign oil can be shipped to this country and delivered in competition with American oil.

The annual meeting of the Mid-Continent Oil and Gas Producers' Association will be held shortly and definite action will be taken. The association maintains a large committee in Washington to look after legislation, and this committee will be instructed to fight the repeal of the duty with all of the weapons at its command, and not to let up till the proposition is defeated. This committee is composed of many of the largest producers of oil in this country.

#### AS TO THE OLD TARIFF.

[From Pittsburg (Pa.) Money, February 27, 1909.]

Some petitions are in circulation in the oil country north of Pittsburg, to be sent to Congress, asking that the tariff on petroleum be retained, and it is notable that the petitions are entirely outside the Standard Oil Company.

Standard Oil is used so much now for the making of political capital and prestige that it is time the whole matter was considered in a quiet and sane manner, and especially this question of the tariff protection. To remove the duties, it is claimed, would injure the monopoly of the big company, and there is no doubt of that; but what is to become of the independent producers when this has been done?

The real sufferer by an abolition of the oil duties will be the independent producers, and they produce by far the greatest amount of crude oil, in spite of the popular impression to the contrary.

This being the case, the oil industry as a whole must be considered in the matter, not any single company or any group of interests. The oil industry must stand or fall as a unit, but if changes should be made that would bring about the question of a survival of the fittest, there is little doubt as to what concerns would still continue in business.

The Pennsylvania, West Virginia, and eastern Ohio fields produce a superior grade of oil, but its quantity is now limited, while great floods of oil are produced in Mexico which would speedily wipe out existing conditions in this section were such a grave mistake made as removal of the oil duties. By tank steamers the seaboard cities would be supplied at a price that would make the drilling of wells here look like the wildest of wildcat investments.

The oil trade has been one of the few great industries that has gone on an even way during the past year and a half of stress. It has supported thousands and suffered no panic conditions. Then why injure the whole to achieve a fancied revenge on a part?

Mr. KITCHIN. Mr. Chairman, we listened yesterday with much interest to the excellent speech of the distinguished gentleman from Kentucky [Mr. JAMES]. I do not wish to appear as offering any criticism against that speech. I believe, however, that he unintentionally did a great injustice to the Republican members of the Ways and Means Committee. I, for one, as a Democrat, desire here to protest against any seeming unfairness on the part of any Democrat toward the Republican membership of that committee. After the gentleman from Kentucky had declared that the Republicans left upon the tariff list wire fencing, farming implements, and practically every article which the farmer must use in his farming operations, he then boldly asked "What have they done for the farmers?" In that question there is an imputation that the majority of this distinguished committee, after five months of arduous work, have brought no relief by this bill to the agricultural population of this country. To such imputation I object. In their behalf, I wish to acknowledge the debt of gratitude which the farmers of this land owe to the Republican membership of the committee. When the farmer scans the schedules, he will find that he has been abundantly taken care of. He will find that there have been placed upon the free list for his benefit rough diamonds, acorns, tapioca, kindling wood, English sparrows, and raw fiddlestrings. [Laughter.]

Such generosity of the committee must appeal to the grateful sense of every farmer. When he looks further he will be struck with sad disappointment to find that they have kept on the dutiable list red lemonade. [Laughter.] This, I am assured, was purely an oversight on the part of the distinguished chairman. [Laughter.] After giving him rough diamonds with which to decorate his family, and acorns with which to feed his pigs, and tapioca with which to have Sunday dessert, and English sparrows with which his children can play when they are young and which can be trained into song birds when they are grown, and raw fiddlestrings with which he can celebrate his day's work with cheaper fiddles, why in the world did they overlook the fact that the farmer and his children needed relief from the vendors of red lemonade at the town circus and the country fairs? [Laughter and applause.] Every man in this debate must be confronted with embarrassment. I confess that I am. We do not know whether we are playing our part according to the programme mapped out by the distinguished chairman of the committee, and his excellent lieutenant, the gentleman from Pennsylvania, or not. We do not know whether to take this discussion seriously or not.

I do not know whether they are going to let me play my part, and then when I get through laugh in their sleeves at my beating the wind and bagging the chaff. [Laughter.] But they permitted the distinguished minority leader to speak for three or four hours and many others on both sides to make extensive speeches, and as they handled this tariff discussion in a serious vein, I ought to do so. But before I vote on the bill I want the chairman of this committee and the gentleman from Pennsylvania [Mr. DALZELL] to inform this House exactly what they are going to allow to remain in it when the final vote comes; exactly what they put in there to logroll with the Senate on. [Laughter.] For instance, did they put free hides in it so that my friends, Mr. PERKINS of New York and Mr. ROBERTS of Massachusetts and others, can go back and tell their constituents that they have carried out their pledge; that they have done in the House all that they could; that they put hides on the free list, but that the Senate put it back to protect some Texas or western steer. [Applause.] What else has been put in the bill, and there must be many items, to please some Members or to give them an excuse to go back to their constituency? Are you really going to allow the tariff reduction on lumber to stay in or not? The country wants to know, and we have the right to know whether you are serious about this bill. What are you going to stand up for and what are you going to back down on when the Senate confronts you? [Applause on the Democratic side.]

And I want to say right here to some of my southern friends who are in favor of a tariff on lumber because it is a southern industry, do not be alarmed at all over this bill, as I shall show before I get through that the bill does not and can not reduce the tariff on lumber one penny. I believe that the chairman of the Ways and Means Committee thought that it did; but I will bet the last dollar that there is one man on that committee who knew that one provision which was ingeniously inserted would prevent even a penny's reduction of the tariff on lumber, and that is the distinguished gentleman from Michigan [Mr. FORDNEY]. [Laughter and applause.]

I shall confine my remarks, Mr. Chairman, to a discussion of the lumber question. I must confess that I approach it with some feeling of intimidation. I recall that the distinguished



Member from Michigan [Mr. FORDNEY], himself a lumberman and member of the committee, made this bold challenge at the hearings before the committee: "I can meet any man on earth on this question and flay him in a minute." While the gentleman covered a considerable territory, he evened up in the limited time with which he was going to thrash his opponent. [Laughter.] I wish to disclaim at once even the appearance of having the audacity to accept his challenge.

The Democratic platform declares in language that can mystify no man—

We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber, and logs, and that these articles be placed upon the free list.

Some of my Democratic colleagues seem to think, and have so declared, that that meant that the Democratic party was in favor of free trade in lumber only in the event that it was given the power to enact a bill embodying the whole scheme of a Democratic "tariff for revenue only;" in fact, sir, this has been boldly proclaimed to my people since the election. Whence comes this never-before-heard-of doctrine? Certainly the Democratic party never dreamed of such a position. It appears to me that this argument is made by the men who, unwilling to give reasons for supporting their party's platform, are hunting for pretexts to violate it. [Loud applause on the Democratic side.]

The inevitable logic of such a position is that if Republicans retain control of Congress so that a Democratic bill in toto can not be enacted, then the Democratic party is for a tariff on lumber. It further forces its proponents to the position that unless there is a Democratic reduction on all articles, there should be no reduction on any—not even on articles controlled by the trusts. Will my Democratic colleagues make this new doctrine apply to wood pulp and print paper? If it applies to lumber, it must also apply to wood pulp and print paper. What Democrat is bold enough in this House to declare that he will refuse to vote, if opportunity is presented, for free trade in wood pulp and print paper as a separate proposition? Was not every Democrat in this House during the last Congress eager and ready to vote for free trade in wood pulp? Reread your platform. In the same breath in which it demanded that wood pulp and print paper be placed upon the free list it demanded that lumber be placed there. How can the most evasive ingenuity, in the light of loyalty to his party's platform, explain his advocacy of the one and his opposition to the other? What argument on principle can a Democratic advocate of a tariff on lumber possibly make for free wood pulp that can not be made for free lumber, and what argument against free lumber will not apply with equal force against free wood pulp? An investigation will convince him that the tariff on wood pulp is more of a "tariff for revenue only" than the tariff on lumber. The Democratic party in the Denver platform declared no new policy. It simply stated a policy on this question that had been consistently and persistently pursued by it for thirty years in this House and in the Senate.

The Mills bill, which passed a Democratic House in 1888, had in it free trade in lumber. The Wilson-Gorman Act, which was passed by a Democratic Congress in 1894, had in it free trade in lumber. It has been asked why the Democratic party selected this article as one to be placed on the free list? There has not been presented in this House, nor ever enacted into law, a tariff bill, by either party in the last sixty years, that did not have upon the free list dozens of articles. While it is a general rule to tax all property for the support of government, both the state and federal governments have always considered that there are certain kinds of property or certain articles of prime necessity that ought never to be taxed for its support. In the States we except from the general rule church and school property and property of charitable institutions. In the Federal Government Congress has always made exception to the general rule by placing upon the free list certain articles. The Democratic party has felt in the past, and feels now, that lumber, which enters into the conduct of every citizen's life and touches him at every point, a product, a crop that was neither planted nor nurtured by the hand of man, but given to the people by the goodness of God, should never be taxed by tariff for revenue of the Government or for profit of the citizen. [Applause on the Democratic side.] The party knew that the man on the mountain side who built his hut, the frontiersman who built his cabin, the artisan who built his cottage had to use lumber. It knew that the farmer needed it for his house, his barns, his stables, his fences; it knew that the people far removed from the cities needed it to build schoolhouses in which to educate their children; they needed it to build church houses in which to worship the Almighty. The Democratic party resolved that it would never place the plundering hand

of a tariff between any American citizen and the building of a home for his family or the erecting of a temple for his God. [Loud applause on the Democratic side.]

I remind the Republicans that James G. Blaine forty years ago on this floor declared that no tax should ever be placed on lumber—this prime necessity in man's life. My party has followed consistently and persistently the policy that, so far as tariff law is concerned, every encouragement should be given and no obstacle shall be placed in the way of any homeless man building a shelter for his wife and children. [Applause.]

As for me, unless my people otherwise instruct before my election, or unless modified by my nominating authority, the path plainly marked out by the national platform of my party is a sufficient guide for my legislative footsteps as a Representative of my people in this body. [Applause on the Democratic side.]

I have no quarrel to make with my colleagues who desire to tread another path. Some pledged their people during the campaign that they would stand for tariff on lumber. A few, perhaps, were so instructed by their nominating conventions. These, as Democrats, should stand by their pledge and follow their instructions. Many, I believe, on account of the pathetic prophecies of ruin and disaster by those of our fellow-citizens who are supposed to be benefited by this tariff, have been alarmed into the belief that the removal would strike a deadly blow at a southern industry. Some, I fear, have been unconsciously intimidated by the large lumber interests into an advocacy of this undemocratic measure. It is better for yourselves and your party and your country, my friends, to yield to that patriotic sense which, lifting the legislator's vision above his state or district lines, encompasses the whole people of this Nation. [Applause.] If surrender we must, on any question, I trust we may be found surrendering to the sense of the common good rather than to the demands of the special few. [Applause.]

I want to say here, before I proceed further, that, in my opinion, after the most careful and thorough investigation of this matter as it relates to our southern lumbermen, the retention or removal of this tariff will not affect a penny's worth a single lumber interest or a single foot of lumber in the South.

Candor forbids me to stop with that statement. While I am convinced that it will not injure the business of the southern lumbermen, let no man understand that I favor removal of the tariff on lumber on that account. According to the protection theory, the Dingley tariff enables the manufacturer to add to every thousand feet of lumber he sells from \$2 on rough lumber to as high as \$4 on lumber planed or dressed on four sides. In addition to the \$2 on rough lumber, an extra 50 cents is given to each side that is dressed or planed. The tariff on each thousand feet cut in the United States, if the lumber protectionists are correct, averages \$3 per thousand. We cut yearly 40,000,000,000 feet. If I am called upon as a Representative of the people to vote for a bill which by law forces the 90,000,000 of American freemen to pay to a few thousand lumbermen the tribute of \$120,000,000 yearly, as an honest man and a patriot I could not vote for such a measure if every dollar of it went into my district. [Loud applause.]

I have a home industry to protect, whose friends seem to be few on this floor—an industry whose operations extend to every man's district, the great consumers' industry. [Applause.]

I am asked by my frightened lumber friends to vote for a law which, if their contention is correct, will enable them to tax by the tariff for their profit every man—banker, merchant, mechanic, farmer—in my district and elsewhere from \$2 to \$4 on every 1,000 feet of lumber he uses. I will never consent to place this burden upon the backs of my people or your people. [Applause.] Nor shall I ask for tariff reduction on an industry in your district and then appeal to you to give me protection on an industry in my district. [Applause.] Never can we prove our sincerity for real tariff reform, unless we can look beyond our own districts and touch elbows with the democracy of the Nation, here and elsewhere, in its fight against tariff robbery. [Loud applause on the Democratic side.]

If you begin protection on one, you will end protection on all industries. If it is right on one, it is right on all. If you are for protection for your home industry, you must be for protection on the other fellow's industry. If you are for protection from principle, then honesty demands that you be for protection on all industries. If you are for protection from selfishness, then, as a matter of policy, you must be for protection on every industry. You can not get the other fellow to help you by law force the people to pay tribute to your industry, unless you are willing to help him force the people to pay tribute to his industry. The scheme of robbing by law millions for the benefit of a few is one of harmonious cooperation. [Applause on the

Democratic side.] I beg to remind the Democrats of this House that a protective tariff is no better now than it was when the Tilden platform of 1876 denounced it "as a masterpiece of injustice, inequality, and false pretense." It is no better now than when the Cleveland platform of 1892 denounced it "as a fraud—a robbery of the great majority of the American people for the benefit of a few." It is no better now than when the Parker platform of 1904 denounced it "as a robbery of the many to enrich a few." [Applause.] And, my Democratic colleagues of North Carolina, it is no better now than when Ransom and Vance, Carolina's twin immortals, thundered at the other end of this Capitol against its iniquities. [Applause.] Both voted consistently for free trade in lumber.

When did the principle of protection become sound to the Democratic mind? Did it become right when the location of some of its beneficiaries was transferred across the Potomac? If protection is wrong, it is wrong south of the Mason and Dixon line, as well as north of it. [Loud applause on the Democratic side.] Let me say to our friends that I do not think this country is big enough for two protective-tariff parties. [Laughter and applause.] We need but one party in this country to use the taxing power of this great Government, to make the millions pay forced tribute to the few. [Applause.] We have a party that has made a triumphant success of legalized plunder for fifty years, and I am opposed to the Democratic party entering this field of competition with it. [Laughter and applause on the Democratic side.]

When you begin to vote for protection upon anything for your State or district, you should tell your people that the Democratic party has been wrong and the Republican party right all the time on the question of protection. You are putting into the blood of your own Democratic people Republican protection principles.

Mr. MILLER of Kansas. Will the gentleman yield to me for a question?

Mr. KITCHIN. Why, you are so bright and cheerful that I will yield to you.

Mr. MILLER of Kansas. I understand that you are not ashamed to tell your people the truth; are you?

Mr. KITCHIN. Not a bit. What kind of truth do you want me to tell them?

Mr. MILLER of Kansas. You say that you do not want to say that your party had been wrong all the time and the Republican party right all the time? [Laughter.]

Mr. KITCHIN. I shall, as I am doing here, continue to teach my people that your party is eternally wrong, though sometimes—by mistake, perhaps—some of you do right. [Laughter.]

I am confronted with the embarrassing fact that, after we have fought for free lumber for years, in season and out, and the righteousness of our cause has so appealed to the sense of right and justice of the country that many Republicans, here and elsewhere, including Mr. Roosevelt and Mr. Taft, are willing to admit that the Democratic party has been right all these years and the Republican party wrong, here come some of our scared Democratic colleagues and say to the Republicans, "Do not do it, boys; do not do it, because a number of us over here are dead bent on confessing that we have been all wrong and you have been all right." [Laughter.] I am not one of those Democrats who are willing to go out on the stump before the election and defend their party's position as right, and then after the election come here in this House and confess that it was wrong. [Applause.] Coming as I do from a large lumbering district, whatever may be the outcome of my vote, I shall solace myself with the reflection that I at least kept the faith with my party and my people, and shall not be forced to explain here or elsewhere why I broke that faith. [Loud applause on the Democratic side.]

If there is a Democrat in my State or elsewhere that is fooling himself into the belief that by our party embracing the doctrine of protection or by his vote for protection, though it be on his "home industry," he is going to keep within the folds of the Democratic party in North Carolina or the South or bring into its ranks the men who favor protection, then he should at once undeceive himself. A sensible protectionist will go to the party that has taught protection for fifty years and not to the party that has always opposed it. [Applause.]

Every man who desires special legislation for his special interest knows that his place is in the Republican party. [Applause on the Democratic side.] He will join the party that has made a success of robbing all the people for the benefit of the few. [Applause on the Democratic side.]

He will not come to us or stay with us, because he knows that this scheme of plundering the millions for the benefit of the few would be an experiment with the Democratic party. [Applause on the Democratic side.]

But some of my Democratic colleagues say that the Dingley tariff on lumber is not a protective tariff, but "a tariff for revenue only," and my Republican colleagues say that it is a tariff for protection to American industries and not a "tariff for revenue only." My friends, this reminds us of the man who had his fish trap with its mouth open at both ends, to catch them going and coming. To rally to its support the Republicans who hate a Democratic "tariff for revenue only," it is protection. To rally to its support the Democrats who hate Republican protection, it is a tariff for revenue only. [Laughter.] The men who are demanding it are demanding it not to get revenue with which to replenish a failing Treasury, but to get revenue to expand their already swollen pockets. [Applause on the Democratic side.]

Let us see about this revenue plea. No Democrat in this House can vote for the Dingley bill rate upon the ground that it is a Democratic "tariff for revenue only." What is the fact? For the \$1,500,000 that go into the Treasury, according to the theory of those who are demanding it, \$120,000,000 go into the pockets of the lumbermen. This is the amount, according to their contention, which the tariff alone exacts each year from the people for their benefit. What Democrat will be bold enough to contend that any tariff which, for every dollar that goes into the Treasury, puts ten into the pockets of its beneficiaries is a "tariff for revenue only?" You can not fool either the beneficiary or the victim of this tariff. The lumberman who asks for such legislation does not care whether you put it upon the ground of "protection for American industries" or on the ground of a "tariff for revenue only." And the consumer, the victim, cares not whether you rob him under the name of protection for protection's sake or under the name of a Democratic "tariff for revenue only." [Applause on the Democratic side.] Neither is interested in why, but only in how you vote. They say that this tariff is only 10 or 12 per cent ad valorem.

Such statements are misleading and made either from ignorance or with the purpose to mislead. The duty or tariff on lumber is specific and not ad valorem. It is \$2 a thousand feet on rough sawed lumber, boards, deals, planks, and so forth. When planed or dressed an extra 50 cents is added for each side dressed, and 50 cents for tongue and grooving. The higher price the lumber the lower would be the duty, figured on an ad valorem basis. For lumber selling at \$50 in the rough in the markets of the country from which exported the ad valorem duty would be 4 per cent. On rough lumber selling at \$10 in the markets of the country of export the ad valorem duty is 20 per cent on the rough, and if planed on two sides, 30 per cent, on four sides, 40 per cent, and so on. Practically all the lumber imported into the United States is rough or undressed lumber. The ad valorem rate collected last year, on the basis of the specific duty, was 10.41 per cent. This simply shows that it was high-priced lumber. The average value of such lumber in the markets of the country from which exported was \$19.20 per thousand.

It was the consensus of opinion of all the tariff advocates appearing before the Ways and Means Committee that no protection was needed on our high-grade lumber. There was not a dissent to this opinion. The chief apostle of lumber protection, the gentleman from Michigan [Mr. FORDNEY], admitted in his speech a few days ago that we needed no protection on the high grades; that we could compete in the markets of the world with any lumber from any country. It is insisted that only our low grades need protection. At the hearings it was testified by the tariff advocates that the lumber considered low grades and which would come into competition with Canadian lumber sold at the mills f. o. b. from \$6 to \$8. According to the protectionists, the value or price of our lumber here is enhanced to the extent of the tariff. On a thousand feet of rough lumber, now worth at the mills \$8, \$2 is tariff and \$6 is lumber. The ad valorem duty would be 33½ per cent.

On the \$6 lumber at the mills, \$2 is tariff and \$4 is lumber, the ad valorem duty being 50 per cent. If \$10 and \$12 at mills—and our North Carolina mills will average this on low grades—\$2 is tariff and \$8 and \$10, respectively, is lumber, the ad valorem being, respectively, 25 per cent and 20 per cent. On this class of lumber, on which protection is demanded and which they now have, if the protectionists are correct, the present tariff is absolutely prohibitive, as none is shipped here. It is also prohibitive on dressed lumber, as comparatively none is imported, though 70 per cent of the lumber used in this country is dressed. How can any Democrat vote for the present prohibitive tariff on such lumber on the ground of a tariff "for revenue only?" [Applause on the Democratic side.]

The gentleman from Michigan [Mr. FORDNEY] in his speech the other day said that it is all low grade that comes into this



country under the present tariff, and all that we export is high grade. If the gentleman will examine the statistics, he will find that the very kind of lumber that we exported was exactly the same kind of lumber as most of the lumber imported from Canada. You will find, according to the valuation of the Treasury Department, that the price of the lumber that entered western New York, Detroit, Cleveland, and some other points was practically the same as that of the lumber we export.

It is argued that it is unfair to put only a 10 or 12 per cent ad valorem tariff—which is not true, as I have shown—on their product and so high a tariff on the products which compete with it, such as cement and structural iron or steel, which they say have 25 to 50 per cent. My friends, if you are going in only for the lumbermen's interest, you can not object to the high duty on cement and steel, but should rather favor it, as it is to the lumbermen's interest to have just as high a tariff as possible on them, because the greater the difference in price between lumber and its competing material the more lumber you will sell. If cement and structural steel are as low as lumber, we will construct cement and steel buildings; but if they are high, we will use lumber, thereby creating a greater demand for it.

Every time you begin to talk removal or reduction of tariff on lumber our southern lumbermen at once see ghosts from Canada, Mexico, and Australia stalking through the land. And my friend, Mr. FORDNEY, remembering the geographical situation, turns to our southern Members, and says: "You remove or reduce this tariff and Mexico will flood the South with lumber." My good friend from Michigan has a sawmill several hundred miles from Mexico, in Mississippi, and he is just scared to death that if we do what is right—that, if we Democrats vote according to our platform and policy—the bars will be let down and Mexico will just flood Mississippi and all our southern country with lumber. The child in the nursery is not more sure that the goblins will get him than the gentleman from Michigan and my Democratic colleagues are that Mexico, Australia, and Canada will get our southern lumbermen. [Laughter.] Let me calm your fears as to Mexico by assuring you that in the last fifteen years she has shipped into our country less than 1,000,000 feet. Why, Mr. Chairman, I have sawmills in my county, each of which cuts more than that in a month; and yet my friend FORDNEY and some of my colleagues are convulsed with fright at the imaginary spectacle of Mexico flooding us with lumber. [Laughter.] Less than 1,000,000 feet in the last fifteen years! Oh, but one man, a Southerner, too, testified before the Ways and Means Committee that under Mr. Cleveland's free-trade act Mexico flooded our southern country with lumber. Well, Mexico, during the three years of Mr. Cleveland's free trade in lumber, shipped into this country the stupendous amount of 6,000 feet, valued at \$58. [Applause and laughter.] Let us analyze the Australian ghost. A scared editor of a southern lumber journal testified before the committee that not only Mexico, but Australia, was going to contribute to the lumber flood if the tariff is removed or reduced, and Brother FORDNEY agrees with him. Let me pacify your fears as to Australia.

In the last fifteen years she has not shipped a million feet into this country, and of the lumber for which protection is asked, under Cleveland's free trade in lumber, so far as I can ascertain from the statistics furnished me by the department, she shipped to the United States a little less than 1 foot. [Laughter.] The fact is, that instead of Mexico and Australia shipping lumber to us we have been, and are now, exporting to each of these countries much more than 100,000,000 feet yearly.

Let us see about Canada. Practically all lumber imported into the United States for the last fifty years came from that country. They are all afraid of Canada, but she was just a little too far off from the southern mills on the Gulf to flaunt her in their faces.

Mr. DIES. Mr. Chairman, if the gentleman thinks there will be no lumber imported into this country, how does he think there will be any relief to the consumer by placing lumber on the free list?

Mr. KITCHIN. I will gladly answer all questions, if my time may be extended; and I will show this House by the evidence of the tariff advocates themselves that, while it will not affect the South or any southern lumber, it will relax the grasp of the stumpage syndicates and lumber monopolists in the West from the throats of millions of our western people. The Democratic party in its platform promised this relief and I shall not contribute to a violation of its plain pledge. [Applause.] While I fear it will not directly help my people, I would be unworthy of my seat here if I were unwilling to help people who live out of my State. [Applause.] The gentleman lives in Texas.

Mr. DIES. Yes; and while the gentleman is on that subject I would like to know on what he is going to raise this \$2,000,000 of revenue that are received from imports on lumber if the lumber is entered free. What would he lay that duty upon?

Mr. KITCHIN. We do not get \$2,000,000 as revenue. That, however, is for the Republican party to say. But, let me say to my friend, if you good Democrats will study this question and come out and help convince, which you can do, the great lumber interests in the South and the East that this is as much of a bogus tariff on their product as the 15 cents a bushel on corn, 25 cents a bushel on wheat, and 20 cents a bushel on meal, and persuade them to throw their tremendous influence—an influence powerful enough to persuade Democratic Representatives to go squarely against their party's platform—with us in our fight for real tariff reform, you would help save your fellow-citizens of the South hundreds of millions of dollars which yearly is being filched from them by a protective tariff. [Loud applause on the Democratic side.] If we could show them by argument—or, failing in that, free trade in lumber would convince them by experience—that the tariff as to them is bogus, you would find them with all of their influence, their funds, their bankers, and Congressmen here helping the Democratic party to revise and reduce the tariff on sawmills, engines, boilers, leathers, belts, steel rails, and everything they use in their milling operations, and upon everything his labor must have for its daily necessities, and upon everything the farmer must buy in his farming operations. [Applause on the Democratic side.]

Mr. DIES. If I understand the gentleman, he is for free trade on everything down South, but let the other people have all of the protection that follows incidentally from a tariff on imports.

Mr. KITCHIN. I am not responsible for the gentleman's failure to understand my position. I have tried to make myself plain, that I do not advocate a thing as proper and right because it is "down South" and oppose the same thing as improper and wrong because it is not "down South." [Applause.] In the matter of legislation which affects a whole people, I want to look beyond my district, beyond my State. I want to look at 90,000,000 American people; and, sir, if the people of my district wish their Representative to vote for a measure which will take, not by labor, not for value received, but by the dry, naked law, millions of dollars from all the people and put it into the pockets of a very few of my people "down South," I would say to them that they ought to send here not me, not a Democrat, but a Republican from my district. [Applause.]

I wish to ask you, can you, as a Democrat, justify your position in advocating protection on lumber because it is your home industry? Does not the gentleman from Pennsylvania, in asking for a tariff upon the steel-trust articles, put it upon the ground that it is his home industry? Do not the Representatives from the woolen-trust districts come here and ask protection on woolen goods because it is their home industry? Does not every Member from the districts of the trusts put their demands upon the ground that it is their home industry? [Applause on the Democratic side.]

Mr. DIES. I am glad to answer the gentleman. I belong to a party that proposes to lay a tariff for revenues sufficient to support this Government, and since we must so collect our revenues to support the Government I am not that altruistic philosopher and statesman the gentleman is that I would leave the sawmill people and all the industries of the South without that incidental protection just because, perchance, I can not run riot and regulate the affairs up there. [Applause on the Republican side.]

Mr. KITCHIN. I want to say that that applause came from the Republican side and not one word of comfort or cheer from the Democratic side. [Applause on the Democratic side.] The gentleman states that he is in favor of the lumber tariff on the theory that it is a Democratic tariff for revenue only. Let me ask him who is going to be the judge of what is a Democratic tariff for revenue only—himself or the combined wisdom of the Democratic party in convention assembled and its record here and at the other end of the Capitol for the last thirty years? [Applause on the Democratic side.] Let me say to the gentleman and to the House that, while I do not know what it may do in the future, but, sir, since I have been a humble follower the Democratic party of this Nation in its convention has never yet written a platform too bad or put forth a candidate too dangerous to claim my allegiance and support. [Loud applause on the Democratic side.]

Mr. DIES. I will say I do not think I inflicted a very serious blow. I understand the gentleman to be a free trader, and I think I have the right to say I am a better Democrat than he is.

Mr. KITCHIN. Is the Democratic party a free-trade party?  
Mr. DIES. I do not think so.

Mr. KITCHIN. I stand upon the Democratic platform now and in favor of free lumber. Has not the Democratic party been in favor of free trade in lumber for thirty years? Did it make the Democratic party a free-trade party when its great convention at Denver last summer wrote into its platform, "We demand the immediate repeal of the tariff on lumber?" [Applause on the Democratic side.] My friend, I want to say to you in all good humor, because I know your lumber friends have fooled or frightened you with their Mexican and Canadian ghost stories, and I am going to show—

Mr. DIES. If the gentleman pleases, I want to make this remark: There has never been a lumberman or a person interested in the lumber business who ever spoke a word or has written a letter to me. I simply think the gentleman's proposition is palpably and manifestly unfair.

Mr. KITCHIN. We Democrats have been through the country teaching the doctrine that this prime necessity of life, out of which are built the cabin, the cottage, the schoolhouse, the church house, ought not to be taxed by the Congress and should be, so far as our legislation here is concerned, as free from tariff burden as the air we breathe or the water we drink. [Applause.]

I can not believe that my good friend from Texas, or anyone, can now have any fear of Mexican or Australian lumber running the American producer from the field of competition. Now, if the patience of the House will permit, I will undertake to show that no lumber interests in the South need have any fear of injury from Canadian lumber.

Mr. DIES. I will say to the gentleman that I am informed by the sawmill people down in my country that to put lumber on the free list will not hurt their business. I am not a free trader, as the gentleman is. I believe in distributing this tax all over the country, and not taking it off one and putting it on another.

Mr. KITCHIN. I am glad it is admitted that the removal of the tariff will not affect the lumber interest of Texas. Will not the gentleman admit that I have shown him that the Democratic party and myself stand together on this question? If I am a free trader, the Democratic party is.

Mr. DIES. I understand that you claim that the Republican party is with you, too.

Mr. KITCHIN. I only claim the better part of that party. [Laughter.] I wish we could convince all of it that we are right, but we have only convinced about 40 of the patriots over there and their President and ex-President. [Applause on the Democratic side.]

Permit me now to return to the Canadian ghost, in the hope of allaying the fears of our southern lumber friends and colleagues. I will show later that the real, conscious beneficiaries of the tariff on lumber are the big syndicates of stumpage holders and the lumber producers of the Western States along the border and the Pacific coast States, and how they are and will continue, by means of the tariff, to hold in their relentless grasp millions of our fellow-citizens of the West, and will eventually embrace the South in their hold. The great timber fields of Canada, now being developed, lie in western Canada, in the Provinces of British Columbia, with some timber in Alberta and Saskatchewan, as the large timber fields with us lie in western United States, in the Pacific coast States. British Columbia can not compete in the markets of southern lumber. Instead of levying a tariff of from \$2 to \$4 upon importations, if we were to pay the lumberman of British Columbia a bonus of \$5 or more a thousand, he could not ship lumber, on account of the prohibitive freight rates, to the markets of the North and East, in which the South, and especially the States of the Atlantic seaboard, market most of their lumber.

Eastern Canada, embracing the Provinces of Quebec, New Brunswick, and eastern Ontario, especially Quebec and eastern Ontario, is the only section of Canada that is within freight-rate distance of these markets, but on account of the scarcity of her timber supply and the high price of her lumber, it does not and can not compete with southern lumber. To appreciate the relative importance of Canadian lumber production as compared with that of the United States, I remind you that Canada, with all her Provinces combined, produces no more sawed lumber a year than does the State of Washington alone. If her total yearly production, retaining none for home consumption and none for her foreign trade, were to be put on our markets, it would increase our supply less than 10 per cent. This fact alone ought to quiet our fears. The cities of Chicago, Buffalo, and Detroit handle as much lumber each year as the total production of all Canada. The city of Chicago alone annually handles

more than the total production of eastern Canada. The cities of Chicago and Detroit consume for their own use more lumber than all our importations from Canada. The State of Pennsylvania consumes yearly more lumber than the total annual output of all the mills of eastern Canada. Lumber is as scarce and as high in eastern Canada as it is in Maine and North Carolina. Louisiana, Mississippi, or North Carolina each produce more lumber than the Provinces of eastern Canada. Lumber to-day in Ottawa or Montreal is as high as it is in Boston and Philadelphia.

The gentleman from Connecticut [Mr. HILL], a distinguished member of the Ways and Means Committee, himself interested in the manufacture of lumber and a tariff advocate, stated during the hearings that—

We can get [in New England] the southern pine cheaper from the South than we can get lumber from Canada.

And that—

North Carolina pine is cheaper than Ottawa and Georgian Bay lumber in Canada.

It may surprise my colleagues to learn that the South is annually shipping pine lumber into eastern Canada. Mr. M. J. Scanlon testified that his mill in Louisiana was shipping each year large quantities of pine to Montreal and Ottawa, Canada. The American Lumberman, the organ of the lumbermen in the United States, and a strong protective-tariff journal, in an editorial of September 12, 1908, says:

Lumbermen in the United States ship large quantities of lumber into Canada, the importations consisting largely of yellow pine and hard woods. Yellow-pine shipments are made from the Southern States as far east as Quebec, and as far west as Winnipeg. Hard woods of the United States are shipped to all points in Canada.

I will hereafter quote largely from this journal, because it is the organ of the lumbermen of the United States, whose editor for the last two months has been the busiest lumber-tariff advocate in the country. It is their own witness. No lumberman will dispute its authority or impeach its character.

After contending that the removal of the tariff on lumber would cause serious competition between British Columbia and the Pacific coast States in the markets of the latter, in an editorial of October 31, 1908, it says:

In eastern Canada the provision for public bidding for licenses (to cut from crown or government lands, practically all the timber being owned by the government) will tend to so raise the price of timber to new operations as to lessen the competition in the United States from that territory. \* \* \* But in the West the removal of the duty would seriously lessen the profit of the lumber business.

Further speaking of the effect of the removal of the tariff, on November 7, 1908, it says:

Canada has been shipping to this country freely under the tariff, and probably all she would have shipped if there had been no tariff, unless lumber had been on the free list a long series of years.

And again:

It seems doubtful if the removal of the duty would make any particular change in the rate of development of the Canadian industry. \* \* \* Since Canadian lumber constitutes less than 3 per cent of our consumption, it is questioned if it would have any material effect on the prices.

The greatest damage to American interests will be found on the Pacific coast.

And again, in an editorial of August 3, 1907:

Inasmuch as Canada is selling to the United States a billion feet annually, and selling all that it can spare under active production from its domestic needs and foreign trade, the proposition does not look plausible that a removal of the duty would very materially, under present conditions here or there, increase the supply.

In this connection I wish to cite the opinion of Hon. Gifford Pinchot, Chief of the Forestry Service, whose recent advocacy of the tariff on lumber has been jubilantly and persistently paraded before us and the country by the lumber associations.

In his letter to the distinguished chairman of the committee [Mr. PAYNE] favoring tariff on lumber, he says:

Most of the lumber we now import comes from Canada, as most of it would if the duty were taken off. We are importing from Canada only about 2 per cent as much lumber as we are cutting from our own forests. It is not likely that under free lumber more than 5 per cent as much would come from Canada as we would cut at home.

And he, strange as it may seem for a tariff advocate, concludes that removal of the tariff would not affect the lumber interests in the United States. In the light of these facts and opinions of tariff advocates, how can any of our southern friends be scared into the belief that the removal of the tariff will strike disaster to a southern industry?

I wish to call attention to the testimony of the star witness from the South, Mr. H. H. Tift, of Tifton, Ga., whose companies, by the way, own 250,000 acres of timbered lands in Georgia and Florida. He was most fluent in his predictions of ruin of the lumber industry of the South and the country from low prices which would follow the removal of the tariff, until finally the chairman, in the midst of his statement, stopped him



and requested that he be sworn. After he was sworn, the chairman, squaring him in the face, asked:

Do you not honestly believe that whether the tariff is kept on or not the price of lumber will go up further than it has gone up now, and if it is taken off in less than two years lumber will be higher than it is to-day?

He replied:

I think possibly it would; yes, sir.

Being pressed for a direct answer, he replied:

Why, yes.

In this connection I quote again from the Hon. Gifford Pinchot, the new convert to the lumber tariff. In a statement before the committee February 24, 1908, he says:

I believe that with the rapid destruction of our forests the price of lumber will rapidly rise if tariff is removed.

And yet, knowing that on account of the yearly increasing scarcity of the timber supply prices of lumber will continue to rise, even if tariff is removed, the timber kings are demanding at the hands of the people's Representatives legislation which, they boldly assert, will enable them to force the people to pay even higher prices.

Will my frightened friends who are asking for protection be surprised to know that the United States are the largest exporters of lumber of any country in the world, and of the very kind of lumber on which protection is asked? We export to the markets of the world, in competition with Canada, more than three times as much as Canada exports to this country. Last year we exported more than a billion and a half feet of the very kind of lumber which we imported from Canada. The gentleman from Michigan has declared that our exports were high-grade lumber, while Canada's importations were cheap, low grades. I suggest to him that an investigation will show that most of the lumber imported from Canada was as high priced as most of the lumber we exported. The gentleman from Michigan, as well as Mr. Edward Hines, of Chicago, the largest lumber dealer in the world, the star witness and star lobbyist of the lumber-tariff advocates, declared that the great lumber-consuming districts, into which Canadian lumber is shipped, are the great States of the Middle West and western New York. This is true. Let me remind my southern colleagues that into these States and into the markets into which 80 per cent of Canadian importations go less than 5 per cent of the lumber of the southern Atlantic seaboard States—Virginia, North Carolina, South Carolina, and Georgia—is shipped. This fact alone should be sufficient to allay the fear that the removal of the tariff would bring disaster to the lumber interests of these States. Our lumbermen always take unnecessary fright at any suggestion of tariff removal or reduction, and the Canadian scarecrow is continually paraded before their eyes.

Not only the big syndicates of stumpage holders in the Northwest and on the Pacific coast, who are the beneficiaries of the lumber tariff, but the tariff barons of every protected industry, who hope to get the southern lumbermen and their immense influence committed to the whole scheme of tariff robbery, are continually painting for them pictures of ruin and destruction at the hands of the Canadian lumbermen. When the McKinley bill of 1890, which reduced the tariff on lumber 50 per cent, as is the apparent intention of the present bill, was being considered, the lumbermen rushed before the Ways and Means Committee, declaring that if any reduction was made Canada would flood our country, monopolize our markets, and drive into bankruptcy our lumber producers.

The McKinley bill, which cut the tariff on lumber one-half, was passed. The direful predictions of the lumbermen did not materialize, and instead of Canada flooding our country and monopolizing our markets, she shipped into the United States several million feet more lumber the three years following the McKinley bill than she did the three years preceding it. Again, in 1894, when the Wilson bill, removing the tariff from lumber, was under consideration, the protests of the lumbermen were stronger and their predictions more direful than ever. Tariff was removed, but Canadian lumbermen again failed to take possession of the American markets, either with the low grades or the high grades. The importations from Canada the year following the removal of the tariff was several million feet less than the year preceding it, and for the three years while the Wilson-Gorman Act was in force the importations from Canada and other countries were practically the same as during the three years of the life of the McKinley Act and the three years preceding that act.

I will add here that for the three years 1906 to 1908, inclusive, under the Dingley bill Canada exported to the United States 400,000,000 feet more than she did for the three years under the Wilson-Gorman Act. I further remind this House

that forty years ago Canada was shipping more lumber into this country under the high tariff than she did under free trade in lumber, and practically as much as she is now shipping. The following table of statistics relative to the Canadian importations will be of interest and instruction:

|  | Feet.            |
|--|------------------|
| Three years, 1871-1873 (inclusive), high tariff                      | 2, 259, 027, 000 |
| Three years, 1888-1890 (inclusive), high tariff                      | 1, 917, 244, 000 |
| Three years, 1891-1893 (inclusive), reduced tariff, McKinley Act     | 2, 162, 794, 000 |
| Three years, 1895-1897 (inclusive), free trade lumber, Cleveland Act | 2, 209, 507, 000 |
| Three years, 1906-1908 (inclusive), high tariff, Dingley Act         | 2, 063, 552, 000 |

We have tried high tariff, low tariff, free trade, and high tariff again in lumber, and at no time did Canada monopolize or flood our markets or destroy a single lumber industry in the United States. Neither did low tariff or free trade induce, nor did high tariff prevent, the influx into our markets of Canadian lumber. They continually tell us of the immense importations of Canadian lumber under Cleveland's free trade in lumber, and how the Canadian lumbermen took possession of our markets. The fact is that under Cleveland's free trade less than 3 per cent of the lumber consumed in the United States came from Canada; that is, out of every 100 feet of lumber which was sold in our country the Canadian lumbermen sold less than 3 feet and the American lumbermen more than 97 feet. And yet intelligent men went before the Ways and Means Committee in 1897 and again before the present committee and deliberately testified that under Cleveland's free trade in lumber Canada absolutely flooded our country and monopolized our markets and drove the American lumbermen from the field. As stated before, there was less lumber shipped into the United States under this bill than under the Dingley bill.

Mr. GRAHAM of Pennsylvania. The gentleman did not explain that they had not the money to buy it.

Mr. KITCHIN. Our mills cut over 30,000,000,000 feet each year during the life of the Wilson Act, and every foot of it was sold to somebody. Under your blessed Dingley Act millions of people had neither work nor money, not even the bankers, nor the trust companies, nor the railroads. [Loud applause on the Democratic side.]

Mr. JAMES. Right now I will state that there are bread lines of hungry men right within the shadow of this Capitol.

Mr. KITCHIN. Is the gentleman from Pittsburg?

Mr. GRAHAM of Pennsylvania. Yes, sir.

Mr. KITCHIN. I want to say to the gentleman, since he has given me an opportunity to do so, that in the city of Pittsburg there is not an industry that is not protected by the highest tariff upon the statute books; it has been protected above every other city in the United States. The city of Pittsburg is the very citadel of protection, and yet last year, under your Dingley bill, there were thousands of men that could not get work, though daily begging for it—thousands that were forced into the bread lines. I understand that your city appropriated about a quarter of a million of dollars to feed the hungry men of that city. [Applause on the Democratic side.]

Mr. GRAHAM of Pennsylvania. The gentleman is also aware that at the same time there were 750,000 in England alone out of work.

Mr. KITCHIN. I do not know anything about England. I am talking about Pittsburg. [Applause.]

Mr. GRAHAM of Pennsylvania. A great deal of business depression was caused by the specter of free trade held over the country. [Great laughter on the Democratic side.] It shut down one-half of our industries by the fear of free trade. [Renewed laughter on the Democratic side.]

Mr. KITCHIN. My friend, I find that in Reading, Pa., 12,000 men at this moment are idle and begging for work.

Mr. GRAHAM of Pennsylvania. Where did you get such figures?

Mr. KITCHIN. A clipping from a paper just handed me, and, I think, a Pennsylvania paper—perhaps a Pittsburg paper. [Laughter on the Democratic side.]

Mr. GRAHAM of Pennsylvania. I will venture to say that statement was quoted from some other paper; certainly not a Pittsburg publication. [Laughter on the Democratic side.]

Mr. KITCHIN. My friend speaks of 750,000 idle men in England last year. I know not the condition of the workingman there, but I do know that there were more than a million idle unemployed workmen in the sections of the protected industries of this country daily pleading for work to feed themselves and their hungry families. [Loud applause on the Democratic side.] I know, too, that in the South, which has little or no protection on her industries, of her 20,000,000 people not one was begging work or bread. [Loud applause on the Democratic side.]

\* In my county we have hosliery mills, cotton mills, damask mills, wood-pulp mills, and many other manufacturing enterprises and no man was walking the streets with a hungry mouth because he could not get work, as they did in Pittsburg and hundreds of other places throughout your section. [Applause on the Democratic side.]

Mr. GRAHAM of Pennsylvania. They will be if you get your free-trade items inserted in this bill as you would like to have them. [Great laughter on the Democratic side.] There will be plenty of them walking the streets, just like they were under Grover Cleveland's policy.

Mr. BURKE of Pennsylvania. Will the gentleman yield to me for a moment?

Mr. KITCHIN. Certainly.

Mr. BURKE of Pennsylvania. I do not suppose for a moment the gentleman wishes to leave the House under a false impression.

Mr. KITCHIN. Oh, no.

Mr. BURKE of Pennsylvania. The statement he made to the effect that the city of Pittsburg was compelled to appropriate \$250,000 during the last year for the purpose of feeding idle and hungry men is absolutely misinformation.

Mr. KITCHIN. I will ask the gentleman if he did not see in the Pittsburg and other papers of the country at the time that such an appropriation was made by his city?

Mr. BURKE of Pennsylvania. I live in the very heart of the city, and I will say to you that the only time the city of Pittsburg, in one hundred and fifty years, ever was compelled to go into its treasury for the purpose of feeding those who were hungry was in the three years under the Wilson bill. [Loud applause on the Republican side.]

Mr. KITCHIN. We will see about that in a moment. The gentleman says that he lives in the city of Pittsburg, and that he did not see anybody begging bread or work. My friend, do you deny that the papers all over this country stated that your city did appropriate many thousands of dollars—I do not just now recall the amount—to feed the idle people in your city, or to give them work to enable them to feed themselves? I know you will not deny that. I know you are right when you say that you never saw in the city of Pittsburg men begging for bread and work. My friend, a man who comes to the United States Congress advocating special legislation for trusts and protected industries never sees that class of people. [Loud applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLARK of Missouri. I ask unanimous consent that the gentleman have leave to conclude his remarks.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent that the gentleman from North Carolina may have time to conclude his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. BURKE of Pennsylvania. Now, Mr. Chairman, will the gentleman yield? The "gentleman from Pennsylvania" did not state that he never saw people begging for bread. The "gentleman from Pennsylvania" stated that the city of Pittsburg had not done what the gentleman from North Carolina alleged it was necessary for it to do. The gentleman is also misinformed when he states that the paper from which he reads is a Pennsylvania paper.

Mr. KITCHIN. Nor did I say it was; I said, perhaps, a Pennsylvania or Pittsburg paper.

Mr. BURKE of Pennsylvania. The gentleman stated it was a Pennsylvania paper. The paper from which the gentleman quoted is not published in Pennsylvania and does not state a fact.

Mr. JAMES. If the gentleman from North Carolina will permit me, I should like to ask the gentleman from Pennsylvania a question.

Mr. BURKE of Pennsylvania. "The gentleman from Pennsylvania" wishes to state in reply to the gentleman from North Carolina that he does not come from the city of Pittsburg for the purpose of voting for special interests.

Mr. KITCHIN. Did not your city of Pittsburg in 1908 issue bonds for public improvements for the purpose of giving work to the thousands of unemployed?

Mr. BURKE of Pennsylvania. No; and the gentleman is no nearer the fact in that regard than he has been in many other statements he has made on the floor of this House during the last thirty minutes.

Mr. JAMES. I demand that the gentleman's remarks be taken down.

Mr. KITCHIN. Oh, no; let him go ahead.

Mr. BURKE of Pennsylvania. The gentleman's remarks are taken down, sir.

Mr. KITCHIN. I might suggest, if your seat is too hot for you, that you get a page to pour some ice water on it, but do not get excited. [Laughter and applause on the Democratic side.]

The CHAIRMAN. Does the gentleman from North Carolina yield to the gentleman from Pennsylvania?

Mr. KITCHIN. I certainly do, with pleasure. While he is hot, I want him to run his heat. [Laughter.]

Mr. BURKE of Pennsylvania. Oh, no; "the gentleman from Pennsylvania" asks the extension of no generous courtesy so far as the reporting of his remarks is concerned. He is simply replying to a statement that he believes the gentleman from North Carolina did not fully comprehend the meaning of, when he stated that "the gentleman from Pennsylvania" had come to this body for the purpose of voting for special interests. And I say to you, Mr. Chairman, that the time never was when the aspersions that have been cast upon the people of Pennsylvania in the same irresponsible manner that has characterized the statement of the gentleman who has just spoken—the time never was when such aspersions were justified by the facts. [Applause on the Republican side.] I say, on behalf of the people of Pennsylvania and on behalf of every gentleman who sits upon our side of the House representing the people of that State and the Republican party that sent them here, that they are animated by the same high and lofty motives that I presume and hope animate the gentleman from North Carolina, who now occupies the floor. [Applause on the Republican side.]

Mr. KITCHIN. Oh, well, there is no doubt but that the gentleman from Pennsylvania is perfectly honest in it. I have a faint idea that he thinks the only people to be represented in this Congress are the people like the steel trust and the protected interests in Pittsburg and elsewhere. He is honest in this. His party has so taught him. He claims to be a patriot, and we all know he is a statesman. [Laughter.]

Mr. BURKE of Pennsylvania. Will the gentleman point to the time and place when I ever used, in this House or out of it, the words "steel trust," or mentioned it in any proceedings of this body, or took up the time of this House discussing any proposition, directly or indirectly, connected with the steel trust?

Mr. KITCHIN. Oh, no; they had rather some fellows would vote than talk, for the vote of some does more good than talking. [Laughter and applause on the Democratic side.] The theory of Republican protection is that we shall protect the big, the strong, the wealthy, and they in turn will, by the slow process of commercial percolation, let a few of the benefits drip down upon the people. [Applause on the Democratic side.] The gentleman from Pennsylvania is simply a product of the system. He thinks he is a patriot, and from his standpoint he is; and, as I said before, we all concede he is a statesman. Now, is not that concession sufficient to cool off any Pittsburg Republican? [Laughter and applause on the Democratic side.]

I will tell the gentleman what the trouble is with patriots like himself. The protected industries which he represents send up so much smoke that he always looks through darkened glasses. [Laughter.]

Mr. BURKE of Pennsylvania. I want to say to the gentleman that the chimneys in the city of Pittsburg never sent up as much smoke or caused as much darkness as has been caused by the remarks of the gentleman from North Carolina on the floor this afternoon. [Laughter on the Republican side.]

Mr. KITCHIN. I am willing to admit myself that that was a real bright, smart reply; but the trouble with the gentleman is that he gets off so few such bright sayings here. [Laughter.]

Mr. BURKE of Pennsylvania. I congratulate the gentleman on being able to recognize one when he sees it. [Laughter.]

Mr. KITCHIN. I believe my two friends from Pennsylvania are the only persons in this country that did not see in all the papers, and especially in the Pittsburg papers, daily accounts of the growing ranks of the unemployed in the city of Pittsburg and their hungered, distressed condition. I do not impeach the veracity of any man, but I do say that a denial of such conditions is a lamentable discredit to their memory. So alarming was the situation that, time and again, the city council met to devise ways to relieve the distress of the army of unemployed. The mayor of the city, in February, 1908, insisted that the city should issue over \$2,000,000 of bonds in order to give work to its idle men. I quote from the Pittsburg Dispatch, a good Republican, Dingley tariff paper, of date February 1, 1908:

The proposed bond issues to give work to the unemployed, proposed by Mayor George W. Guthrie, to the total of \$2,184,000, were approved by the appropriation committee last night and will be presented to the finance committee early next week.

In an editorial of the same date it says:

If the city makes contracts that call for the employment of, say, 20,000 men, \* \* \* it will yield employment to that number of idle men.



On February 4, 1908, it says:

Because of the universal prevalence of sickness and poverty this winter it is necessary daily to refuse the pleadings of fathers and mothers who come to the association rooms to ask for milk for their sick children.

February 7, 1908, it quotes Comptroller Morrow as saying:

The men and their families are in dire need.

On February 8, 1908, we find in the Dispatch the following:

The ordinance to authorize a special bond issue of \$220,000 in order to give work to the unemployed was passed by both branches (common council) \* \* \*. Several other measures to aid the unemployed are in contemplation.

The bonds were issued and some of the idle men were thereby given employment.

From the Pittsburg Post of July 6, 1908, I read:

It is apparent that the \$220,000 bond issue for improvements will not supply the demand for work, and councilmen are trying to devise means for further relief.

And further:

The poor farm at Marshalsea, as Director Shaw, of the charities department, stated, was rapidly becoming overcrowded, owing to present conditions.

When a family applies for help at the charities department, an inspector is sent to ascertain whether the case is worthy. If it is, the family is given a basket of provisions, consisting of flour, ham, and other staple articles of food. Many needy families are also being provided for by the north side branch, which was reestablished several days ago after having been merged with the department on this side of the river.

And again:

Benevolent institutions of all kinds are being sought out by Pittsburg's poor. The Salvation Army, the Association for the Improvement of the Poor, and the Volunteers of America are doing all they can to relieve the distress, but they are unable to help all who apply.

In an editorial of same date the Post says:

More than 6,000 idle workmen asked yesterday for blank applications, so that they might secure city jobs available under the emergency bond issue.

When the Post three weeks ago determined to tell the truth about the industrial conditions in this community and abandon the attempt to preserve silence and constantly to see a rosy hue, there was much remonstrance. It next began advising the adoption of quick measures to afford relief.

Mr. Chairman, I could fill the RECORD with such quotations from these and other papers from Pittsburg at the time. I do not blame the gentlemen of Pittsburg for not remembering such alarming conditions. They are fortunate in being able to eliminate from their memory all such distressing, torturing recollections. What was true of Pittsburg was true of many other cities throughout the country—and all under the glorious Dingley bill. [Applause on the Democratic side.]

Mr. GRAHAM of Pennsylvania. If the gentleman will permit me, I took exceptions to his remarks when he said that the statement that 12,000 men were now out of employment in Reading was from a Pittsburg paper, because I try to read all the papers and I never saw anything of that kind.

Mr. KITCHIN. Does the gentleman mean to say that the Pittsburg papers tried to conceal that fact from the American people?

Mr. GRAHAM. No; they tried to tell the truth. [Laughter.]

Mr. KITCHIN. Look here; what do you gentlemen mean by coming here and affecting no recollection about this panic? [Laughter.]

Mr. JOHNSON of South Carolina. It is a hallucination; we have had prosperity all the time. [Laughter.]

Mr. KITCHIN. Do you not know that there has been such a panic and such a period of hard times for two years that the distressed condition of the people and the depleted condition of the Treasury forced the Republican party to promise in its platform revision of the tariff and repeal of the Dingley Act? [Applause on the Democratic side.]

Mr. GRAHAM of Pennsylvania. It was not from the effects of the Dingley bill, but it was the newspapers desiring free pulp and advertising the fact that they wanted a revision of the tariff. [Laughter on the Democratic side.] They did not say they wanted to favor themselves, but they wanted a tariff revision, and they made such a fuss about it throughout the country that it has created such a strong sentiment for such revision that both parties, in their platform, committed themselves to tariff revision, and the uncertainty has paralyzed the industries of this country to-day. [Laughter on the Democratic side.]

Mr. KITCHIN. You have got free wood pulp in the bill, and are you now going to ruin the country? [Laughter.]

Mr. GRAHAM of Pennsylvania. Not if the main features of this bill are retained.

Mr. KITCHIN. Do you mean to say that President Roosevelt and President Taft were seeking to ruin the country when they demanded free lumber? [Applause on the Democratic side.]

Mr. GRAHAM of Pennsylvania. I do not think Mr. Taft favored such a revision as gentlemen on that side say he did.

Mr. KITCHIN. Your party is pledged to revision. Mr. Taft, by his speeches throughout the country, is pledged to it. He was for revision downward, instead of upward. The gentleman from Pennsylvania understood it was upward, did he?

Mr. GRAHAM of Pennsylvania. No, sir.

Mr. KITCHIN. You are in favor of revising it downward, are you not?

Mr. GRAHAM of Pennsylvania. Yes; but not some of it. I am not in favor of wiping out the protection for American industries. [Laughter on the Democratic side.]

Mr. KITCHIN. The gentleman is in favor of revising it downward if it does not touch one of Pittsburg industries, but when it strikes one of them he is for revising upward. [Laughter.]

Mr. GRAHAM of Pennsylvania. For the simple reason that Pittsburg has all kinds of industries; they are not confined to steel alone.

Mr. KITCHIN. And every one of them protected by this bill and by the Dingley bill.

Mr. GRAHAM of Pennsylvania. Take the district that I represent, or represent in part, it has varied industries, and you can not touch any industry in America that you do not touch Pittsburg.

Mr. KITCHIN. I am glad the gentleman and my friend from Pennsylvania [Mr. BURKE] interrupted me, Mr. Chairman, because, although according to latest estimates there are about 90,000,000 people in this country, it is delightful to find that out of that number there are at least two who do not know that we have had a panic and hard times in this country for the last two years. [Applause and laughter.]

Mr. BURKE of Pennsylvania. Oh, the gentleman knows that I did not state that.

Mr. KITCHIN. I simply state that I am glad that my two friends from Pennsylvania did not know of the panic and the distressing times we have had, and I take this opportunity of congratulating them on being the two most fortunately blessed of all the millions of our people in not finding out that for the last two years, under your Dingley Act, we have had panics and hard times. [Laughter.]

Mr. LANGLEY. Mr. Chairman, before the gentleman proceeds further, I would like to ask if the removal of the tariff on lumber will not result in reducing the price of lumber, how will that removal aid the home builders, to whom the gentleman refers, to build cheaper homes?

Mr. KITCHIN. It is quite evident that the gentleman did not hear the first part of my talk. I said in the beginning, that while it would be a great blessing to millions of people in the West and Middle West, as I shall show later, it would not affect a single one of the southern mills, for the reason—

Mr. LANGLEY. Would it make lumber any cheaper?

Mr. KITCHIN. It will not make lumber in the South, especially on the Atlantic seaboard, any cheaper—I wish it would—or affect us in the South, because in the section of Canada that will compete with us; that is, where the freight rates would allow competition with the southern mills—even if Canada had the timber—lumber is just as scarce as it is in the South and just as high as it is in the markets to which we ship.

Mr. LANGLEY. Then the present duty on lumber is not protective, but a revenue duty, and therefore not un-Democratic, according to the gentleman's present party platform.

Mr. KITCHIN. It is neither a Democratic revenue duty, nor is it in accordance with the Democratic platform.

In the great West, in the great consuming States of Illinois, Indiana, Iowa, Minnesota, Wisconsin, and Nebraska, and all out in that western section, removal of the tariff will make lumber cheaper to the consumer and will take the hand of the timber monopolists from the necks of millions of our western people, and I shall show it before concluding. While you are on your feet let me ask you: Do you think it will make it any cheaper to the home builder in your section?

Mr. LANGLEY. I think if it results in increased importations it will necessarily.

Mr. KITCHIN. Answer my question.

Mr. LANGLEY. I think it will, and I think the tendency of it will be to injure the lumber industry in my section, and I do not hesitate to say that I am for my district and section before any other section. I am trying to look out for the best interests of my own district, assuming that the other fellows will do the same for theirs.

Mr. KITCHIN. You are like my friend here; you see nobody in your district except a few special interests that demand special privileges. [Applause on the Democratic side.] You do not see in your district—indeed, you shut your eyes to the fact—that you have thousands of farmers, mechanics, merchants, and business men who need lumber in the daily conduct of their business life; thousands of men who desire to own homes to shelter their wives and children—

Mr. LANGLEY. May I ask the gentleman a question?

Mr. KITCHIN. You do not see that there are thousands of farmers in your district who want to clear away their old log barns and put up better barns; you do not see the farmers in your district that have huts, who want to pull down those huts and build more comfortable homes; you do not see—

Mr. LANGLEY. I think I can see just about as far as the gentleman can.

Mr. KITCHIN. The trouble with you is you can not see over the shoulders of a protected interest or a trust to save your life, and you do not see the people in your district and State on the other side. [Applause.]

Mr. LANGLEY. Oh, yes; I do. I understand my district just as well as the gentleman does his. I believe in protection, and that is the reason I am contending for this duty. I think protection helps all of them.

Mr. KITCHIN. I am glad you candidly confess that you are in favor of the duty for protection's sake. What becomes of the plea of my Democratic colleagues that it is a Democratic tariff for revenue only? [Laughter.]

This is our difference: As between millions of homeless American citizens in this country who desire to build homes to shelter their families and a few thousand lumbermen who demand special legislation to increase their revenues, I take my stand with the millions of home builders, while you take yours with the protected few. [Applause on the Democratic side.]

Mr. MILLER of Kansas. Will the gentleman allow a question?

Mr. KITCHIN. Certainly.

Mr. MILLER of Kansas. I would like to have the gentleman explain to me how with free lumber the people in my section of the country in the Middle West can be affected?

Mr. KITCHIN. There is, of course, some timber in the western Provinces of Saskatchewan and Alberta, along the northwestern border, but the great timber fields of Canada lie in the Province of British Columbia, which borders the States of Washington and Idaho. The lumbermen of British Columbia can compete, if the tariff is removed, with the lumbermen of Washington, Idaho, Oregon, and California, the great lumber regions of the United States, and from which, if the tariff is maintained, all your western country must soon get its lumber. A study of the situation and reading of the hearings will convince you that the main fight for protection on lumber was by the lumbermen of the Pacific coast, in order to prevent competition with them on the part of the lumbermen of British Columbia and to enable the large syndicates of timber owners and lumbermen in these States to secure and maintain a monopoly of timber holdings and lumber production and its sale throughout the whole West. They fear, and so contend, that a removal of the tariff would permit British Columbia to compete with them in the markets on the Pacific coast and in your western territory. They are demanding that the tariff be retained in order to keep your people of Kansas and the people of the West from having the benefit of competition in lumber. To whatever sections or markets the lumbermen of Washington and Oregon can ship, the lumber of British Columbia can go.

Mr. MILLER of Kansas. Let me call the attention of the gentleman to the language he himself used in reference to the effect of the removal of the duty from lumber, so far as his own section of the country is concerned. He said that it would not be cheaper in the South, because of the freight rates. There are much lower freight rates by water from Canada to the extreme South than there are by railroads to the Central or Middle West.

Mr. KITCHIN. You are mistaken about the comparative freight rates between western Canada and the extreme South, and the freight rate to the Central or Middle West. Nor did I say that Canada could not compete with the South on account of freight rates. I said that eastern Canada, even if the freight rates permitted, could not compete with the lumber of the South, and especially the southern seaboard States, in the northern and eastern markets, because timber in eastern Canada was as scarce as it was in Maine or North Carolina, and lumber was as high there as in New York or New England; that she needed what she had for her own home consumption and her other necessary foreign trade. I said further that British Columbia, the great new field of Canadian timber, could not ship 3,000 miles across the continent to the North or East in compe-

tion with us, because the distance made freight rates prohibitive. I will say to the gentleman from Kansas that his State has not received a thousand feet of lumber from Canada or British Columbia in ten years on account of the prohibitive tariff rate.

Mr. MILLER of Kansas. [We do not get much of it from Canada. In some respects I agree with the gentleman from North Carolina, and will vote with him to put lumber on the free list. [Applause.] I do it because I believe that it is going to very materially cheapen the price of lumber in the West. I want to call attention to the fact that the Republican party put the duty on lumber to protect the laborers of this country against the underpaid labor of Canada, and kept it on lumber as long as they believed it would do that.

But now, from investigation of the question, I am one of the members of the Republican party who believe that there is no longer any necessity for any duty for the purpose of protecting the labor of this country against the underpaid labor of Canada, because the price is very little different in Canada and the United States. For that reason I am going to vote to put lumber on the free list and give to our people whatever benefits may be derived from this action.

Mr. KITCHIN. I am glad you are one of the few Republican patriots. If we agree on this, there is no use in our getting red in the face with each other over the matter. [Laughter.] I congratulate the gentleman from Kansas that he is really Democratic in one spot—on free lumber. [Laughter.] But I will say he stands with his President on that question and against his party.

Mr. MILLER of Kansas. Mr. Chairman, the gentleman has no right to say that the "gentleman from Kansas" stands against his party on that question. How does your party stand? As a whole, I believe that this is one of the best tariff bills that was ever brought in.

Mr. KITCHIN. We do not know what kind of a bill we are voting on, and Mr. PAYNE and Mr. DALZELL have not taken us into their confidence. How do you know what kind of a bill you are going to vote on? You are just as innocent and ignorant as I am on the subject. Why, this bill is not the bill that you are going to vote for finally. Has the chairman [Mr. PAYNE] or his lieutenant [Mr. DALZELL] whispered to you exactly what they are going to allow you to vote for? Do you not know that the tariff bill that you have got to vote for will be a tariff bill, not made by the Representatives of the American people, but by four men, two of whom are here, and you and I know who they are, and two in the Senate, and we all know who they are. Their bill and not the Payne bill you are to swallow. They have put some things in this bill to please some of you western and Kansas Republicans, and they are going to take it out over in the Senate to satisfy the trusts. [Applause on the Democratic side.] So that you can go back to your people and say: "Well, now, we have done the best we could. We passed it in the House, but that 'doggoned' old Senate knocked it out." [Laughter.]

And then when your people ask you why you backed down you will reply: "Well, you know the business of the country was so unsettled it would not do to tamper with this tariff any longer, and so we had to back down and consent to it." [Laughter.] You know that is going to be the programme, and you know that Brother DALZELL and Brother PAYNE have not been able to look each other in the face without laughing since they brought this bill in here. [Laughter and applause on the Democratic side.] Now, I want to ask you, Will you vote for a rule to cut off amendments? I ask you to answer as a candid man. [Applause on the Democratic side.]

Mr. MILLER of Kansas. I will say to the gentleman—

Mr. KITCHIN. You and I are going to accomplish something for the American people if you will vote with me on the rule.

Mr. MILLER of Kansas. I will say to the gentleman that in advance—

Mr. KITCHIN. Answer right now; will you vote for a rule that will shut off amendments?

Mr. MILLER of Kansas. In advance of a rule I will not express an opinion as to what I will do upon it; but in answer to the gentleman—

Mr. KITCHIN. You see he has got a "dead cinch." He does not have to do any thinking at all. Somebody else will do that for him. [Laughter on the Democratic side.]

Mr. MILLER of Kansas. If you do not want me to answer your question, all right.

Mr. KITCHIN. Answer it "yes" or "no." Will you vote for a rule here to shut off amendments?

Mr. MILLER of Kansas. I will not. Does the gentleman understand that?



I want to ask the gentleman from North Carolina if he will vote with me for an amendment to this bill as reported here which will increase the tax on beer and take the duty off of tea? [Applause.]

Mr. KITCHIN. Yes; I will do it if your Republican machine here will give me the opportunity. [Applause.]

Mr. MILLER of Kansas. Well, I will vote with you gladly.

Mr. KITCHIN. Oh, I am mighty afraid your party is going to make you vote for this tax on tea. [Laughter.]

Mr. MILLER of Kansas. No, Mr. Chairman; no party will compel me to vote against my convictions upon a question of this kind. [Applause.]

Mr. KITCHIN. Oh, no; but you are going to say that they just kept talking about this tariff bill when the business of the country demanded its settlement, and that you would rather take what Senator ALDRICH handed out to you than stand up for your own people. [Applause on the Democratic side.]

Mr. MILLER of Kansas. On that proposition, I want to say to the gentleman from North Carolina that I am inclined, in legislative matters, to yield to the consensus of opinion of the party to which I belong, instead of adhering blindly to my own judgment upon a question of this character. [Applause on the Republican side.]

Mr. KITCHIN. My friend from Michigan [Mr. FORDNEY] became very excited the other day when they commenced talking about a lumber trust. He said there was no lumber trust now, and there never had been one; and, as good-tempered as he usually is, he apparently got angry when one even intimated it.

Well, if he is a lawyer and has followed for the last ten or fifteen years the courts in our country, he will find not only rumors of lumber trusts, but the actual trusts themselves. Why, in Toledo in 1907 a dozen or more lumbermen were indicted for being in a trust. They came right square up and pleaded guilty, and Judge Morris gave them six months' imprisonment.

Mr. FORDNEY. Did I, in a single sentence, defend the retail lumbermen? I said that I knew nothing about the retail business. I never was engaged in it, and know nothing about it. I am a manufacturer, and, so far as manufacturers were concerned, that was the only statement I made when I said there was no combination.

Mr. KITCHIN. You sell to the retailer?

Mr. FORDNEY. Oh, yes.

Mr. KITCHIN. Why, all you lumbermen admit there are retail lumber trusts most everywhere in the United States, and they could not exist a minute but for the cooperation of their masters, the lumbermen of the United States. [Applause on the Democratic side.]

Mr. FORDNEY. Will you point to a single sentence of mine in which I defended the retail lumber dealers of the country?

Mr. KITCHIN. No; but you deny that lumbermen ever had anything to do with a lumber trust. How long could the retail trust exist but for the sympathy and cooperation of the big lumber mills and associations?

Mr. FORDNEY. My dear friend, I beg pardon; but the wholesale dealers are in no way responsible for the action of the retailers.

Mr. KITCHIN. Let us see. If you search the records in the Toledo case, in which the retail lumbermen pleaded guilty, you will find that in mitigation of punishment they put up the plea that they were forced into a trust because you lumber manufacturers of the West were in a trust, and they had to do it in self-defense. [Laughter and applause on the Democratic side.]

Mr. FORDNEY. There is absolutely nothing in that.

Mr. MILLER of Kansas. Will the gentleman yield to me for another question? The gentleman has been very kind and considerate.

Mr. KITCHIN. If it is a short question and an easy one. [Laughter.]

Mr. MILLER of Kansas. It is both short and easy. I was frank enough to state my position on the subject of free lumber and increase of the duty on beer. Will the gentleman from North Carolina answer this: If your party in caucus should agree that lumber should not go upon the free list, would you still vote with me as against your party?

Mr. KITCHIN. There is no possibility of the Democratic caucus flying in the face of the Democratic platform.

Mr. MILLER of Kansas. Will the gentleman answer my question?

Mr. KITCHIN. If the Democratic caucus sought to bind me or compel me to vote against the platform of my party relating to free lumber or to anything else, I would not be bound by it; but, under the rules of the Democratic caucus, it permits every

man to vote according to the platform or instructions of his nominating authority and the pledges made to his people before his election. Will your caucus protect you in doing this?

Mr. MILLER of Kansas. The gentleman has not answered my question.

Mr. KITCHIN. I have. I said absolutely I would vote for free lumber because it is in our platform and right, and a caucus could not bind me to vote otherwise. What will the gentleman do if his caucus seeks to bind him?

Mr. MILLER of Kansas. I will not vote for the bill as it is now.

Mr. KITCHIN. Well, then, the gentleman from Kansas and myself are certainly two good patriots of the House. [Laughter.] You will not go with your colleagues if they are wrong and I will not go with mine if they are wrong. [Laughter.]

Now to the gentleman from Michigan. If he will read the American Lumberman of July 13, 1907, the organ of the lumbermen, he will find that it records the fact that the North Carolina Pine Association, composed of mills of North Carolina, Virginia, and South Carolina, at its meeting in Columbia, S. C., on November 15, 1905, adopted a price list on pine lumber, and that at a meeting held later, in Norfolk, Va., it adopted another price list. Did the gentleman from Michigan read that?

Mr. FORDNEY. No.

Mr. KITCHIN. Did the gentleman ever hear of it?

Mr. FORDNEY. No.

Mr. KITCHIN. And yet the gentleman is a southern lumberman.

Mr. FORDNEY. I say there is no such thing in the Southwest or anywhere else in the United States, and I defy the gentleman to furnish the proof to the contrary.

Mr. KITCHIN. I have furnished the proof—the records in your own lumber journal.

Mr. FORDNEY. No, my friend; pardon me.

Mr. KITCHIN. How much more proof would you want than the journal, the organ of you lumbermen, which states that the association which met at Columbia, January 25, 1905, adopted a price list, and so forth? Is not that some evidence of a trust or price agreement?

Mr. FORDNEY. No; not the slightest in the world. The gentleman's statement may be correct as to what some journal may have said, and I would not dispute him. I do not see how that furnishes any proof, however. Let me ask the gentleman. There is the Textile World, a paper published in Boston, Mass., which quotes prices on wool. What has the woolgrower in the State of Nevada to do with what is published in the Textile World in Boston? Nothing more than what you have referred to in the lumber journal. I do not deny that what the gentleman says he saw may be true, but I know nothing about it.

Mr. KITCHIN. But did the Textile World state that the woolen mills met and adopted a price list for their product? If so, to my mind, it would be evidence of a trust or price agreement among those woolen mills.

Although the gentleman is a Republican and a protectionist, I presume he still has a conscience left, and I appeal to that. [Laughter.] Now, then, if the gentleman saw it in the organ of the lumbermen that an association of mills met at Columbia, S. C., and at Norfolk, Va., and adopted a price list, would he not think that they had combined on certain prices which the consumer must pay? Would not the gentleman think that it was some evidence that they had entered into a price agreement?

Mr. FORDNEY. Let me answer that in my own way. The gentleman says that I, as a manufacturer in the South, was a party to that, does he?

Mr. KITCHIN. I did not say that he is a party to that; but the gentleman asked for evidence of a trust—that is, a price agreement among mill men—and I produced it.

Mr. FORDNEY. Did the gentleman not say that my firm was in the association?

Mr. KITCHIN. I do not know whether the gentleman's firm is in it or not.

Mr. FORDNEY. I know nothing about it, only that I am not a party to it and I deny that I have ever been.

Mr. KITCHIN. Oh, they did not let the gentleman in; they did not let him know what they did. He might be candid enough to give them away some time. [Laughter.]

Mr. FORDNEY. I deny that myself or my firm has anything to do with it. I know nothing about it. We have no connection with it whatever, and therefore I deny the correctness of the statement that my firm has anything to do with such an arrangement.

Mr. KITCHIN. I never charged that you or your firm were connected with it. I am going to take up a subject now that

the gentleman does know all about. Let us leave the question of the lumber trust. I believe I am going to convince the gentleman that there is a practical monopoly of the timber holdings in this country; that is, I will show to the gentleman and to the House that the great bulk of the standing timber supply of the United States is in the hands of a few people and syndicates; that less than one two-hundredths of 1 per cent of our population owns more than 70 per cent of the standing timber in our country. While I could call witness after witness and read page after page of evidence from tariff-removal sources, my proof shall come from tariff advocates only, and I am going to call the gentleman from Michigan as a witness before I am through.

Mr. FORDNEY. Well, I will testify honestly.

Mr. KITCHIN. I believe the gentleman will. One of the strongest tariff advocates, Mr. Chairman, in this country is Mr. R. L. McCormick. He is one of the big star witnesses that testified before your committee. He is secretary and treasurer of the timber company that has the biggest timber holdings of any company in the world.

Before this tariff agitation began, Mr. McCormick, on July 26, 1907, at Tacoma, Wash., before an association of western lumbermen, made a most thoughtful and elaborate address on the present and future timber supply. The statements in that speech as to the timber conditions are enough to alarm every patriotic citizen when he contemplates the situation which will in the future, even in this generation, confront our people. Of the 1,300,000,000,000 feet of standing timber in this country, according to his estimates, and 1,400,000,000,000 feet estimated by the department, he says that California has 200,000,000,000; Oregon, 400,000,000,000; and Washington, 200,000,000,000; Montana and Idaho, 100,000,000,000 feet. These five of the extreme West and Pacific coast States have practically three-fourths of the standing timber of the country. It is estimated that all the Southern States have only 200,000,000,000 feet of pine; many estimates are lower than that.

Mr. HUMPHREY of Washington. Will the gentleman yield for a question? I just want to ask him about the figures that he read there for Washington.

Mr. KITCHIN. He estimates 200,000,000,000 feet of standing timber for Washington.

Mr. HUMPHREY of Washington. Why, I have pretty near twice that much in my own district alone.

Mr. KITCHIN. The gentleman is mistaken.

Mr. HUMPHREY of Washington. I repeat that there is that much standing timber in my district.

Mr. KITCHIN. Oh, you can not have anything like 400,000,000,000 feet in your district. If so, it would make the proportion of the standing timber in this country for the Pacific States much larger than has been estimated, and increase the seriousness of the timber situation.

Mr. HUMPHREY of Washington. I state that for the purposes of taxation there are over 400,000,000,000 feet of standing timber in my district.

Mr. KITCHIN. The company of the gentleman from whom I am quoting is the largest timber holder in the State of Washington, and he is in a position to know.

Mr. HUMPHREY of Washington. I do not know how much timber his company holds. I know how much is standing there.

Mr. KITCHIN. I will ask the gentleman to possess his soul in patience. I understand he says that he has 400,000,000,000 feet in his district.

Mr. HUMPHREY of Washington. Four hundred billion feet standing in my district now.

Mr. KITCHIN. I will enlighten the gentleman on this subject. The department estimates the standing timber in Washington at 193,000,000,000 feet. Mr. R. L. McCormick, whose company, as I stated, is the largest timber holder in your State, estimates 200,000,000,000 feet.

Mr. W. I. Stewart, a large lumberman of the West, in an address, in 1905, before the Washington Lumber Manufacturers' Association, estimated it, in 1905, at 193,000,000,000 feet. My friend Mr. BEALE of Texas informs me that the Pacific Lumber Trade Journal puts it at 198,000,000,000 feet. It is, therefore, in the light of these authorities, all tariff advocates, barely possible that the gentleman is slightly mistaken in his statement that his district alone has 400,000,000,000 feet of standing timber.

Mr. HUMPHREY of Washington. If the gentleman will yield for a minute, I will tell him.

Mr. KITCHIN. I will, with pleasure, in a moment. Let me now read from the interesting and instructive speech of Mr. McCormick:

The trouble (increasing prices) lies not in the cost of manufacturing, but in the dwindling supplies of the timber.

And again:

To-day the fields of standing timber are known to be narrowing to the Pacific coast. Within half a dozen to ten years the Pacific coast will be the only source of great supply. \* \* \* The westward march of civilization has consumed the forests until to-day the Pacific coast has three-fourths of the timber of the United States.

Mr. Chairman, in the face of these alarming facts, it is not difficult to understand the great interest which Mr. McCormick and his big timber company, as well as the other big syndicates of the West, have in maintaining a tariff that, in prohibiting competition of western Canada, will give them in a few years absolute control of the timber supply of the country. But it is most difficult to conceive how some of my colleagues shall so far forget the interest of the whole country as to be willing to make themselves and the southern lumbermen the cat's paw for these large syndicates and timber monopolists, and to favor legislation the only result of which will aid them in fastening tighter their chains around the people. [Applause on the Democratic side.]

I will again quote:

The standing timber in the State of Washington alone is estimated at 200,000,000,000 feet. \* \* \* Let manufacturing go on throughout the country at the rate it is now progressing, and the timber will increase so much in value at the end of twenty years that the remaining timber (in Washington) may be worth more than its present value to-day.

Within ten years (at the present rate of cutting) all standing timber east of the Rocky Mountains will be needed for local use.

In corroboration of this statement I call to witness every man on this floor who lives in the States east of the Rocky Mountains. Do we not see, day by day, in our States the "dwindling supply" of standing timber? Who owns these immense fields of standing timber in the West, which constitute three-fourths of our total supply? No tariff advocate will dispute the testimony of Mr. D. E. Skinner, certainly the gentleman from Washington will not. He was one of your tariff witnesses before the committee. He is a big lumberman of the West, member of the syndicate, and appeared in this city as chairman of a committee from the Pacific Coast Lumber Manufacturing Association. In a speech a few weeks ago at the New Willard banquet, so eloquently described by my friend Mr. JAMES yesterday, he declared that "90 per cent of the standing timber of the Pacific coast States was held by sawmill operators, corporate and individual"—a very few individual. According to the report of the department the five States of Washington, Montana, Idaho, Oregon, and California have only 1,973 mills. Practically all of these mills are owned by the big timber companies, several companies owning many mills each.

My friends, one man—Mr. Weyerhaeuser—according to the testimony of tariff advocates before the committee, in one timber deal in 1900 purchased, at 15 cents a thousand feet, 40,000,000,000 feet of standing timber on the Pacific coast—more than the total amount of pine timber in the two States of North Carolina and Virginia. It is now said to be worth \$3 and over per thousand. It is estimated that the Weyerhaeuser timber companies own more than 200,000,000,000 feet of standing timber on the Pacific coast—as much as the total stand of pine in all of the Southern States.

Let me now call attention to the condition of the pine timber in the South. Mr. McCormick, in his address, estimated it at 200,000,000,000 feet. Mr. R. A. Long, in a paper read before the annual meeting of the Southern Lumber Manufacturing Association, himself a large lumberman, estimated it to be 137,000,000,000 feet. The Government's estimates put it at about 200,000,000,000 feet. Mr. Z. W. Whitehead, editor of a southern lumber journal, in his statement before the committee, estimated "not to exceed 250,000,000,000" feet. I will read again from Mr. McCormick:

The southern pines are being destroyed with a rapidity that finds its parallel only in the case of the northern white pine.

And further:

It is evident that within ten or fifteen years there will be a most serious shortage of southern pine.

At the present rate of cutting, in less than fifteen years all the pine timber of my State—and, according to the government estimates, in twenty years the pine-timber supply of the entire South—will be completely exhausted.

As in the West, so in the South, the timber holdings have gone into strong hands—into the hands of big companies and syndicates. It is estimated that over 70 per cent of the standing timber in the South is owned by nonresidents or corporations controlled by nonresident stockholders. The Weyerhaeusers, the Goodyears, and other western syndicates are fast invading the southern timber fields. In reading the evidence before the committee one will be struck with the number of



nonresident witnesses, each of whose companies, in addition to their western holdings, owns several hundred thousand acres of timbered lands in the South. I wish to quote again from the organ of the lumbermen, the American Lumberman, of date July 5, 1907:

About five years ago a change came in the yellow-pine business. Stumpage went up in price, since it had passed into strong hands.

[Applause on the Democratic side.]

Mill operators with large capital and extensive equipment began to control a large share of the product, and naturally asked profitable prices for it.

Again, on October 3, 1908, it says:

In the southern hard-wood and yellow-pine fields the small mills are practically eliminated.

What does this mean? Stumpage went up in price, after it got out of the hands of the people, the farmers, in the South, because it had gone into the hands of the big capitalists. Lumber went up in price because "strong hands," "operators with large capital," controlled its output. [Applause on the Democratic side.] As far back as 1888, the American consul at Ottawa, Mr. Hotchkiss, in his report, and the Agricultural Department in its report, warned the people that the standing timber in large bodies was going into the hands of large capitalists who would control the markets and the prices.

The Southern Lumberman, a lumber journal, published at Nashville, referring to the conservation bill, on November 28, 1908, declared that of the timber lands in this country to be conserved, the lumbermen owned 75 per cent to 80 per cent.

I remind my good friend from Michigan that this evidence to the effect that 75 per cent to 80 per cent of the timber in this country is in the hands of a few lumbermen is from a tariff advocate, an organ of the southern lumberman, of your Mississippi company.

Mr. FORDNEY. Do not put me in. [Laughter.]

Mr. KITCHIN. Is the gentleman any better than his fellow-lumbermen?

Mr. FORDNEY. Not any; but I insist that I do not belong to a lumber trust.

Mr. KITCHIN. I am not now referring to a lumber trust. I am showing the House and the country that the standing timber in this country is in the hands of an infinitely few of the people; or, in the language of the gentleman from Michigan, as I shall show later, "in strong hands," and not in the hands of the people, the farmers, as some of my colleagues seem to think. The farmers own less than 6 per cent of the standing timber in the United States. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. I will say to the gentleman that the Government owns more timber in my State than all the rest put together.

Mr. KITCHIN. The gentleman, I think, will find that he is mistaken. But this—the government ownership—is included in the estimate of timber in his State. Excluding the government lands, you will find that the big holders own more than 80 per cent of the remaining. Mr. Skinner, as before stated, put it at 90 per cent; that is, for the Pacific coast States, including Washington.

Mr. FORDNEY. I beg your pardon.

Mr. KITCHIN. Oh, yes. Some of the lumbermen of the West were mighty clever on this point in their testimony. They attempted to prove that they owned a very small per cent of the forest lands. They failed to explain that in the government estimates of forest lands are included cut-over lands and lands of small, stubby growth that never produced timber. In some sections, from 10,000 acres a thousand feet of merchantable timber could not be cut.

Mr. FORDNEY. Will the gentleman pardon me? A moment ago he spoke of the little mills being eliminated. Does he know that of the entire cut of lumber, 40,000,000,000 feet last year, 26,000,000,000 were cut by small sawmills, located in nearly every State of the Union?

Mr. KITCHIN. I do not know, nor does the gentleman know it, because it is not the fact. I am glad my attention is called to this. I am going to show him how mistaken he is. I have here the government report of November 18, 1908. It shows that there are 26,934 sawmills in this country, and that less than 8 per cent of them cut over 50 per cent of the 40,000,000,000 feet. [Applause on the Democratic side.]

Mr. FORDNEY. I beg the gentleman's pardon. There is a lumber journal which gives a very complete statement of the lumber cut in this country. That lumber journal—

Mr. KITCHIN. I would really rather take the department's figures.

Mr. FORDNEY. That lumber journal shows that out of the 28,000 to 30,000 sawmills of the country, 26,000,000,000 feet

were cut last year, out of the 40,000,000,000, at the small sawmills.

Mr. KITCHIN. The gentleman must be mistaken about that lumber journal. I have here the American Lumberman, the biggest lumber journal in the country, and in its issue of February 27, 1909, its editor shows that 1,667 mills produce practically one-half of the total output of all the 26,934 mills in the country. Let me ask, What does the gentleman call a small mill?

Mr. FORDNEY. A small mill is any mill that will cut 10,000,000 feet per year or less.

Mr. KITCHIN. That is a pretty good sized mill in my country. Neither does the government report nor any lumber journal in this country class such mills as small mills.

Mr. FORDNEY. It would cut 12,000,000 a year, at the rate of 40,000 feet a day for three hundred working days in the year. A single-band sawmill is a small sawmill anywhere.

Mr. KITCHIN. Over half of the mills in this country cut each much less than a half million feet a year.

Mr. FORDNEY. That is what I am talking about.

Mr. KITCHIN. To show that the most of the total output is cut by the big mills, I call the gentleman's attention to the fact that, according to the government report and his lumber journal, over 15,000 of the 26,934 mills cut each, on an average, less than 1,000 feet a day. They do not cut for shipment, and their annual total cut is less than 10 per cent of the total output of the country. A farmer here and there has been wise enough to reserve a few acres of timbered land for plantation uses. These thousands of little mills are scattered about throughout the country on the farms and used to cut lumber for farm purposes and occasionally for the neighborhood supply.

Mr. FORDNEY. When a sawmill in your neighborhood goes to cutting lumber, there is no opportunity or occasion for shipping lumber in from any other mill. Let me ask you how many mills, on an average, cut 500,000 feet a year?

Mr. KITCHIN. There are over 15,000—to be accurate, 15,168—that cut less than 500,000 feet a year each, in feet less on an average than 1,000 feet per day, and the remaining of the 26,934 mills cut over that amount each. According to the report 4,820 cut each on an average of 750,000 feet; the remaining few cut the balance of the total output.

Mr. FORDNEY. Some over 15,000 out of the total in the country.

Mr. KITCHIN. These little mills, 15,168 in number, while greatly swelling the total number of sawmills in the country, all combined cut no more lumber annually than the 714 mills in the State of Washington.

Mr. FORDNEY. How about the 26,000,000,000 feet cut by these mills?

Mr. KITCHIN. That is only in the gentleman's imagination. They cut less than 4,000,000,000 feet. Now, let us return to the big stumpage owners. I have more proof to offer. From the Census Bulletin, No. 77, I read:

The increase (in stumpage value) is due, not so much to a present shortage in the supply of lumber material in the country as a whole, as to the fact that the available supply of log stumpage is rapidly being bought up and withdrawn from the market.

This had the sanction of the lumber organ, the American Lumberman, in its issue of July 6, 1907.

Mr. Tift, of Georgia, a tariff-advocate witness, testified that the timber of the country had gone into "strong hands," and gave this as one of the causes of the advance in the prices of stumpage and lumber. I ask the gentleman from Michigan if he does not believe this?

Mr. FORDNEY. I reply to the gentleman, I want to ask him—

Mr. KITCHIN. Do you not believe it to be true that the timber of this country has gone into "strong hands," and this accounts for the high prices in lumber? Just answer.

Mr. FORDNEY. I will not answer the question of the gentleman except in my own way.

Mr. KITCHIN. Well, go ahead.

Mr. FORDNEY. I will ask the gentleman what caused the price of cotton to go up from 5 to 12 cents per pound in the last fifteen years in the South?

Mr. KITCHIN. Cotton was more than 5 cents fifteen years ago, and it lacks 3 cents being as high as 12 cents now. But I am not going to be diverted.

I have produced authority after authority and witness after witness from the tariff advocates themselves in proof of the contention that the timber of our country is in the hands of a few big holding companies and syndicates. I am now going to offer a witness so good and an authority so high that no tariff advocate will dispute, not even the gentleman from Michigan. This witness, this authority, is no more and no less than the

distinguished gentleman himself. [Applause and laughter.] Before the Ways and Means Committee he made this statement:

On account of the depreciation of the forests of this country, which is rapid—and all men know that who know anything about the business—the timber holdings in the country in the past ten years have gone into strong hands instead of small holdings, and therefore a speculative value has been put upon it.

[Loud applause on the Democratic side.]

Mr. FORDNEY. Wait a minute. Have I made a statement—

Mr. KITCHIN. Do you doubt the weight and force of that eminent authority? [Laughter.]

Mr. FORDNEY. My friend, let me ask you—

Mr. KITCHIN. All right; certainly.

Mr. FORDNEY. Where have I made a statement to the contrary?

Mr. KITCHIN. I understood you the other day to stand here and say that our lumber was manufactured by thousands and thousands of mills, and that there was no such thing as a monopoly or a trust, and the people owned the timber.

Mr. FORDNEY. I so insist yet. [Laughter.]

Mr. KITCHIN. Well, my friend, if you insist on that, you impeach your own testimony, and I am not going to let you do that, for you are my witness. [Laughter and applause.] You can not impeach your own testimony, and I will not do it, because I believe you are telling the truth. [Laughter.]

Mr. FORDNEY. What I stated heretofore is that I did not appear before the Committee on Ways and Means as a witness.

Mr. KITCHIN. You are a member of the Committee on Ways and Means, and during the hearings, in your voluntary statements and in your leading questions of the witnesses for your side you made the best witness of them all.

Mr. FORDNEY. You do not impeach my testimony when you say that I was the best.

Mr. KITCHIN. Mr. Chairman, the evidence is sufficient to sweep any intelligent mind in spite of itself to the conviction that the timber of this country is in the control of a few big companies and syndicates. While we can not with assurance predict the events of the future, in the light of the present situation of our timber supply it seems that Mr. McCormick stated a fearful and an alarming truth when he declared that within a few years the whole country would have to look to the Pacific coast as the only source of supply. With the rapid exhaustion of our timber of the South, which at the present rate will hardly wait for another generation to become complete, unless inventive genius furnishes us a substitute, we must turn for our lumber across the continent to the timber syndicates and monopolists, whose already strong arm we are asked to strengthen by a continuance of the tariff. These men of the syndicates, so few in number and owning so vast an amount of the standing timber of the West, are the great beneficiaries of the tariff on lumber, and every man who votes for tariff on lumber is voting for the timber kings and syndicates of the West, and not for a southern industry. [Applause on the Democratic side.] Its maintenance will give them the power to fix the price of stumpage and control the production of lumber. The fight for tariff is in the interest of the big timber kings of the Pacific coast. The other lumbermen are duped into the fight by them and their immense influence. For years the tariff has been written for their benefit. Tom Reed, in a speech in this House advocating tariff, declared that the great beneficiaries of the tariff on lumber were the lumbermen of the Pacific coast. The report of the Republicans of the Ways and Means Committee in 1894 showed the same thing. The American Lumberman showed in its editorial of October 31, 1908, that the real beneficiaries of the tariff were the timber and lumbermen of the Pacific coast.

Logs and round timber are now and have been for more than thirty years on the free list. Before the passage of the Dingley Act hundreds of millions of feet of logs were annually shipped from the Provinces of Canada into this country to the sawmills in the West near the border. In a few months after the Dingley Act was passed the Provinces of Ontario and British Columbia, the competitors of the western lumbermen, enacted in retaliatory laws prohibiting the exportation of logs. As long as the Weyerhaeusers, the Walkers, the Smiths, and other timber-holding groups can induce us to maintain the tariff, just so long will these Canadian Provinces maintain their retaliatory laws prohibiting log exportation and the big western syndicates maintain a monopoly of the timber supply of the West.

Mr. FORDNEY. May I ask you a question?

Mr. KITCHIN. Yes; certainly.

Mr. FORDNEY. According to your statement I infer that you are in favor of the proviso in paragraph 197, that will compel Canada to let us have logs—free raw material.

Mr. KITCHIN. I am coming to that proviso in a moment, and I am going to show you that it is the most miserable makeshift for a reduction of tariff that was ever inserted in a tariff bill, and you have been tickled to death every day since it was put there. You wrote it yourself. [Laughter.]

Mr. EDWARDS of Kentucky. May I ask the gentleman a question?

Mr. KITCHIN. Let me finish the subject of the exportations of logs and the effect of the tariff on it, and then I will gladly yield. Before the Dingley Act and the consequent prohibitive acts of the Canadian Provinces, the sawmill man of Oregon and Washington, if the big timber owners demanded exorbitant prices, could get his logs from British Columbia and ship to his mill in this country. And so with the sawmill man of Wisconsin, Minnesota, and Michigan; he could protect himself against unreasonable stumpage charges by buying logs in Ontario and shipping down through the Lakes to his mill.

But he must now pay the Weyerhaeusers, the Walkers, and other timber holders their own prices or get out of the business and permit them to monopolize the lumber production. The laws of Ontario and British Columbia forbidding exportation of logs are the direct result of the Dingley Act. Is not that true?

Mr. HUMPHREY of Washington. Will the gentleman yield for a question?

Mr. KITCHIN. Just one minute.

Mr. HUMPHREY of Washington. The gentleman's statement is not a fact. That has not been true all the time.

Mr. KITCHIN. Oh, it has been true since the Dingley bill.

Mr. HUMPHREY of Washington. No; it has not; not all the time.

Mr. KITCHIN. The gentleman is clearly in error. I have an authority on that, and it is my good friend Mr. FORDNEY, to show that you are just as much mistaken about that as you were about your 400,000,000,000 feet in your own district. [Laughter.]

Mr. HUMPHREY of Washington. I am not mistaken about it, either.

Mr. FORDNEY. Will the gentleman permit me to set him right? He is in a sense right in his statement.

Mr. HUMPHREY of Washington. It is only occasionally that this is correct; sometimes we buy logs and sometimes we do not.

Mr. FORDNEY. Will the gentleman permit me to state it correctly? When the Dingley bill became a law there was a proviso in that law that stated that if Canada put an export duty on logs, whatever that export duty amounted to should be added to the duty on rough lumber. Instead of putting an export duty on, Canada puts on an embargo, and does not permit logs to come into the United States at all except, temporarily, when they let some come in from Puget Sound when they have a surplus of logs. It is optional with certain government officers to put the embargo on at will or take it off.

Mr. HUMPHREY of Washington. They do it occasionally on Puget Sound.

Mr. KITCHIN. I will enlighten you, gentlemen. I can not enlighten the gentleman from Michigan, I fear, because he was right the other day and is wrong now. You have not had a million feet of logs shipped from British Columbia in years. The fact is that on all the crown or government lands, which constitute practically all the timber lands, they forbid any exportation of logs on account of the Dingley Act, but an individual who owns a little over there—and individual or private ownership constitutes less than 5 per cent of the timber lands—can ship the logs to this country. Such exportation amounts to little or nothing. My friend from Michigan [Mr. FORDNEY] stated before the Committee on Ways and Means:

When the duty was placed on lumber by the Dingley bill, then was when the embargo was put on logs in British Columbia.

Is not that true?

Mr. FORDNEY. I stated that a minute ago, and I repeat it now. Let me ask the gentleman, Is he in favor of bringing logs from Canada into our markets?

Mr. KITCHIN. Is not the gentleman in favor of it?

Mr. FORDNEY. Yes.

Mr. KITCHIN. So am I.

Mr. FORDNEY. Then put the proviso into the bill.

Mr. KITCHIN. Now, Mr. Chairman, I am going to get to the little "joker." the gentleman's proviso in the tariff bill.

Mr. FORDNEY. Do not call it a "joker." I have not made any "bones" about it. It is a straight out and out proviso.

Mr. EDWARDS of Kentucky. Will the gentleman answer my question now?

Mr. KITCHIN. Yes; but I prefer going on with a discussion



of the proviso of the gentleman from Michigan. But go ahead with your question.

Mr. EDWARDS of Kentucky. I just wanted to ask the gentleman what good virgin forest was worth in his State?

Mr. KITCHIN. What does the gentleman mean—by the thousand?

Mr. EDWARDS of Kentucky. By the acre.

Mr. KITCHIN. We have not much virgin forest left, and it is not usual to sell by the acre. Pine timber is worth from \$2.50 to \$3 per thousand on the stump now. Of course, if it is right near a railroad it would be worth more, but that is about the average.

Mr. EDWARDS of Kentucky. The gentleman can give me approximately the price per acre.

Mr. KITCHIN. We do not sell it by the acre. A man goes over it and estimates it by the thousand feet, and pays so much for it by the thousand or in the lump tract.

Mr. EDWARDS of Kentucky. I will say that I have a proposition from North Carolina people to sell some acreage, and I wanted to know if they were asking too much.

Mr. KITCHIN. I will tell you that if you fool one of those North Carolina fellows that has got any pine timber standing there now, you are welcome to all the profit in it. [Laughter.] You fellows went down there ten or twenty years ago and fooled our farmers out of all the standing timber they had for a mere song; but they have a little patch here and there, and you are not going to fool them any more. [Laughter.] You better get a mighty good lawyer and a timber estimator when you go there. Another thing, you better get a good team, because you have got to ride a long ways in North Carolina before you find any farmers who have any standing timber to sell. [Laughter.]

Mr. EDWARDS of Kentucky. I thank the gentleman for that information.

Mr. KITCHIN. It is all owned by the large stumpage-syndicate holders. [Laughter.]

Mr. EDWARDS of Kentucky. I would like to know if the gentleman will furnish me the information as to what good pine framing lumber, 12 to 16 feet long, is worth in his country f. o. b. cars shipping point?

Mr. KITCHIN. Two by eight, for instance?

Mr. EDWARDS of Kentucky. Yes.

Mr. KITCHIN. That brings from \$15 to \$20; it depends upon the grade.

Mr. EDWARDS of Kentucky. Free on board cars at shipping point?

Mr. KITCHIN. Yes. The lowest grade of it, the cheapest grade, about \$12.50 at the mill and anything from there to \$20. If it is No. 1 heart stuff, it will bring \$25.

Mr. EDWARDS of Kentucky. I am talking about ordinary pine framing.

Mr. KITCHIN. Oh, we do not have any ordinary stuff down there. [Laughter.]

Mr. EDWARDS of Kentucky. It is all extra fine, is it? I will just say to my friend that he has my friend from Kansas [Mr. MILLER] scared to death about the exhausting of these forests, and I was trying to find an investment for him down in his country in stumpage. I am sorry he could not give me the information.

Mr. KITCHIN. I will tell the gentleman where he could go and get some good investments if he had the money. I would suggest that he go to the State of my friend FORDNEY—Michigan. Mr. W. I. Stewart, a tariff advocate, in an address before a western lumber association in 1905 stated, and my friend from Michigan corroborated him in a statement before the committee that, "For every three years during the last thirty years white pine has made an average increase in value of 100 per cent."

Twenty years ago your white pine could be bought in that State for from \$3 to \$5. Mr. Stewart says it is now worth \$15 to \$20, and the gentleman from Michigan [Mr. FORDNEY] said it is now worth \$25 on the stump. I tell you, you get into the syndicate; perhaps the gentleman is already in it [laughter]; but I advise any man who wants to make a good investment to get in, if he can, on the ground floor with Brother FORDNEY and his crowd. [Laughter and applause.]

Mr. FORDNEY. Oh, the gentleman pays me a great compliment.

Mr. KITCHIN. That is because I like you and you deserve it. [Laughter.] Now, I want to look square in your face, without pointing my finger [laughter], and, honor bright, did you not really trick the Ways and Means Committee—I do not mean it in an offensive way—when you inserted that little proviso in the bill? [Laughter.]

Mr. FORDNEY. No; not in the slightest. The proviso was explained fully to every member of the committee, and, in fact,

some of the committee members helped me frame the proviso. I am not a lawyer. I know but little about that.

Mr. KITCHIN. I believe that if I were on that committee you could not have fooled me in putting it in. [Laughter.]

Mr. FORDNEY. But the gentleman is a free trader.

Mr. KITCHIN. If I was for a high protective tariff, I would have whispered to you with a wink, "FORDNEY, you are the smartest man I ever saw for getting that thing through the Ways and Means Committee, when they wanted to revise the tariff downward." [Laughter.] I ask you now, honor bright [laughter], if you believe, if this bill passes with that proviso in it, that the tariff rates will be reduced a penny on any lumber imported?

Mr. FORDNEY. It will not, unless Canada gives up her logs.

Mr. KITCHIN. I am not talking about Canada giving up her logs. Do you not know it is impossible for every one of the Canadian Provinces to repeal and revise their customs and policies relative to taxation and rebates on timber, pulp wood, and so forth, in order to meet that provision? Every one, as I shall show later, of the Provinces, and each subdivision of them, must comply; otherwise the reduction in the Payne bill has no application, even to those that do comply.

Mr. FORDNEY. No; it is not, because Canada always did give us her raw material until the Dingley bill became a law.

Mr. KITCHIN. The gentleman is mistaken, if he means to say that there was no export tax on logs, pulp wood, and no rebate on wood manufactured there, in some of the Provinces, even before the Dingley Act.

Mr. FORDNEY. I beg the gentleman's pardon. In one single year 400,000,000 feet of logs were towed from Canada into the State of Michigan.

Mr. KITCHIN. But at that time, before the Dingley bill, there was an export tax by some of the Provinces on logs, and some did not impose the tax; and there always has been an export tax or a rebate on pulp wood sold by the government—as it owned practically all the timbered lands—if manufactured in the Provinces.

Mr. FORDNEY. There never was—never has been—an export tax on logs in our history. [Applause on the Republican side.]

Mr. KITCHIN. Let me say to the gentleman he is mistaken about that. The hearings in 1890, 1897, and the recent hearings will show that he is in error.

Mr. FORDNEY. I think you are mistaken. There never has been an export tax on logs in my memory, at all events.

Mr. KITCHIN. You are mistaken about that. Quebec has always allowed a rebate; Ontario has an embargo now; but Quebec and Ontario allowed a rebate on pulp wood to the manufacturers there, and Ontario at one time and another prior to the Dingley Act imposed a small export tax on logs.

Mr. FORDNEY. I am talking about logs.

Mr. KITCHIN. But now to the gentleman's proviso. I want this House to know—

Mr. FORDNEY. I stated to the House the other day just what you are going to state now.

Mr. KITCHIN. No; you have not.

Mr. FORDNEY. I stated that that was—

Mr. KITCHIN. Do you think if this bill passes and becomes a law that it will reduce the tariff one penny? If so, you are the worst mistaken man in the world.

Mr. FORDNEY. I did not want it to and did not so intend it. [Laughter and applause on the Democratic side.]

Mr. KITCHIN. I told you you made the best witness against your own cause I ever saw. [Laughter.] The gentleman admits that he put it in there for the purpose and with the intention of not having a single foot of lumber under this bill ever reduced one penny, and it will not reduce it. [Loud applause on the Democratic side.]

Mr. FORDNEY. Unless Canada gives up to us her raw material.

Mr. KITCHIN. Canada—that is, each one of her many Provinces—has never given to us or any Nation raw material, in the way contemplated by that proviso.

Mr. FORDNEY. She never prevented it until the Dingley bill became a law.

Mr. KITCHIN. You really must not have understood your proviso. But I can not believe this. You knew what you were doing when you wrote it. Ontario and British Columbia never prohibited exportation of logs until the Dingley bill; but Ontario, at times before, and also Quebec, imposed a small export tax, which, under your proviso, would debar them and all other Provinces, and, consequently, our own people, from the benefit of the reduction under the Payne bill.

Mr. FORDNEY. If there is anything I do not understand, please tell me, and I will be happy to know it.

Mr. KITCHIN. Let me again enlighten you. You said it was never intended to reduce—

Mr. FORDNEY. Not unless she gives up her raw material.

Mr. KITCHIN. I want the House to know that this schedule, with the proviso, is simply a makeshift to deceive the American people, who want removal or reduction of the tariff on lumber, and at the same time to satisfy the lumber interests. [Applause on the Democratic side.]

Mr. FORDNEY. Have I attempted to deceive anybody?

Mr. KITCHIN. I do not say you have, but I do say you have been the smartest fellow that ever tackled the Ways and Means Committee. [Laughter.] You have got a provision in it that makes a pretense that you are giving to the American people some reduction in lumber when, at the same time, you acknowledge it is not actually going to do it.

Mr. FORDNEY. I have intended simply that the United States Government shall not give up one penny of our revenues on imports of lumber unless Canada gives up her free raw material. That is all there is to it.

Mr. KITCHIN. There is more to it, as I shall prove. There never has been a "joker" or proviso like this upon the statute books and there never has been a bill presented to this House containing one like it.

Mr. HARDY. Read the proviso.

Mr. KITCHIN. You talk about your not being a lawyer. There is not a Philadelphia lawyer who could have imposed upon any committee such an ingenious proviso as you did upon Chairman PAYNE, Mr. DALZELL, and the other members of the Ways and Means Committee whom you hypnotized into the belief that it was all right and the tariff on lumber would be reduced. Let me read it:

*Provided*, That if any country, dependency, province, or other subdivision of government shall impose an export duty or other export charge of any kind whatsoever upon or any discrimination against any forest product exported to the United States—

It does not say on logs, but on any forest product—wood pulp, cord wood, kindling wood—

A MEMBER. Toothpicks.

Mr. KITCHIN. Toothpicks or anything.

Or if any country, dependency, province, or other subdivision of government forbids or restricts the exportation of any forest product to the United States in any way, there shall be imposed upon all the forest products of such country, when imported into the United States, the duties prescribed in section 3 of this act.

That is, the present Dingley Act rate.

Mr. FORDNEY. She could not ship any of her products and get the benefit of the rates fixed in the new bill unless she gives us her raw material.

Mr. KITCHIN. I have not yet called attention to the beauty of your trick. [Laughter.]

Mr. FORDNEY. Do not call it a trick. [Laughter.]

Mr. KITCHIN. I commend you. I congratulate you. I think that is the smartest thing I ever saw in a bill in my life. [Laughter.]

Mr. FORDNEY. Simply wise.

Mr. KITCHIN. I call especial attention to the words of the proviso: "There shall be imposed upon all the forest products of such country," and so forth, the Dingley Act rate. You will notice that if any dependency, Province, or other subdivision of government—a county, city, or township—imposes any export tax, rebate, restriction in any way, then the Dingley rate and not the Payne reduction applies to all forest products exported from all sections of "such country," and not simply from the province, dependency, or subdivision imposing such tax, rebate, etc.

Not only does the Dingley rate apply to the "Province, dependency, or other subdivision of government" which imposes the tax or rebate, but to all other sections or Provinces of such country, although all the "Provinces," and so forth, but one fully comply with this provision.

The act of one little Province of Canada or one little subdivision of a Province, although every other section and Province or subdivision meets in toto the terms of the proviso, is sufficient to prevent reduction of the tariff on the forest products of Canada and all her Provinces.

Mr. FORDNEY. All of them.

Mr. KITCHIN. For years, perhaps fifty years or more, Quebec, one of the Provinces of Canada, a subdivision of the Canadian government, has either put an export tax on logs or pulp woods or allowed her own manufacturers a rebate on pulp wood manufactured in the Province. It is a part of the policy of her government. It does not hurt us. It does not hurt the outside world. But it is a policy that she has pursued for

years and years, and she has got to repeal that before a single foot of lumber or timber can come in here under the Payne reduction, not only from Quebec, but from any of the Provinces or sections of Canada, though every other Province or section complies fully with the proviso. Ontario at times levied, before the Dingley bill, an export tax upon cord wood and logs.

In other words, Quebec, Ontario, British Columbia, Manitoba, Alberta, New Brunswick, and all her other Provinces—each Province has her separate government, like the different States of our Union—each must revoke her policy and repeal her forest-product laws before the Payne reduction applies. All may do so and meet every requirement of the proviso but one little Province, yet that one is sufficient to make the Dingley Act, the present tariff, apply to all Canada and her Provinces.

A little Province like Alberta or New Brunswick could grant a rebate or impose, to raise revenue, an export tax of 10 cents a cord of wood or a thousand feet of logs or a thousand shingles; this would keep out, under the Payne rate, all forest products of all Canada. I will ask the gentleman from Michigan if that is not true?

Mr. FORDNEY. Surely. That was so intended.

Mr. KITCHIN. A few moments ago, during a colloquy with the gentleman as to Canada levying an export tax on logs before the Dingley Act, I asked the librarian to send me Senator Allison's speech on the tariff in 1888. I now have it. In his speech made in the Senate October 8, 1888, on page 9289, you will find that he stated that prior to 1888 Canada had put an export tax on logs. She then had a tax of \$1 per thousand feet—that is, some of her Provinces.

And in 1888, and before then, and in 1897 there was in some of the Provinces an export tax on logs, also on pulp wood, but when the Dingley bill put from \$2 to \$4 tariff on their lumber Ontario and British Columbia retaliated by passing the acts forbidding exportation of logs, as I previously stated.

Mr. FORDNEY. Will the gentleman permit me?

Mr. KITCHIN. Yes, sir.

Mr. FORDNEY. Perhaps the gentleman is correct that at times there was an export tax. The gentleman made a statement a minute ago that there was an export tax, too. Now, I think the gentleman is mistaken.

Mr. KITCHIN. No; I am not mistaken; but I am not going to let the gentleman turn me away from this provision.

Mr. FORDNEY. I think Senator Allison was mistaken. I never remember of a time when there was an export tax on logs coming in from Canada, because as long as I can remember, up to the time of the adoption of the Dingley bill, logs did come from Canada into the United States without an export tax.

Mr. KITCHIN. Are you willing to admit now, and give your judgment as a Representative of this House, that if this bill becomes a law with this provision in it, not a single American hand will feel the sensation of cheaper lumber from the Payne bill and not a single foot of lumber will come into this country from Canada except under the rates of the Dingley bill? Is not that your judgment?

Mr. FORDNEY. Let me answer.

Mr. KITCHIN. What is your judgment?

Mr. FORDNEY. My judgment is that if this bill becomes law with that proviso as it now is—which I hope it will, but fear it will not—Canada must give up her raw material.

Mr. KITCHIN. No; but this relates to any little Province in the Dominion—

Mr. FORDNEY (continuing). She must give up her raw material, or the present rate of duty on her forest products, as provided for in the Dingley bill, will apply. I have repeatedly stated that, and state it again. I can not make it any clearer.

Mr. KITCHIN. I understand that someone appeared before the Ways and Means Committee and persuaded them that this proviso was complying with the Republican platform, and the gentleman from Michigan, in his speech on Saturday here, made the statement that it was in accordance with the Republican platform, and read the Republican platform to prove his assertion.

Mr. FORDNEY. Providing for raw materials.

Mr. KITCHIN. If that is his construction of it, I am going to show him I know more about his own platform than he does.

Mr. FORDNEY. I think you would change your politics if you knew as much about our platform as I do. [Laughter.]

Mr. KITCHIN. One of the many reasons why I am not a Republican is because I know too much about them and their platforms. [Laughter.] However, I have never had any hard feelings toward my Republican friends.

Mr. FORDNEY. Not at all.



Mr. KITCHIN. I have known a great many good Republicans in my own State, and I am most grateful to many of them. When I first commenced the practice of law they were very kind to me, and if it had not been for the number of them on the criminal side of the docket my family and I would have had a hard time. [Great laughter.] I have reason to believe that many of them think very kindly of me, for I do not reckon there is a man in the country my age who has kept more Republicans out of the penitentiary than I have. [Great laughter and applause.]

Mr. FORDNEY. If anybody in your district doubts that you are a splendid fellow, have them call on me. [Great laughter.]

Mr. KITCHIN. My friend Mr. FORDNEY, in his speech a few days ago, justified that provision on the ground that it was in accordance with the maximum and minimum clause of the platform of his party. His platform does not sanction it. Now, let me read you the Republican platform:

The maximum is to be available to meet discriminations by foreign countries against American goods entering into those countries.

Will you be willing to change the proviso in harmony with your platform, making it effective only in event any discrimination is made against American goods entering their country? Such a provision will be all right, because there is not a Province of Canada that will discriminate against American goods entering there. None discriminates against us now. Our goods enter on the same terms of equality as the goods of Germany, France, and all other countries. If any of them should discriminate against our goods entering there, then your platform demands the operation of the maximum rate as to the Province so discriminating.

Mr. FORDNEY. Will the gentleman permit a question?

Mr. KITCHIN. Do you not believe you have been a good witness this evening? Now, did your platform justify that provision?

Mr. FORDNEY. I believe it does. If it does not, I would like to have it amended so that it should.

Let me ask you a question.

Mr. KITCHIN. Certainly.

Mr. FORDNEY. If Canada put an embargo upon her wheat and would not permit wheat to come into our country, would you be in favor of Canadian flour coming into our markets?

Mr. KITCHIN. I would if our flour was controlled by a flour trust and our people needed bread. [Applause.] The language of your proviso is broader, more extensive, and, I may say, more ingenious than the case you put.

Mr. FORDNEY. Can you give to me any language that could make it any stronger? As a good lawyer, which I give you credit of being, can you give me any stronger language by which it could be put into that proviso?

Mr. KITCHIN. No living man, in order to keep out that Canadian lumber under the Payne bill and bring it in under the Dingley bill, could express it any better. [Laughter and applause.] The Chief Justice of the Supreme Court could not express it better than you have expressed it to accomplish your purpose. To the gentlemen from Kansas and the gentlemen from Wisconsin, Minnesota, and other Republican Members who favor this bill with the idea of getting a reduction of the tariff on lumber, I want to say to them that never a penny reduction will they get as long as such a provision remains in the bill.

Mr. FORDNEY. Now, my friend, that decision, coming from you, convinces me that it is quite correct.

Mr. KITCHIN. Now, Mr. Chairman, I want to show you how our lumber friends took this Payne reduction at first and how afterwards they "caught on" to the proviso. Just as soon as the bill was reported the papers throughout the country—I will not say it is your plan, but you were conscious of it all the time and sat back tickled to death with it [laughter]—stated that you had reduced lumber one-half. The Associated Press sent out over the 10,000 wires that stretch the country the glad news to the millions of consumers that the Payne bill had reduced the tariff 50 per cent, had cut it one-half on lumber, and that they were going to get cheaper lumber, and you laughed. [Laughter.]

Mr. FORDNEY. You said you would not point your finger at me any more. [Laughter.]

Mr. KITCHIN. Well, then came telegrams from the lumbermen in my district, "Fight the reduction; it will ruin us." Then came telegrams to the other Congressmen from lumber districts saying, "The Payne bill is going to destroy the lumber business of the South."

My friend and colleague Mr. Pov, in his speech the other day, which was printed in the RECORD this morning, said a lumberman in his district had written him that it would ruin him

to cut the duty one-half. Then came the American Lumberman of March 20, with protest after protest from the lumbermen all over the United States in it. My friend from Michigan takes it, I think. It is full of protests. But its editor, after he had time to study it and think about it, virtually says to the lumbermen, "Boys, be still; you are not hurt." I will quote from the editorial:

But, after all, a careful examination of the bill shows that the Ways and Means Committee—

I call Brother MILLER's attention to the fact that you have got to examine this bill "carefully" [laughter]—

But, after all, a careful examination of the bill shows that the Ways and Means Committee did take a broader view of the matter and has a clearer conception of the situation.

[Laughter and applause on the Democratic side.]

You Minnesota Republicans, whose state platform demanded free lumber, and you Wisconsin Republicans, whose legislature instructed you to vote for free lumber, and you South Dakota Republicans, whose state convention declared for free lumber, and you Ohio Republicans, whose legislature memorialized you to vote for free lumber, do not be fooled by Brother FORDNEY's proviso; his "joker." [Laughter and applause.]

Mr. MILLER of Kansas. I do not know why the gentleman from North Carolina should insist that I give more careful consideration to this bill than I have already done. My cursory examination of it led me to believe that the gentleman from North Carolina was right about it. A more careful consideration might lead me to believe that he is wrong about it, and it probably would. [Laughter.]

Mr. KITCHIN. That is what I am afraid about. You have some provisions in it that are all right, but I am afraid after these protected beneficiaries and after the Senate gets through with you, all of you will give more "careful consideration" to it and will vote in the interest of the trusts and against the American people. [Applause on the Democratic side.]

Let me read further from the American Lumberman:

This is an important provision, and makes some amends for the reduction against which the lumbermen protested. There is hope in this provision.

[Laughter.]

They are satisfied with it, gentlemen. This journal insisted, however, that the Ways and Means Committee ought to have had the courage to come out and put on the \$2 duty in the open, without hiding the protection in this proviso, as the lumbermen had come to the Ways and Means Committee and made a straightforward, open fight—that the Ways and Means Committee ought to have measured up to the responsibility of courage and put back the Dingley rate, and not obscure it in a provision like that.

Mr. FORDNEY. The Dingley bill does not give us the raw material.

Mr. KITCHIN. Brother FORDNEY, you have already admitted yourself and your case out of court. [Laughter.]

Mr. FORDNEY. Is not that right? Under the Dingley bill we do not get the raw material from Canada.

Mr. KITCHIN. You do not get it because of the Dingley bill, as I just told you a little while ago. British Columbia and Ontario, from which you formerly could secure logs, according to your own statement before the Ways and Means Committee, retaliated because of the Dingley bill and absolutely prohibited the exportation of logs to this country.

And that gives the stumpage holders in the great West an absolute monopoly, and they are determined that the tariff shall remain as it is, so as to make Ontario and British Columbia keep in force their retaliatory measures against exportation of logs. Remove the tariff and they will at once repeal these retaliatory acts, and the sawmill men and the men who wish to engage in the business will not be held up by the timber syndicates of the West.

Mr. FORDNEY. If we could get the raw material as we did under the Wilson bill, you would destroy the monopoly?

Mr. KITCHIN. Does the gentleman know Mr. Goodyear?

Mr. FORDNEY. Yes.

Mr. KITCHIN. He is a big lumberman, whose companies own hundreds of thousands of acres of timber lands in the West and in the South, and is a tariff advocate. He is president, I believe, of the largest lumber company in the South. In 1897 he appeared before the Ways and Means Committee in favor of the rate under the Dingley tariff bill. He declared in his testimony that any duty that would keep logs from being exported from Canada to this country would destroy many sawmills along the border in this country and throw thousands of men out of employment.

After the Dingley bill was passed exportation of logs was prohibited, and it did throw thousands of laboring men out of

employment and destroyed many of your mills; and your American laborers, in order to get better prices, went to Canada and were employed by the lumber mills there. By the way, that fact itself knocks up all the lumbermen's plea about oriental cheap labor in Canada. Why, the Southern Lumberman stated in December, 1908, that American laborers that had been working at the sawmills of Michigan, Minnesota, and Wisconsin had gone to Ontario. They went there because they could get better wages than your people in the Northwest that owned an absolute monopoly of the stumpage would pay them.

Mr. FORDNEY. That is a sad mistake.

Mr. KITCHIN. I am not taking this from any free-trade lumber advocate now.

Mr. FORDNEY. Where does the gentleman get his information that Canadian wages are higher in the sawmills than in the United States?

Mr. KITCHIN. The gentleman takes the Southern Lumberman, published in Nashville, Tenn., an organ of the lumbermen, but he does not read it.

Mr. FORDNEY. It is a Democratic paper.

Mr. KITCHIN. I do not know its politics. I do know it is one of the strongest and hottest tariff advocates in this country. I will read from the issue of December 5, 1908.

Mr. FORDNEY. Who is this by?

Mr. KITCHIN. The editor of the lumber journal.

Mr. FORDNEY. Who is the gentleman making the statement?

Mr. KITCHIN. Let me read:

In Ontario and one or two other central Provinces the difference in wages—

Between them and the United States—

seems to be slight. Most of the labor employed there is American labor, which has gone over to Canada during the past six or eight years, as lumber operations have decreased on our side of the line in the Lake States.

[Applause on the Democratic side.]

Mr. FORDNEY. Is that an editorial?

Mr. KITCHIN. Yes.

Mr. FORDNEY. I put my opinion against it, and I do not think there is 1 per cent—

Mr. KITCHIN. Will the gentleman put his opinion against that of Mr. Pinchot, a tariff advocate?

Mr. FORDNEY. On what subject?

Mr. KITCHIN. Comparative cost of labor here and in Canada.

Mr. FORDNEY. As to American labor employed in Canadian mills?

Mr. KITCHIN. American labor here and Canadian labor there. I am going to show you tariff advocates that labor in Canada is as high as here. It is said that Mr. Pinchot was a strong advocate for the removal of the tariff on lumber until the big banquet at the New Willard, which he did not attend, but which all the lumber friends did. Then he wrote a letter to Mr. PAYNE on March 12, just before we returned here in extra session. In that letter he says:

The average cost of logging and the manufacture of lumber is probably as great in Canada as it is in the United States.

[Applause on the Democratic side.]

Did the gentleman from Michigan read that letter?

Mr. FORDNEY. Yes.

Mr. KITCHIN. Well, he said that, did he not?

Mr. FORDNEY. I want to ask the gentleman where he has anything to show that Mr. Pinchot ever favored free trade in lumber.

Mr. KITCHIN. The point is not whether he ever favored free trade in lumber or not, but what did he say about the difference between American and Canadian labor wages. [Laughter.]

Mr. FORDNEY. The gentleman does not understand me. Has he anything where Mr. Pinchot ever went on record asking for free trade on lumber?

Mr. KITCHIN. I understood, and every man on the Ways and Means Committee understood—

Mr. FORDNEY. Oh, no. I am one of that committee, and I never understood.

Mr. KITCHIN (continuing). Except the gentleman from Michigan, and now, honor bright, again [laughter], in his first testimony did he not leave the impression on everybody except the gentleman from Michigan that he was in favor of free trade on lumber?

Mr. FORDNEY. Never in his life. He never uttered a word to that effect in my presence.

Mr. KITCHIN. Well, then, I will say that every other man in the United States who had been keeping up with him supposed he was at one time in favor of free trade in lumber; but when he wrote the letter from which I quoted he was a tariff advocate.

Mr. FORDNEY. Had been supposed to be, yes; but ask any member of that committee who is present here if he ever stated that to them.

Mr. KITCHIN. If the gentleman is right, that makes his statement so much the stronger. Here is a distinguished man, as the gentleman claims, and a lifelong advocate of a tariff on lumber, who admits that labor is as high in Canada as over here.

Mr. CLARK of Missouri. Will the gentleman yield for a moment?

Mr. KITCHIN. Certainly.

Mr. CLARK of Missouri. If the gentleman from North Carolina will yield, Mr. Gifford Pinchot, I will state, did more to build up the sentiment in favor of free lumber than any other man on the American Continent, and he educated President Roosevelt into sending in those messages here in favor of free lumber to conserve the American forests. [Applause.] And he helped convert me.

Mr. FORDNEY. Will the gentleman permit? Where did you get that information?

Mr. CLARK of Missouri. I got it up here in my head. [Laughter.]

Mr. FORDNEY. How did it get there?

Mr. CLARK of Missouri. Because he was everlastingly bellying around here for free lumber to preserve the forests. [Laughter and applause.] In that very same speech of Mr. McCormick's, that I read that very same night it was delivered, Mr. McCormick was wedged between Mr. Pinchot, on the one hand, and Mr. Roosevelt, on the other, and all three of them made speeches in favor of free trade in lumber to conserve the American forests.

Mr. FORDNEY. I beg to differ with the gentleman. I think he is mistaken.

Mr. KITCHIN. The point I make is this: These lumber-tariff advocates have scared our lumbermen and some of our friends here from the South to death about this "cheap, pauperized oriental" labor in Canada. I have received hundreds of letters and resolutions from chambers of commerce and lumbermen and lumber associations all through the South protesting against any change in this tariff schedule, because, they claim, it would force them to compete with "pauperized, oriental" labor in Canada. I want to say that this deception has been practiced by tariff advocates for years on the American people in respect to this lumber question. In 1890, during the hearings under the McKinley bill, which reduced the tariff on lumber 50 per cent, as the Payne bill proposes—and that did not have this proviso in it—lumbermen from the West, from the gentleman's State, Michigan, came here and protested against any change in the lumber schedule.

They got up just like they do now and spoke about this cheap oriental pauperized labor, declaring that Canada was only paying 50 per cent of what we were paying here, until finally a good, straight fellow from the gentleman's own town, Mr. Loveland, got up, after one or two witnesses before the committee had pointed to him as one who knew all about the condition of labor in Canada. He said that gentlemen were mistaken about the difference in the cost of labor over there and here, and further said:

It costs a little more to lumber in Canada than it does here.

He showed, too, that our labor was much more efficient.

Mr. FORDNEY. Now, will the gentleman pardon me?

Mr. KITCHIN. Yes.

Mr. FORDNEY. There is no doubt about that. Right now it costs twice as much to put a thousand feet of logs onto the market in Canada and convert it into lumber as it does in the State of Mississippi, but that is not due to the difference in the cost of labor altogether.

Mr. KITCHIN. That is a most valuable admission, coming from the high priest of lumber protective tariff.

Mr. FORDNEY. Oh, pardon me; but I want to do the gentleman justice and do justice to my friend Loveland. In Canada the country is very rough, and the timber on the front is all cut off, and they must go back to the head of the streams, in the rough countries, where it is expensive to get supplies and build roads and such like; and those are the things that enter into the cost of getting out the timber.

Mr. KITCHIN. But let us turn to the hearing on the Dingley bill in 1897. They came again before the Ways and Means Committee and asked for the Dingley tariff rate, which was finally given, to protect them from the "cheap pauperized labor" of Canada; and again we find some straight, square lumber-tariff advocates knocking out the cry of cheap Canadian labor.



Let me read from a memorial filed by some lumber manufacturers in the State of Maine, all tariff advocates, before the committee:

The cost of getting supplies and labor on the Maine side of the river will average about 25 per cent greater than on the Canadian side. The difference in expense is largely in the cost of getting supplies to the lumber camps on the Maine side.

At the recent hearings before the Ways and Means Committee it was testified by men who employed labor, both here and in Canada, that labor, if anything, was a little higher in British Columbia; and this is the Canadian Province in which my friends, Mr. HUMPHREY and Mr. CUSHMAN, of Washington, have held up this oriental, Japanese, Chinese, and Hindoo pauperized-labor bugaboo.

Mr. FORDNEY. Pardon me, that statement comes from Mr. Lynch and Mr. Rogers, who are manufacturing in British Columbia, advocating free trade, because they want to get their lumber into the West and North Dakota.

Mr. KITCHIN. I am going to read from one of the strongest tariff advocates from the State of Washington, who said the same thing. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. Will the gentleman permit me a question?

Mr. KITCHIN. Just a question.

Mr. HUMPHREY of Washington. Just a question. I am going to ask the gentleman this: The gentleman does not contend that on the Pacific coast and in British Columbia that no oriental labor is used?

Mr. KITCHIN. No; I do not. I have seen the pretty pictures produced in the hearings and printed here that show some 200 Orientals. I say this: You work on the Pacific coast in the United States 2,000 or more Orientals in your sawmills. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. No; I emphatically deny that is true. There are 41 Orientals working in all the shingle mills in the State of Washington.

Mr. KITCHIN. I am not talking about shingle mills. I am talking about lumber mills.

Mr. HUMPHREY of Washington. There are less than 1,500 out of 110,000. Now, I want the gentleman to be fair—

Mr. KITCHIN. You will find on page 3170 a memorial from your Pacific coast lumbermen admitting that they employ about 2,000 Orientals in their mills; that is, they say they do not exceed that number.

Mr. HUMPHREY of Washington. To exceed that.

Mr. KITCHIN. They say that Japanese are employed in the sawmills to some extent in Washington. In order to hoodwink, in order to stir up prejudices of the American people against the Canadian lumberman, they had photographs made of Orientals working in the mills of British Columbia and put them on exhibition here. They had an energetic kodaker to go through the country in British Columbia, and he found about 150 or 200 Orientals working at the different mills there, and they have had these pictures printed in the Hearings and have scattered them broadcast throughout the country, as if all the laborers there were Orientals. Yet that same kodaker could go to the 2,000 Orientals working at the mills in the States of Washington, Oregon, and California and get enough pictures to fill this book. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. I explained the other day how these photographs happened to be taken. They were taken at my request—

Mr. KITCHIN. You were very careful not to take pictures of the Hindoos and Japanese at work in the Washington sawmills. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. For the very good reason that there is not one Hindoo in the State of Washington working in a sawmill.

Mr. KITCHIN. How about Japanese and Chinese? This memorial of your Washington Lumber Association admitted that you did work about 2,000 Orientals in your mills.

Mr. HUMPHREY of Washington. Not Hindoos.

Mr. KITCHIN. But Orientals?

Mr. HUMPHREY of Washington. The gentleman does not know what he is talking about when he makes that statement.

Mr. KITCHIN. Does not the gentleman know that Japanese and Chinese get less for their labor than Hindoos? Does not the gentleman know that?

Mr. HUMPHREY of Washington. No; I do not. I know they all get their work in British Columbia. They do not work for us.

Mr. KITCHIN. I have here the testimony of a tariff advocate that appeared before the Ways and Means Committee on this labor question, who lives in the State of Washington. He said in his testimony that he had come 3,000 miles here to testify

before the committee to urge that the tariff on lumber be retained.

Does the gentleman from Washington know a gentleman by the name of F. H. Lamb, of Hoquiam, Wash.? Here is what he says. Remember, the other tariff advocates that preceded him, in order to prejudice the committee and stir up some of the southern Members on that committee against oriental cheap labor, testified as to the great difference in the cost of labor over there. This gentleman, differing from the others, says:

The question of wages as an item of logging cost has been gone into very fully, but I simply wish to state, in my opinion, the difference in cost of wages between British Columbia and Washington is very small.

And then he proceeds to show that there is no difference. He is a practical lumberman, owning large tracts of timber and engaged in the timber or logging business.

Mr. HUMPHREY of Washington. That is in the logging camps. They are not permitted to use Orientals in logging camps.

Mr. KITCHIN. Now, gentlemen, I make the bold assertion that there are more Orientals working on the Pacific coast in sawmills than there are in British Columbia. [Applause on the Democratic side.] The prejudice against Japanese is so strong in British Columbia that years ago they passed a law prohibiting a Japanese or Oriental from even working in the logging woods.

Mr. HUMPHREY of Washington. I challenge the gentleman's statement and I challenge him to furnish any evidence to substantiate the statement he has made, because he is mistaken about it. He has reference to the employment of Orientals in the mills in the State of Washington.

Mr. KITCHIN. In British Columbia, in the logging woods.

Mr. HUMPHREY of Washington. They do not employ them in the logging woods in British Columbia, because they are prohibited from doing so by law.

Mr. KITCHIN. That is the point I am making. [Applause on the Democratic side.]

Mr. HUMPHREY of Washington. But not true as to the mills.

Mr. KITCHIN. I am trying to show to this House that there are more Orientals working in mills in Washington and on the Pacific coast than there are in British Columbia. The evidence before the committee proves it. And as further evidence, I show you that there is more prejudice against the Japanese and Orientals in British Columbia than there is in Washington. They forbid them working in the logging woods, but you let them do it in Washington.

Mr. HUMPHREY of Washington. Yes; but we do not employ them.

Mr. KITCHIN. You let them work there for nothing, then. We talk about admitting or excluding Japanese from our shores. Yet British Columbia is ahead of us. Two years ago a treaty between British Columbia or Canada and Japan was ratified, by which only 400 Japanese can leave Japan for British Columbia a year. Have we got anything like that? That shows the prejudice against them. Another thing, they tax every Chinaman \$500 a head for even putting his foot upon British Columbia soil.

Mr. HUMPHREY of Washington. And over a thousand of them came in last year and paid their \$500 apiece, too.

Mr. KITCHIN. To do what?

Mr. HUMPHREY of Washington. To work in the lumber mills and shingle mills.

Mr. KITCHIN. Wages must be mighty high there if a poor, miserable Chinaman is willing to pay \$500 for the privilege of working in their mills. [Loud applause on the Democratic side.]

Mr. HUMPHREY of Washington. Now, will the gentleman just permit me one more question upon that proposition? I know the gentleman, and I know he does not wish to misrepresent my State. In the city of Seattle, where we employ over 4,000 men in the lumber mills and shingle mills, there is not a single Oriental among the 4,000.

Mr. KITCHIN. There is testimony that there are dozens and dozens of mills in British Columbia that never had an Oriental working in them, and your photographer went around through the mountains and valleys of British Columbia seeking, with a little kodak, the sight of a Jap or Chinaman or Hindoo, or wherever they could catch one at a mill, he snapped him and put him in this report here. [Laughter.]

Well, I admired the art and ingenuity of his pictures, but I did not intend to permit this House or the country to be deceived in the matter, and I am prepared to show by your own Washington lumbermen that you have more Orientals in your mills in Washington and on the Pacific coast than they have in British Columbia. [Applause.]

Mr. HUMPHREY of Washington. If the gentleman will allow me, I will state that the photographer did not visit all the mills that employed Orientals.

Mr. KITCHIN. How many did he find?

Mr. HUMPHREY of Washington. He visited 13 mills.

Mr. KITCHIN. Now, did not the fellow really visit all the sawmills where you thought, or he thought, he could find any Japanese, Hindoos, or Chinese? This would have been the proper thing and more prejudice could have been stirred up.

Mr. HUMPHREY of Washington. Not at all.

Mr. KITCHIN. Oh, if he could have found any more, I rather think he would have done so and brought more of the pretty pictures here, and the hearings would have been full of them.

I do not believe that these gentlemen will further insist that labor is higher here than in Canada.

Mr. HUMPHREY of Washington. Yes; if it is addressed to me, I will say that, so far as the white labor is concerned, there is practically no difference. I try to be fair in this matter. So far as oriental labor is concerned, it is less efficient, but at the same time it costs less to produce a thousand shingles by oriental than it does by white labor.

Mr. KITCHIN. The gentleman has in his head shingle mills. We are discussing sawmills. I could stand here all night and show the errors of the tariff advocates on this question. There have been more misinformation and more fallacies scattered among the lumbermen of the South and in this country on this question than on any other question that was ever presented to the people of this country. But I wish to refer briefly to a statement made by Mr. Hines and also by my friend Mr. FORDNEY. Mr. Hines, I believe, from the way the committee conducted itself toward him, was considered the best tariff witness that appeared before it. Both he, in his testimony, and Mr. FORDNEY, in his speech the other day, in order to show the great advantage that these Canadians had over our lumbermen, said that Buffalo, Detroit, Huron, Saginaw, Chicago, Cleveland, and Toledo are the cities that distribute lumber to the great consuming lumber States.

They say that now, under the present tariff law, the Canadians can get their lumber into these cities with a freight of from \$1.25 to \$2 per thousand feet; that it would average a dollar and seventy-five, whereas our southern mills have to pay \$11 per thousand freight, and the mills even in Wisconsin paid \$7 to get lumber into these districts or cities. Let us analyze the proposition. They either overprove their case or we in the South have nothing to fear from that quarter in case the tariff is removed. According to them, Canada gets her lumber into these distributing districts at a freight rate of \$1.75, and our people from my section, the South, have to pay \$11 freight. Add to the \$1.75 freight which Canada pays the \$2 tariff, making \$3.75, which it costs, tariff and freight, the Canadian to put his lumber into these markets. The southern mill pays \$11 freight alone.

This leaves in the southern freight rate alone a margin of \$7.25 per thousand feet for the Canadian, after paying tariff and freight, over the southern lumberman, provided these chief apostles of protection are correct. He also has a margin of \$3.25 over his lake-states competitors. Now, I want to put it to your intelligence: With this margin to the Canadian of \$7.25 a thousand over the southern lumberman and \$3.25 over the Wisconsin or lake-states lumberman, why does he not flood the country and drive the southern and Wisconsin lumberman from these markets even under the present tariff? Why has he not done so already? The failure of the Canadian to do so proves one of two things—either that my friend FORDNEY and my friend Hines widely overstepped the mark or that Canada has not the timber to compete with us. They made out too good a case.

Some of my colleagues of the South argue that this bill gives a high tariff to the woolen, the steel, the glass, the earthenware, the clothing, and agricultural-implement industries, and that it is unjust and unfair not to give to the lumber industry a protective tariff, and hence they justify their vote for protection on lumber; but they are willing to vote for a removal of the lumber tariff if the tariff is reduced or removed on the other industries. This argument will not stand the test of a moment's reflection. In the first place, the lumbermen themselves, according to their own testimony before the committee, are in favor of a high tariff on all these industries. They recognize the inevitable logic that to be a protectionist on one you must be a protectionist on all. If it be true that a removal or reduction of the lumber tariff will destroy or injure the lumber industry of the South, of which my colleagues are so fearful, how would a removal or reduction of the tariff on the other industries mentioned lessen the ruin and disaster to the lumber industry of the South? Would not the reason still be just as strong for the tariff on lumber to save the industry, whether the tariff should

be removed or reduced on the other industries? Would not the tariff on lumber, if true now, be still a "Democratic tariff for revenue only," whether the tariff is reduced or removed on the other industries? Would not my colleagues have the same argument then as now? But they state the proposition from the view point of Republican protection to the few manufacturers. Let us state the proposition as it is from the view point of Democratic protection to the millions of consumers—the merchant, the mechanic, the farmer.

He is robbed by the steel manufacturer, by the glass manufacturer, by the woolen manufacturer, by the shoe manufacturer, by the hat manufacturer, by the agricultural-implement manufacturer, by this protective tariff, and now his Representatives in Congress say that it is only fair and just to him that he be further robbed by the lumber manufacturer. This argument announces a new doctrine in the Democratic creed—"Equal robbery by all, no relief from any."

Mr. Chairman, I have attempted to show that the narrowing supply of the timber in this country is under the control of a few big syndicates or, as my tariff friends say, "in strong hands;" that they are the real beneficiaries of the tariff on lumber; that a removal of the tariff would loosen their grip from the throats of millions of our fellow-citizens of the West; that the plea of "cheap" "oriental" "pauperized" labor of Canada is a delusion—that labor is as high there as here; that a removal or reduction of the tariff would not affect the lumber interests of the South.

If, however, I am mistaken in its effect on the lumber interests of the South and its removal or reduction would give to the people of my State and the South cheaper lumber, I will recall with consolation the language of North Carolina's great commoner, the late Senator Vance, in his famous tariff speech in the Senate:

Free lumber, like free salt, will be a blessing to the poor.

Apologizing for consuming so much of its time, I thank the House for its patience. [Prolonged applause on the Democratic side.]

Mr. PARKER. Mr. Chairman, we may well be glad that we have had this general debate, by which Members of the House have learned each other's needs, and that all have their share in the American system, whereby every American gives a preference to what comes from the American farm, forest, mine, and mill. North and South, East and West should have learned that it is no question of sectional advantage, but of the general benefit that flows from dealing with each other. It is no mere question of prices, nor is it one only of wages. It is not merely a money question, of profits or home markets, nor only a social question of the building up of communities, nor only a political question of creating a state of national independence for peace and war, nor is it only a national question of uniting every employment and every locality by mutual interests and mutual dealing. It is also a far greater question; that is, of the encouragement and organization of the productive forces of the Nation—the education of hand and mind in that progress in the mechanic arts, that industrial development, that mastery of man over matter, that dominance of the powers of nature, which is the distinctive mark of modern civilization and which seems in every decade to revolutionize the lives and work of those nations who are wise enough to take part in that march.

We are learning by this debate that industry is national, that the farm, the forest, the mine, and the mill can not be separated, but must be considered together; that we must not think only of ourselves, but of each other. We must encourage agriculture and the products of the soil. America would not be content to be dependent on other countries for her food, as England is now. We must encourage and regulate the forest and the mine, so as at once to use and also to preserve and develop their resources. This is no easy task, and the question of lumbering and the destruction of forests is great and difficult. We must go forward in the mechanic arts. China teaches us that to stand still is to go backward.

Protection is no mere question of prices, though the greatly reduced duties of the Payne bill assure us that protected industries have usually greatly lowered prices. A country town that gives land for a mill expects other benefits than low prices. The fathers of the Constitution were farmers, and they expected no cheaper prices, but dearer, when they passed the first protective tariff for the encouragement of manufactures.

If the tariff in some cases makes higher prices, the tariff is a tax, but every class can well afford to pay that tax. The farmer can well afford to pay to bring the mill into his own native land and near to himself so that he may sell his crop without loss of price in the profits of jobbers and exporters and in foreign freights. He can then market bulky crops like hay, and perish-



able crops like fruits, vegetables, and milk, and thus bring into use different soils, preserve fertility, and diversify agriculture. His own nation will buy of him all that they need every year, while other countries only buy when their own crops are short. In foreign trade we already have great rivals in wheat, and Egypt teaches us not to be too confident of our monopoly of cotton. The American farmer should find his hope and strength in the ever-expanding home market created by protected industry.

But the farmer gets still greater good from the building up of communities. Manufacture and business demand and create facilities in which he shares—roads, railroads, stores, towns, schools, libraries, churches, telegraphs, trolleys, newspapers—and in all these the farmer's growing family find education and employment according to their several bent and ability. Thereby the nation becomes strong in that productive power which is its real wealth. Each occupation helps the other. It is the American machine shop that puts the sewing machine in every farmer's house and the reaper in his fields.

Free traders say that the country would lay by more money if it would only do what is most profitable for the time, but the fall of the Spanish Empire proved that mere accumulated wealth may be weakness instead of strength. It is not weight that makes the man, but balanced and vigorous muscles. It is not bonds and stocks and the profits of trade that make the nation, but the power to produce in greatest quantity everything that is needed for peace or war. It matters little whether a particular industry at any time be profitable or not, for it is only by pursuing that employment that we learn to make it profitable. Every industry is an infant compared to that of the next decade. In the last forty years at least five new methods for making steel have followed each other. Protected farming has introduced to our farms the fruits of the Tropics and the Orient. Electric power is new to this generation, and American devices and machinery are now chaining the waterfall to the trolleys and mill wheels of the distant town. The fathers of our country would have looked aghast at the steamship and the railroad of fifty years ago, and the citizen of that time would look with equal awe at the telephone, the phonograph, the auto, and the fiery hissing of the electric rail. We should protect our industries whether they pay or not, in order to keep our people in every productive employment wherein they may learn to do better. Consider the fact that mechanical progress is what makes modern civilization. The ancients had law, literature, religion, empire, but modern civilization began when the compass opened the New World, when gunpowder broke down the robber castle and opened the highways to the nation, when the printing press made learning common to all, and when the gearing of the Saxon water mill began to make the forces of nature do the work of man.

What matter, then, if work pay, for power to produce is our "common wealth." Physicians tell us that one-seventh of the human body is wasted and replaced in every year. Figures seem to show that in the live and active nation the same is true of the property of a nation. It is the power to produce, the power to replace and to grow, which is our "common wealth," the res publica; and it is this productive power which the Republican party, as the party of the Commonwealth, has known how to foster and maintain.

There is a moral to all this. The productive energy of the farmer, the woodman, the stock raiser, the miner, and the mill, as well as of the humblest workmen and hands in their employ, is equally deserving of protection. We must be careful, it is true, that we do not confuse production with waste of natural resources. But away with the idea that a man should not be encouraged because what he makes is the raw material for some other man, or that an industry should not be protected because its products can be bought cheaper abroad. It is the work that is valuable for itself, and not its product. It is the education and progress of our people in every branch of human productive energy which we must look to. If the tariff be sometimes a tax, it is a school tax for our training in every branch of handicraft and of productive employment.

Let us look only to the question stated by our last platform, whether the duty is sufficient to enable any work to be carried on with such reasonable profit and fair wage as shall induce Americans to go on with that work. The reward is in doing the work. That work itself is the wage and the wealth of the worker and of the Nation.

Let us come together and agree, so as to modify, but only in order to perfect, the great American system of protection, to which we owe prosperity and progress. Let us avoid all narrowness and see that good goes to all who do good work.

To do good to the least of these our brethren is to do good to ourselves. Each member that is at work helps the whole body politic. To exercise the arm sends life-giving streams into the

whole body. Let us keep our people at useful work, so that "the whole body fitly joined together and compacted by that which every joint supplieth, according to the effectual working in the measure of every part, maketh increase of the body unto the edifying of itself in love."

My city is one of mills, with thousands of different industries and fifty or sixty thousand workmen. I am working for them with all the energy that I possess, but I would not ask protection for a single one if I did not believe that the energies which they display work for the good of the Nation.

Mr. Chairman, I believe in a protective tariff; not because it gives any man wealth, but because it teaches the whole Nation to recognize that national wealth lies in the organization and protection of all our work, so that it is done better from day to day; so that our people are learning by the only effectual schooling, which is that of doing things; and so as to create that independence in peace and in war that has made us the greatest Nation of the world; where the arteries of commerce reach on iron rails from sea to sea; where the nerve currents speed over the wires of the telegraph with the rapidity of lightning; where the pulsating hearts of our steam engines give giant power that we can control, manage, and distribute to each worker; and where American invention finds full play and scope. It is a system whose end is not to lay by wealth, but to create that which is of so much more importance than wealth—strength and productive power.

It is nearly a century ago that Frederick List, afterwards the father of German protection, laid down in this country the fundamental doctrine that a nation's well-being lies in its productive power. Without it all the wealth of England fills its poorhouses and streets with the unemployed. With it each man, by work, is better day by day, and it can only be had if we, like the great fathers of the doctrine of protection, recognize that every form of production throughout this broad land is equally worthy of being considered, encouraged, and preferred in all our dealings, binding us together as one Nation in heart, as we are one in interest. [Applause.]

Mr. RICHARDSON. Mr. Chairman, the real issue presented by this tariff bill is, Shall the policy of protection for protection's sake, for the benefit of special and favored home industries, be continued in our country? In its last and true analysis the Republican party in this bill and every tariff law enacted by that party has stood for and stands now for this doctrine. If a duty for protection of a home industry incidentally or otherwise produces revenue the Republican theory is that the imposition of such a duty was not for revenue, but it was to prohibit foreign competition with a particular home industry. The Democratic party contends that every tariff duty imposed should primarily be for revenue, giving such incidental protection between the actual and honest cost of labor at home and abroad. That is the issue on the floor of this House now between the Republican and Democratic parties.

The Republican party carried most reluctantly in its last platform a plank that recommended such a revision of the tariff as would cover the difference in the cost of labor at home and abroad and at the same time give American industries a fair profit. It will be readily remembered in all of the previous platforms of the Republican party about the tariff the contention was that the measure of protection should always at least equal the difference in the cost of production at home and abroad. The cry heretofore had been, "The wages of our laborers must be protected against the pauper labor of Europe." The false pretense about the protection of our labor by a tariff, covering the difference of the cost of production at home and abroad, had become well known to the public, and so at Chicago the men who stand for protection for protection's sake adroitly added the comprehensive and significant words "together with a reasonable profit to our American industries."

I merely mention this in order that the searchlight can properly be turned on this bill. The gentleman from Ohio [Mr. LONGWORTH], with most commendable frankness, said in his remarks on the bill on the 27th:

I am aware that many of my Republican brethren say that there was no promise given, either expressly or implied, in the Republican platform or during the campaign for a downward revision. I do not so interpret it.

Does anyone contend that the public clamor for the revision of the tariff meant that duties must be increased? Do we not find in that expression from a prominent Republican—a member of the Ways and Means Committee—ample justification for a well-founded suspicion that the Republican party, through its stand-pat leaders, according to its habits and convictions, is again, through the Payne bill, taking care of the special interests against the interest of the consumers?

It seems to me that there ought not to be any illusion about this proposed tariff legislation. There never has been a Republican tariff bill framed in the interest of the consumer, nor one that did him partial justice, and such a bill will never be framed and made a law until the Republican party is chastened by a deserved and wholesome defeat. The protected interests will substantially get what they want, as is demonstrated by this bill. We have but to revert to the very recent declarations of the leading standpatters on the floor of the House, of their unchanged and unchangeable faith in the sacredness of every schedule of the Dingley tariff, to teach how futile it is for us to expect or hope for any relief to the great body of consumers in this bill. Why, then, should we be misled in the plain and simple analysis as to what this bill means?

The Republican party, in the every opportunity of its history, has uniformly increased the duties of every tariff bill it has framed over its predecessor since soon after the close of the civil war. The country knows how reluctantly and unwillingly the Republican party has been forced by public demand to make this effort to revise the present tariff law, and revise it downward in the interest of the consumers. Will it be done, and has it been done in this bill? It is manifest by the full scope of this bill that the Republican party on the matter of a fair revision of existing duties "convinced against its will, will be of the same opinion still." This bill tells its tale. There are many striking and suggestive features presented in the discussion of this bill. The distinguished chairman of the Ways and Means Committee, the gentleman from New York [Mr. PAYNE], said, in the opening of his speech, that when the Dingley law was enacted the Republican party was looking for revenue. Has it been found? Has it met the demands of the country for revenue? The chairman further said that the Dingley law had proved to be a "boon." In what way? Under its shelter and protection and during its history the imperial power of wealth has been fostered and multiplied under the baneful greed of the monopolies this law created. Within the life of this law the wealth of the country has been more rapidly concentrated in the hands of the few than any other equal period of the history of our country. Quite two-thirds of the mighty trusts of this country were born and nurtured by this law. Does the able chairman of the Ways and Means Committee accept such a condition as a "boon" to the 90,000,000 of people of our country. During the continuance of this law which the Republicans so lustily declare to be the alpha and omega of our national prosperity, that brings the sunshine and the rain, the country has been stricken with a commercial panic equaled not by more than one in the history of our country, and from which the whole country to-day is suffering.

We have been taught and believe that cheap food is the greatest boon to mankind. It makes happy, contented, honest, industrious, and Christian citizens, and is the bulwark of patriotism. Yet, during the life of this Dingley law, that the distinguished chairman declares to have been "a boon" to all, the cost of living, as our common experience teaches us, has far exceeded any period of our national life. The last bulletin of the Labor Bureau, under the caption of "Annual Per Capita Cost of the Necessaries of Daily Consumption," says the cost rose from 74.31 in 1896 to 107.26 in 1906. Coal which cost \$3.50 in 1896 cost \$4.50 in 1906. Rents have gone up in same proportion to food. The last government bulletin on wages covers an investigation of 4,000 establishments, employing 334,000 persons engaged in manufacturing and mechanical industries. This bulletin shows that in 1906 the weekly wages of the 334,000 were 19 per cent higher than in 1896, while the cost of all the necessaries of life was 35 per cent higher. This comparison was made in industries where the forces that raise wages act more freely and successfully than in any other line; and yet from 1900 to 1904 this country increased its wealth about twenty billions of dollars. Is such a condition, I ask, a "boon?" Can any class of people be content when wages are by niggardly economy only sufficient to meet expenses? The humblest man wants more than that. He wants to lay by something for a rainy day. The demand of the hour is that the policy set forth in this bill of taxing the people to enable manufacturers to suppress foreign competition shall no longer be tolerated.

Every thoughtful man realizes that it is a most difficult work to frame the schedules of a tariff bill. We are advised by the chairman of the Committee on Appropriations that at the end of this fiscal year the expenses of the Government will exceed the revenue collected by not less than \$150,000,000.

It matters not how many excuses the Republicans may put up, the fact stands out in bold relief that the Dingley bill, enacted by the Republican party, has signally failed to collect enough revenue to meet the expenses of the Government, administered and run by the Republican party. This fact is ad-

mitted. No denial can be made. The bulk of our revenue to meet the expenses of the Government must come from customs duties imposed on foreign imports. If free trade were resorted to, we could collect no revenue from imports, because all would be free, but would have to look to domestic and internal taxes for revenue. Against such a policy the people would certainly revolt. Equally is it true that when the duty imposed is so high that foreign imports will not come in the Government will not realize any revenue on such a duty.

The total appropriation for the year 1910 will amount to \$1,044,014,298.23. The report of the Ways and Means Committee shows that after making all possible deductions the amount for which revenue is to be provided is \$872,221,701.77, and that the customs under the Payne bill, it is calculated, will amount to \$305,225,173, which, together with other sources of revenue, will leave a deficit of \$10,155,816.77. The committee, manifesting but little faith or confidence in its estimates, has provided for an emergency fund by the issue of \$250,000,000 of government certificates to meet the necessary expenses of running the Government. It is generally accepted in financial circles when any municipal government, state, or nation issues any kind of evidences of indebtedness to meet its running expenses, and in time of peace, that its financial interests and affairs are being badly managed. This is the condition that we confront now, and the relief sought is to be found, as we are advised by Republicans, in the Payne bill.

Of course, no suggestion of the curtailment of government extravagance is made in the report of the Ways and Means Committee. It is perfectly plain that the failure to collect revenue sufficient under the Dingley law is because the rates imposed on imports were prohibitive and yielded no revenue for the Government. Then, to get revenue, these rates should be reduced to such a point as would allow foreigners to ship similar articles into our country and create competition, which would yield a revenue to the Government and cause the article to be sold cheaper to the purchaser or consumer. It seems to me that a fair and equitable adjustment of such duties would be to divide the dutiable articles into three parts—luxuries, comforts, and necessities—and rate them by placing the highest duties, not prohibitive, on luxuries, a lighter or smaller duty on comforts, and put on the free list or impose a light nominal tax on necessities. Let every duty be imposed with a view to raise revenue. It would not, it seems to me, Mr. Chairman, be a difficult task to differentiate between what is a luxury, a comfort, and a necessity. The wealthy indulge in the luxuries of the land; the great middle class of our people, consisting of all the vocations of life, are the purchasers of comforts; and those of our people, consisting of not less than 15,000,000, whose annual income is between three hundred and five hundred dollars, use and purchase the commodities designated "necessaries." I am not averse, Mr. Chairman, on principle, to every article paying some revenue, but it should be distributed according to ability to pay. Under such a list how does this bill show up?

Our minority leader, the gentleman from Missouri [Mr. CLARK], has with prophetic vision admonished the chairman of the Ways and Means Committee that he will not recognize "his bantling" when it returns from the Senate. We see from the report of the daily city press that the wise men of that great body have already prepared a full substitute.

It is undoubtedly true that one of the most important features of the Payne bill is the minimum and maximum rates. This bill directly reverses the operation of these rates from the Dingley law. These rates will doubtless be eliminated by the wise men at the other end of the Capitol. The country has a memory long enough to recall the fact that the Dingley bill named the maximum rate as the protective rate, with the understanding that it was 20 per cent higher than necessary, in order to secure protection. This 20 per cent was intended to be a margin on which to trade with other countries that placed a prohibitive tax on exports to our country or did not treat us as fair as it did more favored foreign governments. We recall the fact that President McKinley invoked the maximum rate in several treaties for trade purposes on an equitable basis of reciprocity, which was submitted to the Senate, every one of which was pigeonholed and never ratified by that body. The fact is that the Republicans found out that they could work the "maximum rate" at home better than they could on foreigners, hence the wrong and injury that was wrought by the prohibitive rates on the consumers and the creation of special interests that has destroyed the original conception of protection of home industries. In this bill the maximum rates are to be used as a club to force other nations to make such rates in our behalf as we may see proper to direct. This means that we expect other nations to change their whole policy and plan



of tariff adjustments at our direction. Who can reasonably expect this to be done?

I shall undertake to refer to but a few of the schedules of this bill. It is conceded that the average duties under the Payne bill are higher than under the Dingley bill, yet nearly every Republican who has spoken on the floor of the House during this discussion declared that this bill strictly and literally follows the plank of the Chicago platform on the subject of the revision of the tariff and also the declarations of President Taft. If the Chicago platform utterances meant, as the gentleman from Ohio [Mr. LONGWORTH] declared that many of his Republican brethren contended, that a revision upward was authorized, then the Payne bill is a full compliance; if downward, then the bill is a travesty and public sentiment scoffed and derided. President Taft, in his every utterance, has declared for an honest revision and a removal of the oppressive tax burdens imposed upon the consumers. I do not believe that President Taft will uphold such a bill as this.

As Democrats, we not only differ with the theory of taxation followed by the Payne bill, but we differ most earnestly in the details of the bill. It is in these details that the enormities of the provisions of the bill are best disclosed. It must be apparent to everyone that the same amount of tax may be placed on two articles of the same schedule, and the one will be prohibitive and the other a revenue bearer. Iron ore, coal, lumber, and hides are among the leading items of the bill, yet there are many others that are watched with interest by the public the duties on which are cunningly increased by this bill. The clamor raised from all directions of the country in opposition has given fright to the Republican leaders.

Surely the chairman of the Ways and Means Committee is mistaken when he says that the Dingley bill was more severely criticised during its passage than has been this bill. An overwhelming number of the true, noble, and good women of our Republic are denouncing the provisions of the Payne bill, because women are required "to pay more" on gloves and stockings. The chairman of the Ways and Means Committee has certainly lived long enough to have learned by this time that any dictation about a woman's apparel is a dangerous trespass, and an invasion of her exclusive rights. In utter recklessness and disastrous temerity the gentleman from New York [Mr. PAYNE] said, in explanation of the remarkable and unjust increase on women's hosiery and gloves:

Women could get along without the kid gloves, or fewer pairs of them, use silk gloves and cotton gloves, and all that sort of thing. They could keep their hands warm, although they could not cover their pride.

The indignant women of this country are asking, What did he mean when he said: "And all that sort of thing?"

I can not say that I like the Republican party for the enemies that the chairman of the Ways and Means Committee has made in this instance for his party, because the enemies so made are entirely correct in their complaints and are entitled to the relief demanded. The Republican party has in this made a different class of enemies from what it has ever encountered before. Perish the thought that barley, the chief ingredient of beer, has its tariff tax reduced 50 per cent in the Payne bill, thereby playing into the hands of the beer makers, while the most usual and favorite woman's glove is increased from the present rate in the Dingley bill, 58.13 per cent ad valorem, to 132.86 per cent ad valorem. The tax on beer remains unchanged. Will any woman patiently submit to such an outrage when the rate on men's gloves remains practically the same?

The enemy, which the patriotic women of the country have so bravely met and fought as the destroyer of peace in our American homes—beer and alcohol—has been petted and fawned upon by the Payne bill by not making a "raise," while the women are required to pay a heavy increase on every necessary article of their apparel worn either for comfort or ornament, thereby causing them to pay more than their fair share of taxation. Instead of reducing the rate of the Dingley law on hosiery, this bill makes an average increase of 17 per cent on stockings and socks, and on those more commonly in use among the masses of the people the increase is from 20 to 30 per cent, and yet we are told that the Payne bill is a revision downward. We find an increased tax on combs, garters, soaps, dress goods, stockings, and socks. Certainly stockings, garters, and soap should be classed among the "necessaries" of life. I give the extraordinary glove schedule, also schedule on hosiery.

The glove schedule is found in paragraphs 450, 451, and 452, as follows:

Gloves made wholly or part of leather, whether wholly or partly manufactured, shall pay a duty at the following rates, namely: On gloves not exceeding 14 inches in length, \$4 a dozen pairs, and 35 cents a dozen pairs in addition for each inch or major portion thereof in ex-

cess of 14 inches; the length in each case being the extreme length of the glove when stretched to full length.

In addition to the foregoing rates there shall be paid the following cumulative duties: On all gloves wholly or in part leather; on gloves lined with cotton, silk, woolen, or other textile fabric, \$1 a dozen pairs; on gloves lined with fur and skin, \$2.50 a dozen pairs; on pique or prix seam gloves, 40 cents a dozen pairs; on hand-sewn gloves, \$1 a dozen pairs; on gloves having "crow's feet" stitched, sewn or silked on the backs thereof, or having points stitched, sewn, embroidered or silked on the backs thereof, each point being produced with more than a single row or line of stitching, sewing, embroidery, or silking, whether the same be continuous or otherwise, 40 cents a dozen pairs.

Glove trunks with or without the usual accompanying pieces, shall pay 75 per cent of the duty provided for the gloves for the fabrication of which they are suitable.

#### SHOWS ENORMOUS INCREASE.

This is a part only of the way the glove schedule reads, but to be understood in comparison with the rates in the present Dingley law, the glove schedule can only be understood when set forth in rates of duty a dozen pairs, as follows:

|   | Present law. | Payne bill. |
|---|--------------|-------------|
| Ladies' or children's gloves; schmaschen glace finish; not over 14 inches long: |              |             |
| Unlined.....  | \$1.75       | \$4.00      |
| Unlined, pique or prix seams.....   | 2.15         | 4.40        |
| Unlined, pique seams or prix, with more than 3 strands.....                     | 2.55         | 4.80        |
| Lined.....  | 2.75         | 5.75        |
| Between 14 and 17 inches long, unlined.....                                     | 2.25         | 4.70        |
| Over 17 inches long:  |              |             |
| Unlined.....  | 2.75         | 5.40        |
| Lined.....  | 3.75         | 7.15        |
| Lined, pique or prix seam.....  | 4.15         | 7.55        |

This comparison might be carried out thirteen times this length so as to show the difference in the present and proposed duty on lamb or sheep gloves, glace finish, goat kid, and other classes of gloves mentioned in the three short glove paragraphs quoted above from the Payne bill. The comparison is given only for the schmaschen gloves, for the purpose of illustrating the prohibitive rates that have been imposed upon women's gloves.

#### EQUAL TO DUTY OF 132 PER CENT.

At a duty of \$1.75 a dozen, which unlined schmaschen gloves not over 14 inches in length now pay, the equivalent ad valorem rate of duty is 58.13 per cent, but the proposed duty of \$4 a dozen on this class is equivalent to an ad valorem duty of 132.86 per cent. The average value of these schmaschen gloves, unlined, not over 14 inches long, is \$3.01 a dozen, and the proposed duty would be \$4 per dozen. The present duty in an unlined sheep or lamb glove, glace finish, is \$2.50 a dozen pairs, their average value is \$4.42 a dozen pairs, and the duty proposed for them by the Payne bill is \$4 a dozen pairs, or an equivalent of 90.56 per cent ad valorem. This same glove, when pique or prix seamed or stitched or embroidered, is worth \$4.93 a dozen, but the duty on it is increased from the present rate of \$2.90 to \$4.40 a dozen, an equivalent of 89.21 per cent ad valorem. The same glove, if stitched or embroidered with more than three strands or cords, would be worth \$5.83 a dozen pairs on the average, but the duty, which is now \$3.30, would then be \$4.80, or practically 82 per cent ad valorem.

The increased duties on stockings and half hose is found in paragraph 326, of Schedule I, which deals with cotton manufactures, and may be shown in comparison with the present Dingley rates as follows:

"Stockings, hose, and half hose, made on knitting machines or frames, or knit by hand, including such as are commercially known as clocked stockings, hose or half hose, finished or unfinished—

"Valued at not more than \$1 a dozen pairs—

Present law, 50 cents per dozen and 15 per cent.

Payne bill, 70 cents a dozen and 15 per cent.

Valued at more than \$1 and not more than \$1.50 a dozen pairs: Present law, 60 cents a dozen and 15 per cent; Payne bill, 85 cents a dozen and 15 per cent.

Valued at \$1.50 but not more than \$2 a dozen pairs: Present law, 70 cents a dozen and 15 per cent; Payne bill, \$1 a dozen and 15 per cent.

Valued at more than \$2 but not more than \$3 a dozen pairs: Present law, \$1.20 and 15 per cent; Payne bill, \$1.50 and 15 per cent.

#### HOW PRICES ARE INCREASED.

In other words, there is a proposed increase of 20 cents a dozen pairs on those valued at not more than \$1 a dozen pairs, a proposed increase of 25 cents a dozen on those worth between \$1 and \$1.50 a dozen pairs, an increase of 30 cents a dozen on hosiery worth between \$1.50 and \$2 a dozen pairs, and an increase of 30 cents a dozen on those worth between \$2 and \$3 a dozen pairs. Stated another way, the duty on all cotton stockings and socks is increased from the present equivalent ad valorem of 60.03 per cent to an average equivalent ad valorem of 77.76 per cent.

The duty on stockings and socks valued at not more than \$1 a dozen pairs is equivalent to an ad valorem of 68.39 per cent under the Dingley law. But on this grade alone the Payne bill proposes an increase that would raise the equivalent ad valorem to 89.75 per cent. On the stockings and socks worth between \$1.50 and \$1 a dozen pairs it proposes to raise the equivalent ad valorem from 58.17 per cent to 76.16 per cent, on the stockings and socks worth between \$1.50 and \$2 a dozen pairs to raise the equivalent ad valorem from 51.23 per cent to 66.75 per cent, and on those worth from \$2.50 to \$3 a dozen pairs to raise it from an equivalent of 59.78 per cent to 70.98 per cent under the proposed bill.

In 1906, the last normal year, upon which the tariff tinkerers base their estimates of revenue under the Payne bill, there were 2,501,678 dozen pairs of stockings and socks worth not more than \$1 a dozen pairs, 1,052,835,835 dozen pairs worth from \$1.50 to \$1 a dozen pairs, 965,348 dozen pairs worth from \$1.50 to \$2 a dozen pairs, and 107,541 dozen pairs worth from \$2 to \$2.50 a dozen pairs imported. The total revenue in 1906 from cotton knit stockings and socks was \$3,675,829, and on this basis the Payne tariff makers calculate that the duty to be paid on the proposed raised rates in 1910 would be \$4,761,240.

This Payne bill has not only provoked the anger of the women of the country, but in its mad, eager search for revenue that would help maintain the exorbitant duties now existing in behalf of the favored interests it has aimed a blow at the joy and happiness of the children of the country. It would take away, by a prohibitive tax, the toy that fills the hearts of the children of the country with joy on Christmas morn. A toy can hardly be declared a "luxury," yet the Payne bill imposes an aggravated prohibitive duty on certain toys in common use. Experts in several of the foreign buying departments of the toy stores of our large cities have said that under paragraph 427 of the Payne bill that a "toy horse," sold at retail price of \$1, will be taxed \$30, the same rate for a thoroughbred racer or hackney. So it is that dolls' clothes and ornaments will be taxed the same as clothes and ornaments for American women. This is the section:

Dolls, doll heads, and toys, 35 per cent ad valorem, provided that toys made in imitation or in miniature of, or bearing the same name as articles that are provided for in the dutiable list of this section by individual or class designation, shall pay the same rate of duty as such articles, but in no case shall any toys pay less than the rate of duty imposed upon the miscellaneous manufactures of the material of which such toys are wholly or in chief value composed.

By referring to paragraph 224 it will be seen that horses and mules valued at \$150 or less per head must pay \$30 tax.

The appraiser will certainly, in construing the above paragraph, say that the toy horse is "made in imitation" or "in miniature" of the real live horse.

I desire now, Mr. Chairman, to briefly call the attention of the committee to the cotton-goods schedule of this bill, especially to paragraphs 318 and 321. If I construe these paragraphs correctly, then I can better understand the earnest and emphatic assertion made by a distinguished Republican Senator a few days since in the Senate, that the interests of the consumers of the country were crucified by the Payne bill to help and aid New England.

It begins, Mr. Chairman, to dawn on some of us that the trend of the Payne bill is chiefly in the interest of New England when certain "raw materials" are put on the free list, and the finished products of the same raw material are protected with a high duty. I say, Mr. Chairman, that the wonderful growth of the South in its mineral, agricultural, and other interests in the past few years, and the splendid future that beckons us forward, has caused the thoughtful, enterprising, broad-minded people of the South to sit up and take notice of the provisions of this tariff bill more than they ever did before. We of the South are not for the protection that the Republican party stands for, neither do we stand for free trade. I believe that I correctly represent the consensus of public sentiment of the South when I say, casting aside all sophistries, the people of the South stand for an honest and fair tariff bill, free from the selfish purpose of sectional discrimination. We earnestly favor the general policy under which a tariff bill should be made of keeping the necessities of life subject to the lowest possible dues in order that the masses of the people may live as well as possible for the lowest possible cost. We believe that the whole social fabric of our Government is based on that policy. We are rapidly "catching on" to the idea that New England wants all the "raw material" necessary in her business of accumulating wealth to be placed on the free list, and for the finished product which New England sells to be amply protected. For nearly one hundred years the South emptied its wealth into the lap of New England. Conditions have changed and the South by its factories, its mines and furnaces, and improved agricultural methods, is seeking to reap in wealth the benefit of its own marvelous resources. We know that New England contends that our coal, when sent to her for use in her factories is raw material, and should be placed on the free list, but her finished products resulting from the consumption of that coal should be protected with a high duty.

Between Wheeling, W. Va., and Birmingham, Ala., lies an area of coal five times greater than Great Britain had before a Pick was ever stuck into it. Great Britain has an annual output of something more than 300,000,000 tons, while the Southern States produced in 1907, according to statistics compiled by the United States Geological Survey, a total of 101,870,429 tons. This was over one-half of the coal production of the balance of the United States. This merely indicates to what an extent the coal-mining industry in the Southern States has been developed in the last few years. Is it not right for us to say that the coal and the iron ore are our raw material as nature located it in the bowels of the earth, and when it is dug up or mined by human labor and put on the market for sale it becomes our finished product? The tree standing in the forest is raw material. When cut down and sawed up into lumber it becomes a finished product. I could not make mention of the wealth resources of the South without referring to cotton, the great staple

of the South, in the growth of which eight States of the South, consisting of twelve hundred and four counties, have a monopoly, not given by the prohibitive rates of a tariff bill or any other human law, but given to us by the bountiful hand of nature. Nearly all the countries of the world have more or less iron ore and coal, but none can raise cotton equal to these Southern States. Untold millions have been expended in foreign lands to compete with the South in the production of cotton, with the result that the South furnishes 80 per cent of the cotton used to clothe the world, and the 20 per cent raised in foreign countries is practically useless unless mixed with our superior quality of cotton. Our farmers are demonstrating in the last few years that they are alive and waking up to our priceless advantages.

The day is not far distant in the South when the cotton crop of the South will be the farmer's "surplus" crop, and he can keep it under shelter until the middleman gives him the fair and reasonable price that he asks. When that day comes to us, the South will be the richest section of the American Union. The production of cotton increased 53 per cent from 1896 to 1908, and the value of the crop 133 per cent. The South, Mr. Chairman, has her feet solidly planted on the safe foundation of her agriculture and her minerals. I am, sir, proud to know this; proud not because my native section is outstripping other sections of the Union, for I am glad to say that no unmanly sentiment of a sectional feeling dwells in my heart. To the South, with its traditions and splendid history, I am a loyal son. With her people I shared the cruel wrongs of the evil days of reconstruction, when we earnestly implored Almighty God to spare us from the vindictive "wrath of our fellow-man." Standing in the midst of the wreck and ruin of their own homes, without sufficient shelter or food, it was these southern people that resisted with unsurpassed courage the insidious advances of amalgamation with an inferior race, and preserved and maintained the purity of the Caucasian blood, and the proud heritage of her ancestors. Is it anything strange, then, that I should rejoice when I see the South rising like the bright morning sun over the horizon of national growth and commerce, growing richer and stronger every day? In my humble way I have often said to the people of my State and district that it was not through the instrumentality of partisan politics, but by the wealth of our undeveloped natural resources, which carries with it power, that the South would be elevated to the position it deserves to hold in the councils of the Nation, and finally the control of national affairs.

But let us examine briefly the cotton schedules. It appears, Mr. Chairman, that if the provisions of sections 318 and 321 of the Payne bill are enacted that the essential principles of the original cotton schedules in the Dingley tariff bill will be overturned, not by making the revision downward, but by increasing the duties and thereby curtailing revenue. It is estimated that if the provisions in these two paragraphs go into effect it will result in an increase of 50 per cent in the duty collected on cotton cloths, followed necessarily by a corresponding rise in the cost in domestic goods that are now relatively high in cost. The trouble comes by altering in paragraph 318 the usual means of determining the duty, which I will endeavor to point out. I send to the desk and ask the Clerk to read the interview of Frederick B. Shipley, of the committee on publicity, of New York:

While the cotton-goods schedules in the proposed law apparently provide for the same duties as the Dingley law, these provisions are largely nullified and the duty increased by paragraph 318, which alters the usual means of determining the duty.

In the present law the duty has been fixed largely by the number of threads per square inch. Paragraph 318 provides not only that each thread shall be counted, but that "each ply of two or more ply threads shall be counted as a thread." As most cotton goods imported contain threads which are of two or more ply, the effect of this will be to remove most cloths from the low-duty schedules and place them in the high-duty schedules. Thus goods now paying 2½ cents per square yard will pay frequently 4½ cents per square yard. The operation of this will be that many goods imported, such as English reps and Jacquards will pay about 52 per cent of their value, instead of 31 per cent as at present.

In addition to this, paragraph 321 provides that all cotton cloth mercerized or "subjected to any similar process" shall be subject to an extra duty of 1 cent per square yard on the cloths before mentioned. This will operate to bring the total duty up to about 66 per cent of their value.

The phrase "mercerized or subject to any similar process" will doubtless be construed to mean any sort of luster, and as almost all cotton goods imported have some luster, this means that practically all cotton cloths will not only have to pay the advances before mentioned, but will be subject to an additional tax of 1 cent per square yard.

In fully 75 per cent of the cotton goods imported, this tariff will therefore be prohibitive and will not operate to increase the revenue.

These provisions have been artfully designed, not by statesmen who are trying to protect American industry, but by cotton-goods experts who are ardently trying to prevent any importations of cotton goods.

If the bill is allowed to become a law, it will not only close up the majority of the importing houses, but it will work untold hardship on all classes of dry goods merchants by removing from the popular-price



classes many cloths that are now retailed for 10, 25, and 35 cents. It will work special hardship on cotton-goods converters, leaving them at the mercy of a few cotton-goods mills, who will be able to repeat their action of two years ago, when they arbitrarily raised the prices to an unlimited and unwarranted extent.

The extra duty on mercerization is totally unjustifiable, since foreign cloths are already taxed the ad valorem rate on the cost of mercerization. In view of the fact that every mercerizer in America to-day is totally unable to take care of the business which he has in hand, there is no reason to charge an extra duty on mercerization.

Another "joker" in the proposed law is the provision that determines the number of threads to the square inch in that "each filament of cotton" shall be counted as a thread. A "filament" is an elusive term, and may easily be construed to mean a section of a fiber, which would make even the cheapest cloth count more than the finest cloths made, and therefore impose the highest duty even on the lowest cloths.

The pretended justification of the bill on the ground of protecting American labor is absurd, for the reason that the average duty is twice as great as the total percentage of wages, much less any difference between foreign and American cost of labor. On most American cloths for which American manufacturers are equipped they are amply able to compete with foreign manufacturers in neutral markets.

The object of this law is, therefore, to create the same conditions in the cotton-goods industry as exists in the steel and other industries, which enables American manufacturers to sell goods in America at a higher price than the same goods may be obtained for abroad.

I also send to the Clerk to have read the letter of H. F. Lippitt and James R. MacCollop, prepared in the interest of the Arkwright Club, of Boston, Mass., that caused these changes to be made. This letter was presented to the Ways and Means Committee after the public hearings closed and appears in volume 52 of the tariff hearings, March 1, 1900 (appendix), page 1772.

The Arkwright Club, Boston, Mass., recommends new classification for cotton cloth and asks that there be no reduction of duty.

PROVIDENCE, R. I., January 15, 1900.

Hon. SERENO E. PAYNE,

Chairman Ways and Means Committee,  
House of Representatives, Washington, D. C.

DEAR SIR: The undersigned, representing the committee on the cotton-cloth schedule in the proposed revision of the tariff appointed by the Arkwright Club, of Boston, which club represents in its membership about three-fourths of the cotton spindles of New England, respectfully requests that paragraphs 310 and 313 of the present tariff shall be revised to read as follows:

"310. The term 'cotton cloth,' or 'cloth,' wherever used in the paragraphs of this schedule, unless otherwise specifically provided, shall be held to include all woven fabrics of cotton in the piece or cut in lengths, whether figured, fancy, or plain, the threads of which can be counted by unraveling or other practical means, and shall not include any article, finished or unfinished, made from cotton cloth.

"The terms 'bleached,' 'dyed,' 'colored,' 'stained,' 'painted,' 'printed,' or 'mercerized,' wherever used in the paragraphs of this schedule, shall be held to include all cotton cloth having bleached, dyed, colored, stained, painted, printed, or mercerized thread, threads, yarn, or yarns in any part of the fabric; and all fabrics which have, wholly or in part, prior, during, or subsequent to fabrication, been bleached, dyed, colored, stained, painted, printed, or mercerized.

"The term thread or threads as used in the paragraphs of this schedule with reference to cotton cloth, shall be held to include all filaments of cotton, whether known as threads or yarns or by any other name, whether in the warp or filling or otherwise. In determining the count of threads to the square inch in cotton cloth, all threads, whether ordinary or other than ordinary, and whether clipped or unclipped, shall be counted, and each ply of two or more ply thread shall be counted as a thread. In the ascertainment in the particulars of measurement, weight, and value, upon which duties, cumulative or other, imposed upon cotton cloth are hereby made to depend, the entire fabric shall be included.

"If the count of threads varies in different parts of the fabric, a full repeat of the pattern or design or varying weaves shall be counted, and the average count thereof shall be taken to be the count of the threads to the square inch.

"313. Cotton cloth in which other than the ordinary warp and filling threads have been introduced in the process of weaving to form a figure, whether known as lappets or otherwise, and whether unbleached, bleached, dyed, colored, stained, painted, printed, or mercerized, shall pay, in addition to the duty herein provided for other cotton cloth of the same description or condition, weight, count of threads to the square inch, and value, 1 cent per square yard if valued at not more than 7 cents per square yard, and 2 cents per square yard if valued at more than 7 cents per square yard.

"Cotton cloth mercerized or subjected to any other similar process shall pay 1 cent per square yard additional cumulative duty to that herein imposed upon such cotton cloth were the same not mercerized or subjected to any similar process."

It is manifest that the provisions are technical, and it appears that the gentleman who drafted the bill did not realize that the duties imposed were prohibitive. Cotton goods statistics show that American mills do not need any protection on the goods they are equipped to produce. In neutral markets they have been so well able to compete that their exports have rapidly grown, and in 1900 equaled \$52,944,033. The best illustration that can be given that these "minor" changes, as they are denominated by the Arkwright Club, of Boston, are unnecessary, is shown by the fact that the Dartmouth Manufacturing Company paid 66 per cent last year and on February 24 last an extra dividend of 100 per cent. This mill makes precisely the class of goods which these paragraphs in the Payne bill are designed to prohibit.

American mills do not sell their products on an ordinary profit basis, but fix their prices just below those at which similar goods can be imported. The net result of these paragraphs

will greatly reduce revenues by prohibiting importation; to permit a few New England mills to manipulate prices at will and to repeat their action of 1907 when they arbitrarily raised prices more than 50 per cent, although there was no corresponding increase in cost of production. It will drive many importing houses out of business, and work a hardship on 2,800 American retail merchants, and add an additional burden to the whole American people by increasing the cost of a primary necessity of life.

It will not be forgotten that the letter of the Arkwright Club was presented to the Ways and Means Committee after the public hearing had closed, which letter was preceded by the following statement:

The Arkwright Club, Boston, Mass., recommends new classification for cotton cloth and asks that there be no reduction of duty.

The country in the past few years by reason of the prevailing interest in the railroad rate legislation has been made familiar with the facility and dexterity by which a freight rate can be increased by the magic device of "classification." Classification opens a wide and broad field for technical construction. "Classification" of railroad rates or tariff duties with a view of holding the charges as they then exist, suggested by an interested party, deserves the closest scrutiny for the protection of the public interest. It was understood up to the time of the closing of the hearings of the Ways and Means Committee that there would be no changes in the cotton-goods schedule of the Dingley law.

The Arkwright Club represents quite three-fourths of the cotton spindles of New England. The statistics show that in 1907, a panic year, the Fall River Mills' dividends amounted to 25½ per cent, and those in New Bedford to 22.2 per cent. Should any law be enacted to increase such profits and thereby increase the tax burdens of the people who necessarily use cotton goods?

In order to show that the Ways and Means Committee followed the suggestions made by that Arkwright Club and the effect of the new "classification," I quote in full the two paragraphs of the Payne bill, 318 and 321:

318. The term cotton cloth, or cloth, wherever used in the paragraphs of this schedule, unless otherwise specially provided for, shall be held to include all woven fabrics of cotton in the piece, or cut into lengths, whether figured, fancy, or plain, the warp and filling threads of which can be counted by unraveling or other practical means. The term "thread or threads," as used in the paragraphs of this schedule with reference to cotton cloth, shall be held to include all filaments of cotton, whether known as threads or yarns, or by any other name. In determining the count of threads to the square inch in cotton cloth, all the threads, whether ordinary or other than ordinary, and whether clipped or unclipped, shall be counted, and each ply of two or more ply thread shall be counted as a thread. In the ascertainment of all the particulars, including weight and value, upon which the duties, cumulative or other, imposed upon cotton cloth are herein made to depend, the entire fabric shall be included. The terms dyed, colored, stained, mercerized, lustered, painted, or printed, wherever used in the paragraphs of this schedule, shall be taken to mean all cotton cloth which has been subjected to any of these processes, or which has any dyed, colored, stained, mercerized, lustered, painted, or printed thread or threads in any part of the fabric, and the term bleached, wherever used in the paragraphs of this schedule, shall be taken to mean all cotton cloth not included in the provisions for cotton cloth dyed, colored, stained, mercerized, lustered, painted, or printed, which has been subjected to a bleaching process, or has any bleached thread or threads in any part of the fabric.

321. In addition to the duty or duties imposed upon cotton cloth by the various provisions of this section, there shall be paid the following cumulative duties, the intent of this paragraph being to add such duty or duties to those to which the cotton cloth would be liable if the provisions of this paragraph did not exist, namely: On all cotton cloth in which other than the ordinary warp and filling threads are used to form a figure or fancy effect, whether known as lappets or otherwise, 1 cent per square yard if valued at not more than 7 cents per square yard, and 2 cents per square yard if valued at more than 7 cents per square yard; on all cotton cloth, mercerized or subjected to any similar process, 1 cent per square yard.

I have said in these remarks to the committee that the classification suggested by the Arkwright Club, of Boston, will greatly reduce the revenues of the Government by prohibiting importation, which means a large increase to the consumer of the price of a large percentage of cotton cloths used by the people.

In connection with this I give the telegram sent me by Mr. Shipley, who has full knowledge of such matters:

New York, March 31, 1900.

Hon. WILLIAM RICHARDSON,  
Hotel Normandie, Washington, D. C.:

Lines 16 to 20, paragraph 318, make one thread count as two or more and throw majority, if not all, cotton cloths from classification under paragraphs 312, 313, 314, 315, and 316 to classification under paragraph 317. Line 23, paragraph 321, imposes additional average 10 per cent on mercerized cloths, and words "similar process" constitute "joker," to include majority imported cloths. Absurd, because all American mercerizing mills booked months ahead and refusing business; southern mills absolutely unaffected. Their staple goods already undersell world. Beneficiaries solely few already enormously prosperous New England mills.

FREDERICK B. SHIPLEY,  
For Publicity Committee.

This is a matter of such importance to the Government in the matter of revenue, and to the consumers of the country, that I print paragraph 317 and extracts from paragraphs 318 and 321 of the Payne bill, referred to by Mr. Shipley, in order that the country can be informed whether the representatives of the Arkwright Club, of Boston, were honest and sincere when the representation was made that the classification proposed would not alter existing duties. One of the chief stumbling blocks in framing a tariff bill seems to be that the Ways and Means Committee in their hearings rarely have other witnesses than those interested individually in the particular subject-matter under investigation.

It will be seen from the following extract from paragraph 318 of the Payne bill that one thread counts as two or more and throws a majority, if not all, cloths from classification under paragraphs 312, 313, 314, 315, and 316 to classification under paragraph 317. The extract is as follows:

In determining the count of threads to the square inch in cotton cloth all the threads, whether ordinary or other than ordinary and whether clipped or unclipped, shall be counted, and each ply of two or more ply thread shall be counted as a thread.

Paragraph 317 is as follows:

Cotton cloth not bleached, dyed, colored, stained, painted, or printed, exceeding 300 threads to the square inch, counting the warp and filling, and not exceeding 2 square yards to the pound, 4 cents per square yard; exceeding 2 and not exceeding 3 square yards to the pound,  $4\frac{1}{2}$  cents per square yard; exceeding 3 and not exceeding 4 square yards to the pound, 5 cents per square yard; exceeding 4 square yards to the pound,  $5\frac{1}{2}$  cents per square yard; if bleached and not exceeding 2 square yards to the pound, 5 cents per square yard; exceeding 2 and not exceeding 3 square yards to the pound,  $5\frac{1}{2}$  cents per square yard; exceeding 3 and not exceeding 4 square yards to the pound, 6 cents per square yard; exceeding 4 square yards to the pound,  $6\frac{1}{2}$  cents per square yard; if dyed, colored, stained, painted, or printed, and not exceeding 3 square yards to the pound,  $6\frac{1}{2}$  cents per square yard; exceeding 3 square yards to the pound, 8 cents per square yard: *Provided*, That on all such cotton cloths not bleached, dyed, colored, stained, painted, or printed, valued at over 14 cents per square yard; bleached, valued at over 16 cents per square yard; and dyed, colored, stained, painted, or printed, valued at over 20 cents per square yard, there shall be levied, collected, and paid a duty of 40 per cent ad valorem.

Line 23 of paragraph 321, which reads as follows—

On all cotton cloth mercerized or subjected to any similar process, 1 cent per square yard—

imposes an additional average 10 per cent on mercerized cloths, and the words "similar process" is a "joker" to include a majority of imported cloths.

I desire now, Mr. Chairman, to present briefly my views on the subject of free hides. I have read with pleasure and information the views of ex-Governor W. L. Douglas in his remarkable campaign for governor of Massachusetts, when the question of free hides and leather were ably presented. I know that Democrats and Republicans are divided on this important question. The responsibility of framing and passing this Payne bill is on the Republicans, not the Democrats, and the country looks to the Republicans for a tariff bill that places the very smallest possible duty on the things like food and clothing that the poor people of our country are bound to have. That was the message sent by the people to the Republican party in the last election. I fear, Mr. Chairman, that our leading Democrats did not realize in the last presidential campaign what a vital question the tariff was and how vulnerable the Republican party was in its unfair and discriminating distribution of the tax burdens of the Government. It ought to have been made the sole and paramount issue in our last Democratic platform.

Now, as to free hides: I have not heard an advocate during this discussion of retaining the tariff on hides as it is now deny that the production of cattle in our country has not kept pace with the largely increased demand for and consumption of leather. That means that on account of the insufficiency of our domestic supply we have to use imported hides, and that brings about higher priced hides and higher priced shoes.

Governor Douglas, a well-informed shoe manufacturer, states that the present tariff on hides and soles of shoes causes the people of this country to pay \$30,000,000 a year more for shoes than they ought to pay. Mr. Blaine said, in a letter to Mr. McKinley when the tax on hides was proposed, that it would add 5 to 8 per cent to the price of every shoe that the farmer bought. How many working girls are there in our country with a scanty fixed weekly wage who make a careful study of every cent of additional expenditure? Every cent counts with a large class of our people. It is conservatively estimated that in the last few years there has been an advance in the price of shoes of not less than 20 per cent. What does that mean to many families? It means that quite one-fourth of the absolutely necessary expenses of the family goes for shoes. It is generally admitted that the beef trust is the beneficiary of the hide tax. There is no question of protecting our labor against foreign labor that enters into this 15 per cent tax on hides. In the fleshing houses it has been demonstrated that our laborers, with

their usual activity and intelligence, working with the same kind of a machine, will clean and prepare double as many skins as foreign laborers can with the same machine. The Government realizes on this tariff on hides about \$2,000,000 annually, but the real question in such a tariff is its corresponding benefit. It seems that this tariff on hides has deprived a great many people of employment in the United States, because with a 15 per cent duty on sole leather and not on any other kind of leather the American shoemaker prepares the uppers and sends the shoes abroad to have the soles put on them, thus avoiding the 15 per cent tax on sole leather.

It is estimated that if we put hides and sole leather on the free list that this sending of the uppers of shoes abroad to have soles put on them will stop, and we will save our people quite \$22,000,000. I do not, with the lights before me, hesitate to say that I am greatly disposed to vote for free hides and free leather.

I have endeavored, in pointing out in detail the duties imposed on certain articles in the Payne bill, to show that the revision of the tariff is not downward, as demanded by the people. Much has been justly said in condemnation of the "countervailing" duties on coffee and petroleum. It now appears that the Republicans will be driven to the abandonment of the countervailing tax on coffee, which tax would certainly result in the American consumer of coffee paying both the tariff imposed by Brazil and that imposed by our Government. Brazil practically, in the matter of coffee, occupies the same relative position to the world that the southern cotton belt does to the world's cotton supply. Brazil will not yield to our dictation as to the duty she will impose for the chief product that brings her wealth and the support of her Government. The tax on tea places an intolerable burden upon one of the most common necessities of life. I predict we will find tea on the free list when this bill comes back from the Senate. The prevailing public sentiment throughout the country recognizes that it is a very good thing to give our home industries such fair and reasonable duties as will enable them to meet foreign competition. To extend and enlarge our foreign markets is commendable; to raise sufficient revenue to meet the expenses of the Government enlists the hearty cooperation of every patriotic and public-spirited citizen, but more than all these combined, the demand is that relief from unnecessary and unjust tax burdens must be guaranteed by the next tariff law to the consumers who have patiently borne for many years more than their share of the expenses of our Government.

The country will at least understand from this Payne bill why it was such a task to drive the Republican party into a revision of the tariff. They knew what enormities and outrages were being perpetrated by the power of taxation under the Dingley law on the masses of the people in the interests of the strong and the rich, and they shrank from exposing them. They must answer in the congressional elections next year, and the reply will be a Democratic House of Representatives, because this Payne bill increases the average of the duties of which the public complained so loudly, imposed by the existing tariff law.

The tariff, by the actions of the Republicans in the Senate and House in connection with the Payne bill, is removed from the pale of economic questions and made preeminently and acutely a political question, in which the local interests will have a powerful influence. The Republican party is in the agonies of a painful premature travail. They are not prepared for a revision of the tariff and did not realize the trouble before them. A wild, mad rush comes from all the home industries, large and small, protesting against the slightest reduction of the duties that have filled their pockets with money taken from the people for many years past, everyone demanding that the "other fellow" suffer the reduction. Kansas comes up, with a broad and benignant smile on her face, and earnestly demands that lumber be placed on the free list, and, with her hand up to her ear, whispers "Must let the 15 per cent tariff stay on hides." Then there is the grand old State of Maine. Why, she wants cotton-seed oil of the South to be on the free list and demands a high tariff on wood pulp. Ohio wants an additional protection on tin plate, regardless of the fact that the Standard Oil Company buys all its tin plate abroad and receives 90 per cent drawback on every tin can of oil shipped abroad. Yet Ohio is downright earnest in demanding free lumber.

Massachusetts wants free hides, but says it is "simply horrid" to think about free leather and shoes. The New England States all with one accord and voice demand that "raw material" be put on the free list, especially coal and iron ore. And the South comes up and makes a pungent inquiry: How is that? You stand for a high tax on the wool as it exists on the sheep's back and every phase of wool and woolen cloth to the ultimate finished product. Nothing is said about free raw material in



connection with wool. Many of the Republicans are trembling in their boots as to what explanations they will give to their constituents. They know their "caucus rule" is powerful, but the "pocket interests" of their constituents are much stronger and more important than the caucus. We hear much about the growth of protection sentiment in the South. Great impetus has been given to this opinion by the generous and sincere manner in which Mr. Taft was welcomed in the State of Georgia and other Southern States. Those greetings were unselfish and sincere and were accepted in the same spirit by Mr. Taft. I admit with pride that the people of the South were patriotically inspired with a hope and a faith never before justified by any other Republican President when Mr. Taft, at the banquet given to him by the people of the city of Atlanta, Ga., said:

I realize therefore that expressions of sympathy with the South and an earnest desire to bring it closer into the Central Government in thought and action and feeling, will have comparatively little weight unless this expression is accompanied by such appointments in the South as will prove this sympathy to be real and substantial. The difficulty in making such selections in a part of the country where the sensibilities of the people are different from those of one's own section, where conditions of society differ so radically, and where there are no accredited representatives selected by the people of the same party as the administration is very great, indeed. It is a question of evidence, and of evidence hard to get, and when secured, hard to weigh, because it is only judgment and estimate and generally not a mere statement of a concrete fact.

All I can say with reference to the future policy of the administration in the South on this subject is that I expect to spare no effort to find out the facts in respect to the character of the proposed appointees, and, so far as in me lies, to select those whose character and reputation and standing in the community commend them to their fellow-citizens as persons qualified and able to discharge their duties well, and whose presence in important positions will remove, if any such thing exists, the sense of alienism in the Government which they represent.

Such sentiments expressed by Mr. Taft, who has, since the Atlanta banquet, been inducted into the highest and most powerful office in the world, stimulated the South with the firm conviction that President Taft's administration would be uninfluenced by sectionalism, and that the South would be treated justly and fairly like other sections of the Union, and would no longer be considered "the enemies' country." That is all we ask, and that we believe we will get from President Taft. In all things looking to the welfare and good of our common country, the people of the South stand ready and willing, from an unselfish standpoint, to support and uphold the administration. We know the difficult task that President Taft has undertaken when he confronts and meets the "sensibilities" of the people of the South, so different from his own section. In the South he will meet "conditions of society" which differ radically with our northern brethren.

It is true, as was said by President Taft in some of his speeches in the South after the presidential election, that the South clings to its "traditions," both family and local. In the States of the South it is a common everyday matter to hear the humblest of our native citizens claim with great pride that their fathers and mothers came from one of the great southern colonial States.

Loyalty to such "traditions," like the love for one's home, makes the truest and bravest patriots of the section that cherishes them.

The President realizes, as every thoughtful and unbiased student of our history realizes, that from the days of our colonies down to this good day, midst the triumphs and shadows of our Republic, in war and peace, there has existed, and exists today, and will continue to exist, distinct types of people with different thoughts, tastes, and sentiments in the New England and Southern States, both representing the best ideals of citizenship. It is a grave mistake for anyone to think that the visit of the President to the South, soon after the election, was to proselyte Democrats into Republicans. It is equally a mistake for anyone to believe that the cordial, sincere, and generous hospitality extended by the people of the South to Mr. Taft indicated on their part any less fealty to Democratic principles. The native people of the South are almost as a unit attached to, and believe in, the Democracy of their fathers. They yearn to-day to see the party, to which they owe so much, return to its time-honored principles. It is true that there was restlessness, discontent, and dissatisfaction in many of the strongest Democratic sections of the South in the late national election, but this can not be truthfully charged to any disposition to surrender their allegiance to their party. But it meant simply an expression of disapproval of the action of their own party and an earnest warning against its repetition.

I do not hesitate to say that our people realize the difficulties that lie in the President's effort to handle the "southern question." With open hearts and willing hands, along the lines

the President has so frankly indicated, the people of the South will aid and help him to their best ability.

I ask: Would not it be the basest ingratitude for the people of the South not to honor and respect the President and his administration if he renders us the inestimable favor, as we are advised and believe he will do, of abolishing the disreputable "referee system" in operation in some of our Southern States? The Montgomery Advertiser, one of the leading and most influential daily papers of Alabama, in a recent issue, said this:

If Mr. Taft does abolish the referee system, he will break up one of the most prolific sources of political scandal in the South. A few men under the plan at present in vogue have the absolute power of filling every federal office in a Democratic State which has no Republican Representatives in Congress. The proposition of allowing a man's standing with his neighbors to count for something is a great improvement on the plan of fixing up jobs for men who can help to carry delegations to national conventions for particular candidates.

I believe that President Taft realizes that no proud, intelligent people could cordially cooperate with any administration that would maintain the tyrannical, irresponsible, corruptive referee system that has made every cotton-growing State of the South a veritable political satrapy. Our people are not asking to control Republican patronage or fill offices under a Republican administration, but we do ask that the political referee system, with its intrigue and scandals, be removed from our midst. [Loud applause on the Democratic side.]

Mr. PAYNE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly Mr. GREENE having taken the chair as Speaker pro tempore, Mr. CALDER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 1438, the tariff bill, and had directed him to report that it had come to no resolution thereon.

Mr. PAYNE. Mr. Speaker, I think under the rule all the Chair has to do is to declare a recess until 8 o'clock.

The SPEAKER pro tempore (Mr. GREENE). Under the rule, the Chair now declares the House in recess until 8 o'clock.

Accordingly (at 6 o'clock) the House took a recess until 8 o'clock p. m.

#### AFTER RECESS.

The recess having expired, the House was called to order at 8 o'clock p. m. by the Speaker pro tempore [Mr. GREENE].

#### THE TARIFF.

Mr. OLMSTED. Mr. Speaker, I move that the House do now resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1438, the tariff bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1438, the tariff bill, with Mr. OLMSTED in the chair.

The CHAIRMAN. The gentleman from Mississippi [Mr. BYRD] is entitled to be recognized if he desires. Does the gentleman desire to be recognized at this time?

Mr. BYRD. Mr. Chairman, I yielded to Mr. SULZER thirty minutes of my time, and I would like to retain—

The CHAIRMAN. The gentleman can not yield time unless it comes out of his hour.

Mr. BYRD. Then just excuse me for a moment.

The CHAIRMAN. The gentleman from Missouri [Mr. BORLAND] is recognized for twenty minutes.

Mr. BORLAND. Mr. Chairman, I understand I am recognized?

The CHAIRMAN. For twenty minutes.

Mr. BORLAND. Mr. Chairman, I feel that I can approach the pending legislation with as little bias from personal or local interest as any Member on the floor. I come from a district with scarcely a protected industry in it or within the sphere of its influence. It is a district distinctly American, bound by every tie to American progress, yet having no ax to grind, no selfish interest to serve, no privileges to protect. With hardly an exception, everyone in that district, of whatever political faith, is in favor of tariff revision. There is scarcely a stand-patter to be found. Our Republican friends vied with the Democrats in explaining that tariff revision meant revision downward, toward a revenue basis.

I have heard some speeches from the other side of the House which gave the impression that there was no need, from their standpoint, for any revision at all. When we hear some of those speeches, we are astonished to think that we are here in an extraordinary session, or are attempting to revise the tariff.

But out in my district, there was no doubt about the matter. We had been told that the time for a revision had long since come and that revision meant revision downward.

Our city has grown great in a single generation as an export market for what is termed "raw materials" and those primal products of the soil, grain and live stock. It lies on the boundary of the rich States of Missouri and Kansas, in the very heart of the Missouri River Valley.

The Missouri Valley is the great producing region of the United States. In a belt of 100 miles on either side of the Missouri River and west of the Mississippi River, are found the centers of production of cattle, horses and mules, sheep and hogs, wheat, corn, oats, and farm products of all kinds; gold, silver, lead, and zinc. Seventy-five per cent, we are told, of the Nation's exports consist of raw materials, the products of the western farms, forests, and mines.

It is this enormous export of raw material which brings the golden stream of national wealth and turns the balance of trade in our favor. With the money that is brought in, which enters into every channel of trade, we build our railroads and our factories, we feed and clothe our people, and we grow steadily in national wealth.

It takes manufactures to make a great country, but it takes, also, the production of raw materials, and every argument which has been advanced on the other side in favor of a protective tariff, in favor of building up manufactures, has been based upon the idea that the raw material was here to be sent abroad, either in its raw state or in the manufactured state.

The great production of raw materials in this country is the broad base of the pyramid of national prosperity. As long as we produce a surplus for export, the balance of international trade must be in our favor. Our only interest in this tariff legislation is that the American producer and the American consumer may be fairly treated and that no heavier burdens be laid upon them than is necessary to produce the national revenues. This is the true interest of every district and every section of the United States, except so far as it is biased by local conditions or narrow views of local interest.

We know full well that there is no such thing as a home market for products of which we raise a surplus. Every bushel of wheat in the United States and every head of beef cattle, wherever produced or sold, must be valued on the prices prevailing on the Liverpool market, in competition with the products of Australia, of South America, of Russia, of India, of South Africa, and of every great agricultural area of the world. When a nation produces a surplus of any commodity, that surplus has no value until it has reached the seacoast, where it may enter into the commerce of the world, and its ultimate value is based upon the price at the greatest central market under the strongest competition.

We must live and do business and buy goods and maintain the American market and the American wages out of the net returns of what we can sell abroad, less the cost of putting it there.

The overwhelming national issue in this country is transportation, quick transportation, cheap transportation, and abundant facilities for all shippers, large and small. We have not yet begun to solve this great problem. We in the West are ready to vote for a revenue tariff adequate to the needs of the Government on the most liberal scale in order that a big, broad policy of national development may be inaugurated. We look to see the improvement of our great waterways, running for a thousand miles into the interior of this great producing region. We look for a realization of this as the great national problem of the immediate future.

The almost universal demand for a revision of the Dingley tariff is easily explained. In my own district, especially, there was a singular unanimity of view by men of all parties on this subject.

We saw that some schedules were so high that they were practically prohibitive, producing no revenue to the Government. We saw that the duties created an artificial price for goods that fostered the growth of trusts and monopolies.

We saw that they laid heavy burdens upon the wage-earners and increased the average cost of living 40 per cent during the life of the Dingley law.

We saw that the great army of consumers who live upon fixed incomes—widows, orphans, preachers, teachers, mail carriers, clerks, bookkeepers, salesmen, and wage-earners generally—had the purchasing power of their dollar cut in two, while skilled and unskilled labor advanced in a very much less degree in value, and in many lines actually decreased.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. BORLAND. Certainly.

Mr. MADDEN. Will the gentleman be kind enough to tell the committee in what cases the wages of the skilled mechanics decreased—in what branches of industry?

Mr. BORLAND. I had shown to me within the last three days, by Judge RUCKER—

Mr. MADDEN. Who is Judge RUCKER?

Mr. BORLAND. A Member from Missouri. He showed me a statement of the number of people employed in factories in the United States from 1897 to 1907, in which, in some cases, the per capita wage had gone down. That indicated very clearly to my mind that the wages of some classes of factory operatives had decreased in those ten years. In some of these schedules there was an increase of certain operatives, and that is the reason I spoke of it; but the larger number of operatives were at a lower price, which brought down the average.

For illustration, you will find that in the manufacture of rubber belting and hose, as shown on page 126 of the Statistical Abstract of the United States of 1907, published by the Department of Commerce and Labor, that in 1900 the number of wage-earners employed was 1,771, and the total wages paid was \$918,191, or an annual average income by each employee of \$518.40. In 1905 the number of wage-earners employed was 3,698, and the total wages paid was \$1,804,992, or an average income of \$488.09. This made a decrease in the average wages in that line of \$30.31 during those five years. That they were prosperous years for the manufacturers is shown by the fact that the total output increased from \$6,169,044 in 1900 to \$14,954,186 in 1905, or more than double.

Mr. MADDEN. Does not the gentleman know, as a matter of fact, that the rate of wages for all classes of mechanics has increased over 40 per cent in the last ten years?

Mr. BORLAND. That is not my information. If the gentleman has any figures on that, I will be glad to have him put them in.

Mr. HEFLIN. Mr. Chairman, if the gentleman from Missouri will permit, I would suggest that if the gentleman from Illinois [Mr. MADDEN], who has just interrupted the gentleman from Missouri, knows as little about these wages as he does about the gentleman who has served with him in Congress for twelve years [Mr. RUCKER], he must know very little. [Laughter and applause on the Democratic side.]

Mr. BORLAND. I think the gentleman possibly will know little about me, also.

Mr. MADDEN. I did not know that the gentleman from Missouri [Mr. RUCKER] was a judge, and that perhaps accounts for the confusion in my mind. Will the gentleman yield for one more question?

Mr. BORLAND. Yes.

The CHAIRMAN. The Chair will suggest that the gentleman from Missouri is speaking on very limited time.

Mr. MADDEN. I will not interrupt the gentleman any more. Will the gentleman tell the House now how it can be possible for the value of commodities to be low when the rate of wages is high? Will the gentleman tell how you can have a cheap cost of living when you have a high rate of wages?

Mr. BORLAND. I hope to satisfy the gentleman on that point.

To resume, Mr. Chairman, we saw that the farmer was selling his products in a competitive market and buying his goods in a protected market.

We saw that the Federal Treasury was facing a deficit and that the revenues were wholly inadequate to the present needs of the Government, a condition which placed an effectual veto upon great projects of national development, such as the improvement of the waterways and the reclamation of arid lands.

A most express promise was made that tariff revision meant an honest effort to correct all or most of these abuses.

The most serious criticism of the pending bill is that it is a manufacturers' measure exclusively. This is the sum and net result of all the complaints and criticisms that have been made. The rights of the producers of raw material have in nearly every instance been sacrificed, and the rights of the consumers have been ignored. The public demand for a revision of the tariff gained headway mainly because of two conditions. One was that the Dingley tariff, since 1897, had caused an advance in the cost of living an average of 40 per cent with no corresponding advance in wages. The other condition was that the Federal Government was facing a deficit and that the receipts from the Dingley tariff law were insufficient to meet the national expenditure.

The most partisan advocates of the pending bill have not yet contended that it will in any substantial measure reduce the cost of living. They have confessed also that it will not provide sufficient revenue to meet the present needs of the Govern-



ment. This confession appears in the fact that they have made up the shortcomings of the bill in this direction, first, by providing for an inheritance tax; second, by a new and strictly revenue tax upon tea; and, third, by a provision for the further issuance of bonds.

If the inheritance tax be stricken out and if the tax upon tea be stricken out, how far then will the bill fall short of producing the revenue for the present needs of the Government, and how far then must we go down into our pockets on the bond issue?

I do not now refer to the provision for the issuance of bonds to the amount of \$40,000,000 to restore to the Treasury sums advanced to acquire the Panama Canal. This may be justified by a permanent investment, which should not be made out of current revenues. I refer more particularly to the power given in the bill to issue certificates of indebtedness of the Treasury to the amount of \$250,000,000. This is precisely the attitude of a business man who has to borrow money at the bank, not to pay for goods in stock, but to meet the running expenses of the establishment.

Many of those who have honestly favored a protective tariff in the past have done so upon the grounds that it either aided the American producer of raw materials by furnishing a home market for his products, or that it raised the price of American labor to the American standard of living. The gentleman from Washington [Mr. CUSHMAN] yesterday made a most eloquent talk, in which he declared himself a protectionist from principle, and he said, as nearly as I can recollect, that he believed that protection furnished a home market for the American producer and that it raised the wages of the American laboring man. The laboring man has learned now, in spite of all the time his name has been taken in vain, that the protective tariff does not protect him. [Applause on the Democratic side.] If it secured to the wage-earner a fair and liberal return for his labor, it is clear that the wage-earners in the protected districts who have had advantage of the exorbitant Dingley tariff for twelve years should be the most prosperous, contented, and home-owning set of laboring men in the civilized world.

The relentless logic of facts has swept away this idea. In October, 1907, a panic swept over the manufacturing districts in the midst of an era of abundance and prosperity. Within thirty days after that panic a hoarse cry of rage went up from the throats of 60,000 starving workmen of Pittsburgh and 60,000 more were mobbing the city hall in Philadelphia and 25,000 were threatening the destruction of the mills in Wheeling. What had become of the high wages that were supposed to have been paid these favored employees of protected industries if thirty days of closing of the mills would bring them to the point of starvation and anarchy? The real truth is that so large a proportion is taken from the workingman's wages to pay for the necessities of life under the Dingley tariff that his wages are in fact 50 per cent of what they appear to be on the pay rolls. Does the pending bill secure to the wage-earner in any way a promise of a change in the present situation?

Now, let us come to the American producer, the backbone of American prosperity. For the first time, I believe, the advocates of the protective tariff have come out boldly for free raw material. It even has been announced by the committee which framed this bill as a general doctrine. In other words, the producer of raw material must take his chances in unrestricted competition with the world, while he is by law compelled to pay protective prices on the manufactured goods which he buys, even when made out of his own material.

Iron ore, hides, and coal are put on the free list, while steel, shoes, woolen and cotton goods are still protected practically to the point of a prohibition of foreign importation. As if to add further emphasis to the subservient position of the producer of raw materials, a radical change has been made in the drawback section of the tariff bill, known as "section 29." Under the Dingley law this section provides that an American manufacturer might import foreign raw material, paying the duty thereon, and that on the export by him of the finished product made from such raw material he should be entitled to a drawback from the Treasury of 99 per cent of the duty which he had paid on the raw material. This section was intended to place the American manufacturer on an equality with foreign manufacturers so far as regarded the export trade. It readily will be seen that it was a liberal provision in favor of the American manufacturer, because its plain purpose was to enable him to sell American manufactured goods abroad cheaper than they were sold at home. Of course nobody could complain of this splendid arrangement except that much-despised individual, the American consumer.

But the proposed Payne law not only picks the pockets of the American consumers, but it sandbags the American pro-

ducers. In the Payne bill the section is so changed that the American manufacturer may import foreign raw materials, paying the duty thereon, and then, if at any time within three years he exports a finished product of similar quality and value, whether made from the foreign raw material or domestic raw material, he is entitled to draw back from the Treasury 99 per cent of the tariff paid on the imported material. In other words, if there is any tariff protection left on American raw materials, the American manufacturer is provided an easy way to avoid it by buying his raw material abroad until he has forced the American producer down to the lowest possible foreign price and then buy domestic raw material. Upon the export by the manufacturer of any of this finished product he is entitled to his drawback of 99 per cent on an equivalent amount of raw material. Unless, therefore, the American producer could afford—which he can not—to hold his raw material for three years, the manufacturer can dictate to him the price based on the lowest foreign price. Thus, the American producer of raw materials is denied any possible benefit from the increase of the export business in manufactured goods. In fact, the greater the volume of export business, the more helpless is the position of the producer.

It is worthy of attention in this connection that the words "raw material" are purely a relative term. What is the finished product of one man is the raw material of another. So that this provision is not aimed solely at the farmer, the stock raiser, and the miner, as was perhaps intended by the committee which framed the bill, but it affects a large number of small manufacturers whose finished products enter as a raw material in other lines of goods.

I have stated the most favorable construction of section 29, the construction which has been placed upon it by the committee which prepared the bill. Other meanings have been construed from it which are even more disastrous. It is said by some that the section will bear the construction that an American manufacturer who has imported no foreign material can, nevertheless, upon exporting a given quantity of his finished product, claim a bounty from the Treasury equal to 99 per cent of the tariff on an equivalent value of raw material. Let me quote this section by reading it from the bill, so that you may judge for yourself:

SEC. 29. On the exportation of articles manufactured or produced in the United States either in whole or in part of imported materials, or from domestic materials of equal quantity and productive manufacturing quality and value, such question to be determined by the Secretary of the Treasury, there shall be allowed a drawback equal in amount to the duties paid on the imported materials used, or where domestic materials are used, to the duties paid on the equivalent of imported materials, less the legal deduction of 1 per cent: *Provided*, That the exportation shall be made within three years after the importation of the foreign material used or checked against.

And now a word in the interest of the consumer.

Probably even the most sanguine friends of revision are disappointed with this bill. It still contains many prohibitive schedules that produce no revenue. Necessities of life have not been reduced in any substantial degree, and in some cases actually have been advanced. Gloves, especially ladies' gloves, may be classed by some of our Republican friends as luxuries. They certainly will be luxuries when this bill passes. But no public man since the days of Jerry Simpson has maintained that stockings are a luxury. [Laughter and applause.] And no man with a heart in his breast will contend that warm woolen clothing is a luxury.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HEFLIN. Mr. Chairman, as the gentleman has been interrupted, I ask unanimous consent that his time may be extended five minutes.

The CHAIRMAN. If there is no objection, the gentleman will be recognized for five minutes.

Mr. BORLAND. Mr. Chairman, among the mass of letters of protest against the inequalities and injustices of the Payne bill received from my district, I may be permitted to refer to two, because they are typical and bear upon these two items. One is from a wholesale dry-goods merchant and the other is from a retail dry-goods merchant. Both are well-informed and successful business men, and know whereof they speak. The letter from the wholesale dry-goods merchant is as follows:

KANSAS CITY, MO., March 23, 1909.

Hon. WILLIAM P. BORLAND, Washington, D. C.

DEAR SIR: We desire to call your attention to a few items in the proposed new tariff which we feel, if made effective, would be detrimental to the interests of both merchants and consumers.

These are the items of hosiery and ladies' short kid gloves.

It occurs to us that on both of these items the duty should be left just as it is. On the hosiery, the American manufacturers are able to compete very nicely with the foreign manufacturers, and we feel that no further advance is necessary or desirable.

On the ladies' short kid gloves, which are and will be an item of import, will say that if the new tariff is made effective it forces the con-

sumer to pay a price for the gloves for which she does not get value received. At the present prices the values certainly are poor enough, and even on the better grade of these short gloves the domestic manufacturer has not been able to compete, and we do not believe that the new proposed duty will be of much benefit to the domestic manufacturer, but will be a great disadvantage to both the dealer and the consumer.

We respectfully request that you use your influence against the change.

Very truly, yours,

MAXWELL-McCLURE-FITTS D. G. Co.,  
ROBT. M. MAXWELL.

The retail merchant is one whose opinion is especially valuable, because he is in immediate contact with the consumer and makes it his business to know the needs of the average buyer. He not only has to consider all the difficulties spoken of by the jobber, but he must be able to hold his own in competition with the department stores and the larger retail establishments. He must understand correctly what class of goods his customers can and will buy. This comes as near being the true voice of the consumer as is possible to get before this House. The letter of the retail dry goods merchant follows:

Home 'Phone 1612 East.

(I. M. MOATS, dry goods, notions, millinery, gents' furnishings and shoes, 2516 East Fifteenth Street.)

KANSAS CITY, MO., March 25, 1909.

Hon. W. P. BORLAND.

DEAR SIR: I see in new tariff bill, in interest of domestic manufacturer, the Ways and Means Committee of the House of Representatives has incorporated in the tariff bill largely increased rates upon cotton hosiery and women's leather gloves.

To add 20 per cent more to the tax of 60 per cent already levied would, in my judgment, be an injustice and an outrage. In the year 1908, as you know, there was imported in hosiery to this country \$6,645,570. For the same period of time our domestic manufacturer put out an amount between \$50,000,000 and \$60,000,000. The rate suggested on gloves is an increase over the present rate of 128 to 150 per cent for schmachen, 60 to 174 per cent for lamb, and 33 to 102 per cent for kid, which is in direct opposition to the wishes of the people of the country.

I wish to protest against any such legislation. I trust you will give this your most earnest consideration.

Yours truly,

I. M. MOATS.

Let me also call your attention to the following letter:

NEW YORK, March 29, 1909.

Hon. WILLIAM P. BORLAND,  
Washington, D. C.

DEAR SIR: The undersigned, a committee representing 70 wholesale dry goods houses, respectfully ask your attention to the inclosed press clippings showing that the effect of the "joker" paragraphs, 318 and 321, of the cotton-goods schedule of the Payne tariff bill would greatly raise duties, and frequently double them, and more.

As the provisions are technical, it is certain that the gentlemen who drafted the bill did not realize that these provisions were prohibitive.

Our special committee of experts is at your disposal to demonstrate this raise.

Cotton-goods statistics show that American mills do not need any protection on the goods they are equipped to produce. In neutral markets they have so well been able to compete that their exports have rapidly grown, and in 1906 equalled \$52,944,033.

The average dividends of the principal Fall River mills affected were, in 1907, a panic year, 25 1/2 per cent; in New Bedford, 25.2 per cent. A prominent illustration is the Dartmouth Manufacturing Company, which paid 66 per cent last year, and on February 24 last an extra dividend of 100 per cent. This mill makes precisely the class of goods which these paragraphs are designed to prohibit. All of these dividends are in addition to enormous salaries paid to officers.

American mills do not sell their products on an ordinary profit basis, but adroitly fix their prices just below those at which similar goods can be imported.

The net result of these paragraphs, if permitted to become law, will be to greatly reduce revenues by prohibiting importation; to permit a few New England mills to manipulate prices at will and to repeat their action of 1907, when they arbitrarily raised prices more than 50 per cent, although there was no corresponding increase in cost of production. It will drive many importing houses out of business and work a hardship on 28,000 American retail merchants and add an additional burden to the whole American people by increasing the cost of a primary necessity of life.

No question of politics is involved. The whole people are united in the conviction that the tariff should be reduced rather than raised.

President Taft said, on December 16 last: "I believe that the way to stamp out trusts and monopolies is to avoid excessive rates, which tempt monopolies."

An average tariff of 20 per cent on cotton fabrics is ample to protect American manufacturers from any possible difference in cost of production, and its only effect would be to compel them to run their mills on a fair capitalization and charge reasonable profits.

Respectfully submitted.

F. B. SHIPLEY,  
Chairman Committee on Publicity.

49 LEONARD STREET.

It would not be profitable for me to discuss with our friends who are in the majority in this House the doctrine of the protective tariff. Whether it be illogical, whether it be unsound, whether it fosters an unnatural and abnormal growth that reacts upon the commercial body the American people will be the judge. You gentlemen on the other side have borne abundant testimony to its debauching effect upon American business men by teaching them to rush here for protection, even prohibitive duties, on their own businesses on the plea that some other person from whom they must buy materials is enjoying governmental

favor, in which clamor of selfish interests the rights of the consumer and the welfare of the Nation are entirely lost sight of.

I will only say that we Democrats believe that the true function of a tariff is to raise revenue; that if it does not do that, it is morally wrong and politically unsound. [Applause.] We are opposed to a prohibitive tariff. We are opposed to a tariff on goods sold abroad cheaper than they are sold at home. We are opposed to all countervailing duties. We are opposed to duties to afford one manufacturer protection against another protected manufacturer. We believe that a revenue tariff is simple, safe, and entirely adequate. We believe that it could be adjusted on a limited number of articles so that it would distribute itself fairly, could be calculated with certainty, and could be raised or lowered as the needs of the revenues required without disaster to the entire delicate machinery of commerce. We regret and deplore the feverish anxiety which pervades every line of business whenever the tariff needs revising. We believe that it all could be avoided and business men made more secure by a sound and scientific system of revenue tariff.

No loyal American will vote to injure in the slightest degree any legitimate American industry. No loyal American, no man who has the most elementary knowledge of the tremendous possibilities of the inland regions of our country, will vote to tie the hands of the Government by refusing to provide adequate and even liberal revenue; but when we are asked, as we are asked in the pending bill, to vote for a prohibitive tariff, to vote for a bill which has not yet justified itself as being able to meet the present needs of the Government, to vote for a measure framed in the interests of a class and by a system of log rolling between special interests, we have a right to feel that not only has the consumer been ignored and abused, but that the producer and the Nation itself, with all of its growing responsibilities, have been led in bondage to a comparatively small group of protected manufactures. This bill is not offered as a liberal or even adequate revenue measure. The framers of the bill themselves do not claim that as a revenue producer it will come within \$60,000,000 of even the present needs of the Government. They hope to make up the admitted deficit by the growth of business in subsequent years. I can not but believe that the entire scope and spirit of the pending bill will be a profound disappointment to the American people. [Applause on the Democratic side.]

Mr. LOWDEN. Mr. Chairman, I do not mean at this time to enter upon a discussion of the schedules contained in the Payne bill. I intend to confine myself in what I shall have to say tonight to the provisions looking to reciprocal agreements with foreign nations in the matter of trade; for it has been, I take it, the settled policy of the Republican party since, at least, the McKinley bill was framed, to incorporate into any revenue measure some provision or provisions intended to enable us to enlarge our markets abroad.

In the Dingley law there were two provisions; the first is known as section 3, which provided in effect that certain articles, limited in number and therein mentioned, should be received as imports into this country at reduced rates, in consideration of equivalent reciprocal concessions made by foreign nations.

According to the terms of that section a minimum duty considerably lower than the general duty was provided for upon argols, brandies, spirits, champagne and other wines, vermouth, paintings and statuary. The President was authorized to enter into negotiations with foreign governments producing these articles and to make reciprocal agreements with such governments whenever, in his judgment, such foreign governments were willing to make concessions in favor of American products which were equivalent to the concessions which such foreign governments would receive by the reduction provided for of the duties upon such articles.

There also was a section in that law (section 4) which provided for reciprocal treaties, and which required of course the ratification of the Senate. It was proved in practice after that law went into effect that this section, providing for reciprocity treaties, was practically of no effect, because of the difficulty if not impossibility of securing the ratification of such treaties by the Senate. This left as the only practical measure, section 3, before referred to. That section, limited though it was as to the items which it covered, has enabled us to extend our markets very considerably, and in more than one crisis of American trade, has enabled us to avert disaster. I recall to the gentlemen of this committee that only two years ago everyone was much aroused because of the threat of Germany to put her maximum duties into effect as against American products. This would have borne especially hard upon the agricultural and livestock interests of the country. Section 3, with the few articles named therein, such as brandies, wines, statuary and paintings,



was a very slender basis for negotiations. And yet, the President was able by this means alone to secure the continuance of the minimum duties which Germany had in force. It gave the executive department of the government an opportunity to negotiate, and the mere opportunity to negotiate is in itself worth much, whether as between nations or individuals. Arbitrary and unreasonable contentions are likely to yield the moment the parties to a controversy enter into a discussion of their differences.

And when the time came to frame this bill, it was generally recognized that there must be an extension of the principle of negotiation. In our convention at Chicago it was specifically pledged that we would adopt a system of maximum and minimum tariffs to accomplish this purpose. And the reason was plain, because in international commerce you must take into account the methods that obtain in other nations with reference to this matter, and practically every nation of the Old World, except Great Britain, had adopted a system, either of general and conventional tariffs or general and minimum tariffs.

Mr. GARRETT. Mr. Chairman, is it agreeable to the gentleman to submit to an interruption there?

Mr. LOWDEN. Certainly.

Mr. GARRETT. The gentleman has just stated that all the European nations of importance have adopted—

Mr. LOWDEN. Except Great Britain.

Mr. GARRETT. Except Great Britain, have adopted a maximum and minimum tariff.

Mr. LOWDEN. Yes; in one form or another.

Mr. GARRETT. What amounts to that.

Mr. LOWDEN. Yes.

Mr. GARRETT. Now, of course, the gentleman I am sure, does not make that statement without knowing. I have been informed, however, that only France and Germany had the maximum and minimum tariffs.

Mr. LOWDEN. No; all the great continental powers have either a general and conventional or a general and minimum system, which we refer to in a general and sometimes loose way as maximum and minimum systems.

Mr. GARRETT. It amounts to the same thing in practice.

Mr. LOWDEN. I shall proceed later to point out some differences.

Mr. GARRETT. Now, I want to ask the gentleman where the ordinary man can find something about that, aside from what we can learn from the gentleman's speech. Is there anything in this library about that?

Mr. LOWDEN. The best information that I have been able to gain has been from Mr. N. I. Stone, the tariff expert in the Department of Commerce and Labor, who was one of the three commissioners appointed by President Roosevelt at the time of this threatened application of Germany's general tariff—one of the three commissioners who went to Germany to negotiate an agreement which would relieve us from that peril.

Mr. GARRETT. I wish we could get into the Record somewhere a full statement of this maximum and minimum tariff and general conventional tariff, so that we could all have access to it.

Mr. LOWDEN. I believe I have a right under a general order to extend my remarks in the Record, and I will be very glad at some place or other to make reference to such things as have at least assisted me.

Now, Mr. Chairman, it becomes necessary to ascertain, if we are to adopt these new principles into our law, just what the practice and methods are in these various countries which confessedly have brought us to the adoption of that policy.

In France, for the purposes of illustration, they have two tariffs—a general tariff and what they call a minimum tariff on most articles. On some articles, however, they have but a general tariff, and in negotiating agreements with other nations they are at liberty, where they have but a general tariff, to make any rates they may see fit with reference to such articles; on all other articles any rates they may see fit to impose down to the point of the minimum duty, but they are not by these agreements permitted to go below that.

In Germany they have what is known as a general and conventional tariff. In the first instance they enact a law with one set of rates, and every departure from that set of rates is made by a treaty or agreement with some other power, and therefore when we speak of their minimum rates of duty we mean only such rates as they have conceded to other nations in treaties and agreements that they have made with them. But under Europe's construction of the favored-nation clause, whenever one power makes by convention or treaty one set of rates with some other power it must extend those rates to every other nation with which they have a treaty containing the most-favored-nation clause. This, as the gentleman will understand,

is not the rule of international law which obtains in this country in its diplomatic relations with the rest of the world.

Nearly all other European countries, with the exception of France, have come to the German system of general and conventional tariffs. It follows, therefore, that a nation that does not negotiate with these nations has no one to look after its peculiar interests.

Let me illustrate. Austria-Hungary has a conventional system—that is, it has a general tariff and a conventional tariff. A few years ago the United States exported to Austria-Hungary in one year very nearly \$2,000,000 worth of cotton-seed oil. Austria-Hungary raised the duty on the import of cotton-seed oil to a prohibitive rate. There was no other nation but ours exporting cotton-seed oil to Austria-Hungary to any extent, and it followed that there was no one interested in having a lower duty by convention in the tariff schedules of Austria-Hungary, with the result that our export of that article was reduced the very next year after the new tariff went into effect to less than \$50,000—reduced from almost two million to less than fifty thousand dollars.

Another illustration. The gentleman from Ohio, Mr. Cox, discussed the duties on sewing machines to-day and pointed out that we are the principal manufacturers of that article, and that we have great difficulty in finding an adequate foreign market for our surplus output. He thought, if the newspapers reported him correctly, for I did not have the pleasure of hearing him, that this was due in some way to our high schedules. I do not agree with him in this respect. The foreign commerce of the other nations of the world, leaving Great Britain out of account, is largely controlled by conventional tariffs made by them. In Germany, for instance, the general tariff places a duty of 35 marks upon sewing machines and knitting machines. This duty is contained in a single paragraph, and the two kinds of machines are treated as of exactly the same class. It appears, however, that Belgium is a large manufacturer of knitting machines, but not of sewing machines. That country negotiated a trade agreement with Germany by which the duty upon knitting machines was lowered from 35 marks to 12 marks, America, being the country principally interested in the export of sewing machines, and not in a position where it can negotiate generally with reference to the tariff, is obliged, of course, to pay the full duty upon every machine it sends into that country. While, therefore, upon the face of it we enjoy the minimum duty in force in that country upon sewing machines, we are suffering from practically a prohibitive duty upon that article. Lower duties generally would have helped the situation but little.

The result would have been the same, because with lower as with higher duties, we could have no agreement with Germany, making concessions on our part, except as to the very few articles enumerated in section 3. At the risk of repetition, I want to say that the balance of the world seeks in every way to restrict foreign trade, except with such countries as through negotiations grant concessions in return for favors they would have. We might as well recognize the fact now, that whether right or wrong, that is the world's way to foreign markets. And if we would compete with other nations in the markets of the world, we, too, must place ourselves in a position where we can treat with foreign nations. Now, then, it is perfectly apparent from what I say that there has been no discrimination in those cases, and if this bill as framed becomes a law there will be no discrimination within the meaning of this law, because Germany gives us the lowest rate on sewing machines, and Austria-Hungary gives us the lowest rate upon cotton-seed oil, and the only way in the world to reduce the minimum duties upon exports in which we are interested is by some method of negotiation conducted by this Government with the Government of these foreign countries. In other words, no automatic provision that we create here can answer that purpose.

Not only is that true, but this other thing is true as well. It is possible for foreign countries to come within the letter of the law, so far as the schedules are concerned, and yet by other regulations, sanitary or what not, actually impose a burden upon American exporters which can not be met in comparison with the advantages that the other countries have. To illustrate, Germany admits meat products in carcasses, but provides that the viscera of the beef animal must be within the carcass and must reach her ports intact. We compete with the countries of Europe in this product. Those nations, just across the line from the German boundaries, of course can meet this qualification, but any one knows that if we choose to send beef carcasses to the German ports with the viscera attached, those carcasses will be ruined before they reach there. This is an instance where, I care not how perfectly or how carefully you prepare an automatic provision of this kind, we will get the worst of it unless we are willing to have somebody represent-

ing this Government sit down with somebody representing the foreign country and make a sensible agreement, which will not discriminate in fact, no matter how fair the tariff may appear upon the face of their schedules.

Another illustration along the same line: Germany also demands that our cured pork meats shall have been microscopically inspected for trichina by the United States Government before it will be permitted to enter. Nevertheless, such United States inspection is ignored and every piece must be subjected to a further microscopical inspection in Germany at considerable expense to the importer. No one can justify this regulation. If Germany is unwilling to rely upon our government inspection, why require it? What other purpose in the world has she in mind but to discourage and reduce our exports of pork? And how, possibly, can these vexatious charges be removed except by negotiation?

We export vast quantities of wheat. Some of the continental countries place a considerably higher duty upon wheat than upon flour. And whereas formerly American flour found its way to the principal ports of Europe, foreign markets are being rapidly closed against this product of American manufacture. In this connection we must not forget that we have no power under the Constitution to levy a duty upon exports, and, therefore, can only guard our right to manufacture our own raw products into the finished article by negotiations with foreign countries. It may be that even by negotiations we would not succeed in all cases. But at any rate we ought to have an opportunity to try. By manufacturing our wheat into flour we would not only give employment to many men, but we would save to our own country the bran, an important by-product, and one which the great live-stock interests of the country can ill afford to lose.

The difficulty of providing by law against an unjust discrimination by another government is perfectly illustrated by reference to the timber schedule. The Dingley law placed saw logs upon the free list. It went on to provide that if any country should place an export duty upon saw logs, the same duty should be collected upon importations of saw logs from that country. This was in anticipation that Canada might impose such a duty. What did Canada do? It was pointed out by the gentleman from Michigan [Mr. FORDNEY] that most of the timber in Canada is owned by the government, and title to this timber can only be acquired under crown leases. The Canadian government did not levy an export duty upon saw logs, but, as I understand it, provided in its leases that timber cut upon these lands must be manufactured in Canada. That country, therefore, in effect, prohibited the export of saw logs and absolutely defeated the purpose of the provision in the Dingley law. That law also provided that if any country should impose an export duty on pulp wood exported to the United States, the amount of such export duty should be added as an additional duty to the duties imposed upon wood pulp when imported from such country. Canada did not impose an export duty upon pulp wood, but some provinces imposed a crown-land charge of 65 cents per cord upon pulp wood, with the provision that if such pulp wood should be used in Canadian manufactures 25 cents per cord of such charge should be rebated to the man who cut the wood. Here are two concessions which we made to Canada—one, that we would levy no duty on her saw logs; the other, that we would levy no duty upon pulp wood, provided she would levy no export duty upon either of those articles. The very consideration for which we granted these concessions to Canada, therefore, in large part failed. If, on the other hand, we could have employed the principle of negotiation, within certain and well-devised limits, we could have met successfully the evasion practiced by Canada.

The provision drawn in this bill with reference to lumber to meet this situation is so broad that it might operate to a very great disadvantage to America, as already shown during the debate already had here upon this portion of the bill. The gentleman from Michigan, with a frankness characteristic of him, confessed that it was an exceedingly difficult thing to so frame this provision as to accomplish its purpose and yet not go way beyond the evils it was intended to cure. In other words, it is very difficult to make a proposition now to another with conditions attached, with no agreement on the part of the other, which will be as desirable from the first party's standpoint ten years from now as an agreement between the parties by virtue of which both parties are bound to do something.

Mr. SCOTT. Will the gentleman permit an interruption?

Mr. LOWDEN. Certainly.

Mr. SCOTT. Does the gentleman think the objection he suggests would be met by inserting in this provision a clause to the effect that "other governmental regulations" which imposed a restriction upon our commerce might be taken into consideration as well as imposts or taxes?

Mr. LOWDEN. "Other governmental regulations" will cover but one kind of discrimination; that is the kind of discrimination aimed directly and in terms at some American product. This kind is seldom employed. The usual method is to make a regulation which upon its face applies to all countries, but which in fact is aimed principally against some American product. Of course these words would not at all meet the other objection first pointed out, namely, that though upon the face of their tariff schedules they make no discrimination against us, it is simply because there is no minimum duty on particular articles. In other words, we are the principal manufacturers of sewing machines which go into Germany. The other great nations, therefore, are not interested so much in negotiating a minimum duty with Germany upon this article as upon others, and we, because of our policy, are not in a position where we can negotiate at all. It follows that the general duty upon this article is also the minimum duty, and while we are discriminated against in fact, it is that kind of a discrimination which can only be removed by negotiation. We must be able to say to Germany, "You must give us something further in the way of concession than appears upon the face of your schedules if you wish to enter our great markets." In other words—and I will be as brief as I can upon this point—making up their minimum duties as they do in those countries by treaties or conventions of one kind or another, their minimum duties are simply such as have been extorted from them by these other nations, and it is not reasonable to expect that such other nations will be particularly interested in the articles of which we are the principal exporters. And they are very clever and adroit. They have a great many talented experts employed in these several governments, and they are able to contrive their tariff schedules so as in fact to discriminate against everything of which we are the principal producer if they wish to, and we can only get a fair deal in these markets by negotiation and by giving the executive department of the government something with which to negotiate. Do I make myself clear?

Mr. SCOTT. Mr. Chairman, the gentleman always makes himself clear. I had recognized, as all of us had who have given any attention to this matter, the strength of the point he has made in regard to the sanitary regulations imposed by Germany, particularly on our meat products, and it had seemed to me that the situation as to them might possibly be met by the insertion of the words I read in this provision.

Mr. LOWDEN. I have prepared an amendment which covers that point and also goes further. It contains a provision that if the President of the United States finds that some country by any of these methods is practically barring some of our exports to that country, he can insist, if he sees fit, upon our right treatment with reference to such exports before he grants that country the benefit of our minimum duties.

Mr. SULZER. Will the gentleman yield?

Mr. LOWDEN. Certainly.

Mr. SULZER. Does the gentleman indulge the hope that he will get an opportunity to offer such an amendment as he describes?

Mr. LOWDEN. I hope so.

Mr. SULZER. Well, I certainly do, too, but I am very much in doubt about it.

Mr. LOWDEN. Well, I have that hope.

Mr. SCOTT. If the gentleman from Illinois will permit, I will say to the gentleman from New York that Mr. Payne in presenting this bill expressly stated that the committee had no particular pride of authorship in this particular provision and would gladly receive suggestions of amendment from any gentleman in the House.

Mr. SULZER. Will you vote against any rule that will shut out that amendment?

Mr. SCOTT. That is not the question we are discussing now.

Mr. LOWDEN. In view of the fact that my time is limited, I do not think the gentleman should take part of it in the discussion of a rule.

Mr. STERLING. I would like the gentleman to read the proposed amendment now, if it will not take too much of the gentleman's time.

Mr. LOWDEN. I shall be glad to comply with the gentleman's request. The amendment proposes to strike out the last paragraph of section 4 of the bill and substitute therefor the following:

Whenever on or after sixty days from the passage of this act it shall appear to the satisfaction of the President that any country, province, dependency, or colony is discriminating against any article exported from the United States, or any territory belonging thereto, the growth or product in whole or in part of the soil or industry of the United States, or any territory belonging thereto, through the operation of duties, imposts, excises, taxes, or other restrictive measures; or that any country, province, dependency, or colony is, in effect, unfairly excluding, by any means, any article of commerce exported from the United States, or any territory belonging thereto, he shall



have the power and it shall be his duty to suspend, by proclamation to that effect, the imposition and collection of the rate of duties provided for in sections one and two of this act, on such articles so exported to the United States from such country, province, dependency, or colony, and in such case and during such suspension there shall be levied, collected, and paid upon such articles so imported into the United States, or any territory belonging thereto, the growth or product of the soil or industry of such country, province, dependency, or colony maintaining such restrictions, the rates of duty prescribed in section three of this act. *Provided, however,* That these provisions for additional duties shall not apply to the cases where the preferential duties to other countries are those which are given by a province, dependency, or colony to the mother country only.

Section 3, referred to, in the Payne bill, enumerates the maximum duties. I have no doubt but that this amendment can be improved; but something like it must be adopted, in my judgment, if we are going really to make this maximum and minimum tariff of ours accomplish what is intended. I would rather see section 3 of the Dingley law incorporated in the Payne bill and greatly enlarged. If I had my way about it, instead of authorizing the President to make concessions upon the limited number of articles therein named, such as argols, wines, brandies, statuary, and paintings, I would include in that section all of the schedules upon which we have provided a maximum and minimum tariff. I would place all of these minimum duties in the hands of the President with authority to employ them in negotiation with foreign countries for concessions in favor of American products. In my judgment, this would be a more practical and effective way of obtaining real reciprocity with foreign nations. I realize, however, that this would be a wide departure from the bill as reported, and for that reason, if for no other, it may be considered impracticable. I would, therefore, be satisfied with an amendment along the lines of the one I have just submitted. Some power must be placed in the hands of the executive department of this Government to negotiate to the end that we may get a fair return for the concessions which we propose to make by virtue of our minimum duties.

The Payne bill contains but one method by which reciprocal concessions can be granted or gained by this country in its relations with any other country. That method is to apply higher rates of duty upon imports of most of the articles upon the dutiable list, to those countries which do not within sixty days after the enactment of this bill into law, grant to the United States in return their minimum duties. There is no possible way under this bill by which any duty of a foreign government, no matter how high it is, and no matter though it be aimed directly against this country, can be complained of in any way, provided only such foreign country does not grant a lower rate of duty upon such article to some other country than ourselves. There is no way under this bill by which we can prevent any foreign country from imposing vexatious and injurious, sanitary, or other domestic regulations, which, in effect, amount to a prohibitive discrimination as against the products of this country compared with like products of other countries. In either of these cases such foreign country would receive the full benefits of our minimum schedules and we would receive nothing in return. When this bill becomes a law, unless section four of the bill be changed, we will have set in motion the experts of almost every foreign country to devise means and methods by which their countries may, by domestic regulations, put a handicap upon all our exports, and we shall be powerless to prevent. And when we complain and threaten to impose our maximum rates upon their exports they can point to this provision of the law and we must be content.

The Payne bill seeks to create a mechanism which shall automatically take the place of negotiation. Negotiation with the human element left out inevitably will fail of results. The most perfect law can not dispense with human agencies in fixing relations between this country and the other countries of the world. This is often called, and with reason, a material age. The marvelous machinery of peace and war startle the world. It is true, though, that in the midst of the material triumphs of man's genius there is still need for man. The life of the last tariff bill was twelve years. It is to be hoped that the one we are framing now will endure at least as long. No automatic device can be devised by the wisest men to-day which will be able to secure for us our rights in foreign markets a decade off without the intervention of man. We can not meet successfully by a fixed and rigid law a competition with the world, where clever and resourceful men play a part.

Negotiation resulting in trade agreements is the very purpose of any dual system of tariff. Under this bill without amendment we can hope for no new market, and we will do well to retain that which we already have.

We must, through reciprocal agreements, extend our market for many of our most important manufactures. For want of these agreements some of these industries are now planning

plants in other countries of the world to supply the foreign demand. This means a great loss to American labor and American industry.

Mr. GARRETT. Let me ask the gentleman a question, if I may.

Mr. LOWDEN. Certainly.

Mr. GARRETT. Does not this maximum feature of this bill throw the revenue feature of that tariff law into the realm of speculation?

Mr. LOWDEN. No; I do not think so, practically, for this reason: When this law goes into effect, if it does go into effect, Great Britain, of course, at once will have the benefit of our lowest duties on every article of theirs which enters our ports. The other countries of Europe, Germany, and France, and the other continental countries, can not afford to give up this great market to Great Britain, and which it would have to do if it did not come to reasonable terms with reference to what they were going to do reciprocally. In other words, I do not believe for a moment that those countries would permit Great Britain to come in here and have the tremendous advantage which she would have by virtue of her enjoying lower duties as compared with the rest of Europe. I recognize very well that this is a very pertinent question, and I have given it the best consideration that I could, and have reached, as a practical question, that conclusion upon it.

Mr. GARRETT. The minimum feature of this bill is constructed upon the principle of the difference in the cost of production at home and abroad, and a reasonable profit to American industries, as I understand. The minimum feature is that. The protection and the revenue promise in your platform is in the minimum feature of the bill?

Mr. LOWDEN. Yes.

Mr. GARRETT. The maximum feature is merely a trade war feature?

Mr. LOWDEN. I would prefer the phrase "the trade feature" in analogy to what the countries of Europe are doing, and coming as a necessity because of that, as it seems to me. In other words, when we adopt the principle of the maximum and minimum tariff, unless we are prepared to meet the situation which their development of those things has created—

Mr. GARRETT. The gentleman understands that I did not suggest that it puts the protection into the realm of speculation. I did not suggest that as to the maximum feature. I merely stated that it does put the revenue into the realm of uncertainty.

Mr. LOWDEN. Yes, except, as I say, I think practically before the sixty days had expired every nation of Europe would have come to some terms with us, and much better terms with us than they would in the absence of that provision, and therefore receive the benefit of our minimum duties.

Mr. GARRETT. Now, upon that point, is the gentleman advised of the situation of foreign governments sufficiently to state that they can under their agreements do that within sixty days?

Mr. LOWDEN. Oh, they have no agreement whatsoever that would prevent them doing it, because of their construction of the "favored nation" clause in treaties. For instance, under the system which obtains in Germany, we will say, because I think Germany has developed this idea to a higher state of perfection than any other continental country, suppose they gave us a lower duty upon our meat exports, if you please. That would simply go into effect with every other country with which they had a treaty ipso facto. That is their construction. That makes the minimum tariff.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HILL. If the gentleman can be granted half a minute, I would like to make a statement. The gentleman said that the maximum and minimum feature here was based substantially on the practice of foreign nations. I wish to say that if he will examine the maximum and minimum of the countries of Europe he will find that the difference between the maximum and minimum is far, far beyond what the maximum and minimum is in this country.

Mr. LOWDEN. I want to say in answer to the gentleman that that is particularly true in the new tariff that France is framing now, and for that reason I am of the opinion that the difference between the maximum and minimum in our schedules, we will find, is less than it should be.

I hope that means will be found to lower the minimum duties proposed in this bill upon several important items, to the end that the differences between the maximum and minimum tariff may be greater.

Mr. STERLING. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for ten minutes.

The CHAIRMAN. It may prevent some other gentleman

from being heard this evening. However, if there is no objection the gentleman may proceed.

Mr. LOWDEN. I greatly appreciate this courtesy, and I will be as brief as possible. I want to call attention to this: The greatest industry of the Mississippi Valley is the meat production of that section of the country. We have been trying in every way we could to get our beef animals into Germany and the other continental markets on the hoof just as we do in Great Britain. And if we could accomplish this, and it can only be done, in my judgment, through this method that I have outlined, we would be doing the greatest service to one of the great industries of this country that could be accomplished. Now, I happen to know, as well as one can know such a thing, that when Germany believed we were going to have a reciprocity agreement with her she was already considering, with the probabilities altogether in our favor, the construction of abattoirs and a complete equipment for receiving, just as Great Britain does, our live stock on the hoof.

It is estimated by excellent authorities, Mr. Chairman, that the price of the best live beef cattle in the great markets of the West is a dollar and fifty cents greater per hundredweight because of the presence in those markets of independent buyers who purchase for export upon the hoof to Great Britain. I do not know whether this estimate is accurate or not, but anyone who reads the reports of sales in any of those markets knows that this competition materially increases the value of all the cattle produced in this country.

The country is much interested at the present time in the conservation of our natural resources. Anyone who knows anything about agriculture knows that any policy which will encourage the raising and feeding of cattle upon our farms, means the conservation of our soil for generations yet unborn. The Mississippi Valley must furnish a large part of the world's supply of food. But the Mississippi Valley will go the way of the world and be dotted with abandoned farms, if our policies are such as to make the sale of hay and oats and corn more profitable than the natural finished product of the farm in the form of the production of meat.

This bill is based upon the Republican doctrine of protection to American industries. No protective tariff measure is perfect that does not consider the markets abroad for our ever increasing surplus. To increase these markets we must aim, so far as possible, to trade with those nations which trade with us. This policy can be advanced only by reciprocal trade arrangements, and reciprocal trade arrangements are not automatic, even though our law declares they should be such. Reciprocal trade agreements are possible only if somebody be authorized to negotiate them. They will not make themselves.

McKinley said in his Buffalo speech:

What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and productions, and thereby make a greater demand for home labor.

But how shall we "buy wherever buying will enlarge our sales and productions," except by trade agreements in which we grant concessions to those who favor us. Can we afford to say to the nations of the world, "Withhold from us lower duties upon the things which we principally produce, put into effect all the sanitary regulations you please aimed at the products of our factory and farm; it will hurt you not, and provided only you give to us the lowest duties you extend to other nations, even though such lowest duties do not apply to a single one of America's leading products, your exports will be received and paid for by us upon the same terms we extend to that nation which receives American products upon the best and most favorable and most generous terms?" And yet, that is what we shall do unless we authorize some one to enter into negotiations with foreign countries, empowered to exact reciprocal concessions in good faith if these countries would enter our great markets upon equal terms with our best friends.

I submit, Mr. Chairman, that unless we amend section 4 of the Payne bill we will have adopted the dual tariff system with the vitalizing element entirely left out.

I will not trespass further upon your time, and thank you very much. [Loud applause on the Republican side.]

Mr. BYRD. Mr. Chairman, I will not begin my remarks in the manner I had intended since hearing the splendid speech of the gentleman from Illinois [Mr. LOWDEN]. I can not see how the gentleman or any of you Republicans can consistently advocate the extension of our foreign markets, since you have, for forty years, in justification of protection, preached American markets for American products alone. By this wall, built from the stones of avarice, you have barred to our commerce the doors of the richest markets of the world and sent to the bottom of the sea a merchant marine that once was the glory of the

Nation. Your half-hearted contentions in this regard, coming at this late hour, are a travesty upon truth—not in keeping with the righteousness of your past lives. [Applause.]

The maximum and minimum provisions of this bill are a fraud upon the Nation, and reflect but little credit on the intelligence of the committee that framed them. Having already erected a tariff wall so high against all nations as to completely paralyze the foreign commerce of the country, it is now proposed to coerce them by erecting this wall 20 per cent higher. You say to the foreigner that unless he gives us the most favored-trade benefits of his country you will make him pay 20 per cent more than other nations to get into this market. He is now taxed out, but you propose to bring him in by increasing the tax. Such reasoning is not creditable to the brains of a donkey. [Applause.]

I am in full accord with my friend Mr. LOWDEN, that if protection is to be saddled upon us for another decade, the Executive or some authority should have the power, by reciprocity treaties or otherwise, to relax its death-dealing effect on our foreign commerce which is so much needed for the consumption of our ever-increasing surplus. For this principle stood Mr. Blaine, Mr. McKinley, and all great Republicans, who are now dead. Their great brains were broad enough to look beyond the range of their own dingy workshops and smoky villages and compass the rights of all the people in all the sections. [Applause.]

There was a time when our foreign commerce, measured by the wealth of the Nation at that time, was greatly in excess of what it is to-day. The Stars and Stripes floated at the mast-head of our merchant ships in every port and upon every sea. This was when a Democratic tariff was the fiscal law of the land, when Robert J. Walker, our greatest Secretary of the Treasury, controlled the Nation's finances. It is true we have merchant ships to-day, but, like a herd of lazy swine hanging around its master's crib, they are hovering about our coast catching the rich crumbs falling from the table of protection. They are made and controlled by the shipbuilders and shipping trusts and are protected by the outrageous laws that no foreign ship can engage in our coastwise trade and no American citizen can fly the American flag at the head of any vessel not constructed by the trust. Thus it is that we find our foreign commerce destroyed and our whole shipping industry crippled by the unwise and indefensible policy of protection.

To my Republican friends let me say that I like many of you. You are the jolliest and most affable set of mercenary fellows that it has ever been my pleasure to know; and if you were as honest as you are gentle-hearted, you would take the wholesome advice of my friend Mr. LOWDEN and insert a provision in this bill authorizing the President to suspend the provision of the outrageous 46 per cent tax against every prospective foreign market we have. Give him the right to grant the millions of South America and the Orient the same tariff concessions and benefits granted them by European nations. I know that many of the Republican members of the Ways and Means Committee pose before the world as great men, and this doubtless may be true; but in framing this bill they must have had a slight attack of paresis.

By what process of reasoning can you justify levying the same tariff rate against the unskilled, half-witted hybrid of South America as you do against the skilled artisan of Europe? One has been educated in all the arts of European mechanism, while the other is so untutored as to be unable to make a decent-looking plow stock. There may be some sense in saying that the lace maker of Germany shall not compete with us, but there is none in extending this embargo against the half-blood pigmies of Peru. Can any of you explain such an idiotic policy as this? Do you not know, and does the world not know, that our industries need no protection against South America, the Orient, Africa, or the South Sea Islands? In that sphere alone is to be found over a billion people just coming into the light of civilization, and who are to-day the greatest consumers of European products. European nations have waged bloody wars, are building powerful navies, and the blood of Russia still stains the walls of Port Arthur, shed in the fiercest contest of the century, in order that she might maintain her commercial prestige in the Orient.

While other nations are exhausting their vital energies to secure these rich markets, we, who have everything to sell and nothing to buy, at the behest of unrequited greed, are in the act of striking a crushing blow to our own commercial prestige. Europe will ridicule the idiocy of our statesmanship and wax powerful and strong by dumping into her own coffers that immeasurable wealth that should be ours. [Applause.]

Mr. Chairman, many of us believed that when this bill was brought into the House it would contain provisions liberalizing



our trade policies with other nations that offered such inexhaustibly rich markets for the consumption of our southern cotton. But we are sadly disappointed in this. Even the paltry provisions in the former tariff bills providing for partial tariff concessions for commercial benefits have all been left out of this measure. It seems that the only thought that inspired the Ways and Means Committee was for the enrichment of New England at the expense of other sections. Our foreign markets were forgotten, the rights of the laboring man were outraged, the farmers were ignored, and 80,000,000 of consumers robbed. This is the spirit in which the schedules of this bill were written. The trusts dictated; the Ways and Means Committee wrote.

In our commerce with all South America and all Asia, the balance of trade has been increasing against the United States since the Republican party came in power. In 1866, with all Asia, it was against us only \$14,700,975, while in 1907 it was \$119,771,763. In 1866, with all South America, it was against us only \$14,420,550, while in 1907 it was \$78,008,963. In both, the annual balance amounts to more than \$200,000,000. This enormous sum, which is annually increasing, must be settled with our gold and silver, when it ought to be with cotton goods. Almost the entire trade of these two hemispheres should be ours by virtue of our natural and political advantages, and would be but for the hidebound statesmanship of the party in power.

While we have been gradually losing the riches of the trade of these two great sections of the world, England and Germany have been busily engaged appropriating these markets to themselves. While the annual balance of trade has been steadily increasing against us, it has been growing rapidly in favor of these nations, until it now amounts to hundreds of millions of dollars. This fact illustrates the difference in the puny statesmanship of the Republican party and that of Gladstone and Bismarck. They both believed that their respective countries had an interest in every market of every nation, and to this end they shaped their policies. They were adding empires to their trade zone while we were warring over tariff schedules to protect hides and peanuts. Would to God that there could be born in this country a Gladstone!

My Republican friends, I believe in a tariff for revenue only, so adjusted as to bear lightly upon the necessities of life and so arranged as to give us equal trade opportunities with all the nations of the world; but you believe in a tariff for the sole purpose of robbery, so adjusted as to bear lightly upon the trusts and impoverish the consumer, and so arranged as to herd the American people within the narrow walls of the Nation, in order to facilitate your opportunities to more effectually rob them. Your whole political philosophy is contained in one word—"greed." Professing to be the followers of Henry Clay, your debauchery of his pet principle is enough to make his spirit weep. He stood for aid to our industries while struggling in infancy and poverty; you stand for subsidies to giant corporations strong enough to throttle the Nation. He never dreamed that the ideal of his greatness would ever be prostituted into an incubator for the propagation of trusts, nor that the descendants of the great people he loved so well would have to pluck such bitter fruit from the tree he planted.

In 1906 we exported \$43,000,000 of cotton goods, England \$483,000,000, and Germany about \$97,000,000. Eighty per cent of the cotton from which these goods were made by England and Germany was grown in the United States and exported as raw material.

In 1850, England, with 60,000,000 people, consumed less than 1,000,000 bales of American cotton. In 1908 she took practically one-third of our entire cotton crop of 13,600,000 bales, when she now has only 43,000,000 people. Now, why is this true? It is simply because fifty years ago she abandoned the very policy that is now isolating us from the world and opened her doors to the commerce of all nations, and to-day there is not a seaport in which her commercial flag can not be seen. As I once before stated on this floor, she sold, in 1906, 25,000,000 yards of cotton goods to our next-door neighbor, Mexico, while we sold only 2,500,000 yards. The cotton from which she made these goods was purchased in Galveston, carried 4,000 miles across the sea, manufactured into fabrics, brought back, and bartered off for the rich raw materials of our southern republics. While England was doing this, our cotton factories, the smoke from which could almost be seen from the Mexican border, were going into bankruptcy by the hundreds. I do not know of any manufacturing enterprise in the South that has suffered more during the recent panic than have the cotton factories. While English and German mills were running day and night to fill their orders in foreign countries we had

\$30,000,000 of that class of goods produced in this country for which we could not find a market.

Mr. MADDEN. Why did you not change the class of goods?  
Mr. BYRD. Being barred from the markets, we had no knowledge of the class wanted. [Applause.]

Mr. MADDEN. I would like to ask the gentleman a question. You say your people manufactured more cotton goods than there was a market for. You did not have knowledge enough to make the kind that could be marketed. Do you wonder that you failed?

Mr. BYRD. Yes; I do. We should be provided with a foreign market, since we have none at home. On this floor five years ago I made a speech advocating the policy of sending agents abroad to find out the exact kind of cloth that suited the foreign market in every quarter of the globe; and, if I mistake not, the gentleman from Illinois [Mr. MADDEN] was one of the Members who voted against the proposition. However, we got the measure through; and it has proved to be of incalculable benefit to the cotton industry of the South. I have two reports from these special agents, a part of which I intend to print in my remarks, that show the marvelous opportunity for the extension of our cotton trade in India, China, South America, and other parts of the globe. Sending special agents abroad has now become a fixed policy of the Government, but their efforts must be supplemented by a liberal foreign-trade policy before much good will come.

Mr. HILL. Mr. Chairman, I would like to ask the gentleman a question for information, not with any idea of political feeling or anything of that kind. I have understood that generally cotton factories down through from Washington, say, to New Orleans, show every evidence of prosperity and, as I understand it, have generally for the past ten years declared very large dividends, much larger than in New England. How does that difference exist in Texas from what is true of Georgia and North Carolina?

Mr. BYRD. I can not understand, unless it is because they do not manufacture the kind of goods protected by the graft under the schedules of this bill. [Laughter.] Just such men as the gentleman and his committee fix the schedule so as to rob the people on what they make, and let the kind we make go to hades, if you will excuse the expression. [Laughter.]

Mr. CANDLER. As a matter of fact, the cotton mills in Mississippi have not declared a dividend.

Mr. BYRD. Of course not; many of them have been shut down for two years, and for some receivers have been appointed.

Mr. HILL. Oh, I refer to the time from 1900 to 1907.

Mr. BYRD. They never made much at any time. Would make the goods, but could not sell them. They had no market at home and those of the world were closed against them.

Mr. WEISSE. What about the tax on hides?

Mr. BYRD. Do not speak of hides now. Will refer to that later.

I will here insert in the RECORD a few extracts from the reports of these special agents, which I think ought to be a thorn to prick your contracted souls. Mr. Whitham, in his report filed in 1907, says, in reference to England and her cotton industry:

A territory measuring 121,000 square miles, which is less than the area of New Mexico, and supporting 43,660,000 people, is our greatest competitor for the cotton-goods markets of the nonmanufacturing world. Such is the United Kingdom of Great Britain and Ireland. The foreign trade of the Kingdom for 1905 and 1906 shows the following remarkable aggregate:

|              | 1905.           | 1906.           |
|--------------|-----------------|-----------------|
| Imports..... | \$2,749,679,426 | \$2,968,289,385 |
| Exports..... | 1,983,568,498   | 2,241,888,600   |

Of the enormous value of exports in 1905, \$1,310,000,000 was made up of manufactures. The American cotton trade hardly comprehends the fact that cotton manufactures form more than one-third of this vast outgo of manufactured articles. In truth the most important trade in the world, as well as the largest, is that of cotton and cotton products, and there is not a doubt that if the makers and distributors of cotton goods in this country had even a fairly accurate conception of the large extent of this foreign trade they would take the necessary steps to secure a fair share of it.

#### EXPANDING AMERICAN EXPORT TRADE.

The mill man or merchant whose horizon is contracted will doubtless think that the present period of great demand and satisfactory prosperity in the American home trade is an unpropitious time to bother about trade abroad, seeing that we can not for the present easily supply our home requirements. Taking a view of the barometric record of our industry covering a decade or so, the close observer can arrive at no other conclusion than that such an attitude is shortsighted. We rank low as exporters of cotton goods when compared with five or six of our competitors and leaders; therefore we can not claim to have much knowledge of the general conditions of the business outside of our own country. In any search we make for success in this stimulation of

export growth we can only be guided by the lamp of experience, and where we have none of our own we must perforce borrow our neighbor's light. It is certain that the existing and hitherto unheard-of prosperity which the cotton trade is indisputably enjoying will not last forever, and when the next period of depression arrives we shall be anxious for substantial foreign connections. It is but common prudence that we should take every possible measure to forestall adversity.

Americans have an undesirable reputation abroad as "dumpers" of surplus stocks whenever their warehouses are overflowing. This is unfortunately a handicap when permanent connections are sought. No amount of academic discussion will sell our goods in new markets, nor enable us to compete successfully with rivals. We must first determine the degree of our competitive efficiency, and if we fall short in any particular look for a remedy to correct the fault. Examining the latest statistics available, those for the calendar year 1906 uncover a comparison not a little disquieting.

#### COMPARISON OF BRITISH AND AMERICAN EXPORTS.

Great Britain exports every year over 6,000,000,000 yards of cotton cloth, or more than our American mills produce. Nor does a comparison of values afford us any greater cause for self-congratulation. During the calendar year 1906 Great Britain exported cotton manufactures to the value of \$484,000,000. The United States during the same period sent out only \$43,000,000 worth. In that year our trade decreased over \$13,000,000, while English trade increased \$37,000,000.

Again he says:

England sends to India over 2,500,000,000 yards of cloth a year, as against less than 1,000,000,000 yards to all other oriental countries combined. Many statesmen and leaders of public opinion and thought in England predict that sooner or later a commercial empire union will be established between the United Kingdom and her colonies and dependencies, and with it a tariff barrier against the products of the United States and those of every other foreign cotton manufacturing country. Therefore this is the time for United States manufacturers to establish a foreign market for their goods which will not be easily shaken from its foundation.

#### IMPORTS OF LATIN AMERICA.

Coming nearer home, and comparing the British sales to the republics to the south of us on this hemisphere and the islands of the West Indies with our shipments to those countries, it is found that 1906 witnessed a greater trade in cotton goods between those countries and Great Britain than the total American shipments to the entire world. The official records show that cotton cloth shipped by England to the countries south of the United States in 1906 amounted to 755,000,000 yards, while American shipments during this period to the same countries were 136,000,000 yards. The total United States exports of cotton goods in 1906 were 511,000,000 yards.

Looking further, Mexico, connected with the States by adequate and excellent railroad and steamship facilities, took 25,500,000 yards from England during 1906, and only 2,500,000 yards from the United States. Cuba, which has given us a substantial tariff preference, bought from this country in 1906 only 16,000,000 yards, taking during the same period nearly 59,000,000 yards from Great Britain.

#### GROWTH OF COLNE AND NELSON.

Colne, with 25,000 population, and Nelson are two Lancashire towns which have grown amazingly in the last two decades. Forty years ago Nelson, or Marsden, as it was then named, was little more than a crossroads settlement. Now it is a municipality of no mean importance, with a population of 38,000, and one of the most aggressively industrial towns in the textile manufacturing districts. Nelson has no parallel in either Lancashire or Yorkshire in so far as its almost magical progress goes. Instead of a handful of people eking out an uncertain living, there has been built up an industrial community working under conditions which continue to command the admiration of every student of industrial evolution in the United Kingdom. The increase, indeed its very existence, is due to the growth of weaving sheds and "loom and power" establishments. Here is the center of England's colored-goods industry, and this branch of the trade also has a recognized standard list for weaving colored goods, differing from the list for gray and fancy fabrics provided for in the uniform list, so called.

#### AMAZING GROWTH OF LANCASHIRE'S COTTON INDUSTRY.

The recent erection of new cotton mills in Lancashire has been without parallel in industrial history. In order to emphasize the marvelous extension in the productive capacity of the Lancashire zone, it may be pointed out that the number of spinning spindles added within the past three or four years in the district of which Manchester is the distributing center and Liverpool the cotton-buying headquarters exceeds 10,000,000, with approximately enough new looms to take the increased yarn output. This development is all the more astounding when it can be truthfully said that this English growth is greater than the total number of spindles operated in either Germany, India, Russia, France, or any other country in the world except the United States, and that the total spindleage of our Southern States does not reach the growth in Lancashire since 1900. And no end seems to be in sight, for new mills are projected almost every week. Some halt in the movement is evident, but this is only due to the fact that cotton-machinery makers have their output sold so far ahead that it is impossible to obtain deliveries for new mills for a year or more to come. Nor have other manufacturing countries been at a standstill. Continental Europe and Japan and India have been abnormally active in mill building. All this should be looked upon with satisfaction, by the American cotton grower at least, for it is reasonably certain that the demand for some years to come will be such as to insure him a fair return for his crop. It is estimated that when all the new spindles in England are turning they will consume some 700,000 additional bales of cotton annually. Comparisons are generally illuminating. While England has added 10,000,000 spindles in a few years, it is learned from an American publication that the gain in the United States in spindleage from 1904 to the end of 1906 was only 2,022,981; in this number it is inferred that twister spindles were included, and these are nonproducers.

#### INCREASED COTTON SUPPLY NEEDED TO MEET DEMAND.

It has been estimated that prior to the present unprecedented boom in British cotton-mill building the normal increase in the world's consumption of cotton was approximately 400,000 bales annually. If we add to this even a part of the abnormally increased British and other requirements, we get at least 1,500,000 more bales needed each crop

year than the spindles could previously consume. Counting for each acre planted to cotton an acre utilized in crop rotation, growing feed for stock and work animals, as well as vegetables and corn for the farm hands, and not forgetting the proportion of land in each considerable tract unsuitable from one reason or another for cotton growing, this means that somewhere, either in the American cotton belt or elsewhere, an increased domain of 6,500,000 acres will have to be brought under the sway of "King Cotton."

The rapid increase in the number of new spinning spindles installed in Lancashire has been emphasized, but the growth of the weaving branch of the industry must not be overlooked. Developments therein have about kept pace with the growth in spinning. Without giving the details of the total number of new looms started within the two years just ended, it may be said that in that period the East Lancashire weaving centers made the following additions: Blackburn, 9,260 looms; Colne, 3,500; Nelson, 2,500; Preston, 4,500; and Burnley, 6,600.

I want to call your attention to an excerpt from the report filed in 1908 by Mr. W. A. Graham Clark, one of these special cotton agents, as to the cotton-manufacturing industry of Germany. He says:

Raw cotton is the largest single import of Germany, and manufactured cotton the largest export. In 1907 the imports of raw cotton amounted to 933,938,168 pounds, valued at \$113,391,530, and the exports of cotton manufactures amounted to 151,916,167 pounds, valued at \$97,002,136. The average value of the cotton imported was 12.14 cents per pound, and the average value of the manufactured product was 63.84 cents per pound.

It will be seen by these startling figures that Germany gets five times as much for our cotton as she pays for it; and if this statement is true with Germany, it is quite likely true with all nations that import it. In 1907 we exported raw cotton to the extent of \$450,000,000, and, according to this statement of Mr. Clark, it was manufactured into finished fabrics worth \$2,250,000,000, giving a profit to the foreigners of \$1,800,000,000. What an appalling loss to the Nation. This vast sum would construct six Panama Canals, pay the national debt, and, if converted into a chain of silver dollars, it would be more than 28,000 miles long. It would require 1,800 freight cars and 90 locomotives to move it. Also, it would give employment to 5,000,000 laborers to manufacture this cotton at home.

But suppose Mr. Clark is too high in the profits made by the German manufacturers by one-half. Then we have a stream of gold amounting to \$900,000,000 annually flowing from this country to swell the riches of the foreigner. Now, why is this true? Is it because we can not make cotton goods here in the same manner they are made in England and Germany? Nay, not so. The same report shows that we have every facility for competing with the world in this regard. Is it because we have no money with which to build cotton factories? Not so. Hundreds of millions of our surplus capital is annually seeking doubtful investments in railroad and mineral enterprises in the Philippines, South America, and other places where it is liable to be lost in the vortex of a revolution at any time. Why, then, does not this capital seek investments in cotton factories? The inevitable answer is that we are now making a sufficiency for our home consumption and have no markets in which to sell more. We have supinely submitted to the destruction of our foreign markets in order to foster a few hothouse industries along the New England coast. For forty years we have been sowing to the wind and are now reaping the whirlwind. [Applause.]

But, Mr. Chairman, your statesmen pretend to claim that we can have high protection and liberal foreign markets at the same time. This can not be. The two propositions are totally inconsistent. We have been driven out of the South American and Asiatic markets by England, because she has thrown her doors wide open to their commerce. She stands willing and ready at all times to exchange her manufactured products for the rich raw material, without exacting one penny of tribute. We say to the same people that if you bring your products to exchange for ours, you must first pay from 50 to 150 per cent of their value to get them into this country. You must pay us 15 per cent on your hides, 30 per cent on your tea, and more than 50 per cent on your wool; \$30 each on your horses, \$3 each on your cattle, and so on; and the result is that England gets the trade and we get left. We first rob them, then seek their trade afterwards.

A nation can no more thrive and prosper by living unto itself than can an individual. We can not prosper by being shut up in a shell robbing each other. We are like fish in a pond. You are the big fish and we are the minnows. You are swallowing us at the rate of a "sucker" a moment. Some day when you have embellied all of us, you will begin on each other, and the climax will come by trying to swallow yourselves. [Applause.]

You people of New England never earned but a few honest dollars in your lives. You scarcely emerge from your swaddling clothes before you come to Congress and beg for the right to rob the American people. Your dishonesty is proverbial throughout the Nation. The West grows corn, the South cotton, New England rocks, weeds, and grafters. [Applause.]



I want to say to you, my Republican friends, that if you insist upon the policy outlined in this bill, what need will we have for the Panama Canal? The commerce of every country to which it leads is rapidly passing from us, as I have shown you, and before its completion we will have been entirely driven out of these markets by England, Germany, and other European countries. The construction of this great interoceanic waterway is wholly inconsistent with the doctrine of protection. Many of us believed that when the Nation entered upon this stupendous enterprise it was to be the beginning of the end of protective policies. Let me here warn you that you might as well cast the \$300,000,000 necessary for its completion into the bottom of the sea as to build it, if the policy outlined in the Payne bill is to become a fixed policy of the Nation. If this bill is passed, we should give back the territory stolen from Colombia, lose the vast amount we have already expended, and abandon the whole enterprise. The only purpose it will subserve will be to furnish our European rivals with a more direct route to the markets of the Pacific Ocean. We have practically no markets now in any of the countries to which it leads, will have less when it is completed, and if we had the commerce we have no merchant ships in which to send our products abroad. It is anomalous, indeed, that a Republican can not be found with a mind broad enough to conceive the truth of this proposition. You are too busily engaged grabbing the pelf from the present to look for the riches of the future. Your vision is too narrow to look beyond the curves of the dollar mark within your present grasp. May the Lord forgive you, for these evils have destroyed the last tinge of virtue in your souls.

Sirs, you boast of your superior worth, your superb courage, and your transcendent intelligence; yet you are as cowardly as the fawning ape when it comes to trade competition with the most degenerate class of the human race. If you were to start a toothpick factory, you would run to Washington and ask protection, not only against the competition of the skilled labor of Europe, but also against the breech-clothed natives of the Sandwich Islands. We have heard you invoke the wrath of Heaven upon the paternalistic theories of the socialist and Populist, and yet you well know that the wildest theory ever advanced by either is not comparable to the doctrine of protection when it comes to avaricious paternalism. You depend on the Government for everything; believe its chief end is to subsidize the Republican party; and to this end you have squandered every dollar in the Treasury, and are now begging for the renewal of your license to rob the private citizen of the few dollars escaping your larceny of the past.

But will there ever come a change? What can be gained by any such contracted statesmanship as now controls the Nation? Will this abortive clause, known as the "maximum and minimum tariff," bring back a single market we have lost? Will it not tend to alienate them more than ever before? As before stated, the balance of trade against us is rapidly increasing in two of the great hemispheres of the world. They sell us millions of dollars' worth of raw products, such as coffee, tea, hides, rubber, and other products that are indispensable. They know that we are bound to have them. They force us to pay them with gold, and do not in return grant us any privileges. This is because we have never treated them in a spirit of commercial fairness.

We have taxed them as we would our most powerful commercial enemies of Europe. Every tariff and other obstruction between the United States and these countries should be abolished at once. Our navigation laws should be repealed, so as to drive our ships away from the native coasts and engage, like other nations, in the growing trade of the world. Of course we will admit that protection is a good thing for those who make only the things consumed at home. The man who makes just enough cook stoves to supply the domestic market and can get 75 per cent protection can then add every cent of it as an extra profit, and will soon become a millionaire. But one producing three times as much cotton as he consumes, and who must look to an unprotected foreign market to buy it, can not hope for anything but poverty and ruin to overshadow him so long as the consumer of his product is outlawed from our market. If he is forced to sell in competition with the world, then he ought to be allowed to purchase in the same markets in which he is compelled to sell. The Mississippi farmer who makes two bales of cotton may ship one of them to his commission merchant in Liverpool with instructions to sell and invest the proceeds in the necessities of life, such as hats, hosiery, woolen clothing, and other essentials to his farm life; but when the goods are purchased and shipped back to Mobile, and when the farmer goes to get them, it will take the other bale to pay them out of the custom-house. [Applause.] This is protection. Is this just? Is it right? Can the great cotton industry of the South, under such conditions, ever be otherwise than poor?

But you say that this farmer need not go to England to make his purchase, that protection provides him a market at home. This is true, but when he goes into the local market he can only buy as much with both bales as he can with one in England. When he spends one in England, the other he contributes as a tax to the support of the Government, but when he spends one here he must give the other to the trusts or manufacturer as tariff profit. It is all the same to him—he is robbed in either instance. It is only the difference in being held up by the minions of the law or by the highwaymen of New England.

Mr. Chairman, I am one of those who believe that God made the luxuries of the world for mankind in common—that He made the West to grow corn, Cuba to grow sugar, South America to grow tea and other products needed for the well-being of His creatures, and I further believe that it was a part of the same divine conception that gave us the great Gulf of Mexico, the Mississippi with her tributaries threading our great inland basin, intending for the same to be used for the interchange and exchange of those products so essential to the life of man. He never intended that bread should be burned for fuel in one part of the globe while people starved in another. Every unnecessary obstruction imposed by man to prevent the freedom of commerce among nations is not only wrong in principle, but is a crime against the Almighty. [Applause.]

Mr. Chairman, for these and many other reasons, I believe the Dingley law is responsible for the fearful panic that overtook the Nation in 1907. It has practically destroyed the markets for our surplus manufactured products. It is the cause of nine-tenths of the trusts that now infest the country and facilitated the concentration of the wealth in a few hands to a greater extent than hitherto has been known.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. BYRD. Yes, sir.

Mr. MADDEN. Will you be kind enough to illustrate the difference in the kind of prosperity that existed in this country under the Wilson law and under the Dingley bill?

Mr. BYRD. Yes; the prosperity claimed under the Dingley bill was such as was enjoyed by every country in the world. Europe, Germany, and even Canada were prosperous to no less degree than ourselves, and it can not be contended that this was produced by the Dingley tariff.

Mr. MADDEN. What about the Wilson bill period?

Mr. BYRD. Under the Harrison administration that just preceded its passage, you had control of the Government and unloaded a horrible panic upon us. [Applause.]

#### LUMBER AND THE TRUSTS.

Mr. Chairman, the lumber schedule of the bill is as misleading as many others. While on a certain class of rough lumber the tax has been reduced one-half, yet on some of the other grades it has been increased, and, on the whole, it would take a mathematician to tell whether there has been any real reduction.

Also, I desire to say that if there is any one paragraph of the bill in which I am personally interested, it is that of lumber, and if southern timber would be increased in the manner asserted by some upon this floor, it would add many dollars to my small estate; but private interests should not be considered in deliberating on this great question. Others may stand on this floor and advocate the advancement of their individual interests, but I would not dare to do so, and I think that any one who would is a dangerous factor in this body. You seem to think that to legislate to fill your own private coffers should be the chief aim of your statesmanship. This was not always true with the Members that represented your section. It is said that John Quincy Adams, before entering this body, sold his stocks and bonds of every kind that might be affected by legislation here; but you boldly proclaim the passage of laws intended for no other purpose than to enhance the value of your holdings in some trust or corporation. You have become so debauched by long indulgence in public plunder for private gain that you will dare to do with impunity that which made your boldest ancestors blush. [Applause.]

I am a Democrat, and believe in equal rights and equal opportunities to all men; that protection is wrong in principle, whether it be for the industries of New England or those of Mississippi. Our party has declared against the principle in every platform since the war, and no Democrat, in my opinion, can justify his disloyalty to the principle upon the theory that it benefits a certain class in his own section. I have many political and personal friends engaged in the manufacture of lumber, and for whom I would do any consistent thing to enhance their prosperity, but I can not breach the ancient doctrine of my party by voting away its most sacred doctrine.

Lumber is just as essential to the American life as food. It constitutes the cradle in which the new-born babe is rocked,

shelters him through the chilling storms of life, and protects his body from the worms after death. "It is in the humble country home," said the immortal Grady, "that the ark of the covenant of American liberty is to be found." The modest home, whether on the farm or in the city, is the place where American character is formed. Degrade or pauperize it and you destroy the Republic. [Applause.]

All the tax of this schedule falls upon the poor. It is admitted that only the cheaper grades of lumber, principally sawed from the tree tops, will be affected by this \$2 duty. The better grades, used by the rich, have a world-wide market and fear no competition. Those contending for the lumber tax say that a \$2 duty on lumber means only about 11 per cent, one of the lowest rates in the bill. They also tell you that lumber sought to be protected sells at the mill at from \$6 to \$8 per thousand. Now, there is not a schoolboy in this city 14 years old who does not know that this \$2 rate amounts to from 20 to 33½ per cent. This is self-evident, and needs only to be stated.

Mr. Chairman, in the light of this, do you not think that it would be little less than tyranny for this body to vote a tax of that kind on the homes of the poor, while by the same act you exempt the palaces of the rich?

The price of lumber is now so high that the poor are unable to build homes. One-half of those already built are practically owned by the building and loan associations, who advanced the means to pay the lumber graft. Thousands of carpenters are now out of employment because building material has appreciated in price beyond the reach of the people. They have ceased to build. Farmers need barns and fences, but lumber is so high that they would lose their farm were they to purchase much. Let others do as they will, but as for me, I would rather hand back my commission to those who gave it than stand for such a proposition. [Applause.] Here let me read you some figures from Bulletin 75 of the Bureau of Labor, issued in March, 1908, showing the increase in the wholesale price of certain grades of lumber under the \$2 schedule in the Dingley bill from 1898 to 1907.

INCREASE IN THE PRICES OF LUMBER FROM 1898 TO 1907.

Hemlock from \$10.75 to \$22.50 per thousand.  
Maple from \$24 to \$34 per thousand.  
White oak from \$32 to \$65 per thousand.  
Yellow pine from \$15.50 to \$31 per thousand.  
Poplar from \$29 to \$65 per thousand.  
Shingles from \$2.35 to \$4.35 per thousand.  
Spruce from \$11.50 to \$28 per thousand.

We are not at all surprised to know that the lumber manufacturers are overstocked with their product. They will always be in this condition unless there is a material reduction in their prices. The difference in the construction of a house, even in the yellow-pine belt of the South, out of stone and out of lumber is so small that the people will soon go to the earth instead of the forest for material for their homes.

The price of timber, as well as that of lumber, and the expense of manufacturing it, must be reduced or the present panic will long continue in the lumber districts. They waxed so strong under the hot-house system of protection provided in the Dingley law that they have outgrown the well-being of their own prosperity.

Just here, let me say to those interested in the lumber in the yellow-pine district of the South that this duty is not intended for their benefit—that they are being used merely as a cat's paw to draw the chestnuts out of the fire. Under this bill, logs are placed on the free list, just as in the Dingley bill, but with an additional provision to punish Canada, should she insist upon an export duty on logs exported. Now, what is the difference in the competition resulting from cheap lumber sawed from free Canadian logs in America and from that resulting from lumber sawed from the same class of logs in Canada? A distinguished advocate of the \$2 tax on cheap lumber says the duty would extend the trade zone for the southern product much farther north and west; that if the \$2 duty is taken off Canadian lumber can be shipped farther south in competition with southern lumber. This may all be true, but I would like for him, or some one else, to explain how free lumber, sawed in Canada, can reach farther into the southern lumber zone than that sawed from free logs from Canada. Can not anyone, though a fool, see the job intended for the southern lumber manufacturer by this provision? Yet, notwithstanding this, many of our southern pine-lumber manufacturers are importuning their Members to assist those interested in the lumber districts bordering on Canada in the consummation of this cold-blooded fraud upon them.

The freight on lumber from the lower Mississippi district to the Canadian line is \$12 per thousand, while the same lumber

can be landed on the wharf at Chicago by the Canadian manufacturer at not exceeding \$3 per thousand, often asserted in this debate. If this be true, and no doubt it is, how can those interested in sawing the tree tops of the South hope to get any benefit out of this iniquitous tax? Could not the Canadian manufacturer pay all the tax and land his product in every city north of the Ohio River before the southern lumberman could reach the Ohio River? Would not his part of the tax go into the coffers of the railroads, while the manufacturers in the lumber districts bordering Canada would make millions manufacturing free logs from Canada, as well as from their own stumpage? If the real truth was known, the great interest manifested by the mill owners of the South for the retention of this duty has been generated by those men and corporations owning large bodies of timber, not only in the South, but also along the Canadian border; and while they know it will not add a dime to their earnings in the South, it will enrich them many millions from their timber holdings in the North. No one in the South ever heard of protection being of any benefit to the industry in that section until all the timber was "gobbled" up largely by the same parties who own all of it elsewhere. It has been repeatedly stated on this floor that a few corporations and individuals own 80 per cent of the standing timber of the United States, which now amounts to 400,000,000,000 feet; and since we are cutting this at the rate of 40,000,000,000 feet a year, it will only take ten years to exhaust the whole supply.

More than this, Canada annually imports from this country lumber and the manufactures thereof to the amount of about \$6,000,000, and nine-tenths of all the raw lumber comes from the yellow-pine and hard-wood districts of the country south of the Ohio River. The annual exportation of southern yellow pine has more than doubled within the last decade. England takes 22 per cent of the total exports, Germany about 11 per cent, and Canada takes about 9 or 10 per cent; Canada being the third in the list of importers of southern yellow pine as well as southern hard wood. This is made possible by reason of the fact that eastern Canada does not produce any timber that will compete with our best southern product. The only pine she has that will answer for purposes requiring strength and durability of material is to be found in British Columbia, and the overland freight rate thereon to the eastern Provinces of Canada is so high that the southern product, having the benefit of a water rate, can be placed in all that part of Canada reached by the Great Lakes, the St. Lawrence and its tributaries for less cost. The importation of the southern product into Canada in this manner has increased so rapidly that the lumber manufacturers of British Columbia are now importuning the Dominion government to tax the southern lumber out.

A petition for this purpose is now pending for consideration before the Canadian government. Should the Dominion government pass such a law, who would be hurt by the act? Would it be those interested in the lumber business along the Canadian border who produce the same kind of lumber that is produced in Canada? Would not it immediately destroy one of the best export markets for the southern product? But it is contended that Canada will not do this. In reply, we say that she has passed such laws. Only recently she enacted what is called the "antidumping statute" to prevent the sale of products cheaper there than here by the American manufacturers.

For this reason alone, Mr. Chairman, I think the manufacturer of the yellow pine in the South has much more to gain by an open Canadian market than by the imposition of the \$2 duty against the Canadian product, even though some temporary benefit might result in the sale of a low grade of the southern manufactured product.

But let us look at another phase of the question. One would think from the amount of lobbying and speechmaking experienced in this House that Canada produced lumber enough to supply the world, and that she could cut 1,000 feet while we are cutting one. Upon examination of Consular Report No. 4, on the Canadian trade, I find that in 1901 the total value of the lumber and the manufactures thereof in the Dominion of Canada was \$80,341,204, and that this increased to the value of \$112,494,072 in 1906, during the same period. The increase for the same period in the output of American lumber was from \$390,487,873 to the sum of over \$666,641,367. Deduct from the above Canadian figures the manufactures of lumber and compare the result with that of America and you will find that her total lumber production is less than 15 per cent of ours. Now, we consumed 40,000,000,000 feet of domestic lumber and imported from Canada less than 1,000,000,000 feet, or less than 2 per cent of our total domestic consumption. A little bulletin



issued by the Census Bureau, "Forest Products, No. 2," contains the following, which I will here insert in the RECORD:

Number of mills reporting and quantity and value of lumber, lath, and shingles produced in the United States: 1900 and 1904 to 1907.

| Year.    | Number of mills reporting. | Lumber.                  |               | Lath.                 |              | Shingles.             |              |
|----------|----------------------------|--------------------------|---------------|-----------------------|--------------|-----------------------|--------------|
|          |                            | Quantity (M feet b. m.). | Value.        | Quantity (thousands). | Value.       | Quantity (thousands). | Value.       |
| 1907.... | 28,850                     | 40,256,154               | \$666,641,367 | 3,663,602             | \$10,342,705 | 11,824,475            | \$30,111,337 |
| 1906.... | 22,398                     | 37,550,736               | 621,151,388   | 3,812,807             | 11,490,570   | 11,858,260            | 24,154,555   |
| 1905.... | 11,666                     | 30,502,961               | 445,343,231   | 3,111,157             | 7,777,892    | 15,340,900            | 28,380,682   |
| 1904.... | 19,127                     | 34,135,139               | 435,708,084   | 2,647,847             | 5,435,968    | 14,547,477            | 24,009,610   |
| 1900.... | 31,833                     | 35,084,166               | 390,489,873   | 2,523,998             | 4,698,909    | 12,102,017            | 18,869,705   |

The most striking feature of the statistics for 1907 is that they show the largest lumber production ever recorded in the United States—40,256,154,000 feet—having a value of \$666,641,367 at the place of production. In addition there were produced 3,663,602,000 lath, having a value of \$10,342,705, and 11,824,475,000 shingles, having a value of \$30,111,337, which bring the total reported value of the lumber, lath, and shingle production in 1907 up to \$707,095,409. If it were possible to secure absolutely complete statistics of the production of lumber, lath, and shingles, it is probable that the total value of the output in 1907 would have approached \$750,000,000, a much larger figure than that indicated for any previous year.

In the light of these figures, does it not appear that we are unnecessarily alarmed, and does it not also appear like an act of commercial cowardice on our part to insist on protection from a mere pigmy of competition? Yea, does it not look as though the American eagle is seeking aid to ward off the blows of a tomtit? [Applause.]

But some one will say that, with the duty off, there will be much more manufacturing in Canada and much more imported than now. This can not be true, for she now has an exhaustless market in Great Britain, with which she has preferential trade relations and in which she can receive the very highest prices for all that she now manufactures and all she can ever hope to manufacture from her fast depleting forests. The total production of her mills at this time is not sufficient to supply her home market, the market with the mother country, and leave any substantial balance to be exported elsewhere.

Again, we are told that lumber can be produced cheaper in Canada than in America. This contention is equally as fallacious as the other arguments in favor of the lumber tariff. In a report to the Senate by the Commissioner of Labor, made May 5, 1907, we find that the labor cost of manufacture of 1,000 feet of white-pine lumber in the United States is 91 cents, while in Canada it is \$1.23. Also, that the average production per man per day in the United States is 1,874 feet, while in Canada it is 1,143 feet. In proof of this, let me read the following table, copied from the said report:

Average production per man per day in 5 lumber-sawing establishments in the United States and 5 in Canada, 1896.

| Establishment number. | In mill. | In mill and yard. |
|-----------------------|----------|-------------------|
|                       |          |                   |
| IN THE UNITED STATES. |          |                   |
| 1.....                | 3,767    | 2,132             |
| 2.....                | 3,500    | 1,808             |
| 3.....                | 3,214    | 1,857             |
| 4.....                | 2,841    | 1,623             |
| 5.....                | 3,882    | 1,817             |
| Average.....          | 3,508    | 1,874             |
| IN CANADA.            |          |                   |
| 6.....                | 1,962    | 1,083             |
| 7.....                | 2,610    | 1,556             |
| 8.....                | 1,663    | 1,037             |
| 9.....                | 2,296    | 1,387             |
| 10.....               | 2,435    | 1,248             |
| Average.....          | 1,927    | 1,143             |

Further, he says the cost of transmitting 1,000 feet of logs from the standing timber to the boom at mill is \$4.27 in the United States, and in Canada it is \$5.57. Here let me read you a few extracts from that report:

Mr. Sheridan ascertained in his investigations, taking his facts from the memorandum books of American and Canadian lumbering firms, that the cost of 1,000 feet of logs, from the standing timber to the boom at the mill, is in the United States \$4.27, and in Canada \$5.57. These figures, he informs me, are derived from 5 establishments in the United States and 4 establishments in Canada, covering, entirely or in part for each establishment, the years from 1892 to 1896, inclusive.

He further states:

These characteristics show the mountainous nature of the country and make the building of logging railroads and well-equipped ice roads in the Ottawa district of Canada on the American plan quite impossible. The inaccessibility of the timber district investigated makes it necessary to ship supplies and provisions for fall operations during the previous winter, as they can not be transported by team after the rivers and streams thaw. The distance from the location of mills to the point of logging operation varies from 150 to 300 miles.

But another lumber orator has said that the oriental and other cheap labor used in the Canadian mills make it impossible for the American lumberman to compete with their products. But to refute this, let me read you extracts from a letter written by the secretary of the British Columbia Lumbermen's Association on December 17, 1908:

In the mountain district of British Columbia we have 65 sawmills with a ten-hour capacity of 3,300,000 feet, which is 60 per cent of the entire producing capacity of the mills of this Province. When in full operation these mills employ in the aggregate about 4,000 men, including those at the sawmills, planing mills and yard work. From my personal knowledge I can state that less than 400 Orientals were employed this season by the mills in the interior. The above does not include any men employed in bush work, and I estimate that when the camps are in full operation taking out logs for the supply of all our plants that over 6,000 additional men would be employed in bush work. It would be safe to say that in good times the lumber industry of our district employs in both mills and camps in the busy season 8,000 men. Thus the percentage of oriental labor is in good times only 5 per cent. As you are probably aware, oriental labor is not used in woods work, with the exception, possibly, of an occasional Chinese cook.

With regard to your question as to the relative wages paid in this district as compared to those in effect in the interior districts of Washington, Idaho, and Montana, would say that it is generally understood here that our schedule is higher in the average than in the country to the south.

You are probably aware that in British Columbia public sentiment is strongly against oriental labor of any kind, and for your information I would say that the Dominion government is making a determined effort to prevent any more Hindoos coming into the country and is endeavoring to effect an arrangement whereby those now in our Province should be sent to Honduras. With reference to the Chinese immigration, would say that there has been in force for some time a head tax of \$500 on every Chinaman coming into the country, and this is practically prohibitive, as the returns for the past few years demonstrate. Last year an arrangement known as the "Lemieux treaty" was effected with the Japanese Government, which provides that not more than 400 Japanese coolies shall be allowed to leave their native country for Canada in any one year. It is very unlikely that the number of Orientals employed by the interior mills will, therefore, be increased in the future. In fact, indications are that a lesser number will be available for the manufacturers of this district.

The gentleman from North Carolina [Mr. KITCHIN], in his brilliant speech on this subject to-day, clearly showed that more than 12,000 Orientals were employed in the American sawmills on the Pacific coast. How does this appear in the light of what I have just read about labor conditions in western Canada?

Also, our consul at Vancouver, Mr. Dudley, in a recent communication to the Department of Commerce and Labor, in speaking of the labor question of the lumber districts of British Columbia, says:

The arrangement made with the provincial government is that only white labor shall be employed, unless it can be shown to the satisfaction of the government that such labor can not be found at reasonable wages. This will undoubtedly cause a large influx of people from the United States.

Again, every grant made for faking timber from the public domain in Canada contains an express stipulation that no Chinaman or other Oriental shall be employed in cutting the timber so granted. So much for the labor question.

But there is another equally fallacious argument asserted by the advocates of a high lumber tax, and that is that the stumpage costs the mill owner much more in the United States than in Canada. This may be true to some extent where the timber has been purchased recently in the United States; but in my section 75 per cent of the present mill supply was purchased many years ago, at a cost of from 50 cents to \$5 per acre. It is largely owned by nonresident corporations and now worth from \$15 to \$25 per acre. This land will cut from 6,000 to 10,000 feet per acre, and after the lumber is removed the land itself is worth from \$5 to \$10 per acre. It has been more than once proven in this debate that in the State of Washington the stumpage cost did not exceed 15 cents per thousand on thousands of acres. Hence I can truthfully assert that the timber has not cost 75 per cent of the present owners, counting interest and taxes, exceeding \$1 per thousand.

I would not be understood as censuring anyone for purchasing this valuable property at a low price, for they had a perfect right to do this. Nor would I have anyone to believe that the development of the great yellow-pine country has not been a great blessing. The sawmill and those interested in the yellow-pine land have added many millions of wealth to the State of Mississippi, and no one desires to see them prosper more than I; and so long as they are willing to deal justly with the great consuming masses I am willing to encourage them in every legiti-

nate way possible; but they have made millions out of the consumer within the last decade, have grown so strong and powerful that they now boast of their ability to sell the greater part of their product in competition with the world, with or without tariff protection, yet they are unwilling in the midst of the existing panic to cut the price of any part of their product. Like greedy Shylocks, they are trying to pluck the pound of flesh nearest the heart of the American people by the aid of an unrighteous governmental bounty. But what assurance have they that a retention of the tariff would shield them from the hardships of the present business depression? Did not this misfortune overtake them under the same duty for which they are now contending and at a time, too, when there was no talk of tariff reduction? If the panic overtook them two years ago with the duty, what profit can they expect from its further retention? If it did not save in the past, it will not protect in the future.

Mr. Chairman, you might as well shake a red flag in the face of a western bull as to speak of the existence of a lumber trust in the presence of the lumber-tax grafters. Their displeasure is evidence of guilt. I know not what may and may not exist elsewhere, but I do know, and so charge, that in my section there is a retail lumber dealers' association, society or trust—I do not know what you may call it—and there is a concerted understanding among the members thereof that they are to have the exclusive right to sell to the consumer; and that if the manufacturer undertakes to infringe on this trust prerogative, then his mill will be boycotted by the association.

Less than ten days ago two gentlemen of the highest integrity, whose veracity I would not question anywhere or under any circumstances—one engaged in the manufacture of lumber in the State of Mississippi and the other a high official of the Mississippi Lumber Manufacturers' Association—stated to me and others that such an association did exist among the retailers; that they did boycott any mill that sold directly to the consumer, if they had knowledge of it, and that the lumber manufacturers of that section, especially the smaller ones, would not for this reason sell to the consumer at all. Their word is sufficient for me. I know them; and if all the tariff pirates this side of purgatory were to swear otherwise, I would still believe my friends. [Applause.]

More than this, Mr. Chairman, every manufacturer of lumber that has lobbied about this Capitol will tell you that they have been compelled to reduce the price of lumber from \$3 to \$4 per thousand as a result of this panic. Yet those who have purchased it from the retailers have not been able to realize any reduction in prices. Not only has the price of lumber not been reduced to the consumer in my section, but the same is true in every lumber center of the country, except such difference as may have been caused by the difference in freight rates. In proof of this call to the stand the 10,000,000 of people who have purchased it within the last two years. [Applause.]

Mr. CANDLER. Did the gentleman feel the effect of the trusts when he built a house for himself?

Mr. BYRD. Yes. I was robbed on a small house costing only a few thousand dollars.

Mr. Chairman, there is another peculiar thing about these poor little lumber manufacturers and dealers. In my section, when the panic struck them, three-fourths of them discharged all their laborers, turned them out to starve, sent them back to the farms and other employments. Yet, during the entire panic, as before stated, no one ever observed any reduction in the price of their product.

The manufacturers say this was true on account of the retailers, and the retailers unloaded it upon the manufacturers. I do not know which was to blame, but I do know that they starved their laborers and still robbed the people. [Applause.] To unload this evil on the retailers by the manufacturers is altogether inexcusable, for the latter can at any time put the retailers out of business by simply refusing to patronize them—by establishing lumber yards and selling directly to the consumers themselves. But more about the lumber trust in Mississippi. At the 1906 session of the Mississippi legislature, after an investigation, a resolution was adopted directing the attorney-general of the State to institute legal proceedings under the criminal statutes of the State against the lumber trust. Proceedings were instituted against the Mississippi-Louisiana Retail Lumber Dealers' Association, which is now pending in the supreme court. A recent issue of the Jackson Daily News says:

It is expected that some time during the present month Special Justice W. R. Harper will prepare the opinion of the court in the case of the State v. The Mississippi-Louisiana Retail Lumber Dealers' Association, better known as the "antitrust lumber case."

Also, it has been our understanding that the facts collected by the state agent were forwarded to the federal authorities for prosecution under the Sherman antitrust law. But this was

the last ever heard of the prosecution. The papers were pigeon-holed in the Department of Justice. I can not state whether there was ever an attempt at an investigation by the federal authorities, nor have we ever seen any reason given for this silence, except that contained in an article appearing in the Washington Post on June 24, 1907, having been first sent from this city by a correspondent of the New York World. It is too long for me to attempt to now read, but will insert it in the RECORD. Do not forget to peruse it, for it is a vigorous disclosure of a villainous scheme to shield the trusts for selfish political advantages in nominating the last Republican President—

A Washington special to the World says:

"In offering the internal-revenue commissioner's appointment to Pearl Wight, the ship's chandler of New Orleans, President Roosevelt laid the foundation for a very fine politico-financial bargain—fine for himself in a political sense and fine for Wight in a business way. The President will get the delegates from Louisiana and Mississippi as the outcome of the arrangement. Wight's friends and business associates will get nice, large, juicy contracts and orders for Isthmian Canal supplies, and always have a friend at court to look after their interests in the event any inspector person, either in Louisiana or Mississippi, or on the Isthmus, undertake any hypercritical work."

The ship chandlery firm of Woodward, Wight & Co., on Canal street, New Orleans, has had hundreds of contracts and orders for the Panama Canal supplies from the Canal Commission, the Light-House Board, the mint, and the post-office. Woodward, the postmaster of New Orleans, was a member of the firm when he went into office. His name is still used as a part of the firm designation. That, however, is by special arrangement with Wight, who is his brother-in-law.

The Camp & Hinton Company, from which Mr. Wight has said he is retiring, has had many orders and some business contracts to furnish lumber for the Isthmus, one granted less than a month ago, amounting to \$184,000.

The Panama Lumber and Trading Company, another corporation in which Mr. Wight has an interest, was also in the business of supplying lumber to the canal. The same is true of the F. B. Williams Cypress Company, which is known as the F. B. Williams Lumber Company. The H. M. Elliott Company, another concern in which Wight has an interest, is reported in the New Orleans city directory as being a forwarding agent. All are deeply interested in government contracts and orders to the extent of millions of dollars.

The Camp & Hinton Company, the H. M. Elliott Lumber Company, and the Panama Trading and Lumber Company have offices in suite No. 1016, Hibernia Bank Building. The F. B. Williams Company is located at Patterson, La., the home of Williams, the colleague of Wight in the refereeing business.

A number of the employees of Woodward, Wight & Co. are used to fill in as members of the companies mentioned as having their community of interest home in the Hibernia building, and Williams & Wight are interested in each of them, or were until a short time ago. H. M. Elliott, head of the Elliott Company, is a bookkeeper for the Hinton Company, from which Mr. Wight has said he has withdrawn. R. E. Weems, secretary-treasurer of the Hinton Company, is an employee of the ship-chandlery firm.

Woodward, Wight & Co., as a firm, appeared to be the parent concern for a number of corporations that are engaged in the very profitable business of furnishing supplies to the Government. Pearl Wight has been their man, so far as straightening out the Washington end of the trouble is concerned. About two years ago the Williams concern had trouble with a lot of cypress ties it sent to the Canal Zone. The inspectors there held them up. It required considerable of Wight's time to straighten it out, but it was straightened out and the Government used the ties.

This combination is not advertised from the house tops of New Orleans, but members of the Lumbermen's Exchange, in that city, talk about it and guess that it is a good thing to be in politics and the lumber business at the same time. Some of them get contracts, but the good ones go to the members of the combination.

When bids for the contract let a short time ago were opened it was found that the Camp & Hinton Company had submitted the lowest formal bid. The gossip in New Orleans in the trade was that a tip had gone out that the commission was going to insist upon the letter of the specification for sizes. Then the wonder was as to whether the company from which Wight said he is withdrawing got advice on the subject that enabled it to make its precisely correct bid the lowest. Of course that was merely speculation among the lumbermen who did not get in on the good thing.

The political enemies of Wight and Williams believe that they are the central figures in many of the companies up State, and that they are using the political power placed in their hands by the administration to further their financial interests. They believe that while Wight, Williams, and the rest of the "illy-white" organization stand on the front gallery (New Orleans idiom for veranda) proclaiming their support of the President and his policy, their employees are in the back office plotting the combinations in restraint of trade, commonly called "trusts."

There is a combination among the lumbermen of Louisiana and Mississippi which, in the opinion of the committee of the legislature of Mississippi, constitutes a violation of the antitrust statute. The question as to whether it does has been presented to the Department of Justice. The papers and facts are all contained in a neat presentation of the subject, but they are in a pigeonhole, accumulating dust. Attorney-General Bonaparte is too busy making speeches on civil-service reform, the impertinence of the newspapers, and writing funny dissertations on "What is whisky?" to consider the question as to whether the combination is or is not in restraint of trade.

Before the Mississippi legislature ordered an investigation, the combination of the lumbermen of the two States which constitute the internal-revenue district of New Orleans was called the "Louisiana and the Mississippi Lumber Association." It has been changed since then, and is now the Southeastern Lumber Association. Wight and Williams were prominent in it. C. W. Robinson, of the C. W. Robinson Company, was the chief figure in the Mississippi end of the association.

The legislature of Mississippi early in 1906 directed a committee to inquire into the operations of the association. That body found that the members of the association divided the two States into districts, a big lumber company in each district being made the master of its



territory. It was authorized and directed to enter into contracts with the sawmill men in its territory, providing that the sawmill men could sell their whole product to the lumber company with which the contract was made. Not a stick of lumber was to be sold to an individual without the consent of the lumber company. \* \* \*

When these facts were gathered by the committee they were sent to Attorney-General Moody, who in turn sent them to the federal attorney for the district of Mississippi, with instructions to proceed against the association which had brought about such a condition of affairs.

Until Mr. Bonaparte became Attorney-General the Mississippi people believed that there would be action. They had no faith in him, and they have not been greatly surprised, but have been keenly disappointed, because he has not caused action to be taken.

As soon as the announcement was made that the matter had been referred to the Department of Justice, Mr. Robinson began writing articles denouncing the railroads and upholding all the policies of President Roosevelt. He became a devoted follower of the strenuous one. Robinson came here two or three times, and since that time nothing has been done.

I will not undertake to vouch for the truth of all contained in this article, but, in my judgment, much of it is true. It was published in two of the leading newspapers of the Nation and never publicly denied.

In further proof of the fact that a lumber trust does exist, not only in Mississippi, but elsewhere, and that they have existed for some time for the sole purpose of robbing the consumers of the Nation, I will here ask my colleague [Mr. HUMPHREYS], who can see better by this light than I, to read the following letters:

ILLINOIS LUMBER DEALERS' ASSOCIATION,  
Chicago, March 21, 1904.

Organized June 12, 1890. Secretary's office, 333 Manhattan Building, 315 Dearborn street, Chicago, Ill. Cooperative arrangements with all neighboring state organizations. Our members save from 30 to 64 per cent on their insurance. Telephone, Harrison 2079.

Officers: President, Charles A. Glone, Centralia; vice-president, W. T. Boston, Yorkville; secretary-treasurer, G. W. Hotchkiss, Chicago.

Directors: T. J. Birmingham, Galena; E. F. Hunter, Chillicothe; S. McFeeley, Streator; J. T. McGrath, Polo; W. H. Hunter, La Salle; E. W. Peters, Mount Vernon.

R. M. FRY LUMBER COMPANY,  
St. Louis, Mo.

GENTLEMEN: I greatly regret to receive complaint of the shipment by you to William Zloch, a consumer at Rockford, Ill., unloaded by Abner Jackson, contractor, neither of them being lumber dealers and not recognized as entitled to wholesale purchase under association ethics, being cars S. L. & S. W., No. 4980; S. L. & S. W. No. 17518; C., B. & Q., No. 9344; I. C., No. 36767; G. W., No. 72832; S. L. & S. W., No. 4284.

Of course, we do not dispute your legal right to sell and ship at your pleasure, but it is pretty generally conceded by manufacturers and wholesalers that it is contrary to good business ethics to encourage a consumer to give a black eye to the trade of a local dealer.

I am in receipt of request from between 8,000 and 10,000 retailers to inform them of cases of this kind, but prefer before doing so to inquire as to your policy in this regard, realizing that occasions do arise when such shipments may be excusable, and perhaps this may be one of them.

I should be glad to hear from you by return mail.

Very truly, yours,

GEO. W. HOTCHKISS, *Secretary.*

THE MISSISSIPPI VALLEY LUMBERMAN,  
Minneapolis, Minn., October 8, 1908.

Platt B. Walker, editor. James C. Walker, secretary. Published every Friday by the Lumberman Publishing Company, 1007-1011 Lumber Exchange. Both phones 1000. Published in the interest of the lumber industry of the Mississippi Valley and Pacific coast. Established, 1876. Subscription, \$2.50 a year. Advertising rates quoted on application.

GENTLEMEN: A number of our correspondents among the manufacturers have asked us for a list of those jobbers, wholesalers, and commission men who sell to the so-called "mail-order houses," such as the Chicago House Wrecking Company, U. N. Roberts-Gordon Van Tine Company, and others engaged in like business. Of course we have a good deal of information along that line, but do not think it would be fair to make up such a list as is asked for without giving you an opportunity to say whether or not it is your policy to sell such trade, whether you have done so in the past, and if so, whether or not it is your intention to continue.

We desire to furnish this list at the earliest possible date, and would therefore appreciate the courtesy of a prompt reply, stating your position fully.

It is our intention to furnish the manufacturers a complete list of those to whom this letter is addressed and a supplemental list of all those who reply, indicating the nature of the response. If we should not hear from you, we shall feel justified in concluding that you are indifferent in the matter, and the manufacturer will be left to assume either that you are looking for that sort of trade or that you do not care to go on record.

Yours, truly,

MISSISSIPPI VALLEY LUMBERMAN,  
PLATT B. WALKER, *Editor.*

FLANDREAU INDEPENDENT LUMBER COMPANY,  
Flandreau, S. Dak., March 27, 1909.

Dealers in lumber, sash, doors, and lime, plaster, and cement. O. E. Book, manager.

Representative BYRD,  
Washington, D. C.

DEAR SIR: I have read with much interest your speech on the lumber trust; also Representative FORDNEY'S answer. Now, if Mr. FORD-

NEY will come to South Dakota we will show him a full grown lumber trust in full action. I commenced working for the old trust yards about twenty years ago and worked for them most of the time until four years ago. They got so rotten that I could not stand it. During that time they bucked out independent dealers by selling lumber at cost and less. In times of peace, after the independent man was gotten rid of, they would make us agents get together and pool our sales, divide territory, and do everything possible to deceive the people and control prices.

Three years ago we started an independent company in Flandreau, S. Dak. They at once notified us to stop business and have been selling lumber at cost ever since. They have run boycotts on us and stooped to every low means to buck us out. People are howling about the oil trust, but the lumber trust is doing far more damage to our country.

If the United States wants any proof of what I have stated, I can produce it and call names of the lumber companies.

Yours, very respectfully,

(Signed) O. E. BOOK, *Manager.*

From another wholesale lumber dealer in a certain western city I have just received a communication—whose name I am not at liberty to publish, for the reason, as assigned by him, "that public knowledge of this communication will bring disaster to my business." And still they say there is no lumber trust. [Applause.]

Mr. Chairman, all these facts may not be potent enough to convince my friend, Mr. FORDNEY, that there are unlawful combinations in the South and elsewhere, dictating the price to be paid for lumber by the consumer, but I dare say that there are 20,000,000 of people who are willing to stand by me in this contention, who know the fruit is bitter because they have tasted it.

In concluding my remarks in this regard, let me say that I shall vote against any tax, whether it be for revenue or otherwise, that tends to foster a trust. Nineteen-twentieths of all the trusts now existing live by virtue of protection, and I shall never vote for any measure to sustain a set of thieves and vandals who band themselves together, whether it be under the name of an association, trust, or other organization for the purpose of pillaging the American people. All such would be no less thieves were they to enter an humble home under the cover of darkness and filch the pockets of the sleeping owners. [Applause.]

Leaving the lumber question, let me say that the most fraudulent argument made in behalf of the protective schedules of this bill is the oft-repeated falsehood that it is for the benefit of labor. Has not this same plea been made for forty years? And yet in the most highly protected districts is to be found the greater amount of pauperism; and is it not a fact that the best-living and the best-paid laborers are those employed by non-protected industries, such as railroads, contractors, construction companies, and others? You can not deny that in the coal and iron districts, having the very highest protection, the laborers are unable to finance a strike for thirty days; that in the recent panic thousands of them discharged from labor moved in bread lines throughout the country. Some Republican said a few days ago that many of the laborers in his district owned their homes. Why should they not? Have not they and their ancestors been laboring for forty years? And why is it strange that they should just now be blessed with a humble home? I can show you thousands of negroes in the South, born in slavery, who now own plantations. In this great country, in which nature has showered her most precious gifts upon man and in which there are thousands of acres of unappropriated land, every man should own a home. Not to have it is evidence either of overwhelming misfortune, indolence, extravagance, or unlimited robbery of his earnings by you cruel and inhuman tariff barons.

Mr. Chairman, the tariff is a tax levied upon the American consumer. This truth is too well known to need demonstration. If not a tax to be levied by the manufacturer upon the consumer, then why all this contention for rates much higher than is necessary to keep out foreign competition, or why should there be any duty at all levied on such articles as agricultural implements? They are not imported except in trivial quantities.

There is no fact more manifest than that the American consumer pays the full amount of the duty levied on every domestic article, as well as upon every foreign article imported. The cost of production in a foreign country plus the duty and expense of transportation fixes the price of the imported article to the consumer, and this at once becomes the price of the domestic product of like kind to the consumer.

Never before was the truth of this proposition so well understood as now. It is directly demonstrated to the consumer in every purchase he makes of anything, from a toy to a steam engine. In verification of this truth let me here submit a table showing the advance of price under the 45 per cent aver-

age duty of the Dingley law, as set out in Bulletin 75 of the Bureau of Labor, issued March, 1908:

|                                       | 1896.                           | 1907.                              |
|---------------------------------------|---------------------------------|------------------------------------|
| Bacon, per pound.....                 | \$0.04                          | \$0.12 <sup>1</sup> / <sub>2</sub> |
| Salt beef, per barrel.....            | 12.50                           | 29.00                              |
| Blankets, per pound.....              | .54                             | .80                                |
| Brogan shoes, per pair.....           | .90                             | 1.50                               |
| Women's shoes, per pair.....          | .75                             | 1.05                               |
| Cotton drilling, per pound.....       | .04 <sup>1</sup> / <sub>2</sub> | .08 <sup>1</sup> / <sub>2</sub>    |
| Men's hosiery, per dozen.....         | .62 <sup>1</sup> / <sub>2</sub> | .97 <sup>1</sup> / <sub>2</sub>    |
| Leather, per pound.....               | .16                             | .27                                |
| Sheeting, per yard.....               | .05                             | .12                                |
| Woolen dress goods, per yard.....     | .11                             | .22                                |
| Coal, per ton.....                    | 2.10                            | 4.50                               |
| Axes, each.....                       | .37                             | .68                                |
| Barbed wire, per 100 pounds.....      | 1.65                            | 4.13                               |
| Nails, per 100 pounds.....            | 1.15                            | 2.90                               |
| Yellow pine lumber, per M feet.....   | 15.00                           | 31.00                              |
| Window glass, per 50 square feet..... | 1.21                            | 3.82                               |
| Bedroom sets, per set.....            | 8.75                            | 14.50                              |

Also, in speaking along this line, Mr. Franklin Pierce, in his recent valuable book on The Tariff and the Trusts, says:

There has scarcely been a case since 1864 where the domestic product was protected that the amount of the duty imposed \* \* \* was not actually more than the whole labor cost \* \* \*.

Again, he says:

Every particle of clothing on your body, from the boots on your feet to the hat upon your head, without one single exception, costs you from 50 to 150 per cent more than it would without the tariff. The trust sits by your fire and your table, taxes every piece of glass, cutlery, and pottery in your house; makes you pay tribute upon every piece of wool, cotton, and furniture in your home, and robs you steadily day in and day out by its excessive prices. Remember that this increased price does not go to sustain the Government. More than nineteen-twentieths of it goes at last into the treasury of the trust.

Also, along this line, I would like to read an extract from The Progressive Farmer:

Here are the two great evils which it is almost impossible to prevent creeping into any tariff policy:

1. The tariff tax, being collected without the consumer's knowledge, is allowed to become excessive and extravagance in government results. "Does anyone believe," as the writer wisely asks, "that one pension bill would ever have reached \$50,000,000, much less \$160,000,000, if the money had to be collected by direct levies through sheriffs and tax collectors?"

2. The farmer and the laborer not being there to speak for themselves, the tariff burden falls with grievous heaviness upon the poor man, taxes being imposed upon the necessities rather than the luxuries of life. Poor and rich alike must eat three meals a day, must wear one suit or one dress at a time, and by a tax levied on the common food and clothing of man, a poor farmer or tenant worth \$1,000 may pay about as much tax as a man worth a hundred thousand.

These evils, moreover, are not only possible; they are actual. A trip to Europe is all one needs to demonstrate this. In London you can buy a suit of clothes for \$12 that would cost you thirty at home; you can buy a pair of gloves for \$1 that would cost you \$2 here; your field glasses that cost you \$12 in New York are offered you in Paris for \$3; and so on and so on.

There is another manner by which it may be demonstrated beyond a reasonable doubt that the entire tariff tax is levied directly upon the American consumer, and that is that our manufacturers have long been selling their products in foreign countries at from 20 per cent to in some instances 65 per cent cheaper than to the home consumer. The record is full of proof to this effect, extending entirely through the period of the Dingley law. In an agricultural paper of recent date we clipped the following, showing the difference between the prices here and abroad on certain agricultural implements:

For the Chieftain hay tedder, the Americans pay \$59, the foreigner pays \$35.40, and in like proportions for all like things.

On plows of all kinds the discount to the foreign buyer is 25 per cent.

On all other horse rakes, hay tedders, and potato diggers, 40 per cent.

On garden rakes the discount to the buyer is 70 and 5.

On cast-steel garden rakes it is 70 per cent.

Some years ago some Member of this House is reported by the New York World as sending a telegram to a well-known protected manufacturer of New York, asking him if it were true that he sold his products in a foreign country cheaper than at home. Within twenty minutes he received this reply:

Of course we sell cheaper to foreigners than to Americans. What is protection for?

In this brief telegram the whole story of the thievery of protection is told. If it is not intended for the robbery of the American consumer, why should anyone desire it? Is it not high time for us to call a halt, and consider for a moment the enormity of the wrong being perpetrated upon the millions of American consumers by the passage of this bill? Have they not for many years been robbed, in season and out of season, by the protected ghouls and heartless trusts under the Dingley law?

Indeed, it seems that the mental conception of you Republicans, and especially those framing this bill, is too narrow to

compass all the rights of all the people. You have been besieged by hundreds of lobbyists, moving like an army of scavengers upon this Capitol, since it was announced that there would be a new tariff bill. And each of them came with the avowed purpose to more fully enthrone his right to inflict a heartless tax upon the American consumer. The lumber people, the steel people, the hat people, the shoe people, the hide people, and every other protected class down to the puny peanut grafters have been here, but we have been unable to find a single lobbyist from the great consuming masses. It seems they have been accorded no hearings, and, judging from this bill, their rights have received no consideration. You have offered them the same "sop" that you have been dishing out for forty years. The farmer is told that he will have a duty on corn, which will do him about as much good as if you were to tax spring water, for the one is about as abundant in this country as the other. And the same old trick is to be played upon the American laborer. He is again told that his brawn and muscle is not to be protected against the one and one-quarter million paupers coming annually into this country to compete for his job, and that the only protection he is entitled to is such crumbs as may fall from the table of some protected Dives. This bill is an outrage upon the rights of every farmer, every laborer, and every poor man, and every consumer in this Republic. Its every line is but another link in the cruel chain with which they have so long been manacled by the trust. Why should their hard earnings be taken to fill the coffers of the favored few? They are not allowed to perform even in the chorus of this thieving drama.

Mr. Chairman, there are some other schedules of this bill that I desire to speak of. Ninety per cent is levied on "shirts and drawers, pants, vests, union suits, combination suits, tights, sweaters, corset covers, and all underwear of every description;" a tax of 80 per cent is levied on "stockings, hose, and half hose;" a tax of 60 per cent is levied on "women's and children's dress goods;" 90 per cent on "clothing, ready-made, and articles of wearing apparel of every description, wool hats," and so forth. Also, I find that diamonds in the rough are on the free list; automobiles are taxed only 45 per cent; champagne is taxed about 25 per cent. If I were commissioned to write a tariff bill I would put 500 per cent on diamonds and jewels of every kind, autos, silks, laces, furs, and every other luxury of the rich, and place all of the foregoing necessities of life on the free list. What do the rich care for the price of anything? Rockefeller and Morgan would as soon pay \$500 for a diamond as \$100. A dollar saved to the poor will do more good than a thousand saved to them. The poor man counts his coppers; they look after their millions.

But I want to be fair with you Republicans. You did attempt to do a little something for the American consumer when you reduced the tax on refined sugar the infinitesimal fraction of one-ninety-sixth of 100 per cent. This is a very generous concession, indeed. By it the poor are enabled to save 4 cents per annum, or \$1 in twenty-five years. We thank you, my beloved friends, for your liberal generosity.

Now, sirs, in the face of the foregoing, how can you have the gall to face the American people and ask them for their votes in the next election? How can you face the poor farmers and shop girls of America, whose wearing apparel and whose gloves you have taxed more than 60 per cent, while you have practically put the luxuries of the rich on the free list? How are you going to face the 10,000,000 of little children who are at this very hour in which I am talking down on their knees lisping their little prayers, "Now I lay me down to sleep," robed in nightshirts and union suits upon which you have placed a tax of 90 per cent? If they understood the full measure of your depravity, they would add one more sentence to that world-famous prayer and ask their Maker to forgive your guilty souls. [Applause.] And, too, how can you face Santa Claus when next Christmas comes? You propose to tax him out of the United States. [Laughter.] The Teddy bears, learning of the infamy of this measure, are following their master to the wilds of Africa, and poor little Billy Possum is curling his tail and "hiking" out to the swamps of Georgia. [Laughter.]

And what are you going to say to the laboring man? You have protected every industry you have by an average of 46 per cent tax, while you give him nothing. The only asset he has is his brawn and muscle. You have provided yourselves against competition and left him to compete with the world. He must shed his sweat and blood in competition with the million and a quarter alien paupers who annually land upon our shores.

Now, if you have one scintilla of honesty in your hearts, and want to do something that will prove a benediction to the labor-



ing man and a blessing to the country, and that will also raise revenue for your depleted Treasury, vote with me to place a head tax of \$100 on every foreigner coming into this country. Do this, and the Lord may forgive you for the falsehoods you have told the laborer. Do this, and the people from one end of the Nation to the other will call you blessed. [Applause.]

My able colleague [Mr. Sisson] was perfectly right when he said on last night that this average 46 per cent duty levied on the products consumed in the Nation would bring enough to pay the \$280,000,000 received by the Government, to pay the entire wages paid all the industrial laborers, and leave quite three billions tax profit or tax graft in the hands of the manufacturers and trusts. This means that the taxes levied by this bill amounts to more than \$30 per capita on the 90,000,000 American people. To more fully illustrate, let me say that in 1908 we made agricultural implements, valued in round numbers at \$123,000,000; we exported \$24,000,000, leaving for home consumption \$99,000,000. Adding the 20 per cent tax levied for the benefit of the trusts and the Government, jointly, we find that the trusts got \$12,000,000, while the Government, according to the Treasury report, received only \$8,905. In other words, on agricultural implements alone the American people have been taxed for the benefit of the trusts \$12,000,000, and for the benefit of the Government only \$8,905. This demonstrates the iniquity of protection in a nutshell, and makes it so plain that a wayfaring man, though a fool, ought to see it.

In the sequel of the story as shown by these figures, is to be found the explanation for the millionaires of New England and the paupers of the South. This is why New England is rich and the South is poor.

Mr. HILL. How do you know we are rich?

Mr. BYRD. If you are not, you ought to be, for by this method you have robbed the South of everything she has made in forty years. [Applause.]

But I do not think it will always be thus. There is a limit to debauchery of every kind. I do not think that you will ever get together monkeys sufficient to bridge the stream again. In the Roosevelt election you bought your way in outright; in the Taft election you not only had to spend millions of dollars in the purchase of votes, but you deceived the people by promising them relief from this iniquitous tax. With the unction of a saint you told the people that this burden would be lifted from their shoulders—you promised them bread, but you are about to give them a stone. [Applause.]

All of this 46 per cent tax will be levied against the consumer. The act itself gives you the right to levy it, and you will most assuredly do so. There is not a member of your party that will not take everything in sight. You might as well turn a mastiff into a meat house and bid him not to eat as to trust a Republican where there is anything to appropriate, and expect him not to take it. The only proof needful of your guilt is to establish your opportunity. [Applause.]

Mr. HILL. Why does the gentleman point to me? [Laughter.]

Mr. BYRD. Because you are the best-looking man in the House. [Laughter.]

Mr. HILL. I want to say to the gentleman that I did not know whether he was talking to me or to the gentleman from Missouri [Mr. De Armond]. So far as I am concerned, his argument is wasted, because I believe in free lumber and have for the last ten years. I would be glad for him to address his lumber remarks to some of his colleagues over on his side. They need to be corrected.

Mr. BYRD. Well, if they are wrong, their long association with you has ruined them. [Applause.]

Mr. WEISSE. Will the gentleman yield for a question?

Mr. BYRD. I will.

Mr. WEISSE. The gentleman has not talked of hides yet, and I would like to have him express his opinion as to the duty on hides.

Mr. BYRD. How much time have I remaining?

The CHAIRMAN. Six minutes.

Mr. BYRD. For the gratification of my anxious friend, let me say that I am in favor of reducing the tax on any and everything that will cheapen the cost of living. The committee has placed hides on the free list. Under the Dingley law they were taxed 15 per cent. Leather is taxed 15 or 20 per cent. Shoes, harness, and all kinds of leather products are taxed from 15 to 20 per cent. Buy a pair of shoes to-day, and they first make you pay 15 per cent tax to the man who sold the hide, then 15 or 20 per cent to the man who tanned the leather, and then 15 or 20 per cent to the man who made the shoes. Hence, you will find that fully 50 per cent of the cost of your shoes is represented in tax profits.

The gentleman himself is the best authority on hides in the House, and he says that 80 per cent of all the American hides

are sold by the beef trust and that only 20 per cent comes directly from the farmers. He says also that the average beef-trust hides sell for \$8 to \$12 each, while the southern farmer's hides sell only for \$1.50 to \$2 each. A few days ago I had a letter from a certain party down South insisting that I stand by protection for hides. He knew not what he said. He will kill his little beef once a year, take its hide to town and sell it for \$2.50, and perhaps will get 20 or 30 cents more for it on account of the duty; but when he goes into a store, buys him a saddle, a set of harness for his ponies, shoes for himself, his wife, and five children, and a grip to enable his good wife to visit her mother, he will at once realize that while he is making 30 cents out of the tax on his hide, he is at the same time losing \$20 on account of the said duty. You know that you levied this tax, as well as that of 4 cents per pound on bacon and hams, for no other purpose than for the benefit of the beef trust. You were only paying your debts for the pelf they gave you with which to buy the last election. In the name of human reason, why do we need any tax on the meat products of this country? We produce enough for home consumption and to feed half the world besides. It can be for no other purpose than to enable the half dozen meat packers to shelter themselves behind this unjust and tyrannical tax and proceed with their work of destroying the very life of the Nation. For ten years the meat trust has fixed the price of every mouthful of food consumed by the 90,000,000 people, and now you propose to continue this infamous outrage. Let others do as they will, but not while my heart throbs will I ever vote to withhold food from the starving children, thousands of whom are now haunted by the pangs of hunger. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. RODENBERG. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for ten minutes.

Mr. CANDLER. Let the gentleman have ten minutes.

The CHAIRMAN. The Chair will state that it is for the committee to decide. The Chair will state that the time was all parceled out, and one hour and thirty minutes has been used on the Democratic side and thirty minutes on the Republican side. The Chair will, however, put the question. The gentleman from Mississippi asks unanimous consent to extend his time for—

Mr. BYRD. Five minutes.

The CHAIRMAN. Five minutes. Is there objection? There was no objection.

Mr. BYRD. In conclusion, let me say to those of you who dared to face the wrath of the incorrigible Speaker and assert your independence in the organization of this House that it is wholly within your power to control the destiny of this bill. If you want to amend it, as many of you pretend, "stand pat," and we will furnish you with Democrats enough to scrutinize every schedule. For the sake of humanity and the oath you took, let me conjure you not to sell out the rights of the people for a trifle. I know that you have already been approached with overtures of reconciliation. Offers have been made and will continue to be made to amend the schedules in which you are personally interested in order to secure your votes; but do you propose to force this monstrosity upon the American people in order to secure a little local benefit?

Are you going to sacrifice the great principle involved here to secure a little tariff graft on a few private interests? Open your eyes for one time in your lives and look beyond your own selfish greed to the rights of the whole people. This is a crisis in American history, and the schedules of this bill affect every individual composing our population of more than 90,000,000. If passed, it will sit as a tyrant by the fireside of the farmer, dividing his hard earnings with the trusts. It will measure the bread being eaten by the poor in every section, number the garments worn by every poor child in the land, and will drive thousands of our poor working girls to the verge of desperation, where, in order to live, they must embark upon that sea that leads to death. At one time I thought you insurgents would be punished by the full measure of the Speaker's wrath, but you have it within your power to dictate honors for yourselves. If my genial friend, Mr. COOPER of Wisconsin, desires to be chairman of the Ways and Means Committee, I am quite sure that he can with much hope ask for the same, and as to my other friend, Mr. GARDNER of Massachusetts, if he wishes, I believe the President will cheerfully send him as ambassador to Russia, for I think you all have concluded that his presence is more preferable beyond the sea than here. [Applause.] If this bill passes in its present iniquitous form, the country will hold you responsible. You are the commanders of the entire situation. No gag rule will ever pass this House if those of you displeased with this measure will stand by the minority.

I know that honors and benefits can be received from your rulers by surrendering principle, but let me teach you a lesson that was never taught you before, and that is that there are considerations in this life that rise above glittering gold or fleeting honors. To be just in the arbitrament of right between man and man; to deal out exact justice to all and special privileges to none; to stand as a bulwark and shield the poor from the encroachments of the rich; to do unto others as you would have them to do unto you, is the greatest reward that can crown the life of anyone. This is strange philosophy to many of you, but it is nevertheless true, and stands approved by Him who wrote upon the tablet of stone "Thou shalt not steal." [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BYRD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD. [Loud applause.]

The CHAIRMAN. Without objection, the request of the gentleman is granted.

There was no objection.

Mr. MCKINLAY of California. Mr. Chairman, I did not expect to take part in the debate on the bill now before the House for consideration; but as the discussion has gone on and the various view points from which Members look upon the proposed tariff bill have been submitted for consideration, it has become apparent that there is still the same old issue between the propositions of a tariff for protection on the one hand and tariff for revenue on the other. But on the Republican side there seems to be a tacit agreement that the measure of protection contained shall be the difference in the cost of production in the foreign country and our own when foreign goods are brought into the American market to be sold in competition with home manufactures. But I have noticed throughout the discussion, when reference has been made to those nations which might compete in the American market with home industries, reference has always been made to European countries, with now and then an allusion to Canada when the lumber and timber schedules are mentioned. This is natural, for throughout all the tariff discussions that have taken place in the American Congress since the formation of the Union, when various tariff bills have been under consideration, American statesmen have been compelled to consider only European competition, and when European cost of production could be ascertained and reasonably well gauged, a certain basis has always been indicated which should determine the measure of protection on American products.

But since the last tariff bill—the Dingley bill—was framed and passed new elements of competition have developed, and those elements are now rapidly becoming a controlling factor in the cost of production throughout the world. I allude to the fact that the great oriental countries, which throughout the history of the world, up to a few years ago, have been considered consuming countries from the standpoint of manufactures, are now becoming themselves, at a tremendously rapid pace, manufacturers, producers, exporters, and competitors, not only for their own consumption, but for the markets of the world, which markets include the American market, as well as the European.

The United States has been able since the universal use of machinery in manufactories has come into play to successfully compete with Europe. We have been able to do this and still pay double and treble the wages Europe has paid, and in some instances produce the article cheaper than it could be produced in any European country. We have been able to do this; first, because we have had the raw material at our doors, and, again, our country has developed very rapidly in the accumulation of wealth with which to capitalize every form of industry; but principally our universal system of education has developed keener intelligence in our working classes, and the inventive genius of the American mechanic, sharpened and stimulated by education, has invented machinery of highest efficiency and of the greatest labor-saving capacity. And supplementing these agencies, our enterprising business men and captains of industry have had the intelligence and the nerve to enable them to discard obsolete machinery and constantly reequip their industrial plants with the latest labor-saving devices, and thus through the efficiency of abundant capital, labor-saving machinery, inventive genius, and the natural intelligence of our American mechanics, we have been able to overcome the great differences in wages prevailing in Europe as against the United States. [Applause on the Republican side.]

Europe, on the other hand, has been slow to change her methods of manufacture and production. As a rule, they have

clung to obsolete machinery and to old-fashioned business methods, and consequently we have been able as a manufacturing nation to hold our home markets against European competitors and also in many cases, particularly within the last ten years, successfully compete in other countries for a share of foreign business. If these conditions should continue and no new elements of competition enter into the equation, I believe we might, with safety, concede a great deal to our Democratic friends as to the advisability of enacting a tariff-for-revenue-only measure.

But the conditions I have indicated will not continue; they are at end already. The competition of Europe need no longer be feared by the United States; a new industrial rivalry is forcing itself into the arena of the world's affairs. And that rivalry is of the Orient. I do not mean by that Japan alone, although Japan is the leader of the oriental countries, but I mean the oriental countries combined. For six thousand years the greatest of oriental nations have been bound up in the shackles of class prejudice and extreme conservatism. They have not cared to mix in the general affairs of the world; they have asked only that their isolation and conservatism be respected. But within the last fifteen years all this has changed. World-wide movements of trade and commerce and of international agreement and disagreement have resulted in opening the Orient to the free play of all the influences and agencies of twentieth-century civilization and progress; and now we find in the countries surrounding the Pacific Ocean competitors in production and manufacture, as well as consumers of the products which we are anxious to dispose of in order to maintain in continued operation our home industries.

There are 800,000,000 of people in the lands bordering the Pacific Ocean, not considering the United States, and of these 800,000,000 of people, two-thirds at least are laborers. In China there are 432,000,000 of people, according to the latest report. Three millions of these belong to the well-to-do class and the balance are workers. In Japan there are 50,000,000 of people, not counting the inhabitants of Formosa, which island contains 3,000,000 more. And of this great total of the inhabitants of Japan, 46,000,000 depend on labor. In India there are 200,000,000, and scattered through the islands of the sea and South America there are peoples who will make up the sum total of 800,000,000.

Now, the point I wish to make is this: When these hundreds of millions of the peoples of China, Japan, Korea, and India begin to use up-to-date machinery under the management of skillful men, imported from every industrial center of the world, assisted by capital furnished at the lowest possible rates of interest by the government itself, begin to manufacture cotton goods, woolen goods, steel and iron products, wooden products of a hundred different kinds, leather goods, and numerous other varieties of manufactures, will we sell our manufactures in their country or will they sell the products of their mills and factories in ours? I contend, Mr. Chairman, that a careful study of the conditions which I have briefly indicated, which are rapidly developing in the countries bordering on the Pacific, will demonstrate that there never was a time in the history of the United States when the principle of protection should be more carefully guarded than in the present hour. [Applause.]

For a moment consider the conditions in Japan, the great leader of the oriental peoples, and I will not speak of the splendid ability she has displayed in the conduct of her wars with China and Russia, but in the marvelous progress she is making in establishing an industrial system that within a decade will market its products in every country of the earth. I have had the advantage of some travel in the Orient, and for a good many years I have been studying oriental conditions, particularly those of Japan and China, and I believe the facts which I now desire to submit to the House, if estimated at their proper value, will have something to do with determining the schedules of duties which will be imposed in the tariff bill now under consideration.

In the first place, I want to point out that our trade with China, Japan, Korea, Manchuria, and the islands of the coast of Asia is diminishing and not increasing, and this is owing to the fact that already the competition of Japan in almost every line of manufacture is displacing American products.

I was in Tokyo in 1905 at the time of the period of suspension of hostilities between Japan and Russia. It was after the great battles had been fought on the plains of Manchuria and it was while the President of the United States was endeavoring to bring the opposing nations together in a treaty of peace. It was my good fortune on two different occasions to have an interview with Marquis Ito, who is called the "Gladstone of



Japan," and who at that time was the chief adviser of the Emperor and leader of the council of elders, and who was and is, without doubt, the greatest constructive statesman of the Empire. Marquis Ito is now the viceroy of Korea, although he is an aged man, being at least 75 years of age; because of his great ability he has been intrusted with the duty of firmly establishing Japanese influence and power in Korea. On the two occasions upon which I had the honor of talking with Marquis Ito the subject of the exclusion of Japanese laborers from the Pacific coast was brought up. The Marquis, knowing I was from California and the only member of the Taft party from that State, and, in fact, from the entire Pacific slope, inquired of me why Californians were opposed to Japanese laborers going to that State. He said to me, in substance, as I recall the conversation, that he thought Japanese laborers would be a great boon to California; in fact, he said he could not understand why the United States as a nation would not welcome millions of such laborers as Japan had to send to another country. He said the Japanese laborer was sober, docile, expert, and faithful, and, he said, taking everything into consideration, he believed they were as good laborers as could be found in the world. And he asked me this question:

Why not take the Japanese laborer to man your cotton mills, your woolen mills, your boot and shoe factories, and your many other agencies that require the use of labor? And thus, with your up-to-date machinery, and your expertness in using capital in large sums, and with the cheap labor that would come with the employment of Japanese workmen, you might be able to produce so cheaply the articles required in the world's markets that you could undersell all other countries.

"But," I asked him, "how about the American laborer?" I told him that in our country, though political parties might differ on matters of expediency and policy, nevertheless there was a unanimity of opinion that the standard of the living and the opportunity of the American workingman must be maintained as high as possible, even though we were compelled to close our doors to such labor as he described; that with us, despite our eagerness to accumulate wealth, we still estimated the American citizen of more value than the American dollar. The marquis replied that there was no need for controversy between Japan and the United States over the admission of Japanese laborers, because, he said, it was Japan's policy to keep her laborers at home and employ them at home; that the Government of Japan did not want her laborers to go to any other country and furnish cheap labor to that country, because Japan herself was then laying the foundation of a great industrial system which, it was hoped, in a few years would give employment to substantially all the laborers of the Empire.

I remember well the conclusion of our second interview. He said, speaking of the conclusion of the war:

When we get back those million men from the armies in Manchuria and the ships on the sea, we are going to train them in industrial and productive employment of every kind. We are going to send our bright young men into the world to learn every trade and craft and every kind of business system, and some day we will be able to make goods and products so cheap that you people of America will buy them from us, and so we prefer to keep our labor at home.

And I apprehend he said the going of Japanese laborers to America will never cause any serious difficulty between the two countries.

Since then I have closely watched the rapid development of Japan and her increasing influence over China, Korea, and Manchuria, and I find that the words of the marquis have been more than made good. Any student of oriental trade and industrial conditions will tell you that mills and factories of every description are being established in Japan, China, Korea, and Manchuria, and these industrial enterprises are being established under the most favorable conditions. Japan has the most paternal government of any country in the world, and in every possible way the Government is assisting in the promotion of every form of manufacture, trade, and commerce.

In the first place, any company of reputation formed in Japan, if it can give a reasonable guaranty of good faith, can obtain governmental assistance in the starting of its enterprise. The land, probably, upon which the factory is to be built will be donated by the Government. Capital is loaned by the Government, directly or indirectly, at as low as 2 per cent interest, with a long time for payment. Then, when a factory is ready for the machinery, the Japanese business promoter, whether it be a company or an individual, purchases the very latest labor-saving devices and equips his plant with that kind of machinery. As I said before, the United States has an advantage over Europe in the kinds of machinery used and in our business methods. We use the latest and best machinery, and, though we pay higher wages than European countries, we sometimes produce at a lower cost of the product than is attained by them, by reason of the effectiveness of better machinery and better comprehension of business methods.

But this advantage is not on our side when we encounter Japan, because their mills and factories are being equipped with the very latest machinery the world can supply. And they even have the advantage over the American promoter in the buying of that machinery, as they can generally equip their factory for one-half the cost of equipping the same kind of a plant in the United States. It is done in this way: Their want of patent laws permits Japanese promoters and manufacturers to copy any kind of machinery. In equipping a plant in the United States, the promoter always buys the latest models of machinery, but he has to buy all the machines his factory requires at the market price. Now, we will say a certain machine that is sold for \$200 is to be used, and maybe the factory will require 50 such machines. The promoter must pay \$200 apiece for each of the fifty. Now, perhaps that machine could be constructed for \$50 or \$75; that would be the cost of the material and labor for that piece of machinery; but the American purchaser must pay \$200 just the same, because three or four pieces of that machine are patented, and a great part of the purchase price goes to pay royalties to the patentees.

And so in the United States or Europe the capitalization of a factory is largely based on the market price of the machinery. But the Japanese promoter gets around our patent laws. He sends over and buys one of our machines, takes it to pieces, and has a hundred more built just like it for probably one-quarter of the cost, and so puts machinery in his plant at much less the cost of his American or European competitor.

Then, when the industry is ready for operation, he begins to hire his labor; and what wage scale does he pay? Laborers in factories in Japan, adult men and women, labor for ten hours for from 12 to 15 cents a day in American money. Common mechanics receive 20 cents a day, good mechanics 30 cents; and the highest skilled artisans of Japan, men whose hands can furnish the most delicate surgical instruments, watches, or astronomical instruments, receive 50 cents a day in American money. And remember, the supply of labor at these prices is absolutely unlimited.

Then, when the plant is ready for operation, subsidized ships go out into the world and raw material is purchased at the world's price. It is brought to Japan in subsidized ships and is manufactured in the subsidized factories of Japan; goes out in subsidized ships as completed product, and is distributed at the world's markets.

Now, these conditions which I have indicated are so rapidly developing in Japan are developing in every country of the Orient, and the elements entering into the cost of manufactures in which those countries engage are so rapidly lowering the cost of production that values are being unsettled on every side; and this readjustment of the cost of production is throwing all Europe into the realm of speculation as to what the outcome of this struggle for the control of the world's markets will be. The Congress of the United States should not be blind to these facts and to these conditions. I have a few extracts taken from our consular reports pertaining to Japan, China, and Korea which I hope I will be permitted to incorporate in my remarks.

For instance, a careful study of the latest consular reports will show that the United States is sending to Japan less of manufactured products each month, and this rule applies to the imports into Japan from all the countries of Europe. The nature of the imports into Japan clearly indicates the growth of their industrial system. In order to carry on the great scheme which has for its object the manufacturing and industrial supremacy of Japan throughout the Orient in harmony with her industrial policy, it has been necessary for Japan to establish a merchant marine. Along this line she has been eminently successful. The report of trade conditions in Japan and Korea by Raymond F. Crist, special agent of the Department of Commerce and Labor in relation to the increase of the Japanese marine says, on page 14:

With the increase of the foreign trade of Japan there has been a corresponding growth of its merchant marine through the purchase of ships abroad and the development of shipbuilding at home by favorable laws and bounties for ships constructed along certain lines. The present development of shipbuilding is the result of governmental aid, as shown by the rapid growth since 1896, when the shipbuilding-encouragement law and the navigation-encouragement law were enacted. In 1895 the merchant marine of Japan consisted of 827 steamships of 341,000 tons and 702 sailing vessels of 44,794 tons. At the close of 1903 there were 1,570 steamships of 657,000 tons and 3,934 sailing vessels of 320,000 tons. The tonnage of the steamships had nearly doubled and the sailing craft had increased over sevenfold between the years 1896 and 1903. During the recent war with Russia steamers aggregating 177,000 tons were purchased abroad and 27,000 tonnage was built in the Japanese shipyards, while the war losses aggregated 71,000 tons, netting an increase of 103,000 tons and raising the steamship tonnage to 790,000 tons at the beginning of 1905. Government encouragement has also resulted in the establishment of over 200 shipyards and 35 docks, and with this equipment there can be constructed merchant ships of upward of 6,000 tons and the largest men-of-war.

There are now vessels of regularly established lines plying between Japanese ports and Europe, America, Australia, Bombay, and Chinese,

Korean, and Philippine ports, all of which receive liberal subsidies from the Government. The subsidy rate is based on a speed of 10 knots per hour and for steamers of not less than 1,000 tons at 12½ cents per thousand miles, increasing with the increase of tonnage and cargo.

[Extract from report of Pacific coast chambers of commerce committee. By E. G. Babbitt, United States vice-consul in charge, Yokohama.]

## SHIP SUBSIDIES.

Japan believes in subsidizing the building and operation of ships. That this has had a great influence upon the upbuilding of her merchant marine is unquestioned. Though a poor nation, she has continued to increase her appropriations for the encouragement of shipping. Her budget for 1908-9 carried the greatest amount ever appropriated by her, amounting to 12,390,695 yen, as follows:

|   | Yen.       |
|---|------------|
| Encouragement of navigation                 | 3,483,955  |
| Encouragement of shipbuilding               | 1,995,440  |
| Subsidy to European route                   | 2,673,895  |
| Subsidy to San Francisco route              | 1,013,880  |
| Subsidy to Seattle route                    | 654,030    |
| Subsidy to Australian line                  | 425,782    |
| Subsidy to far eastern service              | 530,000    |
| Subsidy to inland Chinese navigation        | 800,000    |
| Training of mariners                        | 5,000      |
| Lifeboat work                               | 20,000     |
| For calling at Korean and north China ports | 50,000     |
| Coasting service                            | 351,000    |
| Ogasawara (Bonin Island) service            | 17,000     |
| Islands in Kagoshima                        | 22,800     |
| Oki Island                                  | 5,400      |
| Hokkaido coasting service                   | 180,553    |
| Idzu Island service                         | 7,560      |
| Taiwan service                              | 140,000    |
| Okinawa (Loochoo Island) service            | 5,400      |
| Okinawa remote islands                      | 9,000      |
| Total                                       | 12,390,695 |

There is every indication that the subsidies paid to ships plying between Japan and America and Europe will be continued after the expiration of the present law in 1911.

Japan seems to be as far advanced as any of the great commercial nations in the establishment of beacon or coast lights and life-saving stations.

## POSTAL SYSTEM.

In 1871 a postal system modeled on western mail service was adopted in Japan. It is wholly under the charge of the Government and is co-extensive with the Empire. There is a parcels-post service, which had its inception in 1892, and which has rapidly developed until it now handles upward of 15,000,000 parcels annually, and has proved of great service to the merchant classes and of economic worth to the masses. Japan maintains in China and Korea quite a large number of post-offices. Postal matter is divided into five classes, as follows: First class, letters; second class, postal cards; third class, periodicals issued not less than once a month; fourth class, books and printed matter; fifth class, seeds of agricultural products. There is an express delivery, poste restante, delivery certificate, registration, value-declared mail, collection of trade charges, collection of cash, franc post. Other foreign mail includes a foreign parcels post. There is a system of both domestic and foreign postal money orders, and postal savings banks. Under the department of communications are the foreign and domestic telegraphs and the telephone.

In fact, the rapid development of the merchant marine of Japan has furnished more ships than cargoes, and Japan is now eagerly looking for new sources of business in order to employ her ships until her manufacturing and producing agencies increase their output to supply cargoes for the idle vessels. In this connection I want to say that the United States, up till a few months ago, controlled a very considerable market in Australia, our trade with Australia amounting to a little over \$30,000,000 a year. We were exporting about twenty millions to Australia and importing about ten millions. This trade was carried by the Oceanic Line of steamships. The line consisted of three first-class vessels, built according to the specifications of the Government of the United States and manned by American sailors and officers, and these three vessels made 13 trips a year to Australia direct, stopping at some of the southern Pacific islands on the route. The line never paid running expenses, the course to Australia being over 7,000 miles, the speed required being 16 knots an hour, and the peculiar conditions requiring all white crews. But, nevertheless, the Oceanic Company struggled on, in the hope that the Government of the United States would increase the subsidy for mail carrying over that route from \$2 a mile, outward voyage, to four. Two or three attempts have been made since I have been in Congress to pass such a measure, and all have failed. The Oceanic Steamship Line has been discontinued, and we are rapidly losing our trade with Australia, and it will be a matter of only a few years until our manufactured products will be unknown in the Australian markets. There seems to be only one hope of relief in this line, and this is that Japan will use some of her great ocean liners in the establishment of a Japanese steamship line from San Francisco to Australia. But it would seem more likely that Japan would endeavor to herself absorb the Australian market lost by the stupidity of the Congress of the United States in failing to give necessary assistance to the Oceanic Company to keep open that great ocean highway of American commerce between the United States and Australia.

In the development of the Japanese industrial system, the

Government gives assistance to every form of enterprise in various ways. Quoting again from Mr. Crist's report in regard to manufacturing, he says, on page 16:

## MANUFACTURING.

## INDUSTRIES ENCOURAGED AND FOSTERED.

The evident aim of the Government is to place Japanese manufactures on an independent footing. That this object has long been entertained is shown by the persistent effort made during the reign of the present Emperor to develop the manufactures which now flourish throughout the Empire. The manufacture of almost every commodity now made in Japan was begun under Government supervision and expense.

## EFFECT OF MODERN METHODS.

This renaissance of Japanese manufacturing has had a correspondingly powerful influence both upon the quantity and character of the imports of the Empire. Great changes are observable in the kinds of articles demanded during the past fifteen years. Goods that were essential to the well-being of the natives in 1890 and were among its leading imports are no longer purchased abroad, but instead are manufactured in such quantities that the surplus is exported to other parts of the world, and in many instances to the countries from which they were previously purchased. Thus, instead of occupying the position of a buyer of her necessaries from other countries, Japan has entered the ranks as a competitor for a share in the world's markets.

## GOVERNMENT INITIATIVE.

Before the restoration the industries of Japan consisted mainly of the manufacture of porcelain, raw silk, lacquered silk ware, hemp and cotton fabrics, copper ware, paper, wood and bamboo wares, matting, sake, and soy. Upon the establishment of the present Government a systematic effort was made to stimulate the adoption of modern methods and to introduce machinery where it would create a greater output and perfection of product. Model factories and plants were installed by the Government in many industrial branches, such as for the manufacture of cotton, silk, and woollens, cement making, shipbuilding, various iron-working plants, glass, brick, match, and paper factories. The result was felt in an earnest study by the people of the methods used by western nations, and the early supplanting of more primitive methods, causing an immense increase in the manufactures of the nation.

In 1890 the exports of manufactured commodities embraced most of the articles whose initial manufacture was undertaken by the Government in the model factories established but twenty years previously. The value of the exports of manufactured articles was \$19,382,000 out of a total export of \$42,500,000. In 1900 exports of manufactures had increased to over \$28,000,000. In 1904 a further increase was recorded in the unprecedented export of over \$120,000,000 of manufactured articles out of a total export trade of \$159,600,000. This amount represented a vast expansion in variety of manufactures as well as in value. From the greatly broadened sphere of the post-restoration period the field of manufactures had further expanded, until in 1904 it may be safely asserted it embraced nearly all lines.

## STATE AID TO PRIVATE ENTERPRISES.

In addition to the establishment of model factories, the Government purchased abroad complete equipment for spinning and weaving mills and turned it over to individuals desiring to enter upon those lines of manufacture, with the privilege of using the machinery and paying for it on a long-time and small installment basis. On the other hand, to those who were desirous of initiating a new system of manufacture, but were deficient in capital, the Government loaned the necessary funds. Others were granted financial assistance by the State for terms sufficiently long to place them on a sound financial and industrial basis. In many instances within the short period of ten years the factories had been turned over to individual enterprise, and state aid was no longer required.

## OPERATIVES AND WAGES.

Between 8,500 and 9,000 bales of cotton yarns were made in 1904 by the Settsu Cotton Spinning Mill, located at Osaka, ranging from 10's to 20's, about two-thirds of these being 16's. These yarns are all made for export to China, Korea, India, other Asiatic countries, and the Philippine Islands. The bales are of 420 pounds net weight of cotton. The company is capitalized at \$750,000, of which \$700,000 is fully paid up. Upon this capitalization an officer of the company stated that for the past six months they had declared a dividend at the rate of 50 per cent per annum. An accumulated reserve fund of \$1,000,000 is annually being added to. There are seven mills, with about 7,000 operatives. The average daily wage is about 27 sen, or between 13 and 14 cents in American currency. As the operatives can live at about 20 sen per day the compensation is not so low as to be uninviting, and many are willing to serve at that rate. The company has separate boarding and lodging houses for male and female unmarried employees, where they live at a daily charge of 7 sen, although the actual expense is 10 sen daily to the company. That this philanthropy is not unusual is shown in the bonuses annually given to employees and other features of industrial enterprises looking to the betterment of their condition.

[Extract from report of committee on commercial relations of chambers of commerce of cities of Pacific coast.]

Following the restoration, manufacturing in Japan underwent a change by reason of the introduction of labor-saving machines. The Government then made a systematic effort to encourage their use and established model factories for that purpose. Machinery was thus introduced into the handling of raw silk, the spinning of cotton and silk, the manufacture of matches, cement, the brewing of beer, the building of ships, and, finally, into the mining of coal and copper, the refining of sugar, the making of gas and coke, and a long list of other articles. From small beginnings these industries have grown until in 1906 there were:

|  | Yen.       |
|--|------------|
| 38 cotton-spinning industry companies, with a total capital of | 38,413,000 |
| 54 mining and metallurgical companies, with a total capital of | 23,146,000 |
| 89 electric-lamp companies, with a total capital of            | 27,976,000 |
| 16 shipbuilding companies, with a total capital of             | 11,752,000 |
| 32 coal-mining companies, with a total capital of              | 11,081,000 |
| 8 sugar-refining companies, with a total capital of            | 7,416,000  |

The above list may be greatly extended by referring to the Japan Yearbook of 1908-9.

United States Vice-Consul-General Babbitt, in his special report to the committee, gives the following information: "The industries of



Japan have grown rapidly since the war with Russia, 383,106,800 yen having been invested in new plants, and 130,587,000 yen representing enlargements of old plants, or a total of 513,693,800 yen.

For years Japan has systematically investigated and encouraged foreign trade. For some time past she has sent abroad some of her brightest young men to study and report upon trade and commerce, and also to obtain practical training, either at commercial establishments or in factories. A larger percentage of these young men were sent to the United States than to any other nation. Since this system was inaugurated young men have also been sent to Mexico, Germany, England, France, China, British India, Belgium, Russia, Siberia, Australia, Canada, Peru, Straits Settlements, Java, Switzerland, and the Philippines, and they have carried back to Japan a wonderful amount of information and practical knowledge, much of which has been adopted into the industrial life of the Empire. Japan has established numerous commercial sample museums, not only at home, but abroad. Some of those abroad are in Vladivostok, Odessa, Bombay, Singapore, Mexico, Constantinople, and the various ports of China. Also, she has established experimental schools for the production of commercial commodities.

#### TARIFF SYSTEM.

Japan has a comprehensive tariff system. It is divided into three main classes: Dutiable goods, nondutiable goods, and prohibitive goods. For dutiable goods the tariff ranges from 5 to 40 per cent ad valorem. The tariff upon tobacco and alcohol is practically a prohibitive one.

Indications point to a great future for Japan in manufacturing. The Government encourages new enterprises of this character, and conditions seem exceptionally favorable for their ultimate success. There appears to be an incalculable amount of water power readily convertible into electrical energy. Some of this power is already utilized and much more is under way and in contemplation. One thing, we were advised, stood in the way of the utilization of the great water power of Japan—the use of water by the farmers for irrigation. But we were also informed that before the water reached the lands of the farmer it fell out of the mountains was sufficient to generate all the power necessary, and that the objections of the farmer would be overcome by demonstrating that the use of the water for power purposes would in no way affect its use for the purposes of irrigation.

There is also an almost limitless supply of labor in Japan which seems able to turn its hand to new vocations and master the details of new methods and machines in a short space of time. Through the ages they have used their hands in the making of fine fabrics and in the arts. At the time of the restoration there were dozens of different kinds of silks; hemp and cotton were woven into cloths and nets; fine porcelains were made; and the making of copper and lacquer were an art. The Japanese, as a people, have learned to use their hands.

#### TRADE.

Japan has made great progress in her foreign trade since 1868. In 1869 she exported a little over \$1,000,000 worth of tea, while in 1907 her exportations were over \$6,000,000. In 1869 she exported \$2,900,000 worth of silk tissues, yarns, and materials, while in 1907 she exported \$80,000,000 worth. In 1869 the amount of coarse and refined copper which Japan exported is hardly worth mentioning. According to the latest statistics she is now exporting copper to the value of nearly \$15,000,000, her total export trade in 1907 amounting to \$216,000,000.

The United States is the principal purchaser of Japan's exports, the trade with the United States being 30 per cent of Japan's export commerce. China is Japan's second-best customer, and England ranks third. The following table will give a comprehensive idea of the manner in which Japan's foreign trade is developing:

|                        | 1898.      | 1907.       |
|------------------------|------------|-------------|
|                        | Yen.       | Yen.        |
| Imports from—          |            |             |
| Great Britain.....     | 71,552,065 | 116,192,437 |
| United States.....     | 62,072,857 | 80,675,668  |
| France.....            | 8,087,470  | 6,897,407   |
| Germany.....           | 29,196,142 | 47,620,094  |
| Exports from Japan to— |            |             |
| Great Britain.....     | 10,251,984 | 22,267,763  |
| United States.....     | 62,354,136 | 130,828,815 |
| France.....            | 19,125,424 | 42,523,596  |
| Germany.....           | 3,507,789  | 11,172,740  |

These extracts from the reports of Mr. Crist will show the methods employed by the Government of Japan to develop the industries at home, and I would recommend the study of these reports, particularly to our friends from the South who are interested in obtaining foreign markets for the products of their cotton mills. Again, turning from Japan to China, I desire to call attention of gentlemen to the fact that our trade with China is diminishing rapidly, particularly in manufactures, because of Japanese competition. In 1905 our exports to China from the United States proper and Hawaii amounted to \$56,149,917. In 1906 our exports were \$35,548,967; in 1907 they had fallen to \$29,153,746. What is the cause of this remarkable decline in our exports to China? It is the fact that China as well as Japan is becoming a manufacturer and producer and is entering into competition with Europe and the United States for the world's business, and China is first endeavoring to supply her own markets with her own factories, and when she does purchase from an outside country she gives preference to Japan as against the United States and Europe. I will insert in my remarks a number of extracts taken from Consular Reports, annual series, No. 29, China and Hongkong, trade for the year 1907, as indicating the great variety and the wide diversity of manufactures being exported from Japan to China, and I wish to particularly call attention of gentlemen from the South to the report on the cotton business of Japan and their exports to China.

The rivalry between the United States, Japan, and Great Britain for the supply of cigarettes is quite keen, the sales from each country for the four preceding years being as follows:

| Year.     | United States. | Japan.    | Great Britain. |
|-----------|----------------|-----------|----------------|
| 1904..... | \$683,305      | \$726,574 | \$265,713      |
| 1905..... | 1,608,654      | 636,217   | 607,824        |
| 1906..... | 2,596,142      | 287,574   | 1,349,354      |
| 1907..... | 1,065,534      | 524,932   | 934,202        |

#### SALE OF AMERICAN BOOTS AND SHOES—CLOCKS—GINSENG.

There has been a gradual growth in the receipts of American boots and shoes, leather, and other materials, the sales rising from \$4,324 in 1904 to \$18,452 in 1907.

The comparison of values and quantities from the United States and those of other countries will show the high grade of American import. For example, 9,646 pairs of shoes from Europe were valued at \$10,245; about 34,300 pairs from Japan at \$30,810, as compared with somewhat less than 8,000 pairs from America valued at \$18,452. The inference is, and this is borne out by investigation, that it is the foreigner in China, not the Chinese, who is the buyer of the American shoe. An intelligent effort to supply Chinese shoes to China would seem more certain of a liberal reward than any branch of manufacturing industry.

In the supply of clocks and watches Japan leads, with sales in 1907 amounting to \$214,259, against \$282,614 in 1906, while the sales from the United States amounted in value for these two years to \$49,714 and \$101,000, respectively. It would seem that the American manufacturer should make a better showing in this market, which could be done by the production of cheap clocks and watches suitable to the low price which the Chinese are prepared to pay.

The receipts of ginseng in 1907 amounted to 343,243 pounds, of which 173,475 pounds came from Hongkong, 119,361 pounds from Japan, 50,339 pounds from Korea, 157 pounds from India, 88 pounds from Macao, 66 pounds from the United States, and the remainder, 77 pounds, from Russia and Straits Settlements. The amount credited to Hongkong probably came originally from the United States.

#### HOUSEHOLD STORES—WINES AND MILK—DYES.

The importation of household stores is another line in which America caters almost exclusively to the foreign demand. The total imports in 1907 were valued at \$3,443,137, of which the United States is credited with \$1,436,170, the closest competitor being Japan, with about one-third this amount.

In the trade of wine, beer, and spirits the United States does not rank very high, notwithstanding the excellence of the American malt liquors introduced into this market from America. The proximity of Japan and the cheapness of the beer produced there makes that country the leading importer.

The hardware trade in China is worthy of American attention. During 1907 the sales from the United States amounted to \$98,750, out of a total of \$790,000, while those from Japan amounted to \$144,000. In regard to furniture, in which the United States should lead, an examination proves disappointing. The total imports into China in 1907 were valued at \$758,400, of which the United States furnished \$39,500, Great Britain \$202,230, and Japan \$237,000.

And again, on page 17 of Consular Report No. 29, we find what China exports in the way of cottons and cotton yarns:

#### WHAT CHINA EXPORTS.

In 1907 China exported 131,411,315 pounds of raw cotton, against 102,349,086 pounds in 1906. This cotton largely goes to Japanese mills, where it is manufactured into cloth to be sent back to compete with the foreign and Chinese woven article.

Turning from China to Korea, we find that country now passing completely under the domination and control of Japan. Korea contains 82,000 square miles, a great portion of which is fertile agricultural land. The climate is mild and agreeable. It is a land peculiarly capable of agricultural development. In Korea there are ten millions of people, and last year their trade approximated \$13,500,000, and this trade was principally in cotton and cotton manufactures. But of this \$13,500,000 the United States secured but a little over \$1,000,000, and \$10,195,000 came from Japan.

Of course, in the short limits of time accorded me, I can do no more than merely sketch the outline of the proposition I desire to emphasize. But the open door of the Orient, while it may be alluring as a doctrine to theorists and dreamers, is not proving to be of much benefit to the United States. Our country, as a whole—I mean by that our Government, our manufacturers, our exporters, and our commercial men—must quickly grasp the significance of our diminishing prestige in the Orient or valuable markets will be closed to us forever. And the time is rapidly approaching when the United States must depend upon markets outside of the United States proper for the sale of goods in order that our mills and factories shall continue in operation. We have developed as a Nation the most stupendous industrial system upon this earth. It has far eclipsed dreams of the most sanguine statesmen of twenty years ago, and in the last twelve years our national wealth has nearly doubled. Our industrial system has increased one-third, and last year our shops and mills and factories and forges turned out nearly \$15,000,000,000 of manufactured products. This stupendous sum total of manufactures has given work and wages to over

7,000,000 of employees of various kinds, and to-day over 30,000,000 of souls depend upon the industrial system of the United States for existence. It is the one great factor of American well-being that should be most carefully considered in the framing of the present tariff bill. Gentlemen on the other side continually harp about the welfare of the ultimate consumer, but they should bear in mind that in the United States the consumer is also a producer, that the 35,000,000 of people depending on our industrial system for the necessaries of life are ultimate consumers, and no law can be devised that can separate the consumers and the producers of the United States because they are one, and the tariff law which is framed to give the greatest advantage to the producer at the same time takes care of the consumer.

You ask me, perhaps, why I have brought to the attention of this House the conditions of trade and commerce in the Orient and the diminishing prestige of the United States, or the fact that the United States is not acquiring the prestige she should in those great markets. It is easy sometimes to point out an evil, while at the same time it is hard to suggest a remedy; but if I may be permitted to suggest, I might say that next to the passage of a protective tariff bill should come the passage of a ship-encouragement and navigation-encouragement bill, to borrow the Japanese term, which would open the ocean highways to American merchant vessels. [Applause.] We should restore by reasonable legislation the Oceanic Steamship Line to its course from San Francisco to Australia; we should establish lines from Seattle and other Puget Sound ports to countries of the Orient, and particularly to the Philippines, and connect San Francisco with every land of Asia; and above all, as quickly as possible, the United States should be connected with every prominent port of South America, both on the eastern and western side. I sincerely hope that more careful study of the needs and necessities of American producers and manufacturers for foreign markets may cause Congress, when it meets in regular session next winter, to pass measures for the restoration of the encroached merchant marine. This subject should be in a spirit of fairness and conciliation, so that some legislation may be passed that will carry out the designs of Presidents Cleveland, McKinley, Roosevelt, and Taft. [Applause.]

Before I conclude, I desire to say a word in regard to a feature of the Payne bill which has not yet been discussed very fully, and that is in regard to the Philippine Islands, that part of the bill which applies to the Philippines. According to the latest reports I have been able to obtain, the trade of the Philippines amounted to nearly \$60,000,000—thirty-three or four millions of exports and about twenty-six millions of imports to the Philippines.

In 1904 the imports into the Philippines amounted to \$35,000,000, but since the cessation of hostilities and the withdrawal of a great portion of the army from the Philippines their imports have been less. Last year, I understand, they amounted to about \$26,000,000. Of this the United States secured only four and a half millions. Now, I submit that since we maintain sovereignty over those islands and are engaged in the great work of extending our civilization and form of government over those people, we should give them the same trade privileges we accord to any other Territory or dependency of the United States.

The Philippine Islands, in my judgment, if accorded the same privileges as other parts of the United States, will soon become a most valuable market for the products of the mills and factories of the United States. The Philippine group of islands contains upward of 115,000 square miles and are inhabited by 8,000,000 of people, divided into 65 different tribes and portions of tribes. Conditions in the Philippines for many years prior to the American occupation were unfavorable to the development of agriculture and industrial progress. Revolutions against the authority of Spain occurred continually; these revolutions finally terminated, as everyone knows, in American occupation. Since the occupation of the Philippines by the United States and the establishment of a universal and, we believe, a permanent form of government, a change is taking place for the better. Ladronism has been almost entirely stamped out and piracy extirpated, and the peaceful people of the islands, under the powerful government of the Philippine Commission, backed by the strength of the American Republic, are at last forgetting their old fears and troubles and are turning their attentions toward the development of the natural resources of their wonderfully rich country. The natural products of the Philippine Islands, in the main, will never come in competition with the products of the United States. It is true, tobacco and sugar may be produced in large amount, but, nevertheless, extensive production of tobacco and sugar can not be

carried on unless a different kind of labor is imported there than now occupies the labor field.

When the Philippines came under the control of the United States the provisions of the Chinese-exclusion law were extended over the archipelago, a result of American supremacy, and thus it became impossible for companies to be formed for the purpose of taking up the lands in extensive tracts and cultivating them with imported Chinese labor. The natives themselves will never in any great degree perform the arduous and exhausting labor of cane cultivation. Therefore, I believe that if the Chinese laborers are excluded permanently from the islands cane culture will gradually disappear and the rich lands of the sugar districts be planted to hemp or rice or other products that require less labor than the culture of sugar cane.

I believe that the provision of the Payne bill, which admits 300,000 tons of Philippine sugar to the United States free of duty, is a wise provision. The records show that the highest point in quantity of raw sugar ever produced in the Philippines for export amounted to only about 360,000 tons, and of this quantity the Philippine exporter, after supplying a certain demand which he had in Hongkong and Japan, had little left to ship to the United States. I believe the fears of the sugar producers of the United States are groundless, and so long as the United States is compelled to import in the neighborhood of a million tons of sugar annually we can with safety indorse this schedule of the Payne bill.

In regard to tobacco, the conditions are substantially the same. The Philippine product will never seriously compete in American markets with the American tobacco producer, as the Philippine tobacco is coarse and rank in quality and would never be extensively used by American consumers. In fact, it has been stated to me by experts in tobacco that the provision of the Payne bill in regard to tobacco which might be imported from the Philippines would really stimulate the American tobacco industry, as the necessity of purchasing in the United States a finer grade of tobacco for cigar wrappers would be developed under the operations of this bill, which provides that American products may go to the Philippines free of duty, providing Philippine products are admitted to the United States on the same terms.

The Philippine Islands are not now and probably will not be for many years producing sufficient rice for home consumption, and so the fears of competition with Louisiana rice would seem to be unfounded. Hemp and copra products, which are an important part of Philippine production, of course can never encounter any competition in the United States. As the great mass of people of the Philippine Islands gradually arise in the scale of education and better living, and turn from the old predatory and often haphazard way of living which has prevailed for so many years because of their revolutions and wars, their pests and famines, and become more settled in their life and occupations, they will gradually consume more of the products of the manufacturing countries like the United States. They are as a people ambitious and eager to learn and are anxious to advance in the scale of civilization, but, so far as I have been able to observe, they are of a softer nature than the hardy people of China and Japan. And, therefore, I believe their development will be along lines of production that will not require arduous labor, but still they will rapidly rise if the present conditions are continued, and their capacity to consume manufactured products will increase enormously. One of the greatest experts on Philippine affairs in the United States, a man who has traveled extensively in the islands, informed me but a few days ago that he was satisfied that within ten years, if the Philippine Islands were given the same privileges as Porto Rico and the Hawaiian Islands, they would be the consumers of a hundred millions of dollars of manufactured products annually.

If the Payne bill is made the law of the land, it should secure to the American manufacturer the trade of the Philippine Islands. And, thus, the market of the Philippine Islands, under the provision of this bill, should become a part of the great home market of the United States.

There is another feature, too, which I must mention in regard to the acquirement and preservation of home markets, and that is the so-called "Asiatic labor situation on the Pacific coast." Before concluding my remarks, I want to point out to manufacturers of the East and South that Asiatic laborers only purchase Asiatic products, and if the extensive plains and orchards and ranches and timber tracts of the Pacific coast are filled with Asiatic laborers, whether Chinese, Japanese, or Hindoos, there will be a tremendous loss to the manufacturers of the East. It was learned in California many years ago, when the Chinese-exclusion law was being agitated, that of every dollar earned by an Asiatic on the Pacific coast 80 cents was sent to



Asia on the first of each month, and these conditions prevail to-day and will still continue to prevail. And, therefore, in the struggle that the States of the Pacific coast are making for the preservation of the coast from the invasion of Asiatic laborers, we are, after all, making a struggle to increase the markets for the products of the manufacturers of the East. If the various avenues of employment of the Pacific coast are filled with white laborers and paid white men's wages, it will furnish ten times the market for eastern manufacturers than if the same avenues of employment should be controlled by Asiatic laborers. And, therefore, I believe that when this question is understood by the people of the East as it is understood by the people of the Pacific coast there will be little trouble in passing the necessary laws to preserve the Pacific coast a white man's country and a white man's market. [Applause.]

Concluding, then, let me say that I believe that this present bill should preserve strictly the protective principle in favor of American labor and American industries. Already the products of the factories of Japan are beginning to invade the markets of the United States upon the western side. We have had already consignments of cotton goods and boots and shoes of the cheaper quality, all kinds of brushes, many kinds of cutlery, and even schoolbooks, manufactured in Japan for American consumption. Already oriental manufactures are beginning to trickle through the protection dike; and if the stream is not stopped, the inundation will surely follow.

Again, I believe a study of the industrial conditions in Asia and the probable effect of the extension of the industrial systems of Japan and China will lead every patriotic American Congressman or Senator to the conclusion that it is absolutely necessary to as quickly as possible pass navigation-encouragement and shipbuilding-encouragement laws, so that we may begin again to secure our share of ocean traffic, and in doing so open and keep open markets for American products. The Philippine Islands should be given every consideration, so as to be brought in as close commercial and trade relations as possible to the United States proper. They are the richest possessions of the American Republic, and if treated with reasonable consideration will some day, in trade and commerce, repay the United States a thousandfold for all their acquirement has cost. We must remember that Seward was laughed at by the statesmen of the American Nation, and by the world as well, when he purchased Alaska for \$7,200,000 in 1867; but Alaska is now repaying her purchase price to the United States seven times every year; and so it will be in the Philippine Islands as time goes on and that wonderfully fertile archipelago is brought into the proper relations with the Republic.

Fortunately, we have in the seat of executive authority the man best qualified in all the Nation to give advice and to point the way to the acquirement of American prestige and of American markets in the nations of Asia. [Applause.] No statesman of all the world could more accurately indicate the necessary legislation for securing the proper political relations with the Philippines than President Taft.

No man knows better how to approach the statesmen of Japan or China in the adjustment of international affairs between their country and ours than does President Taft, and so far as California is concerned, I believe I voice the sentiment of the entire State when I say that in the settlement of the intricate and troublesome question of Japanese and other Asiatic labor immigration, that we are satisfied as a people and as a State that he will so handle the situation as to preserve peace with Japan, retain that country's friendship, and at the same time guard against the coming of Asiatic laborers.

In the passage of this bill it is necessary that reason and conciliation shall prevail. As our country goes on and our civilization grows more intricate and our industrial and commercial systems more complex, new questions will constantly arise and old questions will reappear, and statesmen will take opposing sides and bitter controversies will result, but we must remember the science of legislation is imperfect, and administration must always have its faults, but the patriotism, the genius of government, and the honesty of purpose inherent in 90,000,000 American citizens will overcome difficulties as they arise, solve problems as they appear, resist encroachments of any power that transgresses national authority, and still when all is done the vast reservoir of American patriotism will remain undiminished and the mighty depths of America's devotion to liberty and higher civilization remain unsolved. [Loud applause.]

Mr. HILL. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and Mr. GREENE having taken the chair as Speaker pro tempore, Mr. OLMSTED, Chair-

man of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 1438, the tariff bill, and had come to no resolution thereon.

The SPEAKER pro tempore. Now (at 10.30 o'clock p. m.), in accordance with previous order, the House stands adjourned until 10 o'clock to-morrow morning.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. FOSTER of Illinois: A bill (H. R. 5883) to apply a portion of the proceeds of the sales of public lands to the endowment of schools or departments of mines and mining, and to regulate the expenditure thereof—to the Committee on Mines and Mining.

By Mr. AUSTIN: A bill (H. R. 5884) to pension the National Guards of East Tennessee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5885) for the relief of Spanish-American war soldiers—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5886) for the benefit of federal soldiers and state militiamen who were confined in confederate military prisons during the civil war of 1861 to 1865—to the Committee on War Claims.

By Mr. HENRY of Texas: A bill (H. R. 5887) to prohibit dealing in future contracts on agricultural products by forbidding the use of mail and interstate-commerce facilities, and to prevent sending fictitious prices made on exchanges—to the Committee on Agriculture.

By Mr. GRAHAM of Illinois: A bill (H. R. 5888) granting pensions to teamsters of the war of the rebellion and Indian wars, from 1861 to 1865, inclusive—to the Committee on Invalid Pensions.

By Mr. MADISON: A bill (H. R. 6035) relating to injunctions and restraining orders—to the Committee on the Judiciary.

By Mr. DAWSON: A bill (H. R. 6036) to repeal certain provisions of the act of June 13, 1898, and the act of April 12, 1902, and for other purposes—to the Committee on Ways and Means.

By Mr. HOUSTON: A bill (H. R. 6037) to establish a fish-cultural station in the county of Lincoln, in the State of Tennessee—to the Committee on the Merchant Marine and Fisheries.

By Mr. SIMMONS: A bill (H. R. 6038) for the erection of a public building at North Tonawanda, N. Y.—to the Committee on Public Buildings and Grounds.

By Mr. WEISSE: Resolution (H. Res. 47) increasing compensation of I. H. McMichael, chief page on Democratic side of House of Representatives—to the Committee on Accounts.

By Mr. TIRRELL: Resolution (H. Res. 48) relative to pay of the assistant clerk to the Committee on Interstate and Foreign Commerce—to the Committee on Accounts.

By Mr. HAMMOND: Memorial of the legislature of Minnesota against reduction of duty on barley—to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. AMES: A bill (H. R. 5889) granting an increase of pension to Phineas P. Trowbridge—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5890) granting an increase of pension to Lewis Zaney—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5891) granting an increase of pension to Fannie L. Edgerton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5892) granting an increase of pension to William J. Bastian—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5893) granting an increase of pension to William H. Courser—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5894) granting an increase of pension to Mary F. Lawrence—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5895) granting an increase of pension to Walter H. Farwell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5896) granting an increase of pension to John W. McDonald—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5897) granting an increase of pension to James W. Grayson—to the Committee on Pensions.

Also, a bill (H. R. 5898) granting an increase of pension to Marcus M. Bancroft—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5899) granting an increase of pension to Mary Eaton Livingston—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5900) granting an increase of pension to David Curran—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5901) granting an increase of pension to Zelotes L. Place—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5902) granting an increase of pension to William D. Lamb—to the Committee on Pensions.

Also, a bill (H. R. 5903) granting an increase of pension to Patrick Deverix—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5904) granting an increase of pension to Ezekiel R. Morse—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5905) granting an increase of pension to William Barnes—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5906) granting an increase of pension to Emma Thurston—to the Committee on Pensions.

Also, a bill (H. R. 5907) granting an increase of pension to Dennis Sullivan—to the Committee on Pensions.

Also, a bill (H. R. 5908) granting an increase of pension to Levi J. Lewis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5909) granting an increase of pension to Frank W. Buxton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5910) granting an increase of pension to Winslow Russell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5911) granting an increase of pension to Alden Washburn—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5912) granting an increase of pension to Kate T. Dimon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5913) granting an increase of pension to Josiah B. Kinsman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5914) granting an increase of pension to Fannie S. Livers—to the Committee on Pensions.

Also, a bill (H. R. 5915) granting an increase of pension to William I. Bastian—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5916) granting a pension to Charles J. Owens—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5917) granting a pension to Marcella E. Ellis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5918) granting a pension to Frank Austin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5919) granting a pension to Eleanor Chase—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5920) granting a pension to James E. McKenna—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5921) granting a pension to Inez M. Brigham—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5922) granting a pension to George S. Kittredge—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5923) granting a pension to John Sullivan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5924) granting a pension to Martin Gardner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5925) granting a pension to James Burke—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5926) granting a pension to William Fairbrother—to the Committee on Pensions.

Also, a bill (H. R. 5927) granting a pension to Michael Lanergan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5928) granting a pension to Thomas H. Bailey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5929) granting a pension to Frank Maguire—to the Committee on Pensions.

Also, a bill (H. R. 5930) granting a pension to Dennis H. Finn—to the Committee on Pensions.

Also, a bill (H. R. 5931) granting a pension to Inez M. Brigham—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5932) granting a pension to John Collins—to the Committee on Pensions.

Also, a bill (H. R. 5933) for the relief of Henry C. Bliss—to the Committee on Military Affairs.

Also, a bill (H. R. 5934) for the relief of Hercules Van-court—to the Committee on Military Affairs.

Also, a bill (H. R. 5935) for the relief of Patrick McGarry—to the Committee on Military Affairs.

Also, a bill (H. R. 5936) for the relief of Orlando Lawrence—to the Committee on Military Affairs.

Also, a bill (H. R. 5937) for the relief of Daniel Walsh—to the Committee on Military Affairs.

Also, a bill (H. R. 5938) for the relief of Matthew Hogan—to the Committee on Military Affairs.

Also, a bill (H. R. 5939) for the relief of Charles Bates—to the Committee on Military Affairs.

Also, a bill (H. R. 5940) for the relief of Michael H. Farrell—to the Committee on Claims.

Also, a bill (H. R. 5941) for the relief of Charles M. Peirce—to the Committee on Claims.

Also, a bill (H. R. 5942) for the relief of the estate of Mark S. Gorrill—to the Committee on Claims.

Also, a bill (H. R. 5943) to correct the military record of Edward McLaughlin—to the Committee on Military Affairs.

Also, a bill (H. R. 5944) to correct the military record of Orlando Lawrence—to the Committee on Military Affairs.

Also, a bill (H. R. 5945) to correct the military record of Alonzo Vining—to the Committee on Military Affairs.

Also, a bill (H. R. 5946) to remove charge of desertion against Lawrence Martin—to the Committee on Military Affairs.

Also, a bill (H. R. 5947) in the interest of Gilbert P. Cotton—to the Committee on Military Affairs.

By Mr. ASHBROOK: A bill (H. R. 5948) granting an increase of pension to Theodore F. McKinney—to the Committee on Invalid Pensions.

By Mr. AUSTIN: A bill (H. R. 5949) granting an increase of pension to James Smiddy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5950) granting an increase of pension to Charles Davis, alias Charles Russell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5951) granting an increase of pension to Elijah Richardson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5952) granting a pension to Lucy Artis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5953) for the relief of Calvin L. Childress—to the Committee on War Claims.

Also, a bill (H. R. 5954) for the relief of Wilson L. Lowery—to the Committee on War Claims.

Also, a bill (H. R. 5955) granting an increase of pension to George Lawson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5956) granting an increase of pension to Elisha Disney—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5957) granting an increase of pension to William M. Freels—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5958) granting an increase of pension to Alfred S. Ridsen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5959) to remove the charge of desertion against George W. Chambers—to the Committee on Military Affairs.

Also, a bill (H. R. 5960) to remove the charge of desertion standing against William A. Morgan—to the Committee on Military Affairs.

Also, a bill (H. R. 5961) to do justice to the survivors of the shipwreck of the *Sultana*—to the Committee on Military Affairs.

Also, a bill (H. R. 5962) to do justice to the Home Guards of Scott County, Tenn., and to grant honorable discharges and pensions under existing pension laws—to the Committee on War Claims.

By Mr. BARCLAY: A bill (H. R. 5963) granting an increase of pension to Richmond Nichols—to the Committee on Invalid Pensions.

By Mr. CAMPBELL: A bill (H. R. 5964) granting an increase of pension to Samuel R. Shivley—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5965) granting a pension to Josiah T. McKee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5966) granting an increase of pension to Joseph D. Armstrong—to the Committee on Invalid Pensions.

By Mr. CARTER: A bill (H. R. 5967) for the relief of heirs of Samuel Dunagan, deceased—to the Committee on War Claims.

By Mr. CRUMPACKER: A bill (H. R. 5968) to pay Thomas P. Morgan, jr., amount found due him by Court of Claims—to the Committee on Claims.

By Mr. FOSTER of Illinois: A bill (H. R. 5969) granting an increase of pension to George R. McColpin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5970) granting an increase of pension to Henry Kirchner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5971) granting an increase of pension to George Woods—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5972) granting an increase of pension to John Stark—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5973) granting an increase of pension to Joshua Hatcher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5974) granting an increase of pension to Henry Ginnett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5975) granting an increase of pension to Hector G. Daniel—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5976) granting an increase of pension to Francis Lewis—to the Committee on Invalid Pensions.



Also, a bill (H. R. 5977) granting an increase of pension to Henry C. Foster—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5978) granting an increase of pension to John Able—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5979) granting an increase of pension to John Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5980) granting an increase of pension to Mary F. Shank—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5981) granting an increase of pension to Cyrus B. Hampton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5982) granting an increase of pension to Ahijaah Highsmith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5983) granting an increase of pension to Schuyler Carlton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5984) granting an increase of pension to Lewis Jones—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5985) granting an increase of pension to Joseph Mahaffey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5986) granting an increase of pension to David Roney—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5987) granting an increase of pension to John A. Schmahl—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5988) granting an increase of pension to Robert T. Wright—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5989) granting an increase of pension to Silas Perry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5990) granting an increase of pension to Samuel E. Tuttle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5991) granting an increase of pension to August Petit—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5992) granting an increase of pension to Lydia Nesbit—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5993) granting an increase of pension to John N. Ungles—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5994) granting an increase of pension to William L. V. Kite—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5995) granting an increase of pension to Henry Willard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5996) granting an increase of pension to William O. McCoy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5997) granting a pension to William Reynolds—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5998) granting a pension to A. H. Pettibone—to the Committee on Invalid Pensions.

Also, a bill (H. R. 5999) granting a pension to Oscar Sweeten—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6000) granting a pension to John B. Carmon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6001) granting a pension to Margaret A. Jones—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6002) granting a pension to Mariah Jones—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6003) granting a pension to Boaz Ford—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6004) granting a pension to F. M. Reddick—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6005) granting a pension to F. M. Perkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6006) granting a pension to Viola Shaw—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6007) granting a pension to Clifford Sweeten—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6008) granting a pension to Garet Williamson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6009) granting pensions to Ausby D. McCoy, William V. McCoy, Charles McCoy, and Martha B. McCoy—to the Committee on Invalid Pensions.

By Mr. GRAHAM of Illinois: A bill (H. R. 6010) granting an increase of pension to Michael Walsh—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6011) to pay Charles T. Bouillon certain arrearages of pension—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6012) authorizing the Secretary of War to place the name of Joseph F. Ritcherdson on the rolls of Company C, One hundred and twenty-second Regiment Illinois Volunteer Infantry, and issue him an honorable discharge—to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 6013) granting an increase of pension to John Keffer—to the Committee on Invalid Pensions.

By Mr. HIGGINS: A bill (H. R. 6014) granting an increase of pension to Juliette Harrington—to the Committee on Invalid Pensions.

By Mr. HOLLINGSWORTH: A bill (H. R. 6015) for the relief of Andrew Crowl, of Oneida, Carroll County, Ohio—to the Committee on War Claims.

Also, a bill (H. R. 6016) granting an increase of pension to James Creighton—to the Committee on Pensions.

By Mr. KELIHER: A bill (H. R. 6017) granting a pension to Arthur T. Whipple—to the Committee on Invalid Pensions.

By Mr. KROMMILLER: A bill (H. R. 6018) granting an increase of pension to William Cummings—to the Committee on Invalid Pensions.

By Mr. LOUDENSLAGER: A bill (H. R. 6019) granting a pension to Margaret C. Fury—to the Committee on Pensions.

By Mr. LOWDEN: A bill (H. R. 6020) granting an increase of pension to Henry A. Cook—to the Committee on Invalid Pensions.

By Mr. PEARRE: A bill (H. R. 6021) granting a pension to Hattie V. Tall—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6022) granting an increase of pension to Joseph F. Friend—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6023) granting an increase of pension to Michael Englebright—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6024) granting an increase of pension to William S. Bly—to the Committee on Invalid Pensions.

By Mr. REEDER: A bill (H. R. 6025) granting an increase of pension to Jesse F. Snow—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6026) granting an increase of pension to James Bronhard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6027) granting an increase of pension to John Boyle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6028) granting an increase of pension to Marion Vandiver—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6029) granting an increase of pension to H. D. Early—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6030) granting an increase of pension to Conrod Schuette—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6031) granting a pension to G. S. Jenkins—to the Committee on Pensions.

Also, a bill (H. R. 6032) to provide for the issuance of medals of honor to Jesse F. Snow and other volunteer soldiers of the civil war—to the Committee on Military Affairs.

By Mr. TILSON: A bill (H. R. 6033) granting an increase of pension to Ruth A. Quien—to the Committee on Invalid Pensions.

By Mr. WHEELER: A bill (H. R. 6034) granting an increase of pension to Daniel Fry—to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Paper to accompany bill for relief of Theodore S. McKinney—to the Committee on Invalid Pensions. Also, paper to accompany bill for relief of Ary R. Gardner—to the Committee on Invalid Pensions.

Also, petition of Daniel W. Babcock and B. J. Sower, of Mound, Ohio, favoring repeal of duty on raw and refined sugars—to the Committee on Ways and Means.

By Mr. DOUGLAS: Petition of woolgrowers of Amesville, Ohio, against any reduction of the tariff on wool—to the Committee on Ways and Means.

By Mr. FISH: Petition of citizens of Hudson, N. Y., favoring repeal of duty on raw and refined sugars—to the Committee on Ways and Means.

Also, petition of citizens of Hudson, N. Y., against a duty on tea, coffee, cocoa, and spices—to the Committee on Ways and Means.

By Mr. FULLER: Petition of W. F. Matthews, favoring reduction of duty on raw sugars—to the Committee on Ways and Means.

Also, petition of Louise Pottinger and others, of Peru, Ill., against proposed increase of the tariff on hosiery—to the Committee on Ways and Means.

Also, petition of C. R. Randesker, of Durand, Ill., against proposed increase of tariff on hosiery—to the Committee on Ways and Means.

Also, petition of Union Furniture Company, of Rockford, Ill., concerning tariff and plate glass—to the Committee on Ways and Means.

By Mr. GRAHAM of Illinois: Petition of F. W. Dingersen and Rudolph H. Marburger, of Mount Olive, Ill., for an Asiatic

exclusion law, effective as against all Asiatics save merchants, students, and travelers—to the Committee on Ways and Means.

Also, petition of Sangamon-Menard Dental Society, favoring bill relative to army and navy dental surgeons—to the Committee on Military Affairs.

Also, petition of Benevolent and Protective Order of Elks, of Litchfield, Ill., in favor of elk reserve in Wyoming—to the Committee on the Public Lands.

Also, petition of Chicago Clearing House Association, asking for revision of the banking laws—to the Committee on Banking and Currency.

By Mr. HAUGEN: Petition of citizens of the Fourth Congressional District of Iowa, against parcels-post and postal savings bank legislation—to the Committee on the Post-Office and Post-Roads.

Also, petition of citizens of the Fourth Congressional District of Iowa, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. HAYES: Petition of citizens of San Jose, Cal., protesting against duty on tea and coffee—to the Committee on Ways and Means.

By Mr. HITCHCOCK: Petition of citizens of Nebraska, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. HOLLINGSWORTH: Papers to accompany House bill granting an increase of pension to James Creighton—to the Committee on Pensions.

Also, petition of citizens of Hendrysburg, Ohio, praying for passage of Sherwood bill—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Andrew Crowl—to the Committee on Military Affairs.

By Mr. HOWELL of New Jersey: Petition of citizens of the Third Congressional District of New Jersey, against duty on tea and coffee—to the Committee on Ways and Means.

By Mr. KRONMILLER: Petition of Merchants and Manufacturers' Association of Baltimore, relative to empowering the President of the United States to negotiate reciprocal relations with the Dominion of Canada, in connection with the revision of the tariff—to the Committee on Ways and Means.

Also, paper to accompany bill for relief of William Cummings—to the Committee on Invalid Pensions.

By Mr. LAFEAN: Petition of residents of York County, Pa., against removal or reduction of the duty on Philippine tobacco—to the Committee on Ways and Means.

Also, petition of Pennsylvania Free Hide League, for free hides—to the Committee on Ways and Means.

Also, petition of Lumberman's Exchange of Philadelphia, against a reduction of the tariff on lumber—to the Committee on Ways and Means.

Also, petition of Hydrofluoric Manufacturing Company, York, Pa., against a duty on fluor spar—to the Committee on Ways and Means.

By Mr. LINDBERGH: Petition of Northwestern Granite Manufacturers' Association, of St. Cloud, Minn., against reduction of tariff on manufactured granite—to the Committee on Ways and Means.

Also, petition of directors of Chamber of Commerce of Minneapolis, Minn., against reduction of tariff on barley—to the Committee on Ways and Means.

Also, resolution by the house of representatives of the State of Minnesota, against the removal of the tariff on barley—to the Committee on Ways and Means.

Also, petition of Northwestern Shoe and Leather Association, requesting the creation of a tariff commission—to the Committee on Ways and Means.

Also, petition of Northwestern Shoe and Leather Association, against reduction of duty on shoes—to the Committee on Ways and Means.

Also, petition of Northwestern Shoe and Leather Association, requesting removal of tariff on hides—to the Committee on Ways and Means.

By Mr. LINDSAY: Petition of John Kissel, of Brooklyn, N. Y., for removal of duty on Canadian barley—to the Committee on Ways and Means.

Also, petition of the Roessler & Hasslacher Chemical Company, of New York, for a rate of 25 per cent ad valorem on cyanide of sodium—to the Committee on Ways and Means.

Also, petition of the Casein Manufacturing Company, for a duty of 2½ cents per pound on casein—to the Committee on Ways and Means.

Also, petition of Manhattan Shoe Company, of New York, favoring free hides—to the Committee on Ways and Means.

Also, petition of the Paul Taylor Brown Company, against an increase of duty on canned fruits having sugar added—to the Committee on Ways and Means.

Also, petition of Schifflisticker Union, No. 1276S, of New York, favoring increase of duty on embroidery—to the Committee on Ways and Means.

Also, petition of Leggermann Brothers, against increase of duty on chicory—to the Committee on Ways and Means.

Also, petition of Felix Solomon & Co., against reduction of duty on print paper—to the Committee on Ways and Means.

Also, petition of Edward and John Burke, of New York, for specific duty on malt liquors—to the Committee on Ways and Means.

Also, petition of Jed Frye & Co., for reduction of duty on fish—to the Committee on Ways and Means.

Also, petition of the Casein Manufacturing Company, of New York, for a duty of 2½ cents per pound on casein—to the Committee on Ways and Means.

Also, petition of Charles Zoller Company, of New York, against reduction of tariff on spirit varnishes—to the Committee on Ways and Means.

Also, petition of E. C. Kropp Company, for a duty on post cards—to the Committee on Ways and Means.

Also, petitions of Knickerbocker Chocolate Company and F. Bechoff, of New York, favoring cocoa and chocolate on the free list—to the Committee on Ways and Means.

Also, petitions of Hampden Watch Company, of Canton, Ohio; Roy Watch Company, of New York; and Dubois Watch Company, of Brooklyn, N. Y., favoring an increase of duty on watches—to the Committee on Ways and Means.

Also, petition of S. M. Flickinger Company, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of L. C. Gillespie & Sons, against a duty on expressed oils—to the Committee on Ways and Means.

Also, petition of New England Dry Goods Association, against proposed increase in the tariff on hosiery and gloves—to the Committee on Ways and Means.

Also, petition of Chamber of Commerce of Porto Rico, for 5 cents per pound on all foreign coffee, and sugar and coffee be left in statu quo—to the Committee on Ways and Means.

Also, petition of Pittsburg Marble Mosaic Company, against proposed increase of duty on Keene's cement—to the Committee on Ways and Means.

Also, petition of Germania Importing Company, against increase of duty on certain kinds of paper—to the Committee on Ways and Means.

Also, petition of National Liberal Immigration League, favoring action to secure reciprocity of missionary rights with Russia—to the Committee on Foreign Affairs.

Also, petition of C. G. Robertson, of Baltimore, Md., for placing alumina or refined bauxite on the free list—to the Committee on Ways and Means.

Also, petition of National Association of Retail Grocers, of Boston, for no further reduction of duty on sugar—to the Committee on Ways and Means.

Also, petitions of many business firms in many States, favoring reduction of duty on many items of food necessities in the United States—to the Committee on Ways and Means.

By Mr. McHENRY: Petition of citizens of Sixteenth Congressional District of Pennsylvania, opposing tax on tea or coffee—to the Committee on Ways and Means.

By Mr. MARTIN of South Dakota: Petition of citizens and business firms of Bigstone, S. Dak., favoring repeal of duty on raw and refined sugars—to the Committee on Ways and Means.

By Mr. NORRIS: Petition of residents of Holdrege, Nebr., against parcels-post and postal savings bank legislation—to the Committee on the Post-Office and Post-Roads.

Also, petition of surviving veterans of the civil war residing at Clay Center, Nebr., favoring the dollar-a-day bill—to the Committee on Invalid Pensions.

By Mr. OLDFIELD: Paper to accompany bill for relief of Henry C. Denny—to the Committee on Invalid Pensions.

By Mr. HENRY W. PALMER: Petition of Frey Brothers and 20 others, of Wilkes-Barre, Pa., against a duty on hides—to the Committee on Ways and Means.

By Mr. POINDEXTER: Petition of wheat growers of Douglas County, Wash., in favor of placing jute bagging on the free list—to the Committee on Ways and Means.

By Mr. REEDER: Petition of Cattle Raisers' Association of Texas, against reduction of duty on hides—to the Committee on Ways and Means.



By Mr. SPERRY: Petition of citizens of Connecticut, against any tax on tea or coffee—to the Committee on Ways and Means.

By Mr. SULZER: Petition of Chamber of Commerce of New York, favoring present basis of value of merchandise on which ad valorem rates of duties are levied—to the Committee on Ways and Means.

By Mr. WHEELER: Petition of E. G. Bloomgreen and 1,450 others, residents of the Twenty-eighth Congressional District of Pennsylvania, for free hides—to the Committee on Ways and Means.

By Mr. WEISSE: Joint resolution of legislature of Wisconsin, requesting repair of government levee at Portage, Wis.—to the Committee on Levees and Improvements of the Mississippi River.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, March 31, 1909.

The House was called to order at 10 o'clock a. m. by Mr. Alexander McDowell, Clerk of the House, who read the following communication:

SPEAKER'S ROOM,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., March 31, 1909.

I hereby designate Hon. JOHN DALZELL, of Pennsylvania, as Speaker pro tempore.

J. G. CANNON, Speaker.

Mr. DALZELL assumed the chair as Speaker pro tempore.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of yesterday's proceedings was read and approved.

THE TARIFF.

Mr. GAINES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438, the tariff bill.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, Mr. OLMSTED in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 1438, the tariff bill.

Mr. MORGAN of Missouri. Mr. Chairman, it has not been my intention to take any part in the discussion of the bill now before the House, but there are some matters which have been presented that possibly could be made a little clearer regarding that part of the bill providing for 1 cent a pound duty on the zinc contents on zinc-bearing ores. This matter was fully considered by the Committee on Ways and Means in the tariff hearings. The zinc miners and those interested in the zinc-mining business contending for a duty of 1½ cents on the zinc contents on a pound of zinc ore appeared in person, testified, and were submitted to a rigid cross-examination by the members of the Ways and Means Committee. There was some difference in the testimony given on the part of the miners, those who were contending for the tariff, and on the part of the zinc smelter companies, who were opposed to the tariff on zinc ores and who insisted that they should be brought in free.

In the first place, let us consider the testimony of the miners in regard to the cost of production of zinc ores in Mexico and in this country, for this is the only question to be considered in deciding this matter.

I call attention to the testimony of S. Duffield Mitchell; that of Axel O. Ihising, who appeared in person before the Committee on Ways and Means and submitted to a rigid examination, as appears on pages 2550, 2560, and 2597 of Schedule C, part 2, of the tariff hearings; also from the brief of Mr. G. P. Maury, as found on page 2639 of same book, and other testimony not yet printed, including that of W. R. Caulkins, C. T. Orr, president of the Zinc Ore Tariff Club, and B. M. Robinson, all actively engaged in zinc mining in the Joplin district, and well informed as to mining conditions in this country and in Mexico. They are men of highest standing, and their reliability as to any statements made by them would be accepted without question where they are known.

I have made and will print in tabulated form their testimony as to the cost of mining in Mexico and compare it with the cost

of mining in this country. The following is the substance of their testimony:

Without duty.

|  |                     |
|--|---------------------|
| Of Mexican ores, without duty:   |                     |
| Cost of mining, picking, hauling, and loading in cars, 1 ton of Mexican 40 per cent ore..... | average..... \$4.91 |
| Freight from mine to Kansas smelters.....  | do..... 6.95        |
|  | <hr/>               |
| To equal 1 ton of Joplin 60 per cent ore.....  | 11.86               |
| Cost of 1½ tons of Mexican ore, delivered to points in Kansas, without duty imposed.....     | 17.79               |
|  | <hr/>               |
|  | 17.79               |

With duty of 1 cent per pound imposed.

|  |        |
|--|--------|
| Of Mexican ores, duty imposed:   |        |
| Cost of 1 ton of ore (40 per cent).....  | \$4.91 |
| Freight from mine to smelters.....   | 6.95   |
| Duty of 1 cent per pound on metallic contents.....   | 8.00   |
|  | <hr/>  |
|  | 19.86  |
| To equal 1 ton of Joplin 60 per cent ore.....  | 29.79  |
| Cost of 1½ tons of Mexican ore, delivered to points in Kansas, after duty of 1 cent is paid..... | 29.79  |
|  | <hr/>  |
|  | 29.79  |
| Cost to produce and deliver to smelter 1 ton Joplin ore.....                                     | 37.29  |
| Cost of 1½ tons Mexican ore (duty paid) at smelter.....  | 29.79  |
|  | <hr/>  |
|  | 7.50   |

Difference in favor of Mexico after 1 cent duty is paid.  
With duty of 1.5 cents per pound imposed.

|   |        |
|---|--------|
| Of Mexican ores, duty of 1½ cents imposed:  |        |
| Cost of 1 ton of 40 per cent ore.....   | \$4.91 |
| Freight to smelters in Kansas.....  | 6.95   |
| Duty of 1½ cents per pound.....   | 12.00  |
|   | <hr/>  |
|   | 23.86  |
| To equal 1 ton of Joplin 60 per cent ore.....   | 35.80  |
|   | <hr/>  |
|   | 35.80  |
| Cost of 1½ tons of Mexican ore, delivered to Kansas smelters, after a duty of 1½ cents is paid..... | 35.80  |
| Cost of 1 ton of Joplin ore at smelters.....  | 37.29  |
|   | <hr/>  |
|   | 1.49   |

Difference in favor of Mexico after 1½ cents duty is paid. 1.49

From the foregoing testimony by the miners 1½ cents per pound duty on the zinc contents of Mexican zinc-bearing ores would be less than the difference between the cost of production abroad and at home.

I desire next to call attention to the official report, in the Monthly Consular and Trade Reports for the month of January, 1909, Department of Commerce and Labor, by Louis A. Martin, American consul in the State of Chihuahua, Republic of Mexico. The facts stated in this report are corroborated by the American consuls in the States of Coahuila and Nuevo Leon, which show a cost production substantially the same. I will print a tabulated statement thereof. Consul Martin says:

The question of cost of production of zinc ores presents many complications from the fact that the ores occur with more valuable ores.

(1) At Picachos the case is simple, for zinc ore alone is produced, and practically all the cost is that of labor. The total cost—mining and hauling to points in Kansas—should not exceed \$12.32 American currency (which is the unit used throughout this report) per ton.

(2) From the mine near San Ysidro, where mining cost is very low, where 45 per cent zinc is produced from zinc concentrates, the total cost of mining, handling, freightage, etc., to points in Kansas should not exceed more than \$13.57 per ton.

(3) In Santa Eulalia the cost of production is also very low, and the total laid down at points in Kansas should not exceed \$9.75 per ton.

We see from this the average of the three is \$11.88 per ton.

The following table shows cost of delivering to smelters a ton of zinc ore taken from each of the three foregoing States:

With 1 cent per pound duty imposed.

|   |         |
|---|---------|
| (1) Picachos, 1 cent per pound duty imposed:                                      |         |
| Cost 1 ton ore (40 per cent) delivered to Kansas points.....                      | \$12.32 |
| Add 1 cent per pound duty.....  | 8.00    |
|   | <hr/>   |
|   | 20.32   |
| To equal 1 ton of Joplin 60 per cent ore.....                                     | 30.48   |
| Total cost to smelter, after 1-cent duty is paid, of 1½ tons of Picachos ore..... | 30.48   |

With 1.5 cents per pound duty imposed.

|   |         |
|---|---------|
| If 1½-cent duty is imposed:   |         |
| Cost 1 ton of ore.....  | \$12.32 |
| Duty of 1½ cents per pound.....   | 12.00   |
|   | <hr/>   |
|   | 24.32   |
| To equal 1 ton of Joplin 60 per cent ore.....   | 36.48   |
| Total cost of 1½ tons of Picachos ore, paying 1½ cents duty, delivered to smelters in Kansas..... | 36.48   |

With 1 cent per pound duty imposed.

|   |         |
|---|---------|
| (2) a. San Ysidro, duty of 1 cent imposed:  |         |
| One ton 40 per cent ore delivered to Kansas points.....   | \$13.57 |
| Duty of 1 cent per pound.....   | 8.00    |
|   | <hr/>   |
|   | 21.57   |
| To equal 1 ton of Joplin 60 per cent ore.....   | 31.35   |
| Total cost delivered to points in Kansas of 1½ tons of San Ysidro ore after 1 cent duty is imposed..... | 31.35   |